

Quarterly Financial Briefing

FY 2023 Quarter 3.5

FY 2023 Financial Status

FY 2024 Tentative Budget

June 7, 2023

TABLE OF CONTENTS



FY 2023 FINANCIAL STATUS

Major General Sources	3
City Sales Tax	5

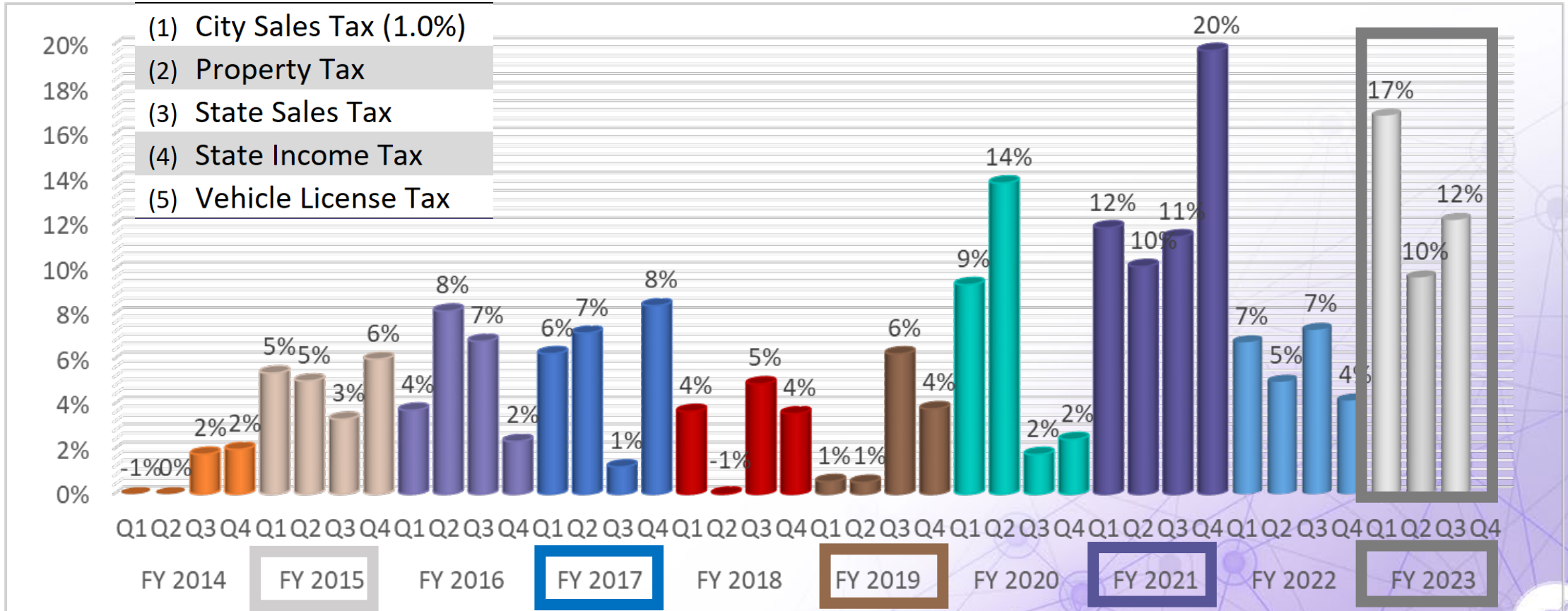
FY 2024 TENTATIVE BUDGET

Maintenance Improvement Districts (MIDs)	7
Budget Calendar	12
Revenue Resilience	14
Changes from Proposed Budget	23
AZ State Forms	25

The format of this presentation is intended to serve as both a work session presentation and Quarterly Report Document.

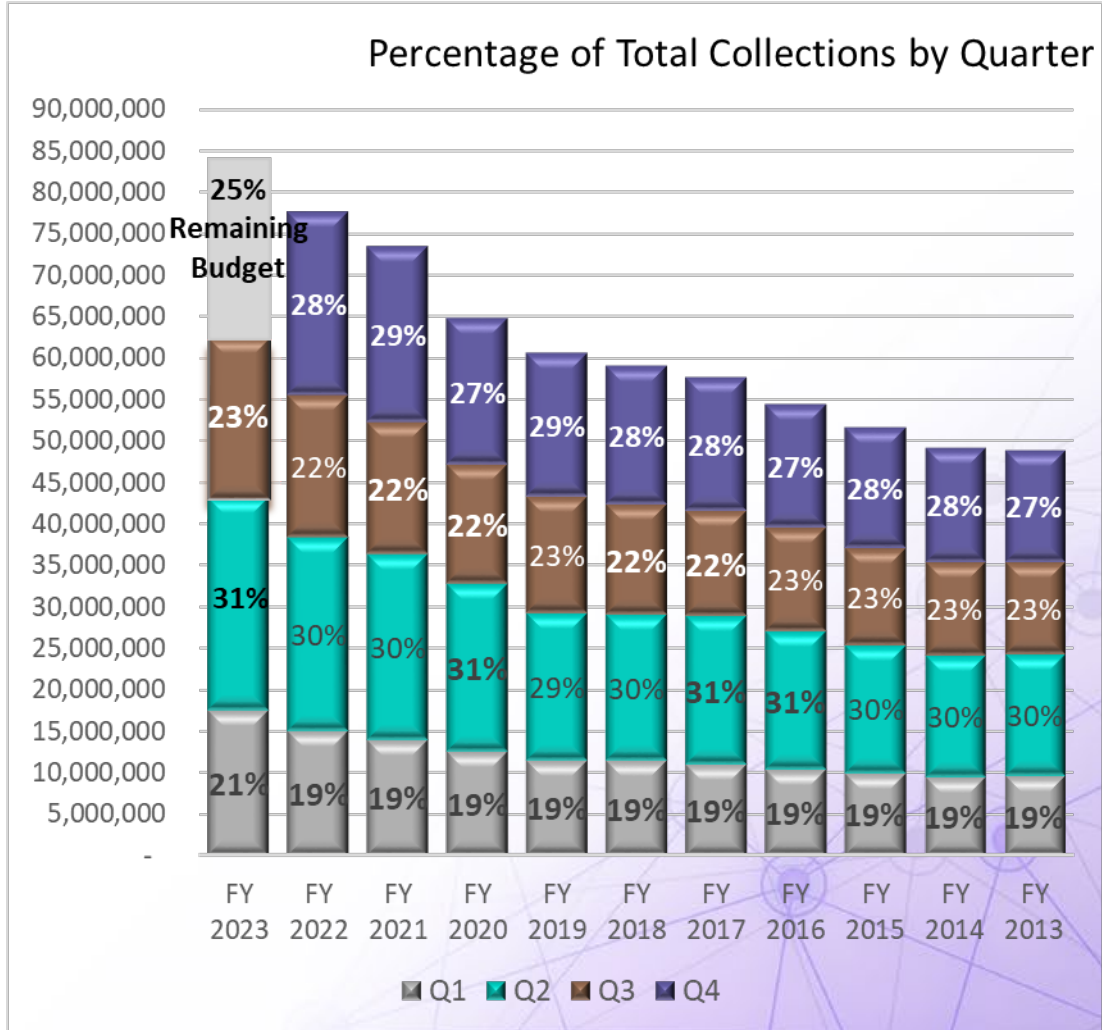
All data may not be addressed during the presentation. Inquiries are welcomed during and after the work session.

MAJOR GENERAL FUND REVENUE



Major General Fund Revenue

- (1) City Sales Tax (1.0%)
- (2) Property Tax
- (3) State Sales Tax
- (4) State Income Tax
- (5) Vehicle License Tax



Graph shows amount and % of total collections by quarter. Note consistency of % in each Q since 2013.



ALL CITY SALES TAX (Q3+APRIL)



CITY'S 1.7% SALES TAX (1.0% General; 0.5% Road; 0.2% Public Safety)

Category	July-April	July-April	Change in	
	FY 2023	FY 2022	\$	%
Retail	\$ 26,299,936	\$ 24,878,908	\$ 1,421,028	5.7%
Restaurants and bars	5,199,552	4,776,337	423,215	8.9%
Food for home consumption	5,716,483	4,706,223	1,010,260	21.5%
Hotels	1,145,602	1,126,021	19,581	1.7%
Utilities	2,276,426	2,358,378	(81,952)	-3.5%
All other	3,044,902	2,842,314	202,588	7.1%
Total Recurring	\$ 43,682,901	\$ 40,688,181	\$ 2,994,720	7.4%
Construction	2,793,726	3,352,210	(558,484)	-16.7%
Total City's 1.7% Tax	\$ 46,476,627	\$ 44,040,391	\$ 2,436,236	5.5%

TWO PERCENT TAX (2.0%)

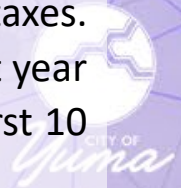
Category	July-April	July-April	Change in	
	FY 2023	FY 2022	\$	%
Restaurants and bars	\$ 6,107,133	\$ 5,730,452	\$ 376,681	6.6%
Hotels	1,303,226	1,265,636	37,590	3.0%
Total Two Percent Tax	\$ 7,410,359	\$ 6,996,088	\$ 414,271	5.9%

Total 2% Tax for Parks is **5.9% higher** through the first 10 months of FY 2023 (July-April) as compared to FY 2022. This is an improvement from the 8 months ended (July-February) FY2023 that showed an increase of 3.7%.

Overall, FY 2023 **Total City 1.7% Taxes** are **5.5%** or \$2.4 million **more** than FY 2022 for the first 10 months of July-April. The FY 2023 Budget Goal of a **2.8% increase** is being exceeded. This is **good**.

Total Recurring, tax revenues are categories that, in the General Fund, support the City's core operations, personnel, small equipment, contracts, and repayment of bonds. The first 10 months in FY2023 (July-April) is **7.4% higher** than FY 2023 for the same time period. This is needed to **meet budget goals**.

Construction revenue is not used for ongoing operations. It is allocated toward capital expenditures or other one-time type purchases. Any reduction in construction revenues can be augmented with *recurring revenues*. This is an indicator of growth in the tax base for future property and sales taxes. Construction is **16.7%** or \$558 thousand **lower** than last year (FY 2022), but is still at a level of \$2.8 million for the first 10 months of FY 2023.



FY 2024 TENTATIVE BUDGET



CITY OF
Yuma

MAINTENANCE IMPROVEMENT DISTRICTS (MIDS)



The City of Yuma has been creating Maintenance Improvement Districts (MID) since 2017. FY 2022 was the first year that residents were 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 for FY 2024 are displayed in the chart below.

The City has established 16 active MIDs for FY 2024. All of the MIDs tax basis is based on the value of the property. The costs of the MIDs are shared based on the property values in the district. To not overburden the early home buyers, the MIDs typically begin with a temporary loan from the City, which will be repaid over time. As more homes are purchased, the tax base grows to cover the costs of the district. The fund chart is below.

MUNICIPAL IMPROVEMENT DISTRICTS		REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE				
SOURCES AND USES	ACTUAL AUDITED FY 2022	ACTUAL ESTIMATED FY 2023	BUDGET AMENDED FY 2023	BUDGET PROPOSED FY 2024	FY 2024 AND FY 2023 CHANGE IN	
					\$	%
REVENUES:					ACTUAL TO BUDGET	
Local property levies	\$ 67,362	\$ 189,350	\$ 192,000	\$ 378,700	\$ 189,350	100%
All other related revenue	-	-	-	-	-	N/A
Total revenues	67,362	189,350	192,000	378,700	189,350	100%
EXPENDITURES:					BUDGET TO BUDGET	
Personnel	-	-	-	-	-	N/A
Operating	137,422	410,038	426,758	448,876	22,118	5%
Capital outlay	-	-	-	-	-	N/A
Contingency (budget only)	-	-	-	-	-	N/A
Capital Improvement Plan:	-	-	-	-	-	N/A
Completed and paid in current year	-	-	-	-	-	N/A
Estimated completion in future years	-	-	-	-	-	N/A
Total expenditures	137,422	410,038	426,758	448,876	22,118	5%
CHANGE IN FUND BALANCES	\$ (70,060)	\$ (220,688)	\$ (234,758)	\$ (70,176)	\$ 164,582	-70%
FUND BALANCE					ACTUAL TO BUDGET	
Beginning July 1	(33,462)	(103,522)	(103,522)	(324,210)	(220,688)	213%
Ending June 30	\$ (103,522)	\$ (324,210)	\$ (338,280)	\$ (394,386)	(70,176)	22%

Negative fund balance is a loan from the General Fund which will be repaid in future district assessments

Open House:

- April 26 (In-Person);
- April 27 (Virtual); and
- Comments via phone and email

Attendees:

- Cielo Verde = 16
- La Estancia = 1
- Livingston Ranch No. 2 = 3
- Saguaro Unit No. 4 = 2
- Autumn Valley = 1



MIDs (Maintenance Improvement Districts)



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

MAINTENANCE IMPROVEMENT DISTRICTS							SUMMARY	
City ID No.	Maintenance Improvement District	Tax Authority No.	Budgeted Expenditures	Temporary Loan from City	Proposed Property Tax Rate	Assessed Property Valuation	Estimated Property Levy	
100	Park West Units 4 and 5	3105701	\$ 18,000	\$ - -	\$0.7000	\$ 3,544,631	\$ 24,812	
102	Cielo Verde Unit Three Phases 1 & 2	3105501	12,140	- -	1.2245	1,367,267	16,742	
104	Desert Sky Unit 1	3105601	63,519	45,691 ▼	1.6000	3,969,917	63,519	
107	Saguaro Units 3 and 4	3104701	21,140	- -	0.8000	3,884,359	31,075	
108	Driftwood Ranch Units 1 and 2	3104501	24,837	- -	0.7240	3,430,581	24,837	
109	Livingston Ranch Unit No. 2	3104601	30,500	37,201 ▲	1.6000	1,916,519	30,664	
110	Desert Sands Unit No. 1	3104901	34,768	- -	1.6000	2,172,993	34,768	
111	Villa Serena Unit No. 1	3105001	21,200	47,128 ▲	1.6000	410,164	6,563	
112	Araby North Subdivision	3105101	5,417	33,122 ▲	1.6000	338,571	5,417	
113	Autumn Valley Subdivision	3105201	19,030	35,163 ▲	1.6000	157,439	2,519	
115	La Estancia Subdivision	3105301	49,081	7,989 ▼	1.6000	3,067,550	49,081	
116	Cielo Verde Units 2B, 4 and 6	3105401	-	- -	0.0000	737,804	-	
117	Desert Sands Unit No. 2	3106501	-	- -	0.0000	640,221	-	
118	Terra Bella Units 2-5	N/A	-	- -	0.0000	N/A	N/A	
119	Desert Sands Unit No. 3	3106601	-	- -	0.0000	40,041	-	
120	Santana Sub Units 1-4	3106401	30,140	25,006 ▲	1.6000	1,298,305	20,773	
-	MID Contingency	-	119,104	- -	-	-	-	



MIDs (Maintenance Improvement Districts)

Current assessment rates and levies in comparison to prior years

MAINTENANCE IMPROVEMENT DISTRICTS					
City ID	Maintenance Improvement District	Tax Authority	Limited Property Assessed Valuation (LPV)		
			FY 2024	FY 2023	FY 2022
100	Park West Units 4 and 5	3105701	\$ 3,544,631	\$ 2,205,714	\$ 1,211,984
102	Cielo Verde Unit Three Phases 1 ar	3105501	1,367,267	991,435	-
104	Desert Sky Unit 1	3105601	3,969,917	3,079,587	1,975,837
107	Saguaro Units 3 and 4	3104701	3,884,359	2,640,468	1,738,554
108	Driftwood Ranch Units 1 and 2	3104501	3,430,581	2,628,927	1,248,993
109	Livingston Ranch Unit No. 2	3104601	1,916,519	1,196,013	594,198
110	Desert Sands Unit No. 1	3104901	2,172,993	1,646,532	-
111	Villa Serena Unit No. 1	3105001	410,164	370,970	-
112	Araby North Subdivision	3105101	338,571	199,880	-
113	Autumn Valley Subdivision	3105201	157,439	23,278	-
115	La Estancia Subdivision	3105301	3,067,550	1,443,334	-
116	Cielo Verde Units 2B, 4 and 6	3105401	737,804	-	-
117	Desert Sands Unit No. 2	3106501	640,221	-	-
118	Terra Bella Units 2-5	N/A	-	-	-
119	Desert Sands Unit No. 3	3106601	40,041	-	-
120	Santana Sub Units 1-4	3106401	1,298,305	-	-



MIDs (Maintenance Improvement Districts)



The assessed valuation and comparison to prior years is outlined below. As the valuation of the MID increases, the need for subsidy from the City decreases (see arrows above).

MAINTENANCE IMPROVEMENT DISTRICTS					ASSESSMENT RATES AND LEVIES		
City ID No.	Maintenance Improvement District	Tax Authority	Direct Property Levy	Assessed Valuation or Units	Current FY 2024 Tax Rate	Prior Years	
						FY 2023 Tax Rate	FY 2022 Tax Rate
100	Park West Units 4 and 5	3105701	\$ 24,812	\$ 3,544,631	\$ 0.7000	\$ 0.7000	\$ 1.1056
102	Cielo Verde Unit Three Phases 1 a	3105501	16,742	1,367,267	1.2245	1.2245	-
104	Desert Sky Unit 1	3105601	63,519	3,969,917	1.6000	1.3000	1.1033
107	Saguaro Units 3 and 4	3104701	31,075	3,884,359	0.8000	0.8005	0.8050
108	Driftwood Ranch Units 1 and 2	3104501	24,837	3,430,581	0.7240	0.7240	1.1209
109	Livingston Ranch Unit No. 2	3104601	30,664	1,916,519	1.6000	1.4000	1.1107
110	Desert Sands Unit No. 1	3104901	34,768	2,172,993	1.6000	1.6000	-
111	Villa Serena Unit No. 1	3105001	6,563	410,164	1.6000	1.6000	-
112	Araby North Subdivision	3105101	5,417	338,571	1.6000	1.6000	-
113	Autumn Valley Subdivision	3105201	2,519	157,439	1.6000	1.6000	-
115	La Estancia Subdivision	3105301	49,081	3,067,550	1.6000	1.6000	-
116	Cielo Verde Units 2B, 4 and 6	3105401	-	737,804	-	-	-
117	Desert Sands Unit No. 2	3106501	-	640,221	-	-	-
118	Terra Bella Units 2-5	N/A	N/A	N/A	-	-	-
119	Desert Sands Unit No. 3	3106601	-	40,041	-	-	-
120	Santana Sub Units 1-4	3106401	20,773	1,298,305	1.6000	-	-



MIDs (Maintenance Improvement Districts)

Revenue, expenditure and fund balance for each MID

MAINTENANCE IMPROVEMENT DISTRICTS			REVENUE, EXPENDITURE AND FUND BALANCE				
City ID No.	Maintenance Improvement District	FY 2023 Beginning Balance*	FY 2023		FY 2024		FY 2024 Ending Balance*
			Revenue	Expenditure	Revenue	Expenditure	
100	Park West Units 4 and 5	\$ (498)	\$ 16,874	\$ 14,906	\$ 24,812	\$ 18,000	\$ 8,282
102	Cielo Verde Unit Three Phases 1 c	-	12,914	12,140	16,742	12,140	5,376
104	Desert Sky Unit 1	(49,991)	40,624	37,343	63,519	62,500	(45,691)
107	Saguaro Units 3 and 4	996	21,134	21,140	31,075	21,140	10,925
108	Driftwood Ranch Units 1 and 2	11,919	19,100	19,030	24,837	19,030	17,796
109	Livingston Ranch Unit No. 2	(30,056)	17,826	25,135	30,664	30,500	(37,201)
110	Desert Sands Unit No. 1	-	26,350	27,140	34,768	27,140	6,838
111	Villa Serena Unit No. 1	(20,431)	5,988	18,048	6,563	21,200	(47,128)
112	Araby North Subdivision	(14,087)	3,198	13,650	5,417	14,000	(33,122)
113	Autumn Valley Subdivision	-	378	19,030	2,519	19,030	(35,163)
115	La Estancia Subdivision	(14,374)	24,296	33,496	49,081	33,496	(7,989)
116	Cielo Verde Units 2B, 4 and 6	-	-	-	-	-	-
117	Desert Sands Unit No. 2	-	-	-	-	-	-
118	Terra Bella Units 2-5	-	-	-	-	-	-
119	Desert Sands Unit No. 3	-	-	-	-	-	-
120	Santana Sub Units 1-4	-	-	15,639	20,773	30,140	(25,006)
-	MID Contingency	-	-	-	-	119,104	-

* a negative fund balance (in brackets) represents a temporary loan repaid has district is built-out



BUDGET CALENDAR



STATE BUDGET HAS PASSED; Legislative Session Still Open

KEY DATES FOR MAYOR AND CITY COUNCIL'S BUDGET, CIP AND LEVY ADOPTIONS					Updated: May 30, 2023	
EVENT	Original	Modified May 3rd	If Adopt July 5	If Adopt July 19	COMMENTS	
Budget Work session	April 18	April 18	April 18	April 18	✓	Completed
CIP Document Available	May 1	May 1	May 1	May 1	✓	Completed
CIP Presentation and Discussion	May 17	May 17	May 17	May 17	✓	Completed
Adopt Tentative Budget <i>and final CIP</i>	May 17	June 7	June 7	June 7		Tentative sets ceiling, can adopt lower
Post on website (Budget)	May 19	June 9	June 9	June 9		Within 7 business days; posted for 60 months
Yuma Sun (Budget)	May 23, 30	June 9, 16	June 20, 27	July 3, 11		Once per week; 2 consecutive weeks (or with TNT)
Public Hearing on Budget	June 7	June 21	July 5	July 19		Combined with TNT / Levy hearing ARS §42-17104
Adopt Final Budget	June 7	June 21	July 5	July 19		Adopt Budget only; Levy Ordinance to follow
Yuma Sun (TNT)	May 23, 30	July 3, 11	June 20, 27	July 3, 11		1st 20-14 days; 2nd 10-7 days
Public Hearing on Levy (TNT, if applicable)	June 7	July 19	July 5	July 19		Combined with TNT / Levy hearing ARS §42-17104
Introduction of Ordinance	June 7	July 19	July 5	July 19		Regular City Council meeting (Charter)
Adoption of Tax Levy and MID Ordinances	June 21	August 2	July 19	August 2		Two weeks after Introduction (Regular meeting)
County adopts all Tax Rates and Levies	August 21	August 21	August 21	August 21		3rd Monday in August



BUDGET CALENDAR (TIMELINE)

BUDGET CALENDAR AS MODIFIED JUNE	APRIL	MAY			JUNE			JULY			AUG
	18	1	16/17	23/30	7	20/27	21	3/11	5	19	2
Public Hearings:											
Capital Improvement Plan		X									
Final Budget										X	
Truth-in-Taxation (TNT)										X	
Tax Levy Ordinance										X	
Adopt:											
Tentative Budget					X						
Final Budget										X	
Capital Improvement Plan					X		X				
Tax Levy Ordinance											X
Notices / Postings:											
Budget										X	
TNT, if applicable										X	
Other Events:											
Budget work session	X										
CIP Document Available		X									
CIP Presentation			X								
Tax Ordinance Introduction										X	

HEARINGS AND FINAL ADOPTION JULY 19
[Posted July 3 and 11]

BUDGET CALENDAR AS MODIFIED JUNE	APRIL	MAY			JUNE			JULY			AUG
	18	1	16/17	23/30	7	20/27	21	3/11	5	19	2
Public Hearings:											
Capital Improvement Plan											
Final Budget										X	
Truth-in-Taxation (TNT)										X	
Tax Levy Ordinance										X	
Adopt:											
Tentative Budget										X	
Final Budget										X	
Capital Improvement Plan					X		X				
Tax Levy Ordinance											X
Notices / Postings:											
Budget										X	
TNT, if applicable										X	
Other Events:											
Budget work session	X										
CIP Document Available		X									
CIP Presentation			X								
Tax Ordinance Introduction										X	

HEARINGS AND FINAL ADOPTION JULY 5
[Posted June 20 and 27]

Arrows are anchored at the original action date and points to the current action date as marked with an "X"



RESILIENCE (STRESS) TESTS



14



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FY 2023 SUMMARY (NO CHANGE)



13

Under current conditions there are **no immediate indications in revenue or spending trends to warrant mitigating action** to reduce or restrict expenditure budgets or City's operations and services.

Like the rest of the nation, the **on-going caution for disruptions in economic and consumer confidence** related to supply chains, inflationary factors, and the availability of materials and labor.

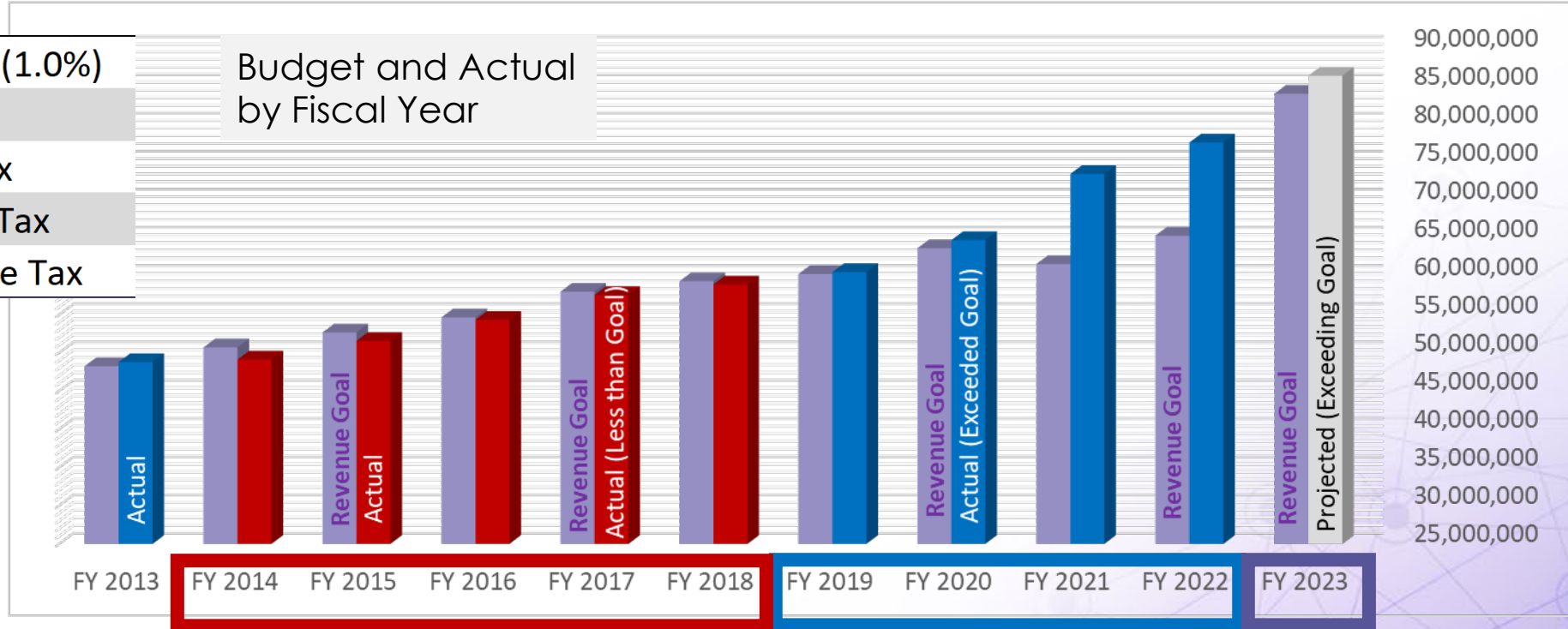
Continue **staying flexible and adaptable** with contingency plans and actions identified will assist the City in navigating these concerns.

Management will continue **monitoring revenues, economic factors and legislative actions** and will alert City Council with mitigating actions if revenue trends or risk indicators signal the onset of adverse conditions that will be detrimental to the City's financial condition.

REVENUE GOALS

- (1) City Sales Tax (1.0%)
- (2) Property Tax
- (3) State Sales Tax
- (4) State Income Tax
- (5) Vehicle License Tax

Budget and Actual by Fiscal Year



Revenue goals are set lower, expected to be exceeded, within reason:

- If goal is exceeded, the revenue can be used next FY;
- However, if goal is too low, it can cause delays in projects or leave important City Initiatives unfunded or held back

When revenue goals are set too high or not met, risk of overextended (stress test):

- Determine the extent of the amount and duration until revenues rebound
- If reduced expenditures are warranted
 - Possible re-prioritization of programs



PROPERTY LEVY



TRUTH-IN-TAXATION OVERVIEW

	FY 2022-23 (TY 2022)	FY 2023-24 (Tax Year 2023)						
		Appreciation to Base	A) Stay at Same Base Levy (0% Increase)			B) Back to Maximum Levy (4% Increase)		
			Base	New Construction	Total	Base	New Construction	Total
Proposed 2023-24 Tax Levy	-	-	\$ 15,104,827	\$ 312,305	\$ 15,417,132	\$ 15,715,831	\$ 324,945	\$ 16,040,776
Total Assessed Valuation	\$ 688,774,583	\$ 33,858,798	722,633,381	14,941,378	737,574,759	722,633,381	14,941,378	737,574,759
Taxed on per \$100	6,887,746		7,226,334	149,414	7,375,748	7,226,334	149,414	7,375,748
Primary Property Tax Rate	2.1930		2.0902	2.0902	2.0902	2.1748	2.1748	2.1748
Primary Tax Levy	15,104,827		15,104,483	312,305	15,416,788	15,715,831	324,945	16,040,776
			\$ (344) difference due to rounding			\$ 611,004	TNT required	
			0.00% (need be same / lower or do TNT)			4.05%	(Max increases 2% per year)	
TNT (Truth-in-Taxation)			Not to be Published			Required to Publish	Difference: Stay at Same Base vs. Continue at the Max	
Home Value			\$ 209.02			\$ 217.48		
2023-24 Primary Property Tax Levy per \$100,000 Home Value if the Tax Rate was not adjusted in FY 2024			209.02			209.02	FY 2024	\$ 623,988
Proposed 2023-24 Primary Property Tax Levy Increase(Decrease) per \$100,000 Home Value			-			8.4600	FY 2023	\$ 303,060

PROPERTY LEVY RISKS

- Local Economy, *Preemptive Legislation (Reset Max Levy in mid 2000's)*



PROPERTY LEVY

- Delayed later than original budget calendar
- Waiting for State budget - **Passed** ✓
- Waiting outcome of legislation including:
 - Rental TPT - **Preempted**
 - Grocery TPT - *Pending?*
- Other considerations:
 - COY final population compared to rest of state for shared revenues

CITY SALES TAX (GF 1%)



CITY'S 1.7% SALES TAX	TOTAL OF (1.0% GENERAL; 0.5% ROAD; 0.2% PUBLIC SAFETY)						GENERAL FUND ONLY		
	Actual FY 2021	Actual FY 2022	% Change	Estimated FY 2023	% Change	Budget FY 2024	% Change	Budget FY 2024	% Change
Retail (non internet)	\$26,331,645	\$28,415,598	7.9%	\$29,978,456	5.5%	\$30,727,917	2.5%	\$18,075,245	2.5%
Restaurants and bars	4,756,792	5,818,497	22.3%	6,225,792	7.0%	6,362,759	2.2%	3,742,800	2.2%
Internet sales *	1,411,135	1,819,061	28.9%	2,091,920	15.0%	2,238,355	7.0%	1,316,679	7.0%
Hotels	986,472	1,382,398	40.1%	1,410,046	2.0%	1,438,247	2.0%	846,028	2.0%
Utilities	2,688,252	2,784,152	3.6%	2,686,707	-3.5%	2,632,973	-2.0%	1,548,807	-2.0%
All other	2,826,702	3,050,268	7.9%	2,989,263	-2.0%	2,959,370	-1.0%	1,740,806	-1.0%
Sub-Total Recurring	\$39,000,998	\$43,269,974	10.9%	\$45,382,183	4.9%	\$46,359,621	2.2%	\$27,270,365	2.2%
Food for home consumption	5,541,656	5,705,262	3.0%	6,846,314	20.0%	7,394,020	8.0%	4,349,423	8.0%
Residential rental leasing	186,121	343,233	84.4%	617,819	80.0%	803,165	30.0%	472,450	30.0%
Sub-Total At-Risk	\$5,727,777	\$6,048,495	5.6%	\$7,464,134	23.4%	\$8,197,185	9.8%	\$4,821,873	9.8%
Construction (Nonrecurring)	3,139,253	4,001,825	27.5%	3,141,433	-21.5%	2,827,289	-10.0%	1,663,111	-10.0%
Total City's 1.7% Tax	\$47,868,028	\$53,320,294	11.4%	\$55,987,750	5.0%	\$57,384,095	2.5%	\$33,755,350	2.5%

* Internet Sales = Marketplace facilitated or remote retail sales of food for home consumption

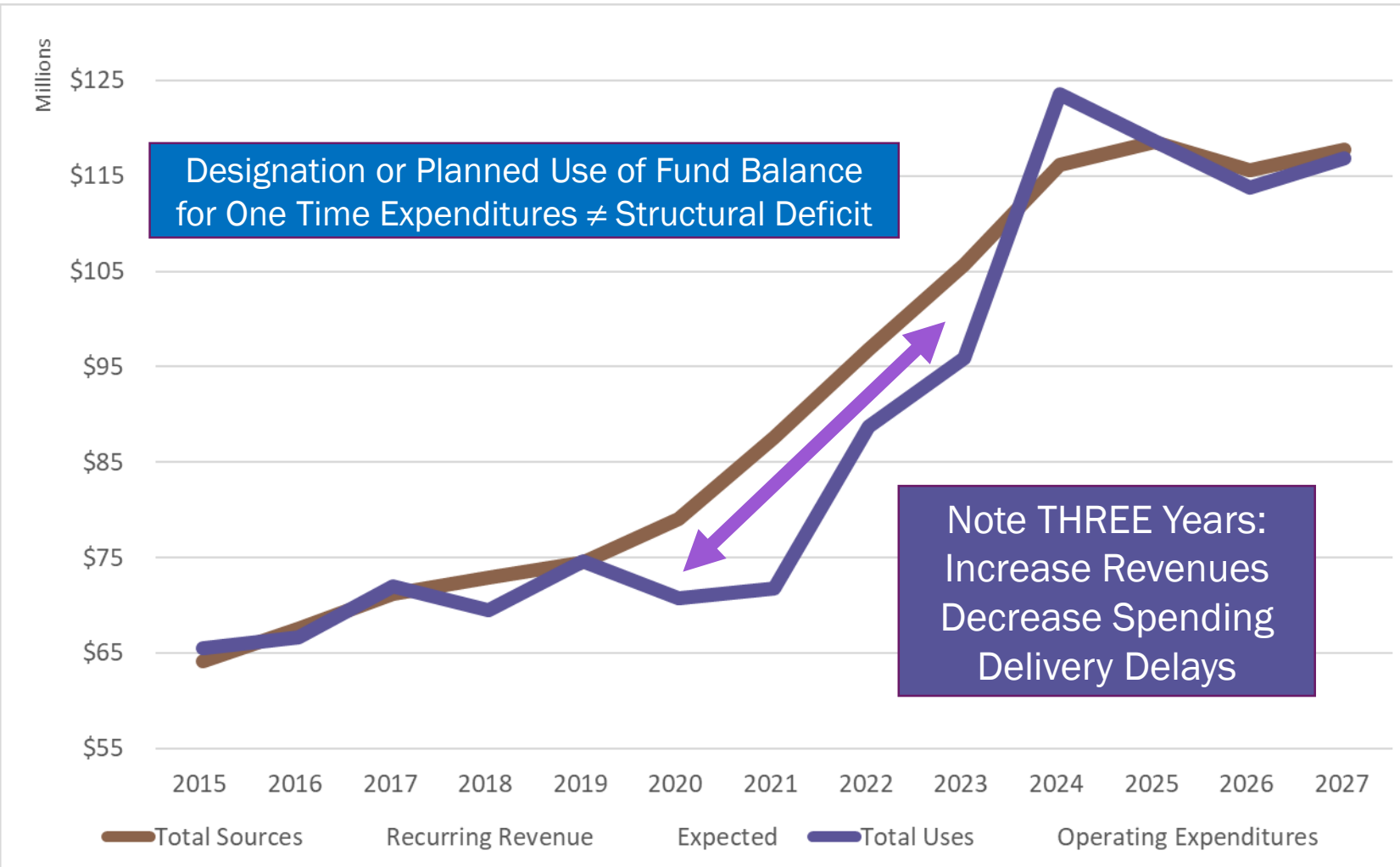
Does not include the City's Two Percent Tax

Rental is 1% of Total Recurring and at-risk GF City Sales Tax (Non-Construction) FY 2024;
Starting to see growth in futures

Combined with Grocery is 15% FY 2024 GF TPT

- ## CITY SALES TAX RISKS
- Local/States Economy,
 - *Preemptive Legislation (Restrict Categories)*





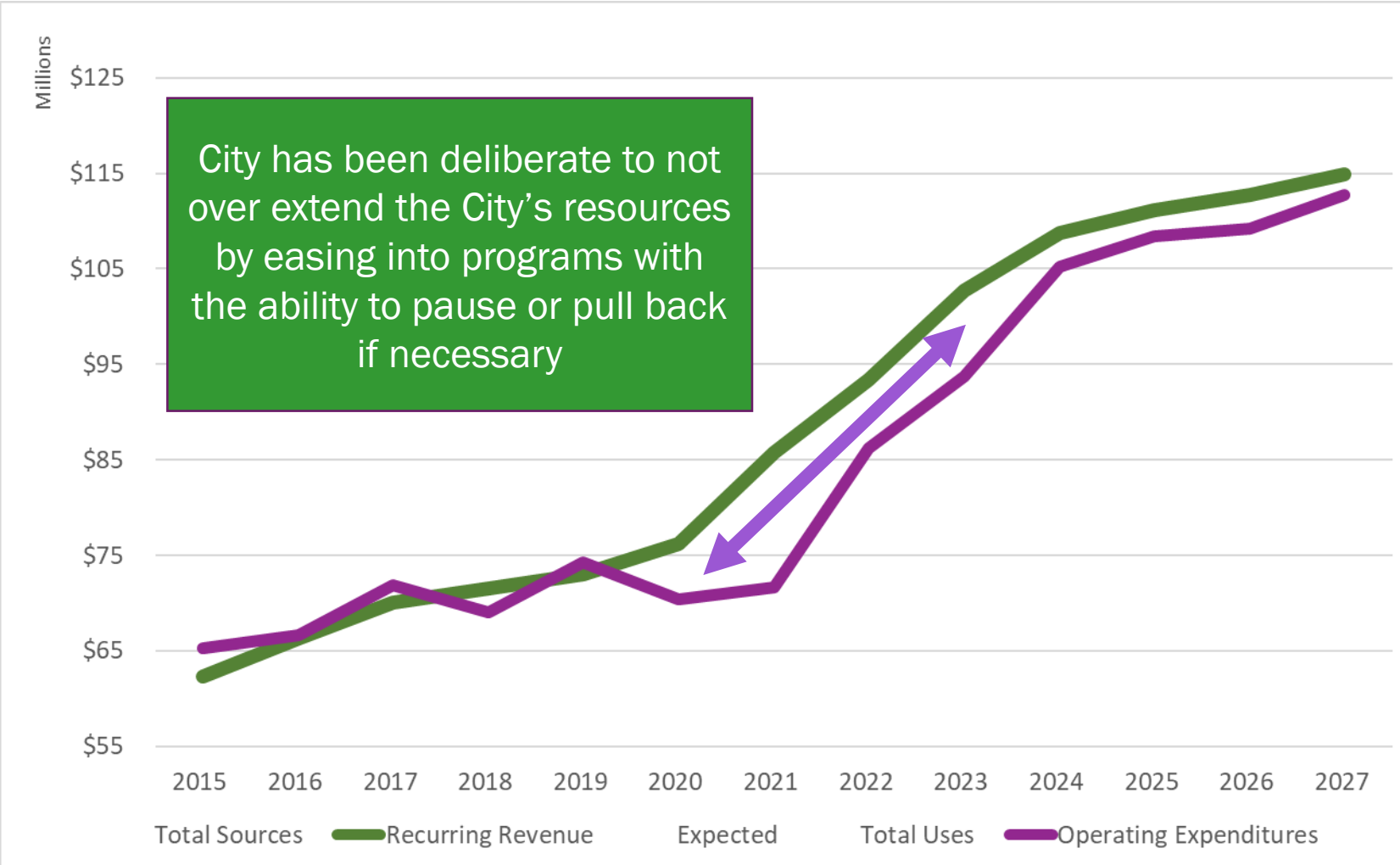
NOT TYPICAL YEARS

- Expected to see smooth line
- Unless big projects or other one-time outflows such as: supply chain delays

BUDGET DEFICITS

- Not Structural
- Planned use of prior fund balance
- Planned use of assigned fund balance





FY 2024-27 Assertions

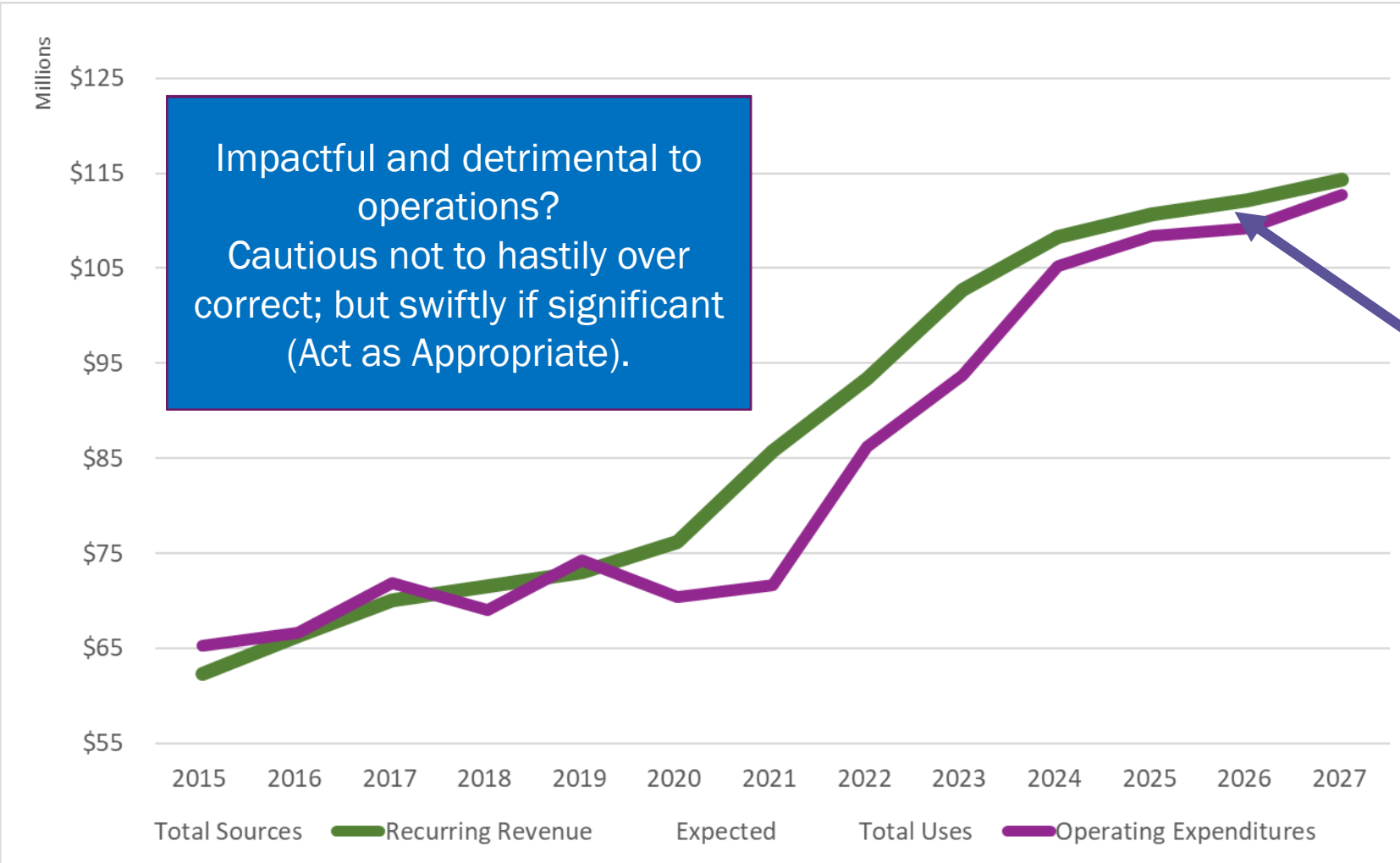
• REVENUE

- Grocery/Rent tax included
- City Sales Tax 2%
- Property Tax 4% (+New Const.)
- Income Tax (reduced rate)
- State Sales Tax 1.5%
- VLT 1%; All other 0%-2%

• EXPENDITURES

- Personnel
 - 5-6% wages
 - 2-3% health
 - 8% Reversion (12-18%avg)
- Operating 2%
- Debt and Vehicle rents per Schedules





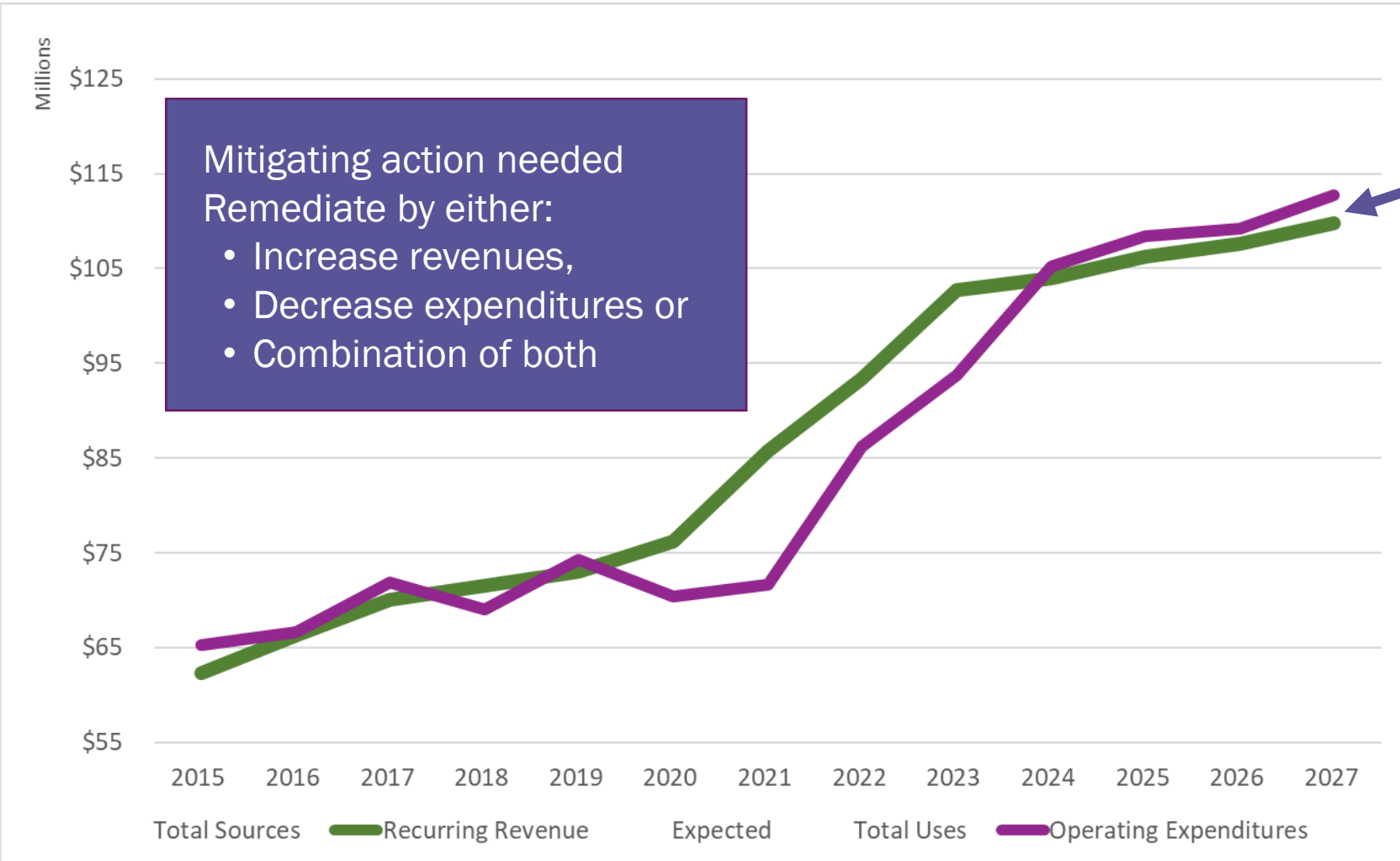
FY 2024-27 Assertions

- REVENUE

- Grocery/~~Rent~~ tax included
- City Sales Tax 2%
- Property Tax 4% (+New Const.)
- Income Tax (reduced rate)
- State Sales Tax 1.5%
- VLT 1%; All other 0%-2%
- **Rent tax NOT included**

- EXPENDITURES

- Personnel
 - 5-6% wages
 - 2-3% health
 - 8% Reversion (12-18%avg)
- Operating 2%
- Debt and Vehicle rents per Schedules



Mitigating action needed
Remediate by either:

- Increase revenues,
- Decrease expenditures or
- Combination of both

FY 2024-27 Assertions

- REVENUE
 - **Grocery tax NOT included**
 - City Sales Tax 2%
 - Property Tax 4% (+New Const.)
 - Income Tax (reduced rate)
 - State Sales Tax 1.5%
 - VLT 1%; All other 0%-2%
 - **Rent tax NOT included**
- EXPENDITURES
 - Personnel
 - 5-6% wages
 - 2-3% health
 - 8% Reversion (12-18%avg)
 - Operating 2%
 - Debt and Vehicle rents per Schedules

CHANGES SINCE APRIL 18TH

	General Fund	All Other Funds	Total Budget
Recommended Changes to Proposed Budget			
Proposed Budget	\$ 107,080,057	\$ 365,463,105	\$ 472,543,162
Personnel			105,891
Information Technology- Radio Communications: upgrade Public Safety Systems Engineer to full-time	-	105,891	
Municipal Court: upgrade Executive Assistant to Administrative Support Manager	-	-	
Police: Move 12 positions from Investigations to Quality Assurance	-	-	
Supply Chain Delays- Carryforward items			172,439
Utilities: Cellular endpoints & encoder	-	101,269	
Parks and Recreation: Yuma Civic Center Marquee	-	71,170	
Total of budget with changes	\$ 107,080,057	\$ 365,741,435	\$ 472,821,492

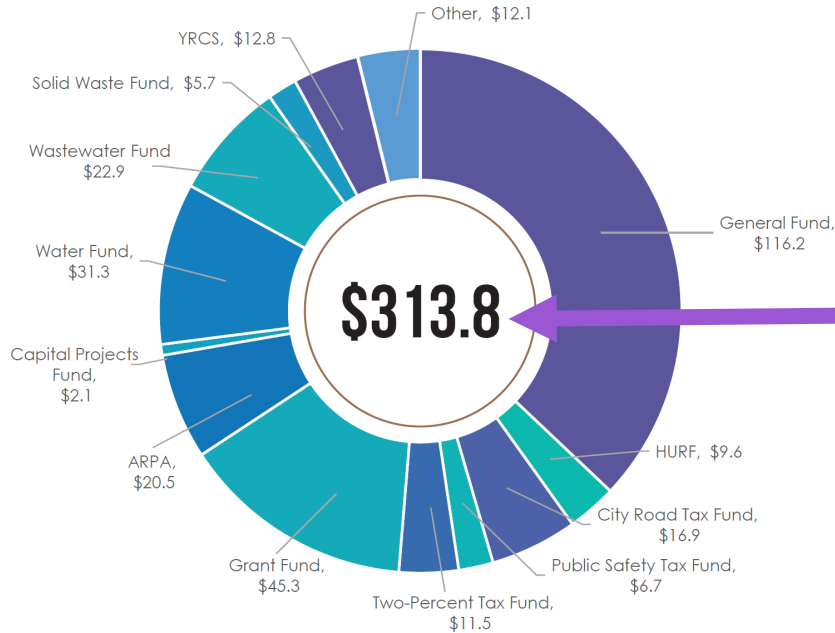
PROPOSED TENTATIVE BUDGET



FY 2024 REVENUES

\$313.8 All Funds

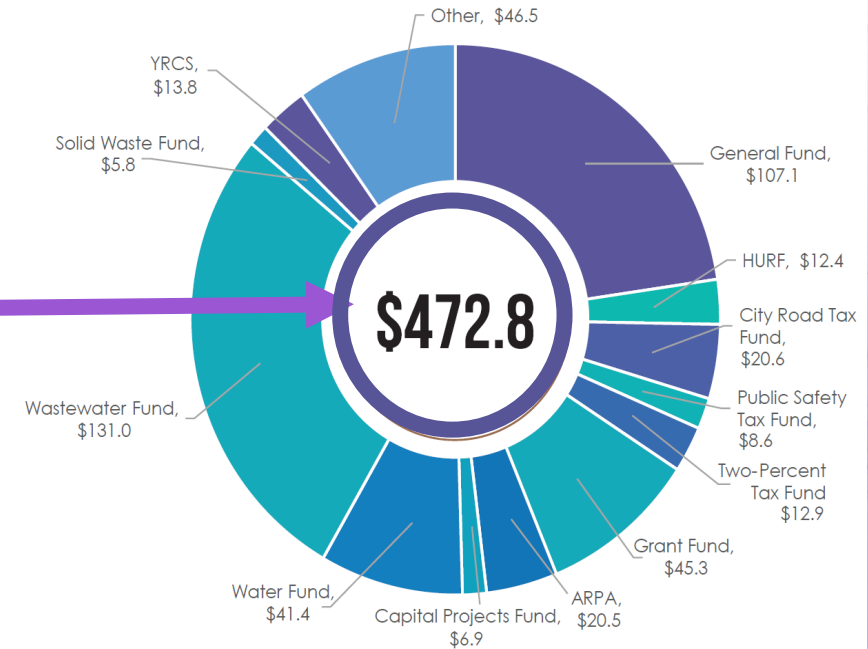
- \$116.2 General Fund
- \$9.6 HURF
- \$16.9 City Road Tax Fund
- \$6.7 Public Safety Tax Fund
- \$11.5 Two-Percent Tax Fund
- \$45.3 Grant Fund
- \$20.5 ARPA
- \$2.1 Capital Projects Fund
- \$31.3 Water Fund
- \$22.9 Wastewater Fund
- \$5.7 Solid Waste Fund
- \$12.8 YRCS
- \$12.1 Other



FY 2024 EXPENDITURES

\$472.8 All Funds

- \$107.1 General Fund
- \$12.4 HURF
- \$20.6 City Road Tax Fund
- \$8.6 Public Safety Tax Fund
- \$12.9 Two-Percent Tax Fund
- \$45.3 Grant Fund
- \$20.5 ARPA
- \$6.9 Capital Projects Fund
- \$41.4 Water Fund
- \$131.0 Wastewater Fund
- \$5.8 Solid Waste Fund
- \$13.8 YRCS
- \$46.5 Other



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



KEY CONSIDERATIONS

- State forms, as presented, represent the Proposed but +/- changes reviewed today
- Tentative Budget sets the Ceiling
- Changes can be made today; and can be made with Final Adoption
- Moving among categories can occur, but ceiling can not be exceeded
- Adopting Tentative Budget does not set Property Levy, that's in July

STATE FORMS – SCHEDULE A



CITY OF YUMA, ARIZONA
SUMMARY SCHEDULE OF ESTIMATED REVENUES AND EXPENDITURES/EXPENSES
 Fiscal Year 2024

Fiscal Year	Sch	FUNDS							
		General Fund	Special Revenue Funds	Debt Service Fund	Capital Project Funds	ARPA Fund	Enterprise Funds Available	Internal Service Funds	Total All Funds
2023	E	98,962,584	82,752,288	20,761,375	7,143,330	23,767,661	168,232,725	12,709,591	414,329,554
2023	E	80,476,644	39,913,238	20,761,224	494,321	4,501,993	57,048,006	8,597,651	211,793,077
2024		31,665,470	30,281,831	94,131	12,818,587	-	181,986,572	26,987,317	283,833,907
2024	B	16,040,776	-	-	-	-	-	-	16,040,776
2024	B	-	462,474	-	-	-	-	-	462,474
2024	C	100,193,917	90,100,800	30,000	2,082,970	20,537,035	72,746,335	11,555,609	297,246,666
2024	D	-	-	-	-	-	-	-	-
2024	D	-	-	-	-	-	-	-	-
2024	D	-	298,501	21,486,656	10,346,600	-	-	-	32,131,757
2024	D	25,682,403	5,751,425	-	458,054	-	239,875	-	32,131,757
2024		122,217,760	115,392,181	21,610,787	24,790,103	20,537,035	254,493,031	38,542,926	597,583,823
2024	E	107,080,057	100,666,597	21,486,656	16,908,730	20,537,035	192,037,821	14,104,596	472,821,492

EXPENDITURE LIMITATION COMPARISON

	2023	2024
1. Budgeted expenditures/expenses	\$ 413,778,129	\$ 472,821,492
2. Add/subtract: estimated net reconciling items	-	-
3. Budgeted expenditures/expenses adjusted for reconciling items	413,778,129	472,821,492
4. Less: estimated exclusions	273,351,448	325,592,436
5. Amount subject to the expenditure limitation	\$ 140,426,681	\$ 147,229,056
6. EEC expenditure limitation	\$ 147,198,479	\$ 160,820,335

* Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.
 ** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.
 *** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

**CITY OF YUMA, ARIZONA
TAX LEVY AND TAX RATE INFORMATION
Fiscal Year 2024**

	<u>2023</u>	<u>2024</u>
1. Maximum Allowable Primary Property Tax Levy. A.R.S. 42-17051(A)	\$ 15,407,888	\$ 16,040,777
2. Amount Received from Primary Property Taxation in the 2022-2023 Fiscal Year in Excess of the Sum of that Year's Maximum Allowable Primary Property Tax Levy. A.R.S. 42-17102(A)(18).		
3. Property Tax Levy Amounts		
A. Primary Property Taxes	\$ 15,104,827	\$ 16,040,776
B. Secondary Property Taxes (City-wide)	-	-
C. Special Assessment Districts		
(1) Downtown Mall District	145,000	151,704
(2) Park West Units 4 and 5	16,874	24,812
(3) Cielo Verde Unit Three Phases 1 and 2	12,914	16,742
(4) Desert Sky Unit 1	40,624	63,519
(5) Saguaro Units 3 and 4	21,134	31,075
(6) Driftwood Ranch Units 1 and 2	19,100	24,837
(7) Livingston Ranch Unit No. 2	17,826	30,664
(8) Desert Sands Unit No. 1	26,350	34,768
(9) Villa Serena Unit No. 1	5,988	6,563
(10) Araby North Subdivision	3,198	5,417
(11) Autumn Valley Subdivision	378	2,519
(12) La Estancia Subdivision	24,296	49,081
(13) Cielo Verde Units 2B, 4 and 6	-	-
(14) Desert Sands Unit No. 2	-	-
(15) Desert Sands Unit No. 3	-	-
(16) Santana Sub Units 1-4	-	20,773
	<u>333,682</u>	<u>462,474</u>
	\$ 15,438,509	\$ 16,503,250

**CITY OF YUMA, ARIZONA
TAX LEVY AND TAX RATE INFORMATION
Fiscal Year 2024**

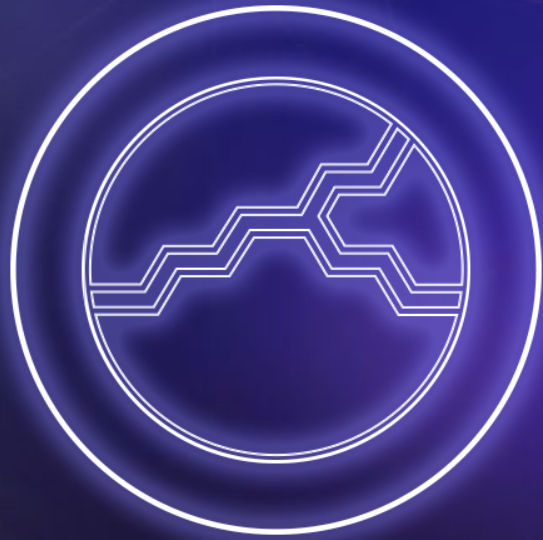
	<u>2023</u>	<u>2024</u>
5. Property Tax Rates		
A. City of Yuma Tax Rate		
(1) Primary Property Tax Rate**	\$ 2.1930	\$ 2.1748
(2) Secondary Property Tax Rate	-	-
(3) Total City of Yuma Tax Rate	<u>2.1930</u>	<u>2.1748</u>
B. Special Assessment Districts		
(1) Downtown Mall District	4.1500	4.2500
(2) Park West Units 4 and 5	0.7000	0.7000
(3) Cielo Verde Unit Three Phases 1 and 2	1.2245	1.2245
(4) Desert Sky Unit 1	1.3000	1.6000
(5) Saguaro Units 3 and 4	0.8005	0.8000
(6) Driftwood Ranch Units 1 and 2	0.7240	0.7240
(7) Livingston Ranch Unit No. 2	1.4000	1.6000
(8) Desert Sands Unit No. 1	1.6000	1.6000
(9) Villa Serena Unit No. 1	1.6000	1.6000
(10) Araby North Subdivision	1.6000	1.6000
(11) Autumn Valley Subdivision	1.6000	1.6000
(12) La Estancia Subdivision	1.6000	1.6000
(13) Cielo Verde Units 2B, 4 and 6	-	-
(14) Desert Sands Unit No. 2	-	-
(15) Desert Sands Unit No. 3	-	-
(16) Santana Sub Units 1-4	-	1.6000
(17) Total Special Assessment Districts Tax Rates	<u>18.2990</u>	<u>20.4985</u>
D. Total Property Tax Rates	\$ <u>20.4920</u>	\$ <u>22.6733</u>

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

**The primary property tax rate is shown at the maximum allowed levy.
This rate is subject to change with the adoption of the FY 2024 City property tax levy ordinance.

RECOMMENDED ACTION (DIRECTIVE):

- Adjust Budget Calendar as presented including public hearing for:
 - Final Budget Adoption on July 19; *and*
 - Truth-in-Taxation on July 19.



Quarterly Financial Briefing

FY 2023 Quarter 3.5

FY 2023 Financial Status

FY 2024 Tentative Budget

June 7, 2023