



Quarterly Financial Briefing

FY 2024 Quarter 3.5

FY 2025 Proposed Budget Update and Process

FY 2025 Municipal Improvement Districts (MIDs)

FY 2025 Policy and Other Considerations

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

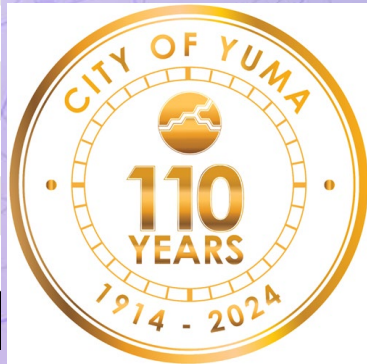
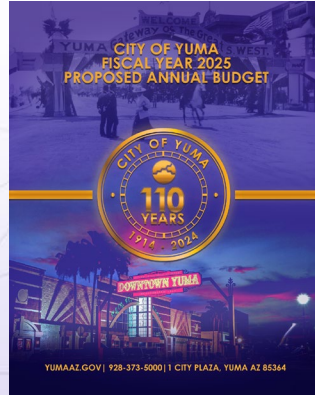
All data may not be addressed during the presentation. Inquiries are welcomed during and after the work session.

FY 2025: UPDATE AND ANNUAL PROCESSES



BUDGET CALENDER

FY 2025		KEY BUDGET DATES
Date	Event	
April 8-11	Councilmember individual budget review sessions	
April 30	Worksession: Q3 Briefing, Proposed Budget presentation and CIP	
May 1	Placeholder: for City Council questions and/or discussion	
We are here	May 14	Worksession: Budget Update, Other Policy Considerations MIDs
	May 15	Public Hearing: Capital Improvement Program (CIP)
Sets ceiling	"	Motion: Tentative Budget Adoption - State Forms A-G
	May 21, 28	Publication: State Forms and TNT, if applicable in the Yuma Sun
Adjust, Move, Lower, not Increase	June 5	Resolution: City Council action regarding FY 2024, if applicable
	"	Resolution: Capital Improvement Program Adoption
	"	Public Hearing: Final Budget and Truth-in-Taxation, if applicable
	"	Resolution: Final FY 2025 Budget Adoption
	"	Ordinance: Introduction of Tax Levy Ordinance
	June 26	Ordinance: Adopt Tax Levies and Rates (General, Mall and MIDs)
"	Resolution: Adopt Annual PSPRS Funding Policy	
"	Resolution: Designate City's CFO for the AELR	
Updated: April 18, 2024		



ADOPTION OF BUDGETS, LEVIES

Tentative Budget (Motion)

- State Forms Schedules A-G
- Published and notice of public hearing (TNT if applicable)
- Sets the maximum expenditure ceiling for FY 2025
- Adjust among categories allowed if total not increased

Final Adopted Budget (Resolution)

- State Forms Schedules A-G
- Action after public hearing(s)
- City Council may adjust among categories, if total not increased before final adoption

Property Levies (Ordinance)

- After public hearing and budget adoption
- City Council can lower posted levies before Introduction of ordinance, not increase
- Final adoption at later regular City Council meeting
- Send to the County for final action 3rd Monday in August



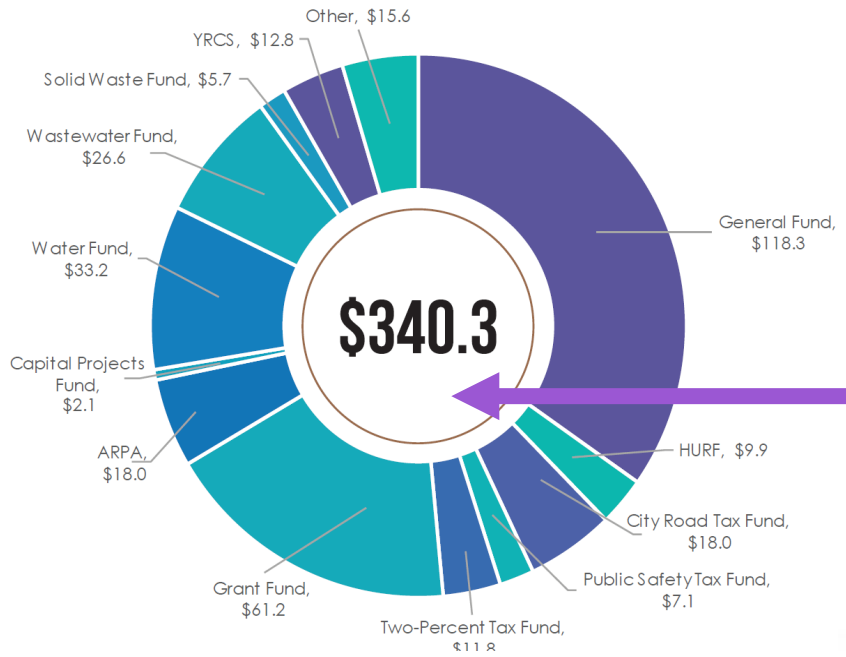
State Forms A-G: Proposed Budget (+/-)



FY 2025 REVENUES

\$340.3 All Funds

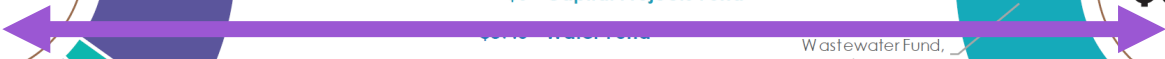
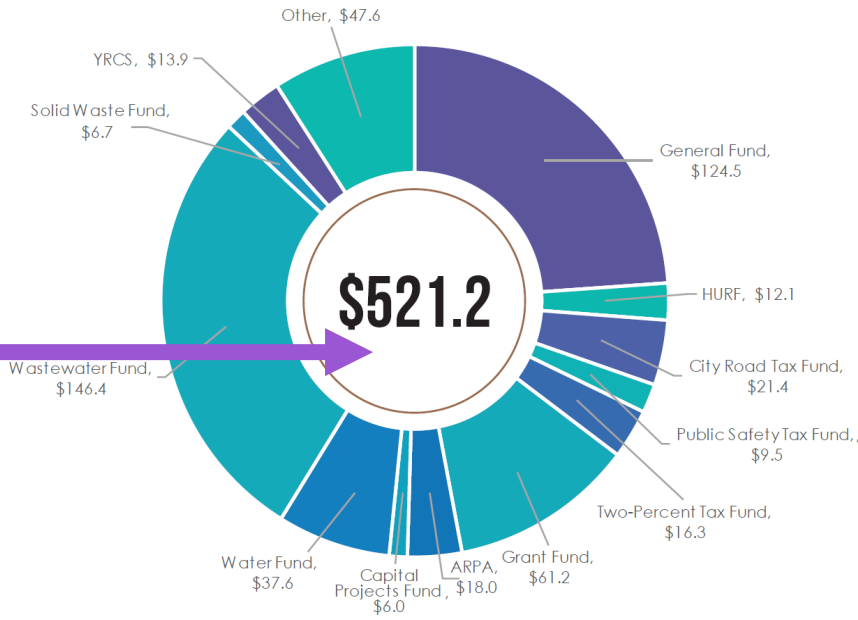
- \$118.3 General Fund
- \$9.9 HURF
- \$18 City Road Tax Fund
- \$7.1 Public Safety Tax Fund
- \$11.8 Two-Percent Tax Fund
- \$61.2 Grant Fund
- \$18 ARPA
- \$2.1 Capital Projects Fund
- \$33.2 Water Fund
- \$26.6 Wastewater Fund
- \$5.7 Solid Waste Fund
- \$18.0 YRCS
- \$15.6 Other



FY 2025 EXPENDITURES

\$521.2 All Funds

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



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



State Forms A-G: Total Budget (Schedule A)



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

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

EXPENDITURE LIMITATION COMPARISON

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

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

State Forms A-G: Tax Rates and Levies (Schedule B)



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

	<u>2024</u>	<u>2025</u>
1. Maximum Allowable Primary Property Tax Levy. A.R.S. 42-17051(A)	<u>\$ 16,040,777</u>	<u>\$ 16,601,516</u>
2. Amount Received from Primary Property Taxation in the 2022-2023 Fiscal Year in Excess of the Sum of that Year's Maximum Allowable Primary Property Tax Levy. A.R.S. 42-17102(A)(18).		
3. Property Tax Levy Amounts		
A. Primary Property Taxes	\$ 15,725,831	\$ 16,601,516
B. Secondary Property Taxes (City-wide)	-	-
C. Special Assessment Districts		
(1) Downtown Mall District	151,704	156,109
(2) Park West Units 4 and 5	24,812	27,551
(3) Cielo Verde Unit Three Phases 1 and 2	16,742	19,118
(4) Desert Sky Unit 1	63,519	73,262
(5) Saguaro Units 3 and 4	31,075	23,724
(6) Driftwood Ranch Units 1 and 2	24,837	22,516
(7) Livingston Ranch Unit No. 2	30,664	38,681
(8) Desert Sands Unit No. 1	34,768	36,506
(9) Villa Serena Unit No. 1	6,563	11,062
(10) Araby North Subdivision	5,417	6,399
(11) Autumn Valley Subdivision	2,519	3,112
(12) La Estancia Subdivision	49,081	58,070
(13) Cielo Verde Units 2B, 4 and 6	-	-
(14) Desert Sands Unit No. 2	-	-
(15) Desert Sands Unit No. 3	-	-
(16) Santana Sub Units 1-4	20,773	38,246
	<u>462,474</u>	<u>528,995</u>
	<u>\$ 16,188,305</u>	<u>\$ 17,130,511</u>

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

	<u>2024</u>	<u>2025</u>
5. Property Tax Rates		
A. City of Yuma Tax Rate		
(1) Primary Property Tax Rate**	\$ 2.1321	\$ 2.1526
(2) Secondary Property Tax Rate	-	-
(3) Total City of Yuma Tax Rate	<u>2.1321</u>	<u>2.1526</u>
B. Special Assessment Districts		
(1) Downtown Mall District	4.2500	4.2750
(2) Park West Units 4 and 5	0.7000	0.7000
(3) Cielo Verde Unit Three Phases 1 and 2	1.2245	1.2245
(4) Desert Sky Unit 1	1.6000	1.6000
(5) Saguaro Units 3 and 4	0.8000	0.5000
(6) Driftwood Ranch Units 1 and 2	0.7240	0.5000
(7) Livingston Ranch Unit No. 2	1.6000	1.6000
(8) Desert Sands Unit No. 1	1.6000	1.6000
(9) Villa Serena Unit No. 1	1.6000	1.8000
(10) Araby North Subdivision	1.6000	1.8000
(11) Autumn Valley Subdivision	1.6000	1.8000
(12) La Estancia Subdivision	1.6000	1.8000
(13) Cielo Verde Units 2B, 4 and 6	-	-
(14) Desert Sands Unit No. 2	-	-
(15) Desert Sands Unit No. 3	-	-
(16) Santana Sub Units 1-4	1.6000	1.8000
(17) Total Special Assessment Districts Tax Rates	<u>20.4985</u>	<u>20.9995</u>
D. Total Property Tax Rates	<u>\$ 22.6306</u>	<u>\$ 23.1521</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.



KEY CONSIDERATIONS

- **May 14:** Forms A-G represents the Proposed Budget as presented April 30
- **May 14 and 15:** Changes can be made before Tentative Budget is adopted
- **May 15:** City Council's Adopted Tentative Budget FY 2025 sets the Ceiling

- **June 5:** Public hearing on the budget, tax levies, TNT if applicable
- **June 5:** After public hearings, City Council can make changes among categories, but total expenditures of Tentative Budget can not be exceeded
- **June 5:** City Council Adopts Final Budget FY 2025
 - Adopting Tentative Budget (May 15) or Final budget (June 5) does not set Property Levy, that is on **June 29**

OTHER ANNUAL RESOLUTIONS

- Public Safety Personnel Retirement System (PSPRS) Funding Policy for FY 2025
- Annual Designation of the City's Chief Fiscal Officer (CFO) for the Annual Expenditure Limitation Report (AELR)

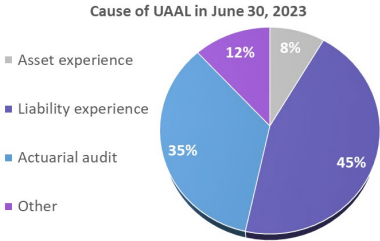
**RESOLUTION
JUNE 26
(Consideration)**

- Continue using standard temple provided by AZ League of Cities
- Continue to amortize the UAAL contribution rate over the maximum years to not over commit and allow for flexibility in the event of an economic downturn and resurgence of UAAL
- Include City Council’s prior actions that fully funded the PSPRS UAAL in July of FY 2022 and commitment to resolve the current estimated UAAL with the next actuarial report for June 30, 2024

Recommended addition for the FY 2025 Policy:

CHANGE IN CONDITIONS

Due to a change in several actuarial conditions in the Actuarial Valuation year ended June 30, 2023, the City’s funded ratio has eroded. The graph below shows that categories causing the lower ratios and the chart provides a historical perspective of the City’s funded ratio



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

CONTINUED COMMITMENT

City Administration will provide options for City Council consideration when the June 30, 2024, Actuarial Valuation is available in Q3/Q4 FY 2025. Budget authority to pay the UAAL is in FY 2025 and can be executed if that is City Council’s chosen course of action. The funding source will most likely need to be exempt from the expenditure limitation unless sufficient expenditure limitation capacity is available in Q3/Q4 FY 2025.

A.R.S. § 38-863.01 requires a PSPRS funding policy to be adopted annually.

In addition to paying the mandated estimated PSPRS Unfunded Actuarial Accrued Liability (UAAL) contribution rate, the City has:

- The City had fully paid the estimated PSPRS Unfunded Actuarial Accrued Liability (UAAL) in FY 2022 and
- Established a PSPRS reserve to maintain a high funded ratio



RESOLUTION
JUNE 26
(Consideration)

- Designate the City’s Finance Directors as the Chief Fiscal Officer (CFO) for the purposes of submitting the Annual Expenditure Limitation Report (AELR) for FY 2025
- This includes certifying accuracy and facilitating its preparation, audit and filing
- If there are changes in this designation, the AG’s office will need to be notified

The Auditor General’s Office:

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

The following link provides in-depth explanations of the Annual Expenditure Limitation compliance and filing requirements:

<https://www.azauditor.gov/resources/cities-and-towns/faqs/uers>

Arizona Revised Statutes § 41-1279.07(E) states:

“The governing body of each political subdivision shall provide to the auditor general by July 31 each year the name of the chief fiscal officer designated by the governing body of the political subdivision to officially submit the current fiscal year’s expenditure limitation report on behalf of the governing body. The governing body of the political subdivision shall notify the auditor general of any changes of individuals designated to file the required reports. The designated chief fiscal officer shall certify to the accuracy of the annual expenditure limitation report.”

FY 2025: MUNICIPAL IMPROVEMENT DISTRICTS (MIDs)



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 City has established 15 active MIDs with Taxing Authority in FY 2025. Currently, 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.

Open House:

- March 25 (In-Person);
- March 26 (In-Person);
- March 27 (Virtual); and
- Comments via phone and email

Attendees (In-Person):

- Cielo Verde = 10
- La Vida = 1
- Park West Unit 4 = 1

Attendees (Virtual):

- Zero

Phone, email comments

- Two; Autumn Valley and La Estancia



MUNICIPAL IMPROVEMENT DISTRICTS		REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE					
SOURCES AND USES	ACTUAL AUDITED FY 2023	ACTUAL ESTIMATED FY 2024	BUDGET AMENDED FY 2024	BUDGET PROPOSED FY 2025	FY 2025 AND FY 2024 CHANGE IN		
					\$	%	
REVENUES:						ACTUAL TO BUDGET	
Local property levies	\$ 183,599	\$ 161,850	\$ 169,000	\$ 390,581	\$ 228,731	141%	
All other related revenue	-	-	-	-	-	N/A	
Total revenues	183,599	161,850	169,000	390,581	228,731	141%	
EXPENDITURES:						BUDGET TO BUDGET	
Personnel	-	-	-	-	-	N/A	
Operating	136,762	384,502	448,876	672,094	223,218	50%	
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	136,762	384,502	448,876	672,094	223,218	50%	
CHANGE IN FUND BALANCES	\$ 46,837	\$ (222,652)	\$ (279,876)	\$ (281,513)	\$ (1,637)	1%	
FUND BALANCE						ACTUAL TO BUDGET	
Beginning July 1	(103,519)	(56,682)	(56,682)	(279,334)	(222,652)	393%	
Ending June 30	\$ (56,682)	\$ (279,334)	\$ (336,558)	\$ (560,847)	\$ (281,513)	101%	

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

MIDs: Summary

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

* Denotes "Built-Out"

This table provides the vital details of the current fiscal year FY 2025:

- City ID and Tax Authority Number
- Projected expenditures
- Balance of support from the General Fund
- Proposed district levy rate and revenue
- Districts total assessed valuation.

In the early stages, the district may need start-up loan from the General Fund.

As the district builds out, the assessed valuation increases and the loan from the General Fund is repaid; then the districts rate may be reduced.

▼ (Slate arrows down = repaying)

▲ (Copper arrows up = start-up)



MIDs: Rates, Levies and Valuations



Rates and Levies for current MIDs since FY 2022

MAINTENANCE IMPROVEMENT DISTRICTS					ASSESSMENT RATES AND LEVIES			
City ID No.	Maintenance Improvement District	Tax Authority	Direct Property Levy	Assessed Valuation or Units	Current Rate FY 2025	Prior Years Rates		
						FY 2024	FY 2023	FY 2022
100	* Park West Units 4 and 5	3105701	\$ 27,551	\$ 3,935,798	\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 1.1056
102	Cielo Verde Unit Three Phases 1 and 2	3105501	19,118	1,561,280	1.2245	1.2245	1.2245	-
104	* Desert Sky Unit 1	3105601	73,262	4,578,846	1.6000	1.6000	1.3000	1.1033
107	Saguaro Units 3 and 4	3104701	23,724	4,744,715	0.5000	0.8000	0.8005	0.8050
108	Driftwood Ranch Units 1 and 2	3104501	22,516	4,503,189	0.5000	0.7240	0.7240	1.1209
109	* Livingston Ranch Unit No. 2	3104601	38,681	2,417,534	1.6000	1.6000	1.4000	1.1107
110	* Desert Sands Unit No. 1	3104901	36,506	2,281,630	1.6000	1.6000	1.6000	-
111	Villa Serena Unit No. 1	3105001	11,062	614,574	1.8000	1.6000	1.6000	-
112	* Araby North Subdivision	3105101	6,399	355,503	1.8000	1.6000	1.6000	-
113	Autumn Valley Subdivision	3105201	3,112	172,885	1.8000	1.6000	1.6000	-
115	* La Estancia Subdivision	3105301	58,070	3,226,115	1.8000	1.6000	1.6000	-
116	Cielo Verde Units 2B, 4 and 6	3105401	-	914,947	-	-	-	-
117	Desert Sands Unit No. 2	3106501	-	1,235,776	-	-	-	-
119	Desert Sands Unit No. 3	3106601	-	582,306	-	-	-	-
120	Santana Sub Units 1-4	3106401	38,246	2,124,797	1.8000	1.6000	-	-

* Denotes "Built-Out"

MAINTENANCE IMPROVEMENT DISTRICTS			ASSESSED VALUATIONS			
City ID	Maintenance Improvement District	Tax Authority	Limited Property Assessed Valuation (LPV)			
			FY 2025	FY 2024	FY 2023	FY 2022
100	* Park West Units 4 and 5	3105701	\$ 3,935,798	\$ 3,544,631	\$ 2,205,714	\$ 1,211,984
102	Cielo Verde Unit Three Phases 1 and 2	3105501	1,561,280	1,367,267	991,435	-
104	* Desert Sky Unit 1	3105601	4,578,846	3,969,917	3,079,587	1,975,837
107	Saguaro Units 3 and 4	3104701	4,744,715	3,884,359	2,640,468	1,738,554
108	Driftwood Ranch Units 1 and 2	3104501	4,503,189	3,430,581	2,628,927	1,248,993
109	* Livingston Ranch Unit No. 2	3104601	2,417,534	1,916,519	1,196,013	594,198
110	* Desert Sands Unit No. 1	3104901	2,281,630	2,172,993	1,646,532	-
111	Villa Serena Unit No. 1	3105001	614,574	410,164	370,970	-
112	* Araby North Subdivision	3105101	355,503	338,571	199,880	-
113	Autumn Valley Subdivision	3105201	172,885	157,439	23,278	-
115	* La Estancia Subdivision	3105301	3,226,115	3,067,550	1,443,334	-
116	Cielo Verde Units 2B, 4 and 6	3105401	914,947	737,804	-	-
117	Desert Sands Unit No. 2	3106501	1,235,776	640,221	-	-
119	Desert Sands Unit No. 3	3106601	582,306	40,041	-	-
120	Santana Sub Units 1-4	3106401	2,124,797	1,298,305	-	-

* Denotes "Built-Out"

Assessed Valuations for current MIDs since FY 2022

MIDs: Revenue, Expenditures and Fund Balance



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

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

Revenue, Expenditures and Fund Balances for each MID for FY 2024 and FY 2025.
 A negative fund balance (in brackets) represents a temporary loan from the General Fund to be repaid as the MID is built out.



FY 2025: POLICY AND OTHER CONSIDERATIONS



ARPA* Project Budget Amendment (Resolution)

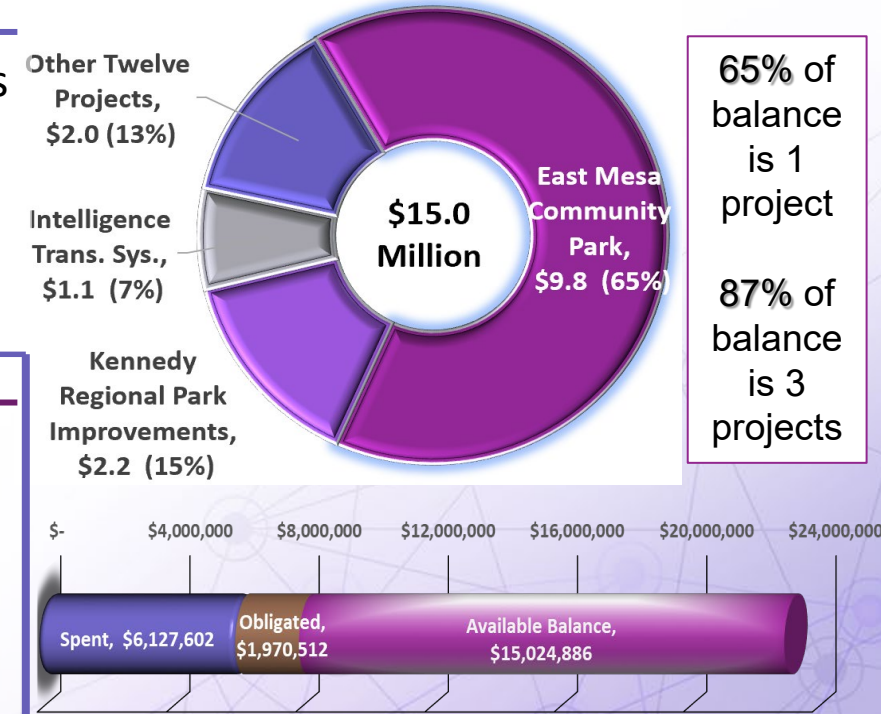
- Federal funding \$23 million; City Council approved projects (R2022-012); Management to propose Amendment
- Spent \$6 million; Obligated \$2 million; Balance \$15million
- **Obligate by Dec 31, 2024 (FY 2025) – 7 Months**
- Spend by Dec 31, 2026 (FY 2026) – 31 Months

Model City Tax Code (MCTC): Two Tier Extension (Ordinance)

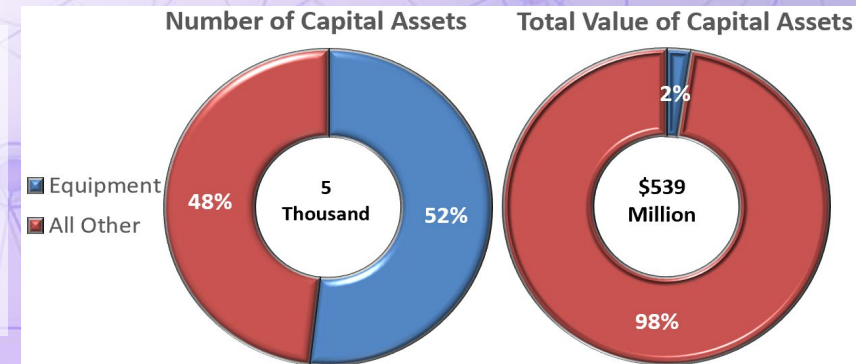
- City’s Transaction Privilege Tax Code mirrors the MCTC
- Various specific “*Local Options*” are available to Cities
- The local option for a “Two-Tier Structure” is in Yuma’s code for retail items in excess of \$35,000
- The Two-Tier Structure is due for extension

Capital Asset Thresholds for Equipment (Resolution)

- Current= \$5,000 + above and useful life more than 1 year
- Since set in FY 2003: Inflation, Technology, labor intensive
- **Equipment is 52% total assets and 2% of total value**
- **Substantial reporting efforts for nominal value**
- Equipment will still be tracked; not booked and audited



65% of balance is 1 project
87% of balance is 3 projects



* ARPA: American Rescue Plan Act

ASRS Contribution Prepayment Program (Resolution)

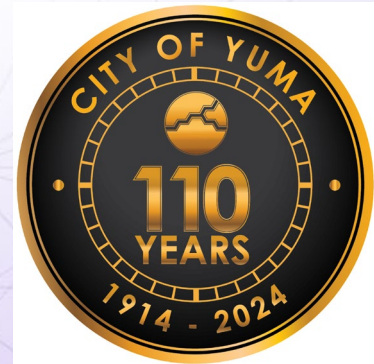
- Deposit in ASRS “*Prepayment Bucket*” and earns with ASRS
- City can move deposit from “*Prepayment Bucket*” to “*Contribution Bucket*”, in lieu of payments whenever the City deems most advantageous (no time limit 1,5,10yrs, etc)
- Further details to be provided for City Council consideration

Model City Tax Code Update (Ordinance)

- City’s Transaction Privilege Tax Code mirrors the MCTC
- An updated code is anticipated to be ready for City’s to adopted
- The updated MCTC will be provided for City Council consideration, when available

Model City Tax Code Local and Model Options (Direction)

- City’s Transaction Privilege Tax Code mirrors the MCTC
- Various specific “*Local Options*” and “*Model Options*” are available to Cities adopt with the MCTC
- Further information regarding these options will be provided for City Council consideration



**PSPRS
Unfunded
Actuarial
Liability
(Motion)**

- City Council established “*Reserve Fund*” (R2020-059)
- Q3/Q4 Reserve Fund estimated to be \$14 million
- Payment of UAAL is not exempt from AELR, unless source is exempt from AELR (bonds, grants, interest earnings)
- **More when 2024 valuation available and AELR capacity**

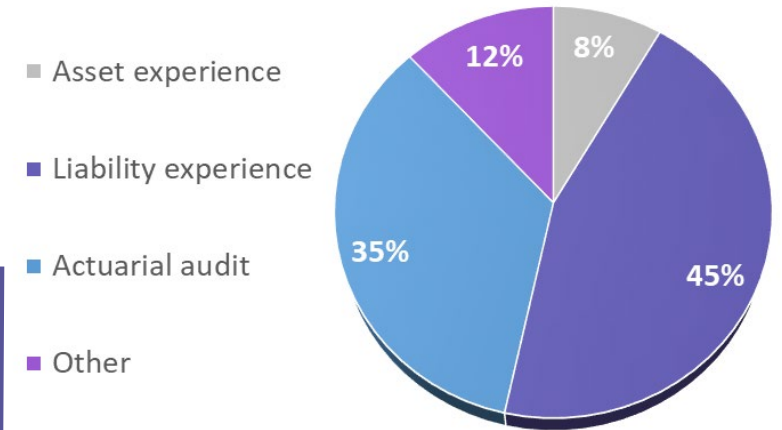
**Prop 207
Smart and Safe
Arizona Act
(Direction)**

- Allocation to municipalities *based on employees in PSPRS*
- Est. \$720k per year; assigned balance \$1.5M FY 2023
- Exempt from annual expenditure [ARS§38-2856(E)2]
- **More information to be provided for City Council’s consideration, potential opportunity for PSPRS UAAL**

**Opioid
Settlement
(Direction)**

- Not a grant, but financial reporting is like one
- Restricted for: Opioid education, prevention, treatment
- \$240,647 in own LGIP account until used, no time limit
- **Further information to be provided for City Council’s consideration and budget programming**

Cause of UAAL in June 30, 2023



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

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

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

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

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

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

Discussion & Direction – Mayor and City Council





Quarterly Financial Briefing

FY 2024 Quarter 3.5

FY 2025 Proposed Budget Update and Process

FY 2025 Municipal Improvement Districts (MIDs)

FY 2025 Policy and Other Considerations