



Quarterly Financial Briefing

FY 2024 Quarter 3.0

FY 2024 Financial Status

FY 2025 Financial Outlook

FY 2025 Proposed Budget Introduction

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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 2024: FINANCIAL STATUS



CITY OF
Yuma

MAJOR REVENUES

MAJOR OPERATING REVENUE		BENCHMARK (BM) TO BUDGET (BUD)					YEAR OVER YEAR		
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Source	Fund	FY 2024 July-March	FY 2024 Total Budget	% of Budget	Bench Mark	Variance to Bench Mark	FY 2023 July-March	Amount Change	% Change
(1) City Sales Tax (1.0%)	General	\$ 25,572,924	\$ 33,600,000	76%	75%	0.9%	\$ 24,234,924	\$ 1,338,000	5.5%
(2) Property Tax	"	9,918,765	16,290,776	61%	64%	-2.6%	9,761,627	157,138	1.6%
(3) State Sales Tax	"	11,092,846	14,371,000	77%	76%	1.7%	10,579,586	513,260	4.9%
(4) State Income Tax	"	19,581,615	25,500,000	77%	75%	1.8%	13,814,019	5,767,596	41.8%
(5) Vehicle License Tax	"	4,034,496	5,375,400	75%	74%	1.2%	3,960,174	74,322	1.9%
(6) Gasoline Tax (0.5%)	HURF	7,133,996	9,614,190	74%	74%	0.7%	6,866,911	267,085	3.9%
(7) Road Tax (0.5%)	Road Tax	12,784,288	16,809,600	76%	74%	2.2%	12,115,404	668,884	5.5%
(8) Public Safety Tax (0.2%)	Public Safety	5,111,976	6,711,600	76%	74%	2.3%	4,844,514	267,462	5.5%
(9) Two Percent Tax	Two Percent	6,477,717	8,925,000	73%	72%	0.3%	6,521,726	(44,009)	-0.7%
(10) Water Sales	Water	19,929,603	26,889,250	74%	72%	2.1%	20,099,886	(170,283)	-0.8%
(11) Wastewater Operating	Wastewater	13,730,744	19,044,800	72%	72%	0.2%	13,694,420	36,324	0.3%
(12) Solid Waste Fees	Solid Waste	4,142,638	5,661,785	73%	72%	1.0%	3,917,261	225,377	5.8%
(13) TOTAL MAJOR OPERATING REVENUE		\$ 139,511,608	\$ 188,793,401	74%	73%	1.1%	\$ 130,410,452	\$ 9,101,156	7.0%

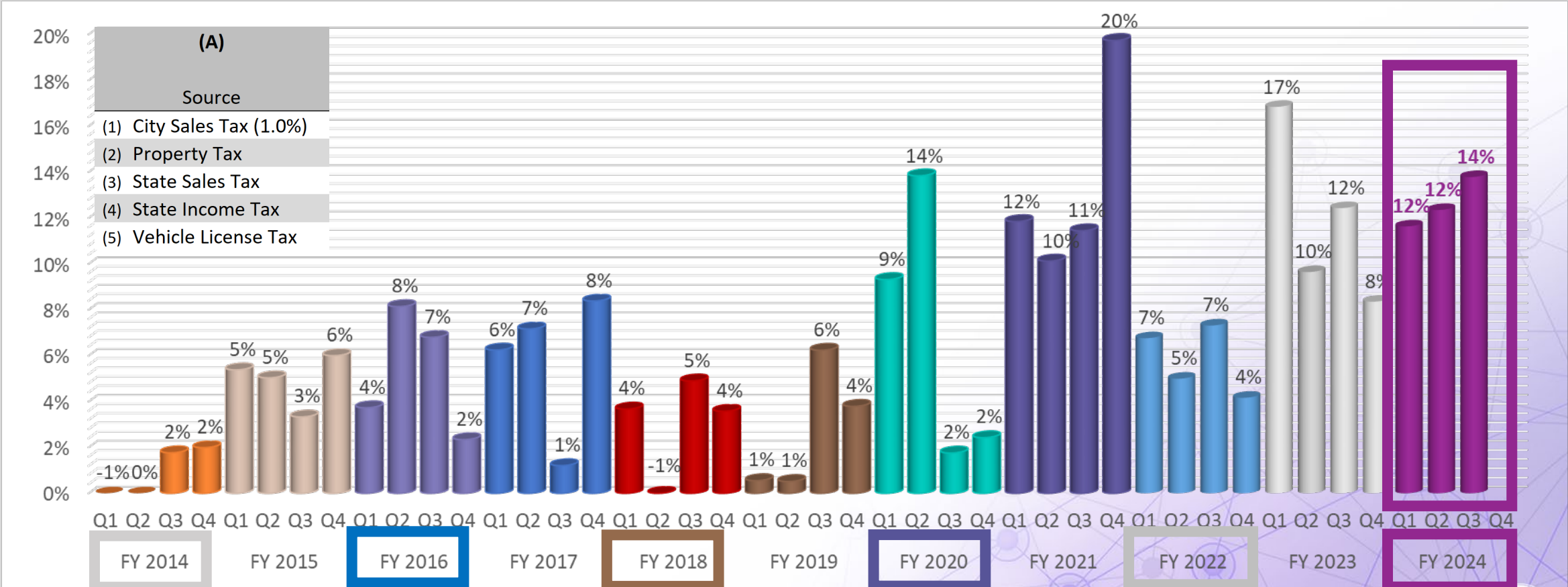
Sound revenue monitoring includes comparing historical trends with current collections and future expectations; and driving factors for each revenue to identify risk indicators.

Column "F" is the percentage of total revenue typically collected in the first Quarter of the fiscal year. All factors consistent, this helps measure the likelihood of a revenue meeting the budget goal at year-end.

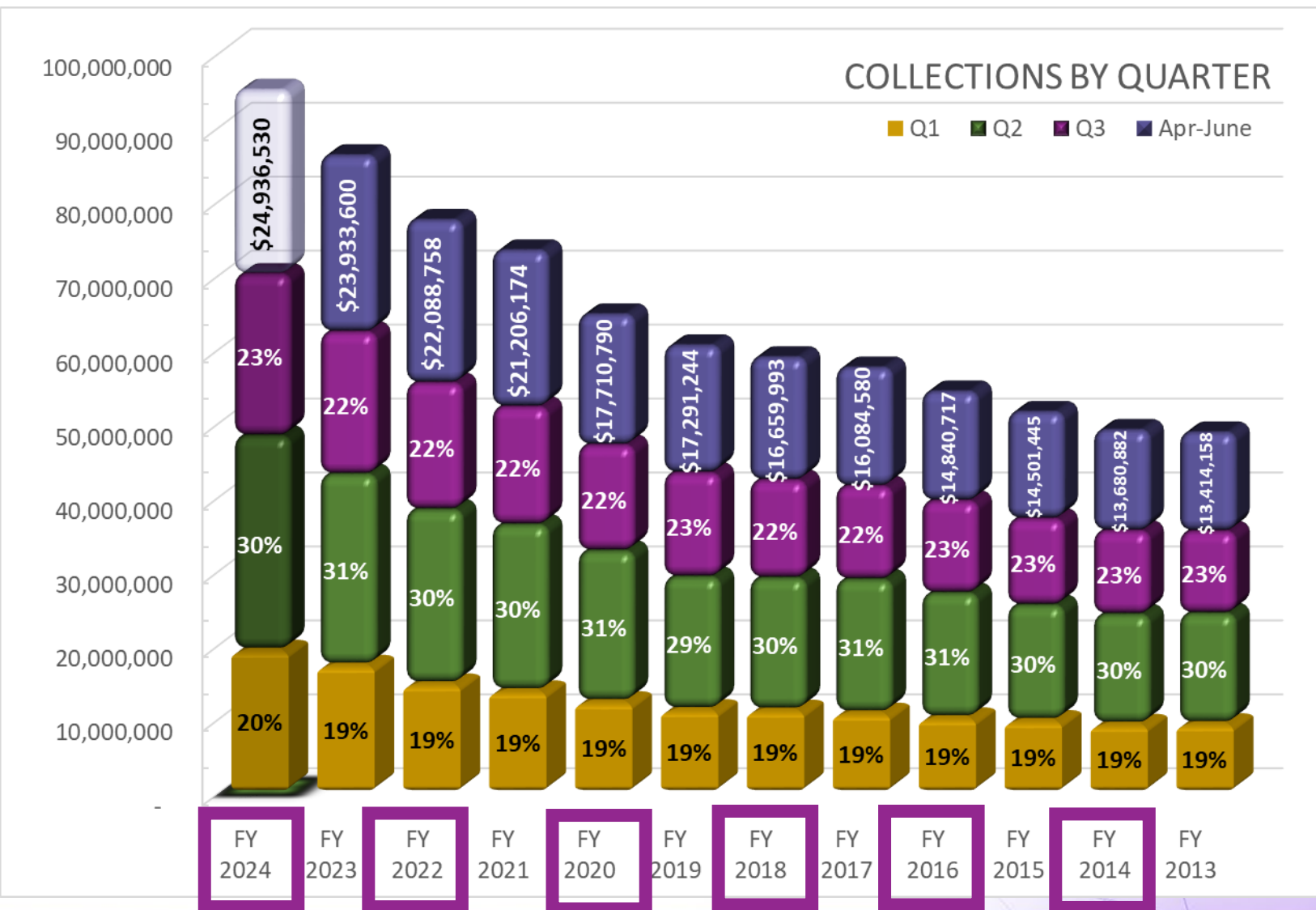
Column "G" compares the benchmark "F" with the current percentage of collections in column "E". The higher the % in "G", the greater the chance of making the budget goal.



Major Revenues – General Fund



Major Revenues – General Fund



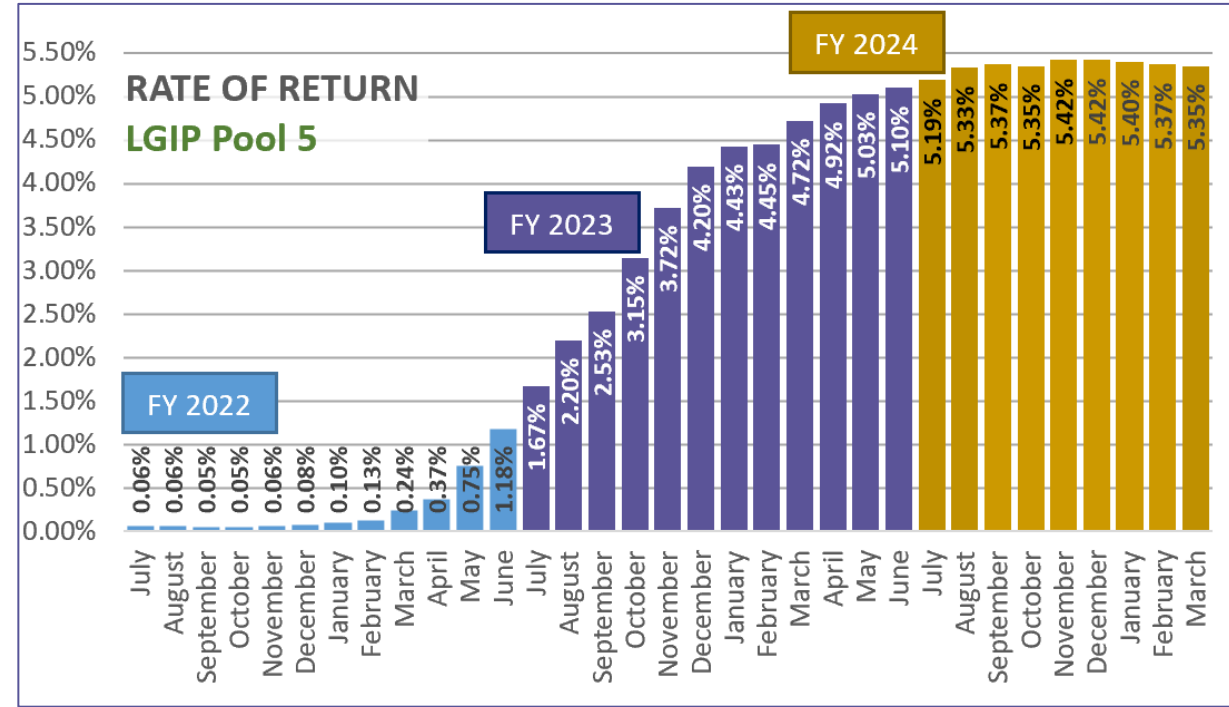
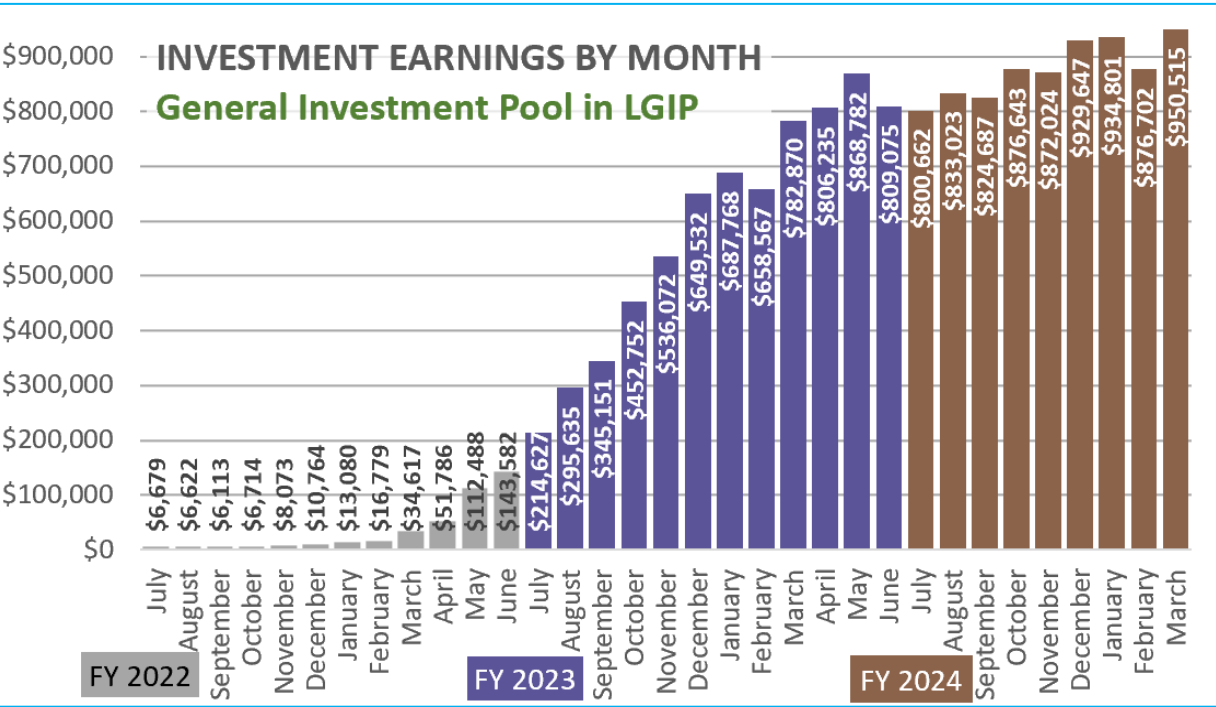
BENCHMARK (BM) TO BUDGET (BUD)			
(A) Source	(E) % of Budget	(F) Bench Mark	(G) Variance to Bench Mark
(1) City Sales Tax (1.0%)	76%	75%	0.9%
(2) Property Tax	61%	64%	-2.6%
(3) State Sales Tax	77%	76%	1.7%
(4) State Income Tax	77%	75%	1.8%
(5) Vehicle License Tax	75%	74%	1.2%

FY 2024 =
Tight on major revenue budget goal
Slight shift in timing of remittances

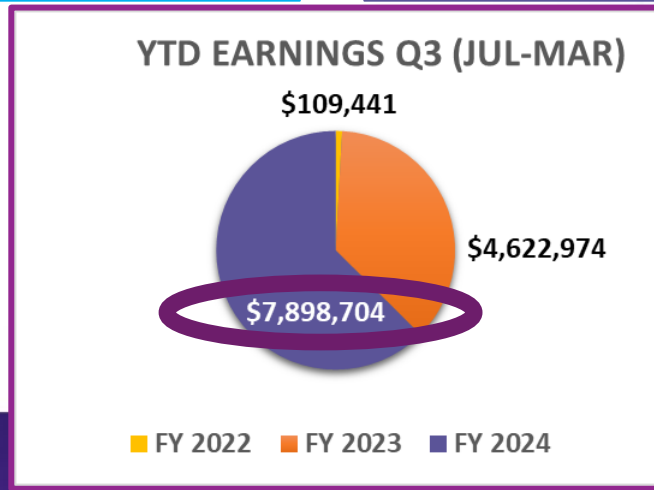


Graph shows amount and % of total collections by quarter. Note consistency of % in each Q since 2013.

Investment Earnings – General Pool Only



- ### FACTORS:
- Fixed income interest rates
 - Term of investments
 - Level of *idle* cash



- ### POLICY OBJECTIVES:
- Security, Compliance
 - Liquidity, Diversity... *then*
 - Yield

Major Revenues – City Sales Tax



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

Category as Reported by ADOR	July-March	July-March	July-March	Change in FY24/FY23	
	FY 2024	FY 2023	FY 2022	\$	%
Retail	\$22,706,259	\$21,837,824	\$20,639,425	\$ 868,435	4.0%
Restaurants and bars	4,611,368	4,579,741	4,206,226	31,627	0.7%
Internet sales *	1,817,957	1,527,310	1,312,709	290,647	19.0%
Hotels	907,612	992,653	978,378	(85,041)	-8.6%
Utilities	2,205,879	2,080,311	2,160,103	125,568	6.0%
All other	2,350,500	2,235,162	2,269,668	115,338	5.2%
Sub-Total Recurring	\$34,599,575	\$33,253,001	\$31,566,509	\$ 1,346,574	4.0%
<i>Grocery **</i>	5,283,075	5,055,383	4,114,825	227,692	4.5%
<i>Residential rental leasing</i>	415,092	431,363	235,968	(16,271)	-3.8%
At-Risk or Ending	\$ 5,698,167	\$ 5,486,746	\$ 4,350,793	\$ 211,421	3.9%
Construction	3,171,448	2,455,130	3,001,659	716,318	29.2%
Total City's 1.7% Tax	\$43,469,190	\$41,194,877	\$38,918,961	\$ 2,274,313	5.5%

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

** Grocery = Food for home consumption

TWO PERCENT TAX (2.0%)

Category as Reported by ADOR	July-March	July-March	July-March	Change in FY24/FY23	
	FY 2024	FY 2023	FY 2022	\$	%
Restaurants and bars	\$ 5,438,974	\$ 5,388,975	\$ 5,063,837	\$ 49,999	0.9%
Hotels	1,038,744	1,132,749	1,099,588	(94,005)	-8.3%
Total Two Percent Tax	\$ 6,477,718	\$ 6,521,724	\$ 6,163,425	\$ (44,006)	-0.7%

Total 2% Tax for Parks is **0.7% lower** in FY 2024 as compared to FY 2023. After hyper growth in FY 2021 and FY 2022; estimates for FY 2024 and FY 2025 are level. PA updated Budget Goal of **0.7% decrease** is being met.

Overall, FY 2024 **Total City 1.7% Taxes** are **5.5%** or \$2.3 million **more** than FY 2023 for the first 6 months of July-Dec. The FY 2024 post-audit (PA) updated Budget Goal of **2.2% increase** is being met.

Sub-Total Recurring tax revenues, in the General, support the City's core on-going operations, personnel, small equipment, contracts, commodities and debt service.

"All other" consists of 14 categories primarily driving by Commercial Leasing, Equipment rental and Communications accounting for most of the activity.

At-risk or Ending categories have either been or are at risk of being discontinued as taxable activities. The year-over-year change for "Food for home consumption" (Grocery) has been stabilizing. Last fiscal year FY 2023 recorded a 20% increase compared to FY 2022. Collections from *residential rental leasing* activities will cease midway through FY 2025.

Construction revenue is allocated for capital expenditures or other one-time type purchases, not core operations. This is an indicator of growth in the tax base for future property and sales taxes.

EXPENDITURES / EXPENSES

Spending levels for FY2024 Q2 are provided for the following funds. Other funds can be added by request.

Governmental funds include:

- General Fund
- Highway User Revenue Fund
- City Road Tax Fund
- Public Safety Tax Fund
- Two Percent Tax Fund

Enterprise funds include:

- Water
- Wastewater
- Solid Waste

Governmental Funds

01 GENERAL FUND			BUDGET AND ACTUAL		YEAR OVER YEAR		
	FY 2024 Q3	Total Budget	\$ Remaining	% Bud	FY 2023 Q3	\$ Change	% Change
Total Revenue	\$ 87,358,625	\$ 115,999,806	\$ 28,641,181	75%	\$ 79,266,784	\$ 8,091,841	10%
Total Expenditures (Operating)	(64,844,004)	(100,411,344)	(35,567,340)	65%	(60,663,112)	(4,180,892)	7%
Revenue Over (Under) Expenditures	\$ 22,514,621	\$ 15,588,462	<i>Balance for CIP, Debt, Contingencies</i>		\$ 18,603,672	\$ 3,910,949	

02 HURF (HIGHWAY USER REVENUE FUND)			BUDGET AND ACTUAL		YEAR OVER YEAR		
	FY 2024 Q3	Total Budget	\$ Remaining	% Bud	FY 2023 Q3	\$ Change	% Change
Total Revenue	\$ 7,030,908	\$ 9,631,690	\$ 2,600,782	73%	\$ 6,957,419	\$ 73,489	1%
Total Expenditures and Projects	(7,160,459)	(12,379,629)	(5,219,170)	58%	(6,685,317)	(475,142)	7%
Revenue Over (Under) Expenditures	\$ (129,551)	\$ (2,747,939)	<i>Planned use of fund balance</i>		\$ 272,102	\$ (401,653)	

Monitoring operating expenditures tends to be find trends not greater than 25% for the 1st quarter, 50% the 2nd and 75% the 3rd.

However, if a large quantity of expenditures are made in single payments such as an annual subscription or lease, a quarter could run higher than expected. The same timing is true of seasonal revenues.

For the second quarter, all presented governmental operating funds are meeting their revenue benchmark goal and **spending less than 75%** of the approved budget.



Governmental Funds



03 CITY ROAD TAX (.05%) FUND			BUDGET AND ACTUAL	
	FY 2024 Q3	Total Budget	\$ Remaining	% Bud
Total Revenue	\$ 13,332,425	\$ 16,899,556	\$ 3,567,131	79%
Total Expenditures and Projects	(8,157,983)	(24,991,907)	(16,833,924)	33%
Revenue Over (Under) Expenditures	\$ 5,174,442	\$ (8,092,351)	<i>Planned use of fund balance for CIP</i>	

YEAR OVER YEAR		
FY 2023 Q3	\$ Change	% Change
\$ 12,432,825	\$ 899,600	7%
(5,484,157)	(2,673,826)	49%
\$ 6,948,668	\$ (1,774,226)	

04 PUBLIC SAFETY TAX (0.2%) FUND			BUDGET AND ACTUAL	
	FY 2024 Q3	Total Budget	\$ Remaining	% Bud
Total Revenue	\$ 5,308,782	\$ 6,711,600	\$ 1,402,818	79%
Total Expenditures and Projects	(4,313,636)	(8,936,103)	(4,622,467)	48%
Revenue Over (Under) Expenditures	\$ 995,146	\$ (2,224,503)	<i>Planned use of fund balance for CIP</i>	

YEAR OVER YEAR		
FY 2023 Q3	\$ Change	% Change
\$ 4,961,957	\$ 346,825	7%
(4,066,473)	(247,163)	6%
\$ 895,484	\$ 99,662	

05 TWO PERCENT TAX FUND			BUDGET AND ACTUAL	
	FY 2024 Q3	Total Budget	\$ Remaining	% Bud
Total Revenue	\$ 7,337,689	\$ 9,823,000	\$ 2,485,311	75%
Total Expenditures and Projects	(6,414,639)	(11,029,181)	(4,614,542)	58%
Revenue Over (Under) Expenditures	\$ 923,050	\$ (1,206,181)	<i>Planned use of fund balance for equipment</i>	

YEAR OVER YEAR		
FY 2023 Q3	\$ Change	% Change
\$ 7,362,115	\$ (24,426)	0%
(5,728,673)	(685,966)	12%
\$ 1,633,442	\$ (710,392)	

Like many Arizona cities, Yuma's year-over-year spending is higher in FY 2024 as it was in FY 2023. This is primarily due to inflationary factors and supply chain delays that caused deferred spending from previous years such as equipment, vehicles and CIP. This is expected to continue in FY 2025 and potentially in FY 2026.

Enterprise Funds

06 WATER ENTERPRISE		BUDGET AND ACTUAL		
	FY 2024 Q3	Total Budget	\$ Remaining	% Bud
Total Income	\$ 21,989,327	\$ 27,881,750	\$ 5,892,423	79%
Total Expenses (Operating)	(11,745,273)	(23,770,613)	(12,025,340)	49%
Income Over (Under) Expenses	\$ 10,244,054	\$ 4,111,137	Balance for CIP	

YEAR OVER YEAR		
FY 2023 Q3	\$ Change	% Change
\$ 21,043,301	\$ 946,026	4%
(10,910,139)	(835,134)	8%
\$ 10,133,162	\$ 110,892	

07 WASTEWATER ENTERPRISE		BUDGET AND ACTUAL		
	FY 2024 Q3	Total Budget	\$ Remaining	% Bud
Total Income	\$ 17,060,434	\$ 19,122,300	\$ 2,061,866	89%
Total Expenses (Operating)	(11,746,309)	(20,344,199)	(8,597,890)	58%
Income Over (Under) Expenses	\$ 5,314,125	\$ (1,221,899)	Planned use of fund balance for CIP	

YEAR OVER YEAR		
FY 2023 Q3	\$ Change	% Change
\$ 15,425,323	\$ 1,635,111	11%
(11,076,198)	(670,111)	6%
\$ 4,349,125	\$ 965,000	

08 SOLID WASTE ENTERPRISE		BUDGET AND ACTUAL		
	FY 2024 Q3	Total Budget	\$ Remaining	% Bud
Total Income	\$ 4,238,580	\$ 5,675,785	\$ 1,437,205	75%
Total Expenses (Operating)	(3,783,923)	(5,948,620)	(2,164,697)	64%
Income Over (Under) Expenses	\$ 454,657	\$ (272,835)	Planned use of fund balance for equipment	

YEAR OVER YEAR		
FY 2023 Q3	\$ Change	% Change
\$ 3,984,609	\$ 253,971	6%
(3,616,635)	(167,288)	5%
\$ 367,974	\$ 86,683	

Like the City's governmental funds, the enterprise funds **spending levels are under 75%**; while they are circling at or **above 75% of the revenue goals**, the enterprise funds continue consistent revenue growth compared to last year.

Discussion & Direction – Mayor and City Council



FY 2025: FINANCIAL OUTLOOK



CITY OF
Yuma

STATE REVENUE SHARING

- State Shared Revenues are distributed base on population. Initial estimates use prior years population.
- Final estimates with the current population are not available until after the City's budget is adopted.
- COY "rounds down" for its proposed budget to mitigate any decrease in the "final" estimates.

SALES TAX:

- \$900,000,000 State-wide
- Yuma FY 2025 Estimate = \$14.8 million; 12.5% of GF Budget

RISKS:

- State's economy,
- Yuma/State Population ratio

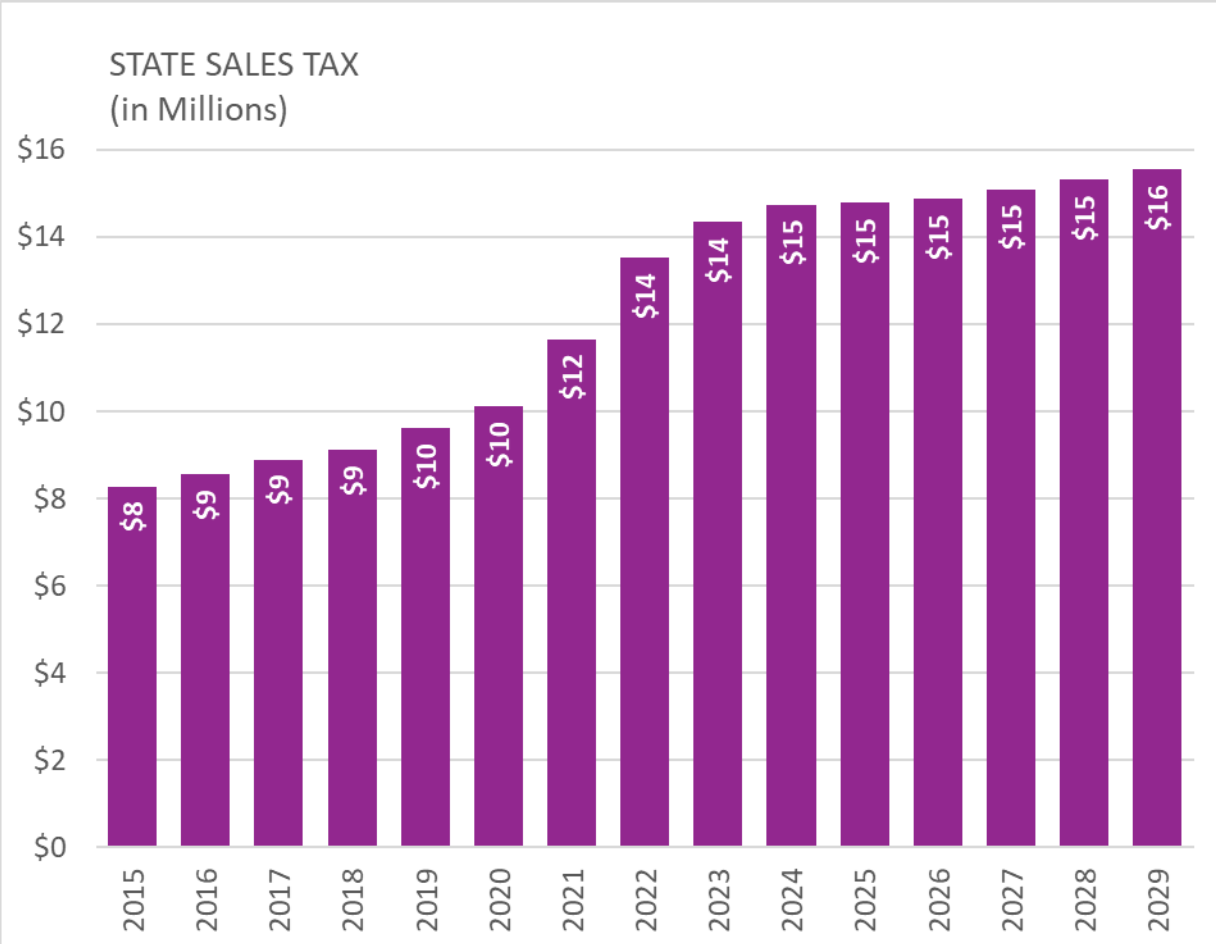
INCOME TAX:

- Known as Urban Revenue Sharing
- \$ 1,268,200,000 State-wide
- Yuma FY 2025 Estimate = \$21.0 million; 18% of GF Budget

RISKS:

- State's economy,
- Yuma/State Population ration,
- Formula Changes

STATE SHARED SALES TAX



ESTIMATED FY 2025

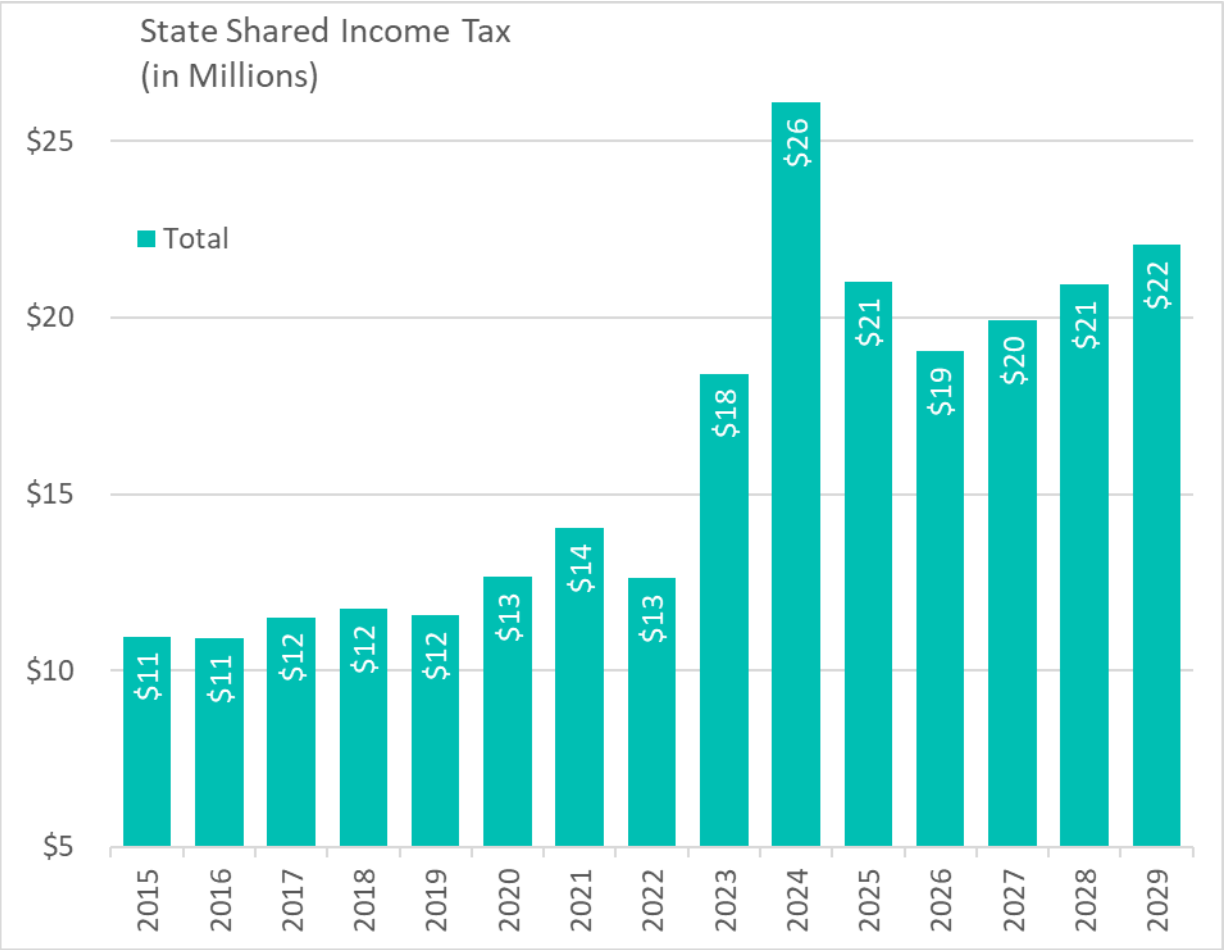
- \$14.8 million; 12.5% of GF Budget

BASIS:

- State-wide sales tax collections and population
- When the State-wide pie gets larger
 - Yuma's slice has been larger for Yuma, but smaller as a State-wide %
- If State-wide pie gets small, Yuma's feels a steeper impact (less base, less pop)



STATE SHARED INCOME TAX



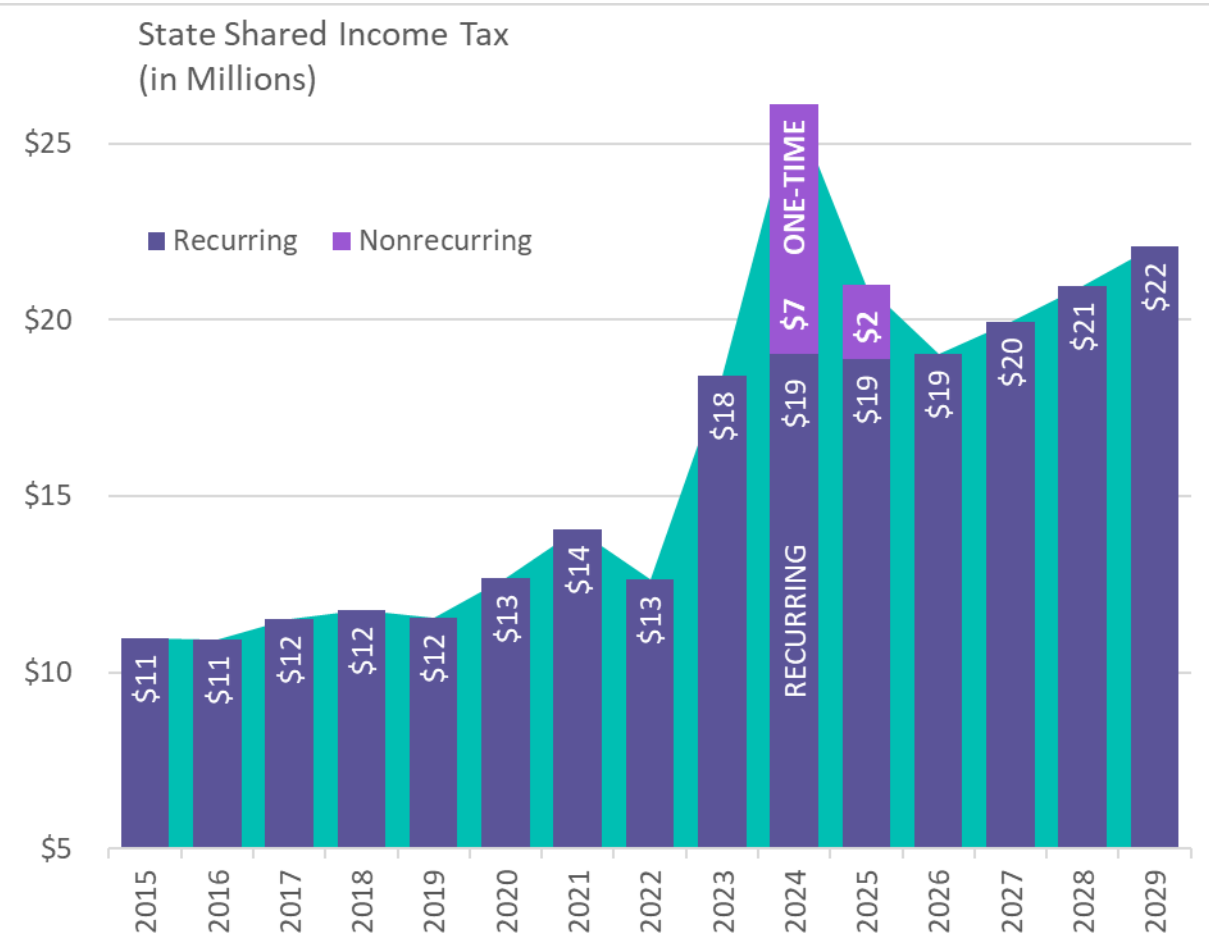
ESTIMATED FY 2025

- \$21.0 million; 18% of GF Budget

BASIS:

- State-wide sales tax collections and population
- When the State-wide pie gets larger
 - Yuma's slice has been larger for Yuma, but smaller as a State-wide %
- If State-wide pie gets small, Yuma's feels a steeper impact (less base, less pop)





FY 2024: State allocation to cities, towns up from 15% to 18% of total income tax

FY 2025: State moves from incremental Income tax to a flat 2.5% (effective CY/TY 2023); Impacts cities and towns 1/2 FY 2025

FY 2026: New income tax rate full FY 2026

New fund in FY 2024 to accumulate these one-time revenues: “*Capital Reserve and Contingency Fund*”. **Avoids** falling off the fiscal cliff, 2-year spike in revenue.



CITY SALES TAXES, PROPERTY LEVY



19

- Sales Tax:

- FY 2025 Estimate = \$34.9 million; 30% of GF budget
- Risks:
 - Local/States economy,
 - *Preemptive Legislation* (Restrict categories – Grocery, Residential Rental)

- Property Levy:

- FY 2025 Estimate (at the max) = \$16.6 million; 14% of GF budget
- Risks:
 - Local economy,
 - Preemptive Legislation (Reset Max Levy to Current; lost capacity in mid 2000's)



CITY SALES TAX



Category	TOTAL OF (1.0% GENERAL; 0.5% ROAD; 0.2% PUBLIC SAFETY)								GENERAL FUND ONLY		
	Actual FY 2021	Actual FY 2022	Actual FY 2023	% Change	Estimated FY 2024	% Change	Budget FY 2025	% Change	Estimated FY 2024	Budget FY 2025	% Change
Retail (non internet)	\$26,331,645	\$28,415,599	\$29,599,446	4.2%	\$30,966,294	4.6%	\$31,579,855	2.0%	\$18,215,467	\$18,576,385	2.0%
Restaurants and bars	4,756,792	5,818,497	6,279,049	7.9%	6,341,839	1.0%	6,405,257	1.0%	3,730,494	3,767,798	1.0%
Internet sales *	1,411,135	1,819,060	2,086,809	14.7%	2,401,917	15.1%	2,449,955	2.0%	1,412,892	1,441,150	2.0%
Hotels	986,472	1,382,398	1,372,421	-0.7%	1,290,076	-6.0%	1,264,274	-2.0%	758,868	743,691	-2.0%
Utilities	2,688,252	2,784,152	2,681,639	-3.7%	2,815,721	5.0%	2,843,878	1.0%	1,656,306	1,672,869	1.0%
All other	2,826,702	3,050,269	3,135,856	2.8%	3,298,921	5.2%	3,315,416	0.5%	1,940,542	1,950,245	0.5%
Sub-Total Recurring	\$39,000,998	\$43,269,975	\$45,155,220	4.4%	\$47,114,768	4.3%	\$47,858,635	1.6%	\$27,714,569	\$28,152,138	1.6%
Food for home consumption	\$5,541,656	5,705,262	\$6,821,060	19.6%	7,128,008	4.5%	7,270,568	2.0%	4,192,946	4,276,805	2.0%
Residential rental leasing	\$186,121	343,235	562,535	63.9%	582,224	3.5%	291,112	-50%	342,485	171,242	-50%
Sub-Total At-Risk	\$5,727,777	\$6,048,497	\$7,383,595	22.1%	\$7,710,232	4.4%	\$7,561,680	-1.9%	\$4,535,431	\$4,448,047	-1.9%
Construction (Nonrecurring)	\$3,139,253	4,001,825	\$3,368,292	-15.8%	3,791,000	12.5%	3,876,000	2.2%	2,230,000	2,280,000	2.2%
Total City's 1.7% Tax	\$47,868,028	\$53,320,297	\$55,907,107	4.9%	\$58,616,000	4.8%	\$59,296,315	1.2%	\$34,480,000	\$34,880,185	1.2%

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

Does not include the City's Two Percent Tax

Residential Rental ending January 1, 2025

CITY SALES TAX RISKS

- Local/States Economy,
- Preemptive Legislation (Restrict Categories)

FY 2025 = “recurring” minimum goal at 1.6% over FY 2024. Flattening consistent with other revenues. Cautious balance to not over-extend the City if goal not met, and not over-restrict priorities.



PROPERTY TAX



MAXIMUM LEVY AND TRUTH-IN-TAXATION OVERVIEW

Same Rate as Last Year

	FY 2023-24 (TY 2023)	FY 2024-25 (Tax Year 2024)									
		Appreciation to Base	A) Stay at Same Base Levy (0% Increase)			B) Back to Maximum Levy (4% Increase)			C) Stay at Same Rate (3% Increase)		
			Base	New Construction	Total	Base	New Construction	Total	Base	New Construction	Total
Proposed 2024-25 Tax Levy	-	-	\$15,725,832	\$ 230,333	\$ 15,956,165	\$ 16,361,865	\$ 239,651	\$ 16,601,516	\$16,206,045	\$16,206,045	\$32,412,090
Total Assessed Valuation	\$ 737,574,759	\$ 33,858,798	760,097,806	11,133,074	771,230,880	760,097,806	11,133,074	771,230,880	760,097,806	11,133,074	771,230,880
Taxed on per \$100	7,375,748		7,600,978	111,331	7,712,309	7,600,978	111,331	7,712,309	7,600,978	111,331	7,712,309
Primary Property Tax Rate	2.1321		2.0689	2.0689	2.0689	2.1526	2.1526	2.1526	2.1321	2.1321	2.1321
Primary Tax Levy	15,725,832		15,725,663	230,333	15,955,996	16,361,865	239,651	16,601,516	16,206,045	237,368	16,443,413
			\$ (169) difference due to rounding 0.00%		(need be same/lower OR do TNT)	\$ 636,033 4.04%	TNT required (Max increases 2% per year)		\$16,206,045 3.05%	TNT required	
TNT (Truth-in-Taxation)		Not to be Published				Required to Publish	Difference: Same Base, Amount Under Max		Required to Publish		
Proposed 2024-25 Primary Property Tax Levy per		\$ 206.89				\$ 215.26	FY 2025 < 4%	\$ 645,520	\$ 213.21		
2024-25 Primary Property Tax Levy per \$100,000 Home Value if the Tax Rate was not adjusted in FY 2025		206.89				206.89	FY 2024 < 2%	314,944	206.89		
Proposed 2024-25 Primary Property Tax Levy Increase(Decrease) per \$100,000 Home Value		-				8.3700	FY 2023 < 2%	303,060			
							FY 2022=Max	-			
									6.3200		

\$158,000 < Max
If TNT set at
max; City Council
can reduce with
Levy Adoption

PROPERTY TAX RISKS

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



COY POLICY GUIDELINE (Historical Unassigned Balance)

- Benchmark **no less than 20%** of revenues or subsequent years expenditures.
- Maintains sufficient cash flow as sales and property tax collections have differing high / low seasons.

GFOA (Assigned Balance)

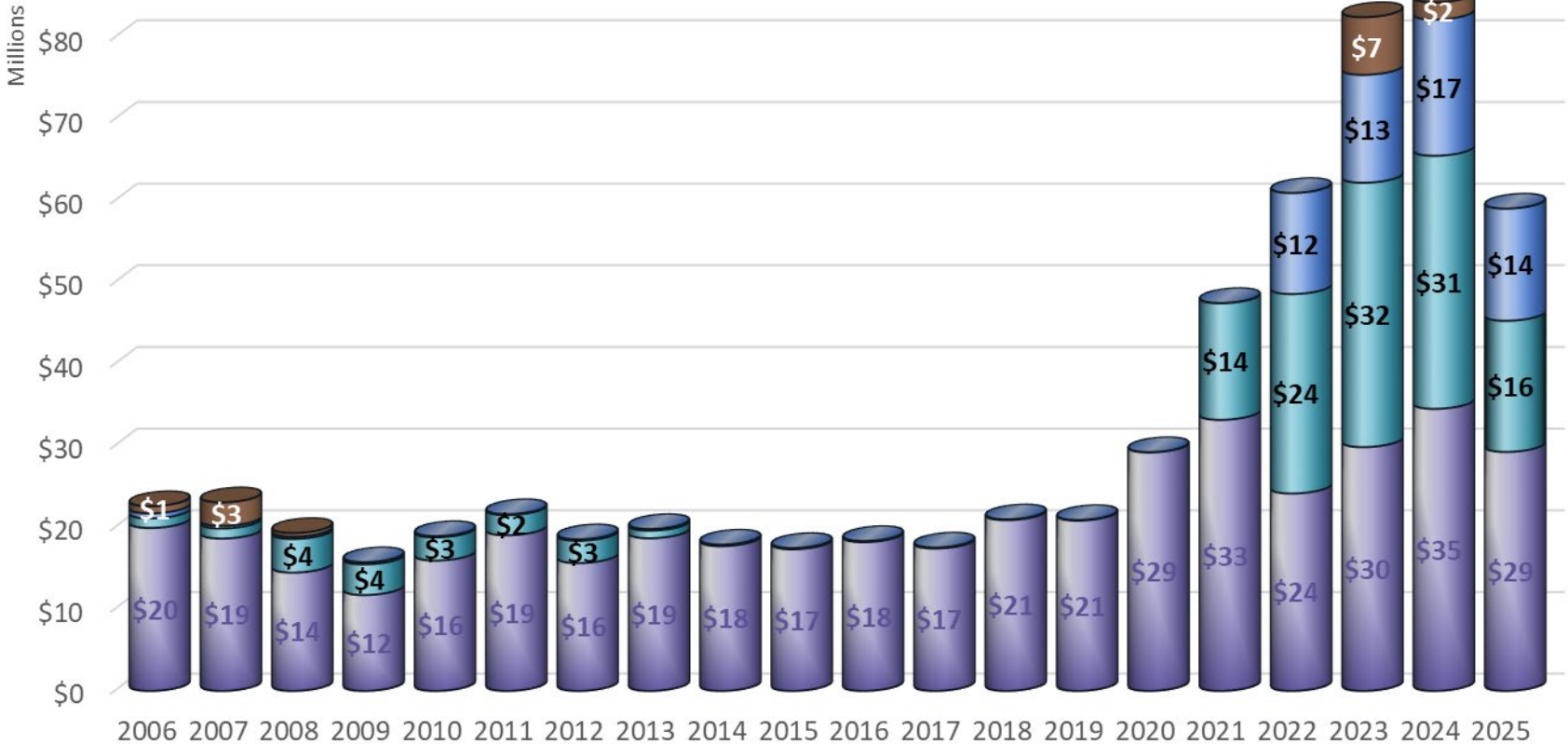
- Government Finance Officer's Association (GFOA) recommendations other considerations such as:
 - Diversity of revenues, volatility
 - Exposure to subsidizing programs more than the General Fund,
 - Bond ratings and convents ratios (1.2-3.0 coverage),
 - Rainy/snowy day funds, and
 - Plan to replenish if assigned certain balances are used.

GENERAL FUND BALANCE – AMOUNT BY CATEGORY



General Fund Balances (\$) and Transfers to Capital Fund

■ Unassigned
 ■ Assigned
 ■ Committed
 ■ Transfer to Capital Fund



Designated Balance are for set for specific purposes and audited at year-end.

Assigned balances are set to pay for previous liabilities in a latter date, such as delays in supply chain, bonded debt payments due July 1, or multi-year capital projects.

Committed balances required City Council action, such as Pension systems unfunded liability and pre-funding.

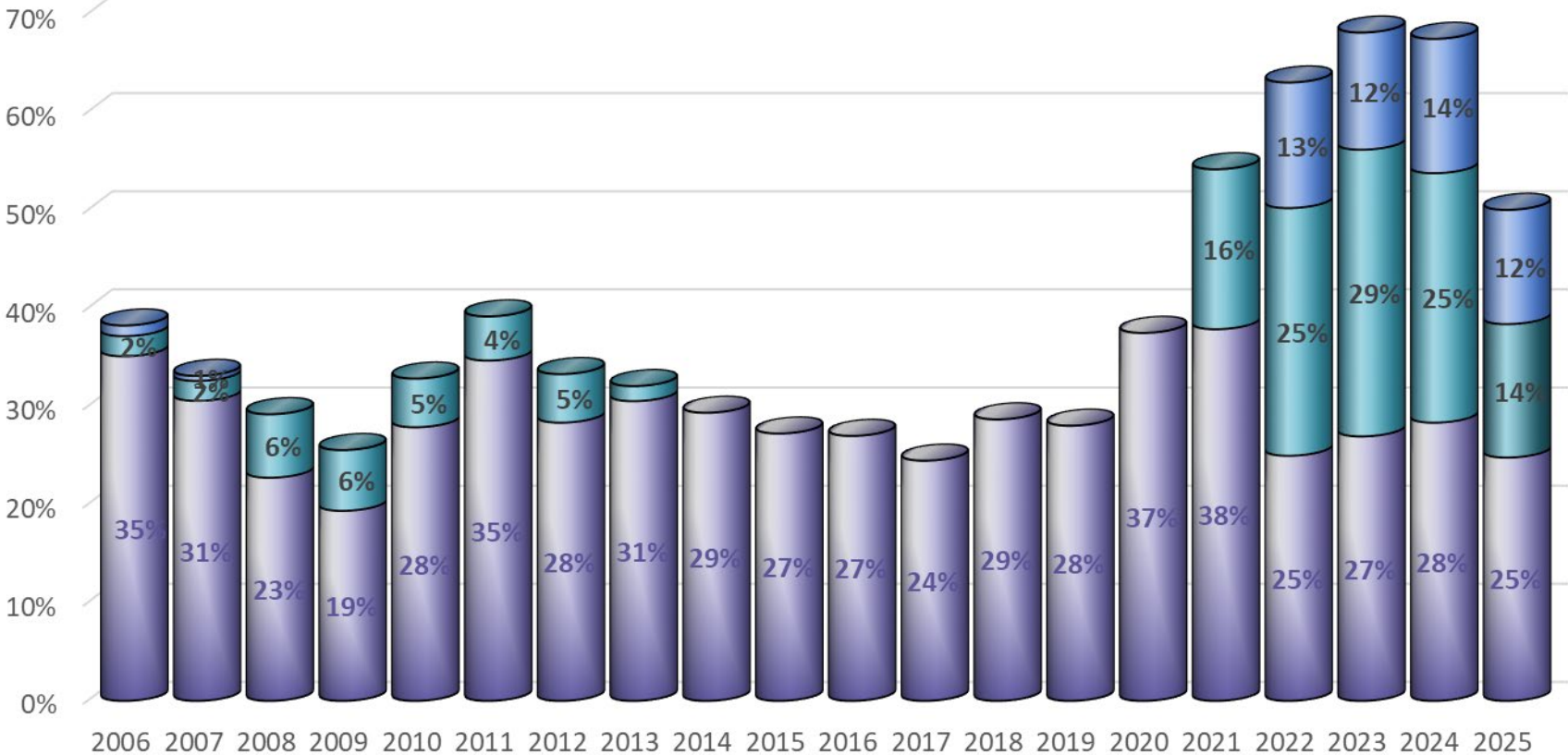
Transfer moves fund balance out from the General Fund

GENERAL FUND BALANCE – PERCENTAGE OF REVENUE



General Fund Balances (%)

■ Unassigned ■ Assigned ■ Committed



Designating fund balances are integral to the City’s financial stability and planning.

Budget Authority: Like a contingency, “*use of fund balance*” is budgeted as an expenditure.

Planned Use of Fund Balance: Unlike a contingency, fund balances set to honor a previous obligation are carried forward until payment is made.

Fund balances are on deposit in the City’s investment pool.

GENERAL FUND BALANCE – BY PURPOSES



FUND BALANCES BY PURPOSE	ACTUAL AUDITED FY 2023	ACTUAL ESTIMATED FY 2024	BUDGET AMENDED FY 2024	BUDGET PROPOSED FY 2025
PSPRS UAAL RESERVE (COMMITTED)				
Beginning balance, July 1	\$ 12,344,124	\$ 13,136,272	\$ 13,136,272	\$ 13,793,086
Addition	792,148	656,814	300,000	689,654
Reduction	-	-	-	(7,000,000)
Ending balance June 30	\$ 13,136,272	\$ 13,793,086	\$ 13,436,272	\$ 7,482,740
ASRS CPP RESERVE (COMMITTED)				
Beginning balance, July 1	-	-	-	\$ 3,168,781
Addition	-	3,168,781	-	3,088,855
Reduction	-	-	-	-
Ending balance June 30	-	\$ 3,168,781	-	\$ 6,257,636
LONG-TERM DEBT - BONDS				
Beginning balance, July 1	\$ 14,278,946	\$ 15,037,302	\$ 15,037,302	\$ 15,099,670
Addition	15,037,302	15,099,670	15,099,670	12,500,170
Reduction	(14,278,946)	(15,037,302)	(15,037,302)	(15,099,670)
Ending balance June 30	\$ 15,037,302	\$ 15,099,670	\$ 15,099,670	\$ 12,500,170

PSPRS Established under R2020-059; use to pay pension unfunded liability if resurfaces; AELR Exempt.

ASRS future City Council consideration. Prepayment of contributions, drawn as needed. Re-invest prior years earnings for future.

Long-term Debt = 1 year of bond payments.



GENERAL FUND BALANCE – BY PURPOSE



FUND BALANCES BY PURPOSE	ACTUAL AUDITED FY 2023	ACTUAL ESTIMATED FY 2024	BUDGET AMENDED FY 2024	BUDGET PROPOSED FY 2025
CAPITAL IMPROVEMENT PLAN				
Beginning balance, July 1	\$ 6,418,575	\$ 6,312,075	\$ 6,312,075	\$ 8,281,358
Addition	-	2,416,469	-	2,561,551
Reduction	(106,500)	(447,186)	(447,186)	(7,292,668)
Ending balance June 30	\$ 6,312,075	\$ 8,281,358	\$ 5,864,889	\$ 3,550,241
SUPPLY CHAIN DELAYS				
Beginning balance, July 1	\$ 2,863,201	\$ 5,615,542	\$ 5,615,542	\$ 7,315,994
Addition	2,752,341	1,700,452	-	-
Reduction	-	-	(5,615,542)	(7,315,994)
Ending balance June 30	\$ 5,615,542	\$ 7,315,994	\$ -	\$ -
UNASSIGNED FUND BALANCE				
Beginning balance, July 1	\$ 24,167,070	\$ 29,849,742	\$ 29,849,742	\$ 34,540,728
Addition	-	4,690,986	-	-
Reduction	5,682,672	-	(6,774,345)	(5,275,631)
Ending balance June 30	\$ 29,849,742	\$ 34,540,728	\$ 23,075,397	\$ 29,265,098

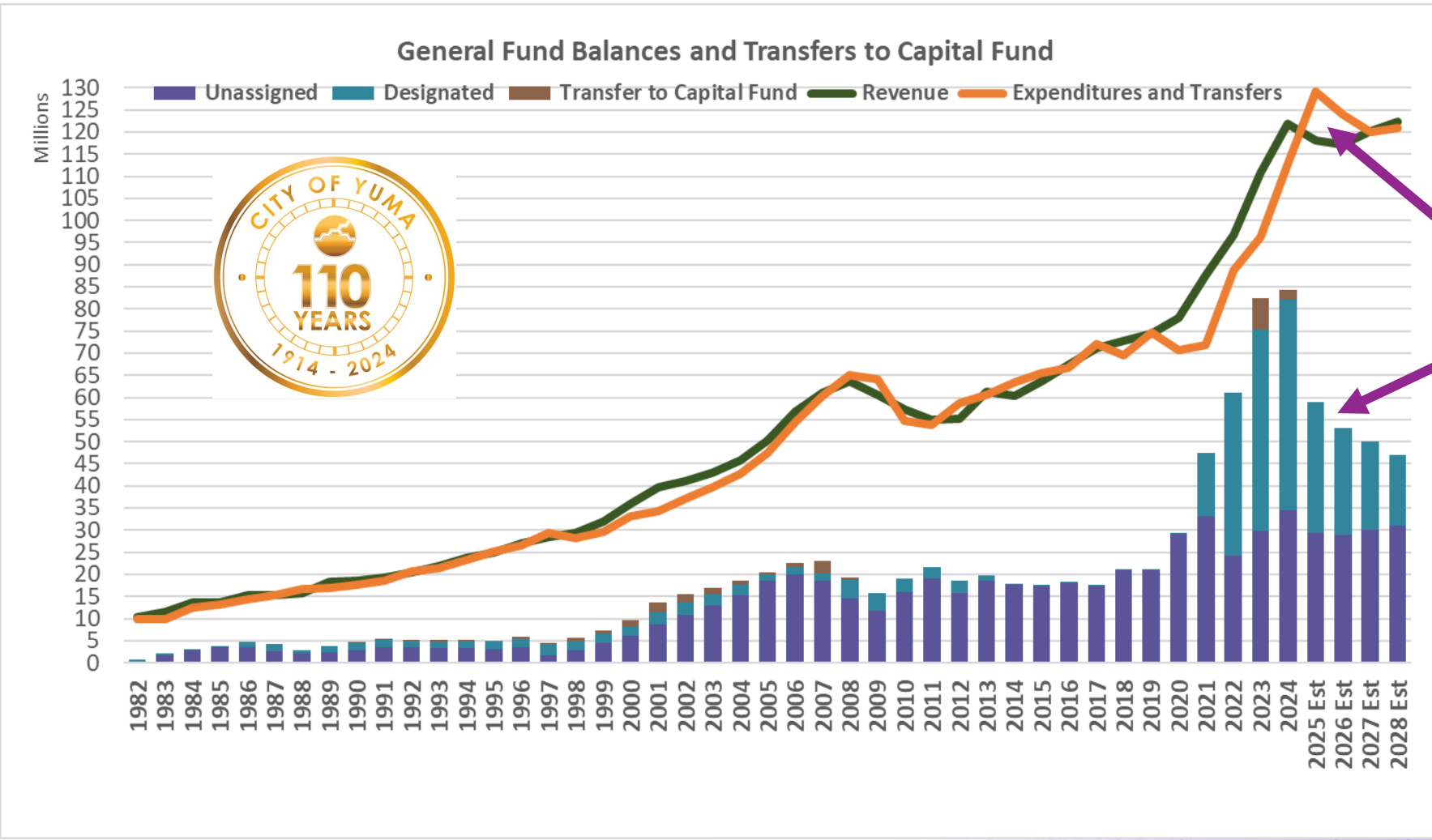
CIP = 1 year CIP, net residual available balance.

Supply Chain Delays is the current estimated costs of equipment and vehicles that was ordered in prior fiscal years, but not received. Receiving all in FY 2025 is unlikely. Balance will be carried forward as needed.

Unassigned (no less than 20%)



GENERAL FUND BALANCE – PLANNED USE OF BALANCE



- Expenditure greater than revenue = Deficit
- Structural (Operating)
 - Budgetary (One-time)
 - Use of emergency reserves (Temporary)
 - Planned use of *designated* balance (Stabilization Planning)

Timing of multi-year project completion, delays in receiving equipment, and pensions. Q3 Slide 11.

All designated balances are on deposit in the City's investment pool. Q3 Slide 7.

FUTURE CONSIDERATIONS

FY 2025 Policy Considerations: Introduction May 14th

- Future considerations for City Council
- Scheduling periodically over next year (mostly quarterly)
- Not all require immediate action or budget authority
- Budget Authority programmed in Proposed Budget, if would be needed
- City Administrator recommendations may or may not be to move forward or hold for future action



FUTURE CONSIDERATIONS – SOONER, THIS YEAR

Standard Policies:

- Budget and Levy Adoption (Annual Event)
- PSPRS Funding Policy (Annual Event)
- Designate CFO for AELR (Annual Event)

Finance RFP/RFQ:

- Independent Audit Services (Firm since 1994)
- Investment Management (Co. since 2002)
- TPT Audit (Expert since 1990's)

Reporting and Use of Funds:

- River Development (Separate for audit reporting)
- Opioid Settlement (Separate account, Approve uses)
- Safe AZ – Prop. 207 (Approve uses)



Model City Tax Code:

- Update Local Option (Two-Tier)
- Consider Local Options (Various options)
- Update full MCTC (When available to City's)

Financing Considerations:

- ARPA – American Rescue Plan (Amend Project Budgets)
- Public Safety Pension (Unfunded Accrued Liability)
- Arizona State Retirement (Prepayment Program)

Capital Asset Policy Thresholds:

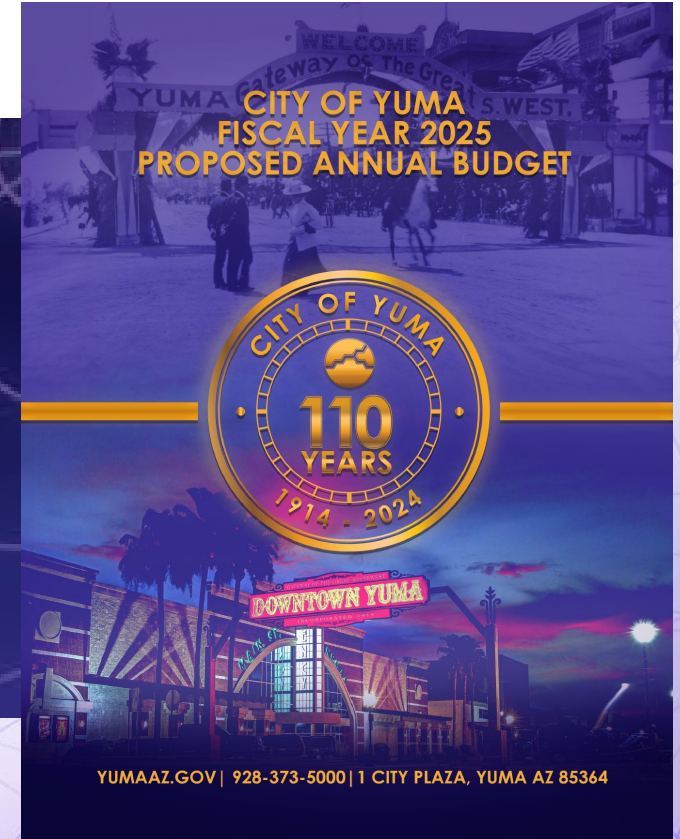
- Last set in 2003 (Equipment > \$5,000 > 1 year)
- Equipment Costs Increased (Unintended capitalization)
- Technology Changed (Unintended capitalization)



Discussion & Direction – Mayor and City Council

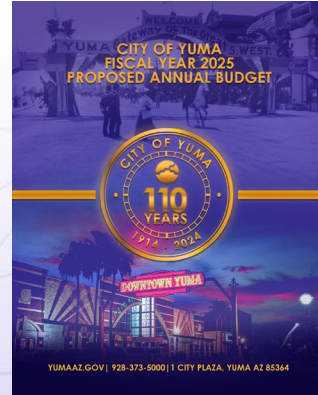


FY 2025: PROPOSED BUDGET INTRODUCTION



BUDGET CALENDER

FY 2025		KEY BUDGET DATES
Date	Event	
	April 8-11 Councilmember individual budget review sessions	
We are here	April 30 Worksession: Q3 Briefing, Proposed Budget presentation and CIP	
	May 1 Placeholder: for City Council questions and/or discussion	
	May 14 Worksession: Budget Update, Other Policy Considerations, 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



City Administrator's Budget Highlights



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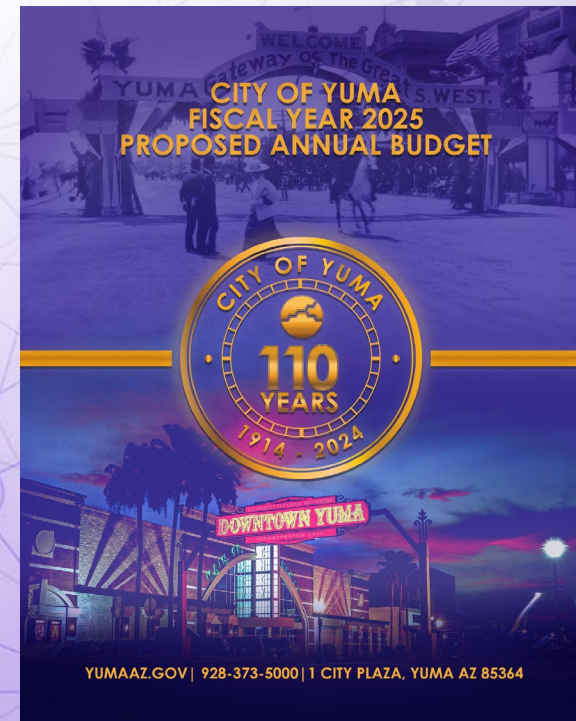
Total Budget (All Funds) Approximately \$521 million

- **General Fund Revenues**

- Forecasting a modest 2% growth in recurring revenues
- Forecasting a \$5.8million dollar decline in non-recurring revenues.
- Overall anticipating a \$3.6million dollar decline in general fund revenues in FY 2025
- Proposing the maximum allowable property tax levy

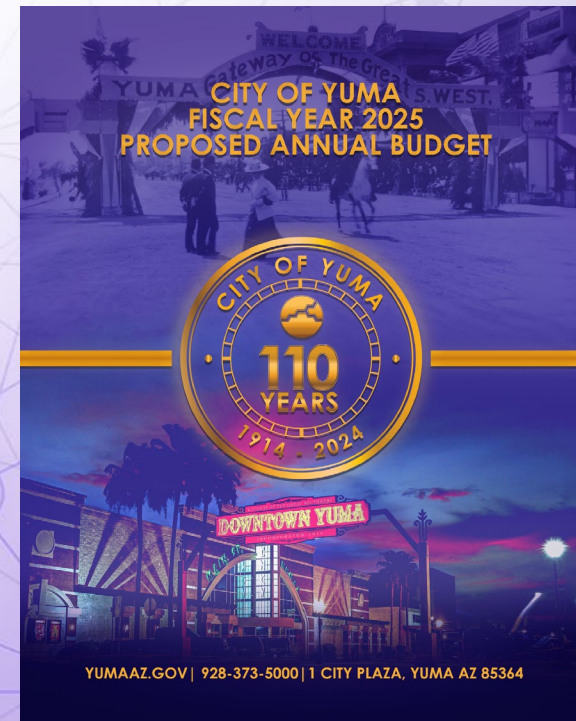
- **General Fund Expenditures**

- Proposing a \$2.3million increase in operating expenditures
 - Inflationary pressures are still impacting operating expenses
 - Electrical rate increase
 - Cost of consumables
 - Technology increase
 - Insurance cost increases



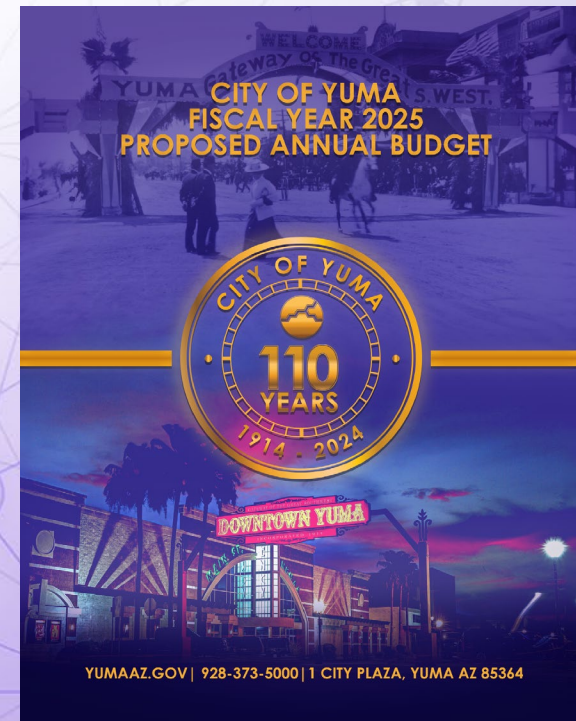
Personnel Expenditures

- General 9 to 10% increase in personnel expenditures across all funds
 - Proposing 6 new FTE's
 - 3% Merit or step increase (public safety) July 2024
 - Up to 2% Cost of Living (Market Adjustment) January 2025
 - 4% Health Care Premium Increase
 - A \$25/pay period decrease for dependent coverage for employees on the HDP
 - An Employee General Leave Buy Back Program in December 2024
 - Stand-by Pay Increase from \$2.00/hr. to \$2.50/hr.
 - An increase in the employee college tuition reimbursement program from \$3,000 to \$3,500 annually. Added more funds to the program.



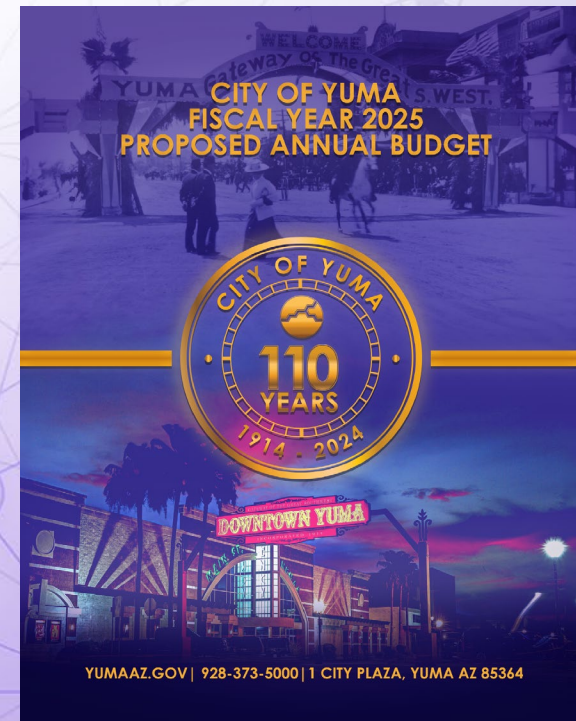
Capital Expenditures

- All major equipment needs requested by the departments are included in the proposed Budget
 - Additions to the fleet \$2.4million
 - Replacements \$3.5million (Equipment Replacement Fund)
 - Carry Forward \$3.0million



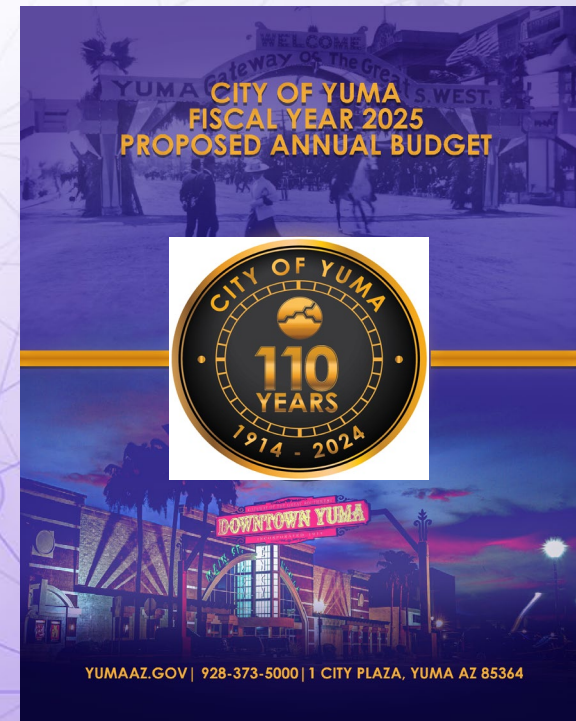
Capital Improvement Program (CIP)

- Several highly anticipated projects will begin construction if FY 25
 - Desert Dunes Expansion (Sept 2024)
 - East Mesa Park (Nov/Dec 2024)
 - Police Evidence Storage (Aug 2024)
 - Hotel Del Sol Project (Jan 2025)
 - Kennedy Skate Park (July 2024)
 - Desert Hills New Irrigation System (Spring 2025)



The Legacy of Leadership

- Continues to promote the City as an Employer of Choice
- Continues to meet the community's needs
- Includes the possible use of more than \$60million in grant funding.
- The proposed budget plans for the future
- HURF is not sustainable for future road maintenance needs



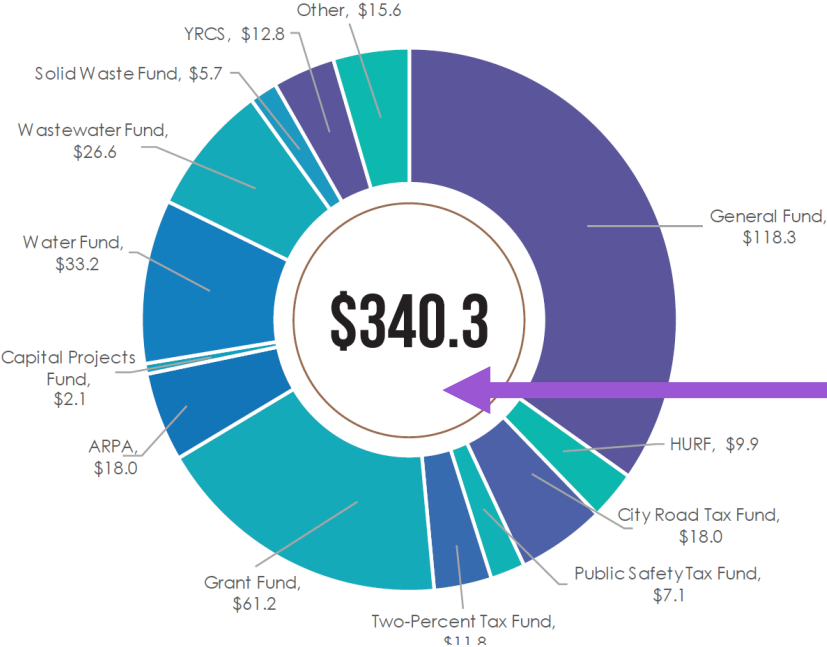
Total Revenue and Expenditures



FY 2025 REVENUES

\$340.3 All Funds

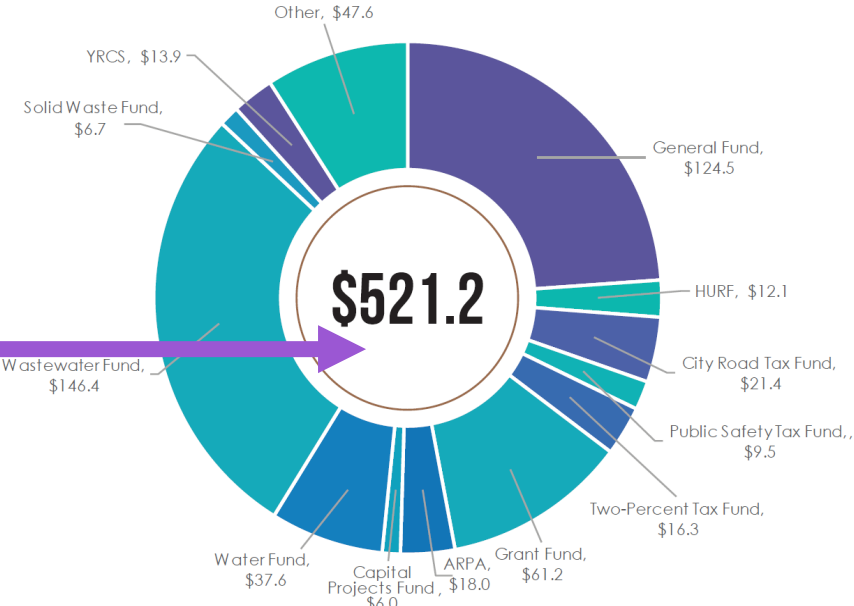
- \$118.3 General Fund
- \$9.9 HURF
- \$18 City Road Tax Fund
- \$7.1 Public Safety Tax Fund
- \$11.8 Two-Percent Tax Fund
- \$61.2 Grant Fund
- \$18 ARPA
- \$2.1 Capital Projects Fund
- \$33.2 Water Fund
- \$26.6 Wastewater Fund
- \$5.7 Solid Waste Fund
- \$12.8 YRCS
- \$15.6 Other



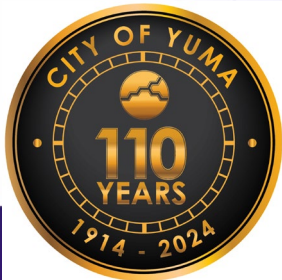
FY 2025 EXPENDITURES

\$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



Discussion & Direction – Mayor and City Council





Quarterly Financial Briefing

FY 2024 Quarter 3.0

FY 2024 Financial Status

FY 2025 Financial Outlook

FY 2025 Proposed Budget Introduction