

MINUTES
SPECIAL WORKSESSION/ROUNDTABLE
CITY COUNCIL OF THE CITY OF YUMA, ARIZONA
VALLEY AQUATIC CENTER
4381 W. 18TH STREET, YUMA, ARIZONA

June 30, 2009

3:05 p.m.

CALL TO ORDER

Mayor Nelson called the City Council meeting to order.

Councilmembers Present: Shoop, Mendoza, Beeson, McClendon, Johnson and Mayor Nelson
Councilmembers Absent: Hieb
Staffmembers Present: City Administrator, Mark S. Watson
Deputy City Administrator, Bob Stull
Director of Parks & Recreation, Becky Chavez
Recreation Superintendent, Deborah Wendt
Director of Finance, Pat Wicks
Assistant City Attorney, Richard Files
City Attorney, Steven W. Moore
Various Department Heads or their representative
City Clerk, Brigitta M. Kuiper

I. TOUR OF THE VALLEY AQUATIC CENTER

Chavez welcomed City Councilmembers to the new facility. **Wendt** conducted a tour of the various facilities and amenities of the aquatic center, noting the activities the new facility will make possible. **Wendt** introduced Joe Cox, Recreation Program Supervisor and Pam Zack, Recreation Coordinator, who will be responsible for the aquatic center. She invited City Councilmembers to a pre-opening pool party scheduled for the evening of July 1, 2009 and everyone to the grand opening/ribbon cutting ceremony on Thursday, July 2, 2009, at 12:45 p.m.

Watson commended staff for working successfully with the Yuma Union High School District on this joint partnership project.

II. REGULAR CITY COUNCIL MEETING AGENDA OF JULY 1, 2009

Following the tour, City Councilmembers gathered in the aquarium multi-purpose room.

Disbursal Agreements and Outside Agency Agreements

Watson commented as follows:

- As discussed previously, tomorrow's agenda includes consideration of a number of outside agency agreements for financial support from the City of Yuma; these agreements reflect a 10% cut in City support, with a few exceptions, as approved by the City Council in the

Preliminary Budget, adopted two weeks ago:

- The Humane Society agreement is still being finalized.
- The Yuma Visitors Bureau's allocation was increased to previous levels because voters approved a continuance of the 2% Hospitality Tax.
- There have been some calls for Heritage Festivals' allocation to be reinstated without a 10% reduction and that the \$2,500 membership in the Chamber of Commerce also be reinstated.
 - To do so, however, at this point – subsequent to the adoption of the Preliminary Budget, which establishes the upper limit of expenditures – any increase in allocations would have to come from another account.
 - The City Council has the prerogative of changing these allocations and staff would work to transfer money as needed.
 - Should the City Council want to reallocate money, staff would work toward that end, as directed.
- Another such issue is that the City allocated \$5,000 less than the Greater Yuma Port Authority (GYPA) called for; the annual call was for \$50,000 and Yuma's contribution will be \$45,000.
 - According to the bylaws of the organization, if the City does not bring that contribution up to the level of the call by June, 2010, the City will lose its vote on the Board of Directors.
- These situations can be reconsidered throughout the year or at mid-year to see if adjustments can be made, based on revenues at that time and the actions of the state.
 - The decision to move some of the 2% allocation from the Visitor's Bureau to Heritage Festivals, however, needs to be made in a timely manner, because the Bureau will be planning its upcoming expenditures based on the City's allocation.
- The impact of the State's budget on the City's revenues continues to be an unknown.
 - The Legislature is considering appropriating vehicle tax revenues normally allocated to cities and counties and freezing impact fee rates collected by cities.
 - The State Legislature is also discussing reducing the income tax rate to one, common rates, which would constitute an erosion of future City revenues.

Discussion

- Membership in the Chamber of Commerce costs the City \$2,500 per calendar year.
 - The City is not now a member.
 - Historically, membership in the Chamber has been paid out of the Mayor and City Council budget.
 - Membership has not provided for in the budget for the upcoming fiscal year.
- The City and the Chamber need to speak with one voice because doing otherwise undermines the City's ability to attract business.
 - It's critical for the City to be a member of the Chamber.
 - Partnering with the Chamber means more than just being a member.
- Reallocation of funds can be made at any time during the fiscal year.
- Is it worth the \$2,500 Chamber membership fee?
- 10% cutbacks translate into the following amounts:
 - Catholic Community Services: reduced by \$2,500
 - Amberly's Place: \$4,600
 - Yuma Film Commission: \$1,000

- Cultural Council of Yuma: \$2,100
- Yuma Heritage Festivals: \$9,000
- Yuma Fine Arts: \$5,000
- Community Legal Services: \$600
- Greater Yuma Economic Development Corporation: \$27,000
- Although the 2% Hospitality Tax was extended, this tax is collected on sales at bars, restaurants, and hotels and motels and consumers are cutting back; the City may not collect the estimated \$4 million it projected. If revenues pick up, the allocations can be reconsidered.
- At this point the Preliminary budget has been adopted.
 - Changes can be made mid-fiscal year, should they be necessary, for calendar year commitments at Council direction.
 - Every allocation should be considered in terms of its value.
- GYPA
 - The Port Authority's bylaws states that it can request up to \$50,000 per year, per agency, subject to the appropriation process of each agency. The City of Yuma has an appropriation process – the budget approval process. If \$45,000 was budgeted, that amount is in compliance with GYPA's requirements.
 - How can GYPA legally void the City's right to vote, given its bylaws.
 - If the City of Yuma is not allowed to vote, then the City shouldn't pay the \$45,000.
 - GYPA is at a critical juncture and needs its funding to continue; the City needs to realize GYPA's situation and work with it.
 - The City opted out of GYPA shortly after the Authority was formed; subsequently, the City decided to rejoin and, to do so, it had to bring its investments current with the total calls. The City pleaded its case for a lower call amount; however, the other voting entities and appointees on the Board of Directors did not agree to a reduction in the \$50,000 call. GYPA's lawyer adheres to a more strict interpretation of the bylaws and the City has not contested the matter. The City can pay the additional \$5,000 at a later time and regain its right to vote.
 - The City Council recently appointed Deputy City Administrator, Bob Stull, to the City's representation on the Board of Directors to replace Councilmember Ross Hieb; GYPA will be making key decisions in the upcoming months and having Stull on the Board will provide the City additional insight into GYPA needs and operations and give the Board added financial expertise.
 - The bylaws need to be changed to eliminate the statement that allocations are subject to the appropriation process of each agency.
 - Before the City pays the full \$50,000, the issue should be litigated.
- The City promised to allocate \$90,000 in 2% funding to Heritage Festivals; what can be done to fulfill this commitment – as a matter of good faith?
 - The reallocation of 2% funding can be done; a motion will be prepared for tomorrow's meeting.

Budget Action: Truth-in-Taxation, Final Budget and Tax Levy

Wicks explained that tomorrow's Truth-in-Taxation briefing will give an overview of how property taxes work. Key to the issue is how any changes will affect taxpayers. He presented City Councilmembers with information outlining their impact, as a preview of what will be presented at tomorrow's public hearing. It takes approximately two years for property improvements to be reflected in increased property taxes. The content of the notice printed in The Sun is prescribed specifically by State Statutes; the language infers there will be an increase, when, in fact, there may not be. This has caused confusion lately, especially when published for school districts. The City includes an explanatory note at the end of the ad.

Resolutions R2009-45 through R2009-50: Development Fee Deferrals

Watson explained that the City cannot eliminate impact fees, as suggested by the Chamber of Commerce; however, the City can allow the payment of those fees to be deferred until a Certificate of Occupancy is issued. This will benefit the developers; all the local developers have expressed their interest into entering into such an agreement.

Files and **Moore** explained the terms of the proposed Development Fee Deferral Agreements:

- A Master Agreement describes the property that is eligible for the deferral of the development fees.
 - Development fees include impact fees and water and sewer capacities fees that, at this time, are running approximately \$17,500 per home.
 - Usually, development fees are collected when a builder applies for a building permit.
- When a developer/owner applies for a building permit, staff will calculate the development fees specific to the property at that time.
- The developer/owner will sign a deferral agreement for the specific lot; this agreement serves as a promissory note.
- Within 30 days of receiving the building permit, a developer must pass the first building inspection, which will insure that a developer/owner does not receive a deferral and then sit on it indefinitely.
- The intent is to relieve the developer/owner of the burden of financing the impact fees in hopes that it will keep builders working and help them sell homes.
- When the home changes hands – when the Certificate of Occupancy is issued, indicating the house will be occupied because it has been sold – the developer/owner will have to pay the fees.
- This agreement is unique; no other community in Arizona offers its developers/owners any such buffer. There is some risk that it could be taken advantage of, but the City wishes to preserve construction jobs and keep the economy moving.
- The agreements include several safety provisions, including the requirement that development fees be paid should the property be sold prior to a Certificate of Occupancy being issued.
- Staff attempted to craft the provisions of the agreement so that the point when builders have taken on the debt to build the home is the point at which the deferral of fees is possible.

Discussion

- The fees are calculated at the time the building permit is pulled; therefore, the fees required are those applicable at the time the building is started, rather than after the home is built.
- There are interest fees on the deferred payments.
- The agreements represent a certain amount of good faith on the part of both parties; there was no pattern for staff to follow in preparing the documents.
- The City doesn't lose any money by deferring the payment; the City would have only collected the fees applicable when the building permit was pulled anyway.
- The general populace isn't affected since the impact of growth isn't felt until a home is occupied anyway.

III. RESIGNATION OF COUNCILMEMBER

Watson noted that the City Councilmembers have before them a list of those interested in being appointed to the unfinished term of Councilmember Ross J. Hieb; acceptance of his resignation will be before the City Council tomorrow. Following acceptance of his resignation, the City Council has 30 days – to July 31, 2009 to appoint a successor. Other than this provision, there is no specific process outlined for choosing a successor. The City simply issued an open call for interested persons to the public, as has been done in the past, with a deadline for response by June 29, 2009. Since the last Regular City Council Meeting within the 30-day period falls on July 15, 2009, he hoped the decision could be made at that meeting.

Watson outlined the following:

- Letters of interest have been received.
- City Councilmembers have personally contacted individuals.
 - Former Councilmember Bobby Brooks has chosen not to participate.
 - If Councilmembers are aware of other interested parties, please forward the information to the City Administrator for inclusion in the list.
 - The initial list needs to be finalized within the next week.
- A statement of interest and resume has been/will be requested from each individual.
- Each City Councilmember will be asked to individually and separately review the list, chose their top three candidates and forward their choices to the City Clerk.
- The deadline to submit names to the City Clerk will be Monday, July 6th at 5:00 p.m.; thereafter, the City Clerk will compile a second list of candidates.
- On Tuesday, July 14, 2009, the list of candidates will be reviewed in Executive Session; candidates must give their permission for the City Council to discuss them in Executive Session.
- A motion to appoint Hieb's replacement will be prepared for the Regular City Council Meeting of July 15, 2009, if all goes well.
- The appointee will be sworn into office the next day and can assume his/her duties 24 hours after taking the oath of office.
- A majority vote – four Aye votes – is needed to appoint.

IV. CENSUS 2010 COMPLETE COUNT COMMITTEE

Watson stated that, recently, he and Mayor Nelson met with Juan Carlos Escamilla, Mayor of the City of San Luis, who has been hired as the local census representative and community point of contact. The City of Yuma needs to form a Complete Count Committee to act as the face of the census in the community; the committee will have authority to advertise and spend money on behalf of the census. Escamilla suggested that the committee be made up of strong representatives of the community. Staff has prepared a list of individuals for City Council's review. Various locations, ethnic and socioeconomic sectors need to be included; more potential committee members need to be identified. A general call to the public is anticipated. It is possible that a City Councilmember could be appointed to the committee, which would lend the committee credibility and be able to report on the census' progress especially during the actual count.

Watson outlined:

- Complete Count Committee: 12 member board, meeting approximately twice a month initially, and more often as counting approaches and begins.
- Need to be appointed within next 30 days to begin preparation
- Volunteer position
- An accurate census is important:
 - Basis for the City's percentage of State Shared Revenues
 - Establishes congressional delegation representation
- City of Yuma personnel or government personnel, in general, are not being encouraged to participate; members of the committee must be known and trusted in the community so they can assure people it is safe to participate.

V. UPDATES

Moore: The City's lobbyist at the State Legislature has informed him that budget negotiations are proving problematic for all sides. Even the Legislative leadership cannot gain the support of their respective party members.

Watson stated that the Alternative Selection Report on how the ASH Highway would connect with Highway 95 is in the Mayor/Council's office. The field of options has been narrowed to four. Staff has prepared a resolution. He also stated that on the July 15th agenda, a resolution is coming forward to City Council reaffirming the City's position.

Kuiper noted that tomorrow's agenda will include the appointment of Flora Hatch as a Provisional Deputy City Clerk. Appointing Hatch to the position will help the City Clerk's Office cover necessary duties when the City Clerk and Deputy City Clerk are away at training or on vacation. Hatch will not assume these duties unless both are unavailable.

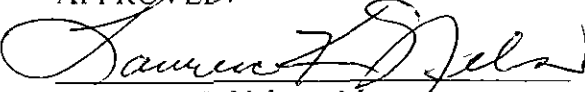
VI. ADJOURNMENT/EXECUTIVE SESSION

There being no further discussion, the Mayor adjourned the Special Worksession/Roundtable to Executive Session. Voice vote: **adopted** 6-0. The meeting adjourned at 4:50 p.m.



Brigitta M. Kuiper, City Clerk

APPROVED:



Lawrence K. Nelson, Mayor

Approved at the City Council Meeting of:
Aug 5 - 2009
DEPUTY
City Clerk: L. B. Shing