NOTICE OF WORK SESSION

In accordance with § 38-431.01 of the Arizona Revised Statutes of the State of Arizona, notice is hereby given to the Members of the City Council and to the general public that the Mayor and Council of the City of San Luis, Arizona, will hold a Work Session at 6:00 p.m., Tuesday, April 18, 2023. The Work Session will take place at the City Council Chambers, located at 1090 E. Union Street, San Luis, Arizona, 85349. The public is invited to attend the open meeting.

In accordance with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, the City of San Luis does not discriminate on the basis of disability in the admission of or access to, or treatment of employment in its programs, activities, or services. For information regarding rights and provisions of the ADA or Section 504, or to request reasonable accommodations for participation in City programs, activities, or services, contact: ADA/Section 504 Coordinator, City of San Luis Human Resources Department, 1090 E. Union Street, San Luis, Arizona, 85349; (928) 341-8520.

Notice is hereby given that pursuant to A.R.S. § 1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council are audio and/or video recorded, and, as a result, proceedings in which children are present may be subject to such recordings. Parents in order to exercise their rights may either file written consent with the City Clerk to such recordings, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. § 1-602.A.9 have been waived.

THIS NOTICE IS GIVEN BY:

/s/ Sonia Cornelio, City Clerk

AVISO DE SESION DE TRABAJO

De acuerdo con los Estatutos del Estado de Arizona A.R.S. § 38-431.01, se le informa a los miembros del Cabildo y al público en general que el Alcalde y el Cabildo, tendrán una Sesion de Trabajo a las 6:00 p.m., el día Martes, 18 de Abril del 2023. La junta se llevará a cabo en la Sala del Cabildo, ubicada en el 1090 E. Union Street, San Luis, Arizona, 85349. El público está invitado a la junta.

De acuerdo con el Acta de Americanos con Discapacidades y la Sección 504 del Acta de Rehabilitación del 1973, la Ciudad de San Luis, Arizona no discrimina por causa de discapacidad la admisión y acceso a sus programas, actividades, servicios o en el trato en cuanto a empleo. Para más información referente a derechos y provisiones del Acta de Americanos con Discapacidades o Sección 504, o para solicitar adaptaciones que sean razonables para la participación en programas, actividades o servicios de la Ciudad, contactar al: Coordinador del Acta de Americanos con Discapacidades/Sección 504, Departamento de Recursos Humanos de la Ciudad de San Luis, Arizona, ubicado en el 1090 E. Union Street, San Luis, Arizona, 85349; (928) 341-8520.

Por medio de este aviso y de acuerdo con los Estatutos del Estado de Arizona A.R.S § 1-602.A.9, sujeto a ciertas excepciones reglamentarias, los padres de familia tienen el derecho de dar el consentimiento ante el Estado o cualquiera de sus subdivisiones políticas para hacer una grabación de audio o video de su hijo menor de edad. Las juntas del Cabildo se graban en audio y/o video y como resultado, el hecho de que haya menores presentes puede ser sujeto a que sean grabados. Para que los padres de familia puedan ejercer sus derechos pueden dar el consentimiento por escrito con la Secretaria de la Ciudad a tal grabación, o tomar acción personal para asegurarse que su hijo menor no esté presente cuando la grabación se lleve a cabo. Si un menor de edad está presente en el momento de la grabación, la Ciudad asumirá que los padres de familia están cediendo los derechos sobre una posible grabación de acuerdo con los Estatutos del Estado de Arizona A.R.S. § 1-602.A.9.

ESTE AVISO ES DADO POR:

/f/ Sonia Cornelio, Actuaria de la Ciudad

AGENDA
Work Session
San Luis City Council
San Luis Council Chambers
1090 E. Union Street
San Luis, AZ 85349
April 18, 2023
6:00 p.m.

PLEASE TAKE NOTICE THAT MEMBERS OF THE CITY COUNCIL WILL ATTEND EITHER IN PERSON, TELEPHONE, OR VIDEO CONFERENCE COMMUNICATION. THE MAYOR OR ACTING MAYOR FOR THIS MEETING MAY CHANGE THE ORDER OF THE ITEMS; IF AUTHORIZED BY LAW AND BY A MAJORITY VOTE OF A QUORUM OF CITY COUNCIL MEMBERS PRESENT, AN EXECUTIVE SESSION WILL BE HELD IMMEDIATELY FOLLOWING THE VOTE IN ACCORDANCE WITH A.R.S. § 38-431.03(A) AND THE MEETING WILL BE TEMPORARILY RECESSED WHILE THE CITY COUNCIL RETIRES TO EXECUTIVE SESSION WHICH WILL NOT BE OPEN TO THE PUBLIC.

TENGA EN CUENTA QUE LOS MIEMBROS DEL CABILDO DE LA CIUDAD ASISTIRÁN EN PERSONA, TELÉFONO O COMUNICACIÓN POR VIDEO CONFERENCIA. LA ALCALDESA O ALCALDE INTERINO DE ESTA REUNIÓN PUEDE CAMBIAR EL ORDEN DE LOS TEMAS; SI ESTÁ AUTORIZADO POR LA LEY Y POR MAYORÍA DE VOTOS DE UN QUÓRUM DE MIEMBROS DEL CABILDO PRESENTES, SE LLEVARÁ A CABO UNA SESIÓN EJECUTIVA INMEDIATAMENTE DESPUÉS DE LA VOTACIÓN DE ACUERDO CON LOS ESTATUTOS DEL ESTADO DE ARIZONA A.R.S. § 38-431.03 (A) Y LA REUNIÓN SERÁ TEMPORALMENTE RECESADA MIENTRAS EL CABILDO DE LA CIUDAD SE RETIRE A UNA SESIÓN EJECUTIVA QUE NO ESTARÁ ABIERTA AL PÚBLICO.

1. CALL TO ORDER/ROLL CALL

2. ITEM FOR DISCUSSION ONLY:

Discussion and possible directions to staff on any and all matters regarding the informational presentation by Stifel, Public Finance Advisors, on the process to raise revenue through a property tax to improve city services to the residents of San Luis, Arizona. **(Mark Reader, Managing Director at Stifel)**

3. ADJOURNMENT

IN THE EVENT A MAJORITY OF THE COUNCIL IS NOT PRESENT, AN INFORMAL WORK SESSION MAY BE HELD.

AGENDA ITEM REVIEW FORM

Work Session **2.**

Meeting Date: 04/18/2023

Department Head: Ralph Velez, Interim City Manager, Administration

Submitted By: Olivia Jenkins, Government & Foreign Affairs Coordinator, Administration

Action Requested: Discussion Item - No Action to be Taken

ITEM:

ITEM FOR DISCUSSION ONLY:

Discussion and possible directions to staff on any and all matters regarding the informational presentation by Stifel, Public Finance Advisors, on the process to raise revenue through a property tax to improve city services to the residents of San Luis, Arizona. **(Mark Reader, Managing Director at Stifel)**

SUMMARY:

The City of San Luis is growing. With the growth comes more demand for the city's services. The city's revenue is not keeping pace with the demand. The Public Finance Advisors at Stifel will present information on the process of raising revenues through a property tax for consideration and discussion.

RECOMMENDATION / SUGGESTED MOTION:

Discussion and possible directions to staff only, no action.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	NO
CITY/STATE/FEDERAL FUNDS:	N/A
TOTAL:	N/A
BUDGETED AMOUNT:	N/A
AVAILABLE AMOUNT TO TRANSFER:	N/A
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	N/A

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

There is no cost associated with this item. This is only an informational presentation.

Attachments

Presentation

CITY OF SAN LUIS, AZ INC. 1979

CITY OF
SAN LUIS
ARIZONA

City of San Luis, Arizona

Information in connection with a Primary Property Tax Election

April 18, 2023 at 6:00 P.M.

STIFEL | Public Finance

Property Tax Definition

- **Primary Property Tax:** Funds collected by a City for its maintenance and operation budget and **MAY** be used for capital improvements such as roads, open space and other high priority Improvements

- **Secondary Property Tax**: Funds for the payment of general obligation bonds (**MUST** be used for capital improvement projects) on voter-approved general obligation bonds issued by a City

- Voter approval required for all property tax elections

- The City has never levied a property tax

Constitutional Limitation

- Limitation on amount of primary property tax levied by municipalities is rooted in Arizona Constitution
- Limitation is referenced in terms of tax dollars not tax rate
- Limitation is “an amount two per cent greater than the amount levied in the preceding year”

Initial Base Levy Limit

- Statute authorizes the City Council that did not levy primary property taxes in preceding year to submit issue for voter approval
- Election must be held on third Tuesday in May for following fiscal year (ARS 42-17056)
  - If approved in May 2024, property taxes are collected beginning FY 2024-25
- Proposed amount of levy determined by City Council
  - If approved by voters, dollar amount is maximum that may be levied in following fiscal year
- Council should consider immediate revenue needs and needs in future years when determining proposed initial levy

Limited Assessed Property Value History

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Tax Year	Fiscal Year	Limited AV	Annual Growth
2014	2014-15	$55,927,068	-14.92%
2015	2015-16	$59,838,177	3.68%
2016	2016-17	$61,528,683	3.19%
2017	2017-18	$65,766,322	2.83%
2018	2018-19	$70,342,158	6.89%
2019	2019-20	$78,623,580	6.96%
2020	2020-21	$82,474,442	11.77%
2021	2021-22	$93,087,841	4.90%
2022	2022-23	$103,479,734	12.87%
2023	2023-24	$111,042,875	11.16%

Estimated Taxpayer Impacts FY 2024-25

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			FY 24-25 Tax Rate: $1.29 FY 24-25 Max Levy: $1,500,000		FY 24-25 Tax Rate: $1.54 FY 24-25 Max Levy: $1,800,000	
(Average value properties estimated from FY estimated 2023-24 Yuma County Assessor abstract.)	Limited Property Value	Assessed Valuation	**Estimated Annual Tax Impact**	**Estimated Monthly Tax Impact**	**Estimated Annual Tax Impact**	**Estimated Monthly Tax Impact**
Owner Residential Property: *10% assessment ratio*						
estimated average property owner:	$106,603	$10,660	**$137**	**$11.43**	**$165**	**$13.71**
Commercial Property (locally assessed): *16.5% assessment ratio*						
estimated average property owner:	$525,008	$86,626	**$1,114**	**$92.87**	**$1,337**	**$111.45**
Agricultural/Vacant Property: *15% assessment ratio*						
estimated average property owner:	$27,499	$4,125	**$53**	**$4.42**	**$64**	**$5.31**

(a) The assessment ratio for this property classification will decrease to 16.5% for tax year 2024, 16% for tax year 2025, 15.5% for tax year 2026 and 15% for each tax year thereafter.

Overlapping Tax Rates and Assessed Values (a)

Overlapping Jurisdiction	2022/23 Net Limited Assessed Property Value	2022/23 Total Tax Rate Per $100 Net Limited Assessed Property Value
State of Arizona	$ 78,415,651,028	None
Yuma County	1,443,410,621	$2.5082
Yuma County Community College District	1,443,410,621	2.3969
Yuma County Flood Control District	1,222,419,652	0.1611
Yuma County Hospital District	1,391,217,524	0.0811
Yuma County Library District	1,443,410,621	0.8815
Yuma County Fire District Assistance	1,443,410,621	0.0040
Gadsden Elementary School District No. 32	82,451,926	3.7906
Yuma Union High School District No. 70	1,338,185,443	2.3618
Southwest Technical Education District of Yuma	1,443,410,621	0.0500
	Subtotal	**$12.2352**
City of San Luis (assumes $1.8 million successful election)	103,479,734	1.5400
	Total	**$13.7752**
Average total **MONTHLY** cost based on average residential value of $106,603		**$122.37**
Average total **ANNUAL** cost based on average residential value of $106,603		**$1,468.48**

(a) Taxpayers within the boundaries of Somerton Elementary School District No. 11 pay approximately the same tax rate as those in Gadsden ESD with a total tax rate of $3.7736 for 2022/23. Does not include any improvement districts.

Primary Rates in Other Sample Cities (FY 2022-23)

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City/Town	Rate	Revenue
Douglas	1.1519	$669,226
El Mirage	1.8355	$2,716,588
Florence	1.0743	$1,386,495
Queen Creek	1.8257	$10,344,895
Somerton	1.6062	$768,690
Yuma	2.1930	$15,104,827

Disclosure

Stifel, Nicolaus & Company, Incorporated ("Stifel") has prepared the attached materials. Such material consists of factual or general information (as defined in the SEC's Municipal Advisor Rule). Stifel is not hereby providing a municipal entity or obligated person with any advice or making any recommendation as to action concerning the structure, timing or terms of any issuance of municipal securities or municipal financial products. To the extent that Stifel provides any alternatives, options, calculations or examples in the attached information, such information is not intended to express any view that the municipal entity or obligated person could achieve particular results in any municipal securities transaction, and those alternatives, options, calculations or examples do not constitute a recommendation that any municipal issuer or obligated person should effect any municipal securities transaction. Stifel is acting in its own interests, is not acting as your municipal advisor and does not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934, as amended, to the municipal entity or obligated party with respect to the information and materials contained in this communication.

Stifel is providing information and is declaring to the proposed municipal issuer and any obligated person that it has done so within the regulatory framework of MSRB Rule G-23 as an underwriter (by definition also including the role of placement agent) and not as a financial advisor, as defined therein, with respect to the referenced proposed issuance of municipal securities. The primary role of Stifel, as an underwriter, is to purchase securities for resale to investors in an arm's-length commercial transaction. Serving in the role of underwriter, Stifel has financial and other interests that differ from those of the issuer. The issuer should consult with its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

These materials have been prepared by Stifel for the client or potential client to whom such materials are directly addressed and delivered for discussion purposes only. All terms and conditions are subject to further discussion and negotiation. Stifel does not express any view as to whether financing options presented in these materials are achievable or will be available at the time of any contemplated transaction. These materials do not constitute an offer or solicitation to sell or purchase any securities and are not a commitment by Stifel to provide or arrange any financing for any transaction or to purchase any security in connection therewith and may not relied upon as an indication that such an offer will be provided in the future. Where indicated, this presentation may contain information derived from sources other than Stifel. While we believe such information to be accurate and complete, Stifel does not guarantee the accuracy of this information. This material is based on information currently available to Stifel or its sources and is subject to change without notice. Stifel does not provide accounting, tax or legal advice; however, you should be aware that any proposed indicative transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and/or counsel as you deem appropriate.