



NOTICE OF REGULAR COUNCIL MEETING

In accordance with § 38-431.02 of the Arizona Revised Statutes of the State of Arizona, notice is hereby given to the Members of City Council and to the general public that the Mayor and Council of the City of San Luis, Arizona will hold a Regular City Council meeting at 6:00 p.m., Wednesday, April 24, 2024. The meeting 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 or 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 JUNTA REGULAR

De acuerdo con los Estatutos del Estado de Arizona A.R.S. § 38-431.02, se le informa a los miembros del Cabildo y al público en general que el Alcalde y el Cabildo, tendrán una Junta Regular a las 6:00 p.m., el día Miércoles, 24 de Abril del 2024. 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, Actuaría de la Ciudad



AGENDA
Regular Meeting
San Luis City Council
Council Chambers
1090 E. Union Street
San Luis, AZ 85349
April 24, 2024
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. PLEDGE OF ALLEGIANCE

3. INVOCATION

4. CALL TO THE PUBLIC

This is the time for the public to comment. Members of the City Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01 (H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a later date.

5. PROCLAMATIONS

5. A. Proclamation - National Small Business Week April 28 - May 4, 2024

5. B. Proclamation - Economic Development Week May 6-10, 2024

5. C. Proclamation - Municipal Clerks Week May 5-11, 2024

5. D. Proclamation - Building Safety Month May 2024

5. E. Proclamation - National Bike Month May 2024

- 6. CONSENT AGENDA**

All matters are considered to be routine by the City Council and will be enacted by one motion. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.
- 6. A. MINUTES OF**

- Regular Council meeting held March 27, 2024
- 6. B. DISBURSEMENTS FROM APRIL 4, 2024 TO APRIL 17, 2024**

Total \$1,415,526.91
(One Million, Four Hundred Fifteen Thousand, Five Hundred Twenty-Six Dollars and Ninety-One Cents)
- 7. DISCUSSION AND POSSIBLE ACTION ITEMS:**
- 7. A.** Discussion and possible action on any and all matters regarding the acceptance and approval for the filing of the Annual Comprehensive Financial Report for the City of San Luis, Fiscal Year Ended June 30, 2023. **(Roula Encinas, Acting Director of Finance and Heinfeld, Meech & Co., P.C.)**
- 7. B.** Discussion and possible action on any and all matters regarding the acceptance and award of a contract to Dana Kepner Company, Inc. for the Water Meter Replacement Contract and Implementation of an Advanced Metering Infrastructure (AMI) System. **(Edgar Esparza, Billing and Collections Manager)**
- 7. C.** Discussion and possible action on any and all matters regarding the purchase of electrical equipment for the Water Well Site #5 Project. **(Jorge Perez, Assistant Director of Public Works)**
- 8. SUMMARY OF CURRENT EVENTS**

Events by Mayor, Council Members and/or City Manager pursuant to A.R.S. § 38-431.02 (K).
- 9. EXECUTIVE SESSION:**

Discussion and possible action to hold an executive session pursuant to A.R.S. § 38-431.03(A)(3) on any and all matters regarding discussion or consultation for legal advice with the City Attorney regarding compensation for the City Council members. **(Kay Marion Macuil, City Attorney)**
- 10. MOTION TO GO BACK INTO REGULAR SESSION**

11. DISCUSSION AND POSSIBLE ACTION ITEM:

Discussion and possible action on any and all matters regarding Resolution No. 2307. A resolution of the Mayor and City Council of the City of San Luis, Arizona, setting the compensation to be paid to City Council Members; establishing an effective date; repealing Resolution No. 1062; repealing any other conflicting provisions; and providing for severability. **(Kay Marion Macuil, City Attorney)**

12. ADJOURNMENT



PROCLAMATION

Regular City Council Meeting

5. A.

Meeting Date: 04/24/2024

Title:

Proclamation - National Small Business Week April 28 - May 4, 2024

Attachments

Proclamation



Proclamation
NATIONAL SMALL BUSINESS WEEK
April 28 to May 4, 2024

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

WHEREAS, America's progress has been driven by pioneers who think big, take risks and work hard; and

WHEREAS, from the storefront shops that anchor our downtown areas to the high-tech startups that keep the city on the cutting edge, small businesses are the backbone of our economy and the cornerstone of our nation's promise ; and

WHEREAS, small business owners and downtown businesses have the energy and a passion for what they do, when we support small businesses, jobs are created and local communities preserve their unique culture; and

WHEREAS, the President of the United States has proclaimed National Small Business Week every year since 1963 to highlight programs and services available to entrepreneurs through U.S. Small Business Administration and other agencies; and

WHEREAS, the City of San Luis recognizes their hard work and commends the small businesses of our city.

NOW, THEREFORE, BE IT RESOLVED, that, I, Nieves Riedel, Mayor of the City of San Luis, do hereby proclaim April 28 to May 4, 2024, as "**National Small Business Week**", and calls upon residents to recognize the contributions of small businesses to our city and to continue supporting them by shopping locally in the City of San Luis.

DATED this 24th day of April 2024.

Nieves Riedel, Mayor

ATTEST:

Sonia Cornelio, City Clerk



PROCLAMATION

Regular City Council Meeting

5. B.

Meeting Date: 04/24/2024

Title:

Proclamation - Economic Development Week May 6-10, 2024

Attachments

Proclamation



Proclamation
ECONOMIC DEVELOPMENT WEEK
May 6 - 10, 2024

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

WHEREAS, the International Economic Development Council is the largest professional economic development organization dedicated to serving economic developers; and

WHEREAS, the International Economic Development Council provides leadership and excellence in economic development for communities, members, and partners through conferences, training courses, advisory services and research, in-depth publications, public policy advocacy, and initiatives such as the Accredited Economic Development Organization program, the Certified Economic Developer designation, and the Entrepreneurship Development Professional; and

WHEREAS, economic developers promote economic well-being and quality of life for their communities by creating, retaining, and expanding jobs that facilitate growth, enhance wealth, and provide a stable tax base; and

WHEREAS, economic developers stimulate and incubate entrepreneurship in order to help establish the next generation of new businesses, which is the hallmark of the American economy; and

WHEREAS, economic developers are engaged in a wide variety of settings including rural and urban, local, state, provincial, and federal governments, public-private partnerships, chambers of commerce, universities, and a variety of other institutions; and

WHEREAS, economic developers attract and retain high-quality jobs, develop vibrant communities, and improve the quality of life in their regions; and

WHEREAS, economic developers work in the City of San Luis within the State of Arizona.

NOW, THEREFORE, BE IT RESOLVED, that, I, Nieves Riedel, Mayor of the City of San Luis, Arizona, hereby proclaim the week of May 6-10, 2024, as “**Economic Development Week**” and remind individuals of the importance of this community celebration which supports expanding career opportunities and making lives better.

Dated this 24th day of April 2024.

Nieves Riedel, Mayor

ATTEST:

Sonia Cornelio, City Clerk



PROCLAMATION

Regular City Council Meeting

5. C.

Meeting Date: 04/24/2024

Title:

Proclamation - Municipal Clerks Week May 5-11, 2024

Attachments

Proclamation



Proclamation

**55th ANNUAL PROFESSIONAL MUNICIPAL CLERKS WEEK
May 5 – 11, 2024**

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

WHEREAS, the City Clerk's Office, a time honored and vital part of local government exists throughout the world; and

WHEREAS, the City Clerk's Office is the oldest among public servants; and

WHEREAS, the City Clerk's Office provides the professional link between the citizens, the local governing bodies and agencies of government at other levels; and

WHEREAS, City Clerks have pledged to be ever mindful of their neutrality and impartiality, rendering equal service to all; and

WHEREAS, the City Clerk serves as the information center on functions of local government and community; and

WHEREAS, City Clerks continually strive to improve the administration of the affairs of the City Clerk's Office through participation in education programs, seminars, workshops and the annual meetings of their state, provincial, county and international professional organizations; and

WHEREAS, it is most appropriate that we recognize the accomplishments of the City Clerk's Office.

NOW, THEREFORE, BE IT RESOLVED, that, I, Nieves Riedel, Mayor of the City of San Luis, hereby proclaim the week of May 5 - 11, 2024, as "**Professional Municipal Clerks Week**", and further extend appreciation to our **City Clerk Sonia Cornelio; Deputy City Clerk Melissa Lopez** and to all City Clerks for the vital services they perform and their exemplary dedication to the communities they represent.

DATED this 24th day of April 2024.

Nieves Riedel, Mayor

ATTEST:

Sonia Cornelio, City Clerk



PROCLAMATION

Regular City Council Meeting

5. D.

Meeting Date: 04/24/2024

Title:

Proclamation - Building Safety Month May 2024

Attachments

Proclamation



Proclamation

BUILDING SAFETY MONTH

May 2024

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

WHEREAS, the City of San Luis is committed to recognizing that our growth and strength depend on the safety and essential role our homes, buildings and infrastructure play, both in everyday life and when disasters strike; and

WHEREAS, our confidence in the resilience of these buildings that make up our community is achieved through the devotion of vigilant guardians—building safety and fire prevention officials, architects, engineers, builders, tradespeople, design professionals, laborers, plumbers and others in the construction industry—who work year-round to ensure the safe construction of buildings; and

WHEREAS, these guardians are dedicated members of the International Code Council, a nonprofit that brings together local, state, territorial, tribal and federal officials who are experts in the built environment to create and implement the highest-quality codes to protect us in the buildings where we live, learn, work and play; and

WHEREAS, “Mission Possible”, the theme for Building Safety Month 2024, encourages us all to raise awareness about planning for safe and sustainable construction; career opportunities in building safety; understanding disaster mitigation, energy conservation and creating a safe and abundant water supply to all of our benefit; and

WHEREAS, each year, in observance of Building Safety Month, people all over the world are asked to consider the commitment to improve building safety, resilience, and economic investment at home and in the community, and to acknowledge the essential service provided to all of us by local and state building departments, fire prevention bureaus and federal agencies in protecting lives and property.

NOW, THEREFORE, BE IT RESOLVED, that, I, Nieves Riedel, Mayor of the City of San Luis, do hereby proclaim the month of May 2024 as “**Building Safety Month**”, and I encourage our citizens to join us as we participate in Building Safety Month activities.

DATED this 24th day of April 2024.

Nieves Riedel, Mayor

ATTEST:

Sonia Cornelio, City Clerk



PROCLAMATION

Regular City Council Meeting

5. E.

Meeting Date: 04/24/2024

Title:

Proclamation - National Bike Month May 2024

Attachments

Proclamation



Proclamation

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

**NATIONAL BIKE MONTH
May 2024**

WHEREAS, the bicycle is an economical, healthy, convenient, and environmentally sound form of transportation and an excellent tool for recreation and enjoyment of San Luis' scenic beauty; and

WHEREAS, throughout the month of May, the residents of San Luis and its visitors will experience the joys of bicycling through educational programs, races, commuting events, charity events, or by simply getting out and going for a ride; and

WHEREAS, San Luis' road and trail system attracts bicyclists each year, providing economic health, transportation, tourism, and scenic benefits; and

WHEREAS, creating a bicycling-friendly community has been shown to improve citizens' health, well-being, and quality of life, growing the economy of San Luis, attracting tourism dollars, improving traffic safety, supporting student learning outcomes, and reducing pollution, congestion, and wear and tear on our streets and roads; and

WHEREAS, Yuma Region Bicycle Coalition, Yuma Visitors Bureau dba Visit Yuma, Yuma Metropolitan Planning Organization, the League of American Bicyclists, schools, parks and recreation departments, police departments, public health districts, hospitals, companies and civic groups believe in the benefit of bicycling; and

WHEREAS, these groups are also promoting bicycle tourism year-round to attract more visitors to enjoy our local restaurants, hotels, retail establishments, cultural, and scenic attractions; and

WHEREAS, these groups are also promoting greater public awareness of bicycle operation and safety education in an effort to reduce collisions, injuries, and fatalities and improve health and safety for everyone on the road.

NOW, THEREFORE, BE IT RESOLVED, that, I, Nieves Riedel, Mayor of the City of San Luis, do hereby proclaim May 2024 as “**National Bike Month**” in San Luis and I urge all residents to join me in this special observance.

DATED this 24th day of April 2024.

Nieves Riedel, Mayor

ATTEST:

Sonia Cornelio, City Clerk



AGENDA ITEM REVIEW FORM

Regular City Council Meeting

6. A.

Meeting Date: 04/24/2024

Summary

MINUTES OF

- Regular Council meeting held March 27, 2024

Attachments

3/27/2024 RCM

MINUTES
Regular Council Meeting
San Luis City Council
San Luis Council Chambers
1090 E. Union Street
March 27, 2024
6:00 p.m.

1. CALL TO ORDER/ROLL CALL

Mayor Nieves Riedel called the Regular City Council meeting to order at approximately 6:00 p.m.

PRESENT: Mayor Nieves Riedel
Vice Mayor Gloria Torres
Council Member Luis E. Cabrera
Council Member Maria Cecilia Cruz
Council Member Tadeo Azael De La Hoya (at 6:02 p.m.)
Council Member Javier Vargas

ABSENT: Council Member Matias Rosales

OTHERS PRESENT: Jenny Torres, Acting City Manager
Kay Macuil, City Attorney
Sonia Cornelio, City Clerk
Adela Cortez, Director of Human Resources
Alan Guevara, Police Lieutenant
Angelica Roldan, Director of Parks & Recreation
Armando Esparza, Director of Economic Development
Candy Lara, Records Management Specialist
Edgar Esparza, Billing & Collections Manager
Enrique Lopez, Assistant Fire Chief
Eulogio Vera, Director of Public Works
Fernando Corona, Acting I.T. Manager
Francia Alonso, Public Information Officer
Joel Armendariz, I.T. Help Desk Technician
Jorge Perez, Assistant Director of Public Works
Lizette Varela, Assistant Director of Parks & Recreation
Manuel Hernandez, Assistant Director of Public Works
Maria Sabori, Risk Manager
Miguel Ramirez, Finance Accounting Manager
Olivia Jenkins, Operations Coordinator
Roula Encinas, Acting Director of Finance
Yolanda Dueñas, Facilities Supervisor
Adelaida Buchanan, Resident
David Peters, Western Regional Manager of The Ray
Greg LaVann, Interim President and CEO of GYEDC
Guillermina Fuentes, Resident

Jorge Villacaña, Resident
Larry Dean – San Luis Rotary Club
Luis Marquez, Resident
Luisa Arreola, Resident
Marco Ramirez, Secretary –San Luis Rotary Club
Maria Robles, Resident
Zahid Plantillas, Community Engagement Coordinator – First Things First

2. PLEDGE OF ALLEGIANCE

Council Member Luis E. Cabrera led the Pledge of Allegiance.

3. INVOCATION

Pastor Helia Martinez – Centro Cristiano Vino Nuevo led the invocation.

4. CALL TO THE PUBLIC

Mr. Luis Marquez, 1254 America Street, San Luis, AZ, congratulated the Planning and Zoning Department for enforcing regulations on an error he did 24 years ago. He stated he is now in compliance and mentioned he has a list of more than 50 places that are in worse condition than his and need to be enforced. He hopes that the current Mayor and Council Members are not corrupt like the previous ones.

Ms. Guillermina Fuentes, 1630 N. 9th Avenue, San Luis, AZ, stated she noticed the Proposition 422 that is currently being promoted. She stated the residents have the right to know what the proposition is about and the City of San Luis has the obligation to inform the public.

Mr. Larry Dean, USPS Post Master informed the public that there will be a resurfacing of the parking lot at the San Luis Post Office on April 1st and 2nd 2024.

5. PROCLAMATIONS/PRESENTATIONS

- 5. A. Proclamation - Cesar Chavez Day March 31, 2024**
- 5. B. Proclamation - National Library Week April 7 - 13, 2024**
- 5. C. Proclamation - Autism Awareness Month April 2024**
- 5. D. Proclamation - Child Abuse Prevention Month April 2024**
- 5. E. Proclamation - National Fair Housing Law of 1968 Month April 2024**
- 5. F. Proclamation - Records and Information Management Month April 2024**
- 5. G. Proclamation - Sexual Assault Awareness Month April 2024**
- 5. H. Proclamation - Stress Awareness Month April 2024**

Mrs. Sonia Cornelio, City Clerk, read the proclamations by title only.

5. I. The Greater Yuma Economic Development Corporation's Mid-Year Presentation. (Greg LaVann, Interim President and CEO)

Mr. Greg LaVann, Interim President and CEO, presented a mid-year report via PowerPoint presentation with a strategic plan focused on economic resiliency for the entire county. Within that plan he focused on five (5) major goals which included; goal 1- to create high wage job growth within a modern economy, goal 2- expand the Greater Yuma Region's global presence, goal 3- to foster resources network for existing industries, goal 4- to enhance investor & stakeholder engagement and goal 5- to create an economic resilient environment. He went into detail in each goal with percentages and future plans for development.

Council Member Maria Cecilia Cruz thanked Mr. LaVann and The Greater Yuma Economic Development Corporation for promoting the San Luis Port of Entry to attract business from Mexico.

Mayor Nieves Riedel thanked and expressed that it was a great presentation. She also mentioned that Mr. LaVann is working hand in hand with Mr. Armando Esparza, Director of Economic Development and Ms. Jenny Torres, Acting City Manager. She hopes that something comes to floration soon.

The PowerPoint presentation is included with the Agenda packet filed at the City Clerk's Office.

5. J. Presentation on First Things First programs and services to the community. (Zahid Plantillas, Community Engagement Coordinator - Yuma Office)

Mr. Zahid Plantillas, Community Engagement Coordinator, explained that First Things First is a voters Proposition 203 since November 2006 and is partially a state agency. Fund programs across the community to help with child care. In the Yuma region they fund close to 18,000 children under the age of six and about a third of those children are living in poverty. The focus with Community Engagement is to expand the audience to business community not just what they are currently known for, which is early childhood, health and public education. He briefly explained how child care has an impact in the workforce, such as increased cost, less options where child care is provided, miss or quit work due to childcare issues. He mentioned they are having a Leadership Event on May 15, 2024 and openly invited, small business owners, leadership groups to reach out or attend.

Mayor Nieves Riedel mentioned that she had forgotten what it is to have young children and the need of childcare. She stated that it is the best interest to come together and support young parents with the childcare issue. She also added that at her recent mini vacation in Mexico, she learned that they had childcare for city employees. She expressed that she will look further into the topic and concluded by thanking Mr. Plantillas for his presentation.

Council Member Luis E. Cabrera mentioned the importance of early childhood education and taking advantage of it.

The PowerPoint presentation is included with the Agenda packet filed at the City Clerk's Office.

5. K. Presentation by The Ray on the United States Department of Transportation Thriving Communities Program. (David Peters, Western Regional Manager)

Mr. David Peters, Western Regional Manager of the Ray, which is a non-profit organization based in Atlanta, explained what Thriving Communities Program it is a new program through US Department of Transportation. It provides two (2) years of intensive no cost technical assistance to communities that are either historically disadvantaged or under resourced to help identify, develop and deliver funding projects and other resources needed. Some of those projects include transportation and infrastructure funding. They are working together with nine (9) different federal agencies who are helping 64 communities across the United States. He stated that he is currently working with Ms. Jenny Torres, Acting City Manager, on technical advisory for safety and congestion infrastructure improvements to Cesar Chavez Boulevard. One of the priorities is bringing funding to help support infrastructure upgrades.

Ms. Jenny Torres mentioned the \$25 million grant received from the US Department of Transportation under the Rural Surface Transportation Grant awarded to the City of San Luis because it was designated as a thriving community.

Mayor Nieves Riedel mentioned that Ms. Jenny Torres and staff are working closely to improve the sewer plant that has been in process for the last 20 years. She hopes it comes to flourish soon. She thanked Mr. Peters on behalf of the council.

Council member Maria Cecilia Cruz and Council Member Luis E. Cabrera thanked Mr. Peters for helping and supporting the City of San Luis specifically in the area of grant writing.

The PowerPoint presentation is included with the Agenda packet filed at the City Clerk's Office.

6. CONSENT AGENDA

6. A. MINUTES OF

- Regular Council meeting held February 14, 2024
- Regular Council meeting held February 28, 2024

6. B. DISBURSEMENTS FROM MARCH 7, 2024 TO MARCH 19, 2024

Total \$1,291,976.72

(One Million, Two Hundred Ninety-One Thousand, Nine Hundred Seventy-Six Dollars and Seventy-Two Cents)

MOTION: Council Member Javier Vargas/Council Member Tadeo Azael De La Hoya to approve the Consent Agenda as presented. Motion passed unanimously.

The vote was as follows:

Mayor Nieves Riedel	Aye
Vice Mayor Gloria Torres	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Tadeo Azael De La Hoya	Aye
Council Member Javier Vargas	Aye

7. DISCUSSION AND POSSIBLE ACTION ITEMS:

7. A. Discussion and possible action on any and all matters regarding a contract with Pueblo Housing and Community Development for the Southwest Off-Road Series Event on April 13, 2024, in the City of San Luis. (Jenny Torres, Acting City Manager)

Ms. Jenny Torres, Acting City Manager, stated that Pueblo Housing and Community Development made a presentation during Call to the Public requesting assistance to participate in the Southwest Off Road Series Event. She stated there is funding available in contractual services to be able to provide assistance and she recommended the amount of \$5,000.00.

Mayor Nieves Riedel declared a conflict of interest on Item 7. A. and abstained from participating. She asked Vice Mayor Gloria Torres to take over this item.

Council Member Luis E. Cabrera commented on the money on the contractual services and requested if it was possible to provide a list of fundings that have been done in the past.

Ms. Jenny Torres stated the Finance Department will provide him with a report.

MOTION: Council Member Javier Vargas/Council Member Tadeo Azael De La Hoya to approve the contract with Pueblo Housing and Community Development for the Southwest Off-Road Series Event in an amount not to exceed \$5,000.00, as presented. Motion passed with five (5) Ayes and one (1) Abstention by Mayor Nieves Riedel.

The vote was as follows:

Mayor Nieves Riedel	Abstained
Vice Mayor Gloria Torres	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Tadeo Azael De La Hoya	Aye
Council Member Javier Vargas	Aye

7. B. Discussion and possible action on any all matters regarding authorization to reallocate Fiscal Year 2024 budget capacity to projects staff requested in the Fiscal Year 2025 Budget, and to waive the procurement code as allowed under San Luis Purchasing Code Section 3.05.010 (F) for purchases exceeding the \$45,000.00 threshold. (Roula Encinas, Acting Director of Finance)

Ms. Roula Encinas, Acting Director of Finance, stated that after completing the budget reviews and reviewing requests from all departments, it was identified that at least \$6,980,000.00 in projects will not be completed in Fiscal Year 2024. Even though this creates budget capacity in the current fiscal year it puts weight into next year's budget. Many of the uncompleted projects will be rolled over for the Fiscal Year 2025. She stated that the City of San Luis is currently \$18 million over the city expenditure limitations set by state statute. As part of the budget strategy to reduce next year expenditures and effectively use the city resources, the Finance Department is requesting council approval to reallocate the budget capacity from projects that will not be completed this year to projects requested in next year's budget 2025, to ratify purchase orders already initiated and ensuring they arrive before the end of the fiscal year. Also to waive the formal purchasing procedures as allowed under San Luis Purchasing Code 3.05.010 (F) for purchases exceeding the \$45,000.00 threshold to facilitate procurement process and ensure their arrival before the end of the fiscal year.

MOTION: Council Member Luis E. Cabrera/Council Member Javier Vargas to approve budget transfer as presented in the budget transfer detail form in this agenda item to complete in Fiscal Year 2024 for projects staff requested for Fiscal Year 2025 budget, and to waive the formal procedures for the good cause presented as allowed under San Luis Purchasing Code; additionally, to ratify the purchase orders already initiated for items necessary for city services ensuring their arrival before the fiscal year's end. Motion passed with five (5) Ayes and one (1) Nay by Council Member Tadeo Azael De La Hoya.

The vote was as follows:

Mayor Nieves Riedel	Aye
Vice Mayor Gloria Torres	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Tadeo Azael De La Hoya	Nay
Council Member Javier Vargas	Aye

7. C. Public Hearing followed by discussion and possible action on any and all matters regarding the recommendation of a Special Event Liquor License Application to the Arizona Department of Liquor Licenses and Control to authorize the San Luis FRONTERA Rotary Club to sell alcohol at the Southwest Off-Road Series event to be held on April 13, 2024. (Marcos Ramirez, San Luis FRONTERA Rotary Club)

Mayor Nieves Riedel declared a conflict of interest on Item 7. C. and abstained from participating. She asked Vice Mayor Gloria Torres to take over this item.

A. Open Public Hearing

MOTION: Council Member Tadeo Azael De La Hoya/Council Member Javier Vargas to open the Public Hearing. Motion passed with five (5) Ayes and one (1) abstention vote by Mayor Nieves Riedel.

The vote was as follows:

Mayor Nieves Riedel	Abstained
Vice Mayor Gloria Torres	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Tadeo Azael De La Hoya	Aye
Council Member Javier Vargas	Aye

1. Staff and/or applicant presentation

Mr. Larry Dean, San Luis FRONTERA Rotary Club, is seeking approval of the Special Event Liquor License for the Southwest Off-Road Series Event. He stated that all alcohol sale proceeds go to scholarships and to the community. Security will be in place.

2. Call to the Public on this item

There were no comments from the public on this item.

B. Close Public Hearing

MOTION: Council Member Luis E. Cabrera /Council Member Javier Vargas to close the Public Hearing. Motion passed with five (5) Ayes and one (1) abstention vote by Mayor Nieves Riedel.

The vote was as follows:

Mayor Nieves Riedel	Abstained
Vice Mayor Gloria Torres	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Tadeo Azael De La Hoya	Aye
Council Member Javier Vargas	Aye

C. Action on Special Event Liquor License Application to the Arizona Department of Liquor Licenses & Control

MOTION: Council Member Luis E. Cabrera/Council Member Javier Vargas to recommend approval to the Arizona Department of Liquor Licenses & Control for the special event liquor license application submitted by the San Luis FRONTERA Rotary Club as presented. Motion passed with four (4) Ayes, one (1) Nay by Maria Cecilia Cruz and one (1) abstention by Mayor Nieves Riedel.

The vote was as follows:

Mayor Nieves Riedel	Abstention
Vice Mayor Gloria Torres	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Nay
Council Member Tadeo Azael De La Hoya	Aye
Council Member Javier Vargas	Aye

7. D. Public Hearing followed by discussion and possible action on any and all matters regarding the recommendation of a Special Event Liquor License Application to the Arizona Department of Liquor Licenses and Control to authorize the San Luis FRONTERA Rotary Club to sell alcohol during the 2024 Arte en la Calle event to be held April 19, 2024. (Marcos Ramirez, Secretary for San Luis FRONTERA Rotary Club)

A. Open Public Hearing

MOTION: Council Member Tadeo Azael De La Hoya/Council Member Luis E. Cabrera to open the Public Hearing. Motion passed unanimously.

The vote was as follows:

Mayor Nieves Riedel	Aye
Vice Mayor Gloria Torres	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Tadeo Azael De La Hoya	Aye
Council Member Javier Vargas	Aye

1. Staff presentation

Mr. Marco Ramirez, Secretary for San Luis FROTERA Rotary Club, is seeking approval for the Special Event Liquor License for 2024 Arte en la Calle Event. This is their fifth year participating in the event. He added that security will be in place.

2. Call to the Public on this item

Ms. Maria Robles, resident, stated that Arte en la Calle Event is a family event and children of all ages attend. Art is an event that unifies families and alcohol should not be allowed.

Pastor Helia Martinez, Centro Cristiano Vino Nuevo stated that it is the first time she stays for the Regular Council Meeting. She thanked the San Luis FRONTERA Rotary Club for their contribution to the education of youth but she is concerned about alcohol being sold at a family event.

B. Close Public Hearing

MOTION: Council Member Tadeo Azael De La Hoya /Council Member Javier Vargas to close the Public Hearing. Motion passed unanimously.

The vote was as follows:

Mayor Nieves Riedel	Aye
Vice Mayor Gloria Torres	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Tadeo Azael De La Hoya	Aye
Council Member Javier Vargas	Aye

C. Action on Special Event Liquor License Application to the Arizona Department of Liquor Licenses & Control

MOTION: Council Member Javier Vargas/ Council Member Tadeo Azael De La Hoya to recommend approval to the Arizona Department of Liquor Licenses and Control for the Special Event Liquor License Application submitted by the San Luis FRONTERA Rotary Club as presented. Motion passed with four (4) Ayes and two (2) Nays by Mayor Nieves Riedel and Council Member Maria Cecilia Cruz.

The vote was as follows:

Mayor Nieves Riedel	Nay
Vice Mayor Gloria Torres	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Nay
Council Member Tadeo Azael De La Hoya	Aye
Council Member Javier Vargas	Aye

7. E. Public Hearing followed by discussion and possible action on any and all matters regarding the recommendation of a Special Event Liquor License Application to the Arizona Department of Liquor Licenses and Control to authorize the San Luis FRONTERA Rotary Club to sell alcohol at the Rotary Royale Casino Night on April 26, 2024. (Marcos Ramirez, San Luis FRONTERA Rotary Club)

A. Open Public Hearing

MOTION: Council Member Tadeo Azael De La Hoya /Council Member Javier Vargas to open the Public Hearing. Motion passed unanimously.

The vote was as follows:

Mayor Nieves Riedel	Aye
Vice Mayor Gloria Torres	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Tadeo Azael De La Hoya	Aye
Council Member Javier Vargas	Aye

1. Staff and/or applicant presentation

Mr. Marcos Ramirez, San Luis FRONTERA Rotary Club, is seeking approval for the Special Event Liquor License for the Rotary Royal Casino Night. The fundraiser event is limited for 21 and over, adding that security will be in place.

2. Call to the Public on this item

There were no comments from the public on this item.

B. Close Public Hearing

MOTION: Council Member Javier Vargas/Council Member Tadeo Azael De La Hoya to close the Public Hearing. Motion passed unanimously.

The vote was as follows:

Mayor Nieves Riedel	Aye
Vice Mayor Gloria Torres	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Tadeo Azael De La Hoya	Aye
Council Member Javier Vargas	Aye

C. Action on Special Event Liquor License Application to the Arizona Department of Liquor Licenses & Control

MOTION: Vice Mayor Gloria Torres/ Council Member Luis E. Cabrera to recommend approval to the Arizona Department of Liquor Licenses and Control for the Special Event Liquor License Application submitted by the San Luis FRONTERA Rotary Club as presented. Motion passed with five (5) Ayes and one (1) Nay by Council Member Maria Cecilia Cruz.

The vote was as follows:

Mayor Nieves Riedel	Aye
Vice Mayor Gloria Torres	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Nay
Council Member Tadeo Azael De La Hoya	Aye
Council Member Javier Vargas	Aye

7. F. Discussion and possible action on any and all matters regarding the approval and adoption of Order No. 2024-02. An order of the Mayor and City Council of the City of San Luis, Arizona to authorize the City of San Luis Police Department to receive funding for overtime and mileage by approving an Intergovernmental Agreement and authorizing execution of Subrecipient Agreement Operation Stonegarden Grant Program Award; Overtime and Mileage between the State of Arizona through the Arizona Department of Homeland Security and the City of San Luis, Arizona through the San Luis Police Department. (Alan Guevara, Police Lieutenant)

Mr. Alan Guevara, Police Lieutenant is seeking the approval on Order No. 2024-02 for the Intergovernmental Agreement and Operation Stonegarden Grant Program between the City of San Luis Police Department and the Arizona Department of Homeland Security. The grant provides funds which focuses on deploying additional staffing to support the efforts on border protection operations. The City of San Luis Police Department has been awarded this funding for the past eight (8) years and the amount continues to increase yearly.

Council Member Luis E. Cabrera asked if staff looks forward to participate or if it is hard to fill the shifts for Operation Stonegarden?

Lieutenant Guevara briefly explained that there is a schedule available a month prior for staff to sign up for the shifts on their days off and yes, they look forward to it.

Council Member Maria Cecilia Cruz asked if it has been the highest amount of funds received of \$1 million?

Lieutenant Guevara confirmed that it is the highest amount. It includes, ER, mileage for the vehicles and for staff operations.

Council Member Maria Cecilia Cruz concluded with congratulating the Police Department Administration for the grant.

MOTION: Council Member Javier Vargas/Council Member Maria Cecilia Cruz to approve and adopt Order No. 2024-02, approving the intergovernmental agreement and grant as presented. Motion passed unanimously.

The vote was as follows:

Mayor Nieves Riedel	Aye
Vice Mayor Gloria Torres	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Tadeo Azael De La Hoya	Aye
Council Member Javier Vargas	Aye

8. SUMMARY OF CURRENT EVENTS

Mayor Nieves Riedel reported she took a mini vacation to Puerto Vallarta and learned that they had childcare center available for city employees. She recommended on seeking grants or funding to provide employees childcare as an incentive for working for the City of San Luis.

Council Member Luis E. Cabrera invited everyone to the City of San Luis Happy Hoppy Easter Egg Hunt at Joe Orduño on March 28, 2024 from 6:00 p.m. to 8:00 p.m.

Council Member Maria Cecilia Cruz reported she attended the City of San Luis Police Department Community Forums.

9. ADJOURNMENT

MOTION: Council Member Luis E. Cabrera/Vice Mayor Gloria Torres to adjourn the Regular Council meeting at approximately 7:04 p.m. Motion passed unanimously.

The vote was as follows:

Mayor Nieves Riedel	Aye
Vice Mayor Gloria Torres	Aye
Council Member Luis E. Cabrera	Aye
Council Member Maria Cecilia Cruz	Aye
Council Member Tadeo Azael De La Hoya	Aye
Council Member Javier Vargas	Aye

APPROVED:

Nieves Riedel, Mayor

ATTEST:

Sonia Cornelio, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular City Council meeting of the City Council of the City of San Luis, Arizona, held on March 27, 2024. I further certify that the meeting was duly called and held and that a quorum was present.

Sonia Cornelio, City Clerk



AGENDA ITEM REVIEW FORM

Regular City Council Meeting

6. B.

Meeting Date: 04/24/2024

Summary

DISBURSEMENTS FROM APRIL 4, 2024 TO APRIL 17, 2024

Total \$1,415,526.91

(One Million, Four Hundred Fifteen Thousand, Five Hundred Twenty-Six Dollars and Ninety-One Cents)

Attachments

Disbursements



City of San Luis

Finance Department

COUNCIL MEETING APRIL 24, 2024
Disbursement Report from 04/04/2024 TO 04/17/2024

<u>Bank Accounts</u>	<u>Check Date</u>	<u>Amount</u>	<u>Schedule</u>
Accounts Payable Check Account	04/05/2024	\$ 645,166.12	Schedule A
Payroll Check Account	04/11/2024	\$ 4,573.45	Schedule B
Payroll Check Account	04/11/2024	\$ 523,121.18	Schedule C
Accounts Payable Check Account	04/12/2024	\$ 242,666.16	Schedule D

Total Disbursements: \$ 1,415,526.91

Please contact Ms. Roula Encinas or Mr. Miguel Ramirez prior to the meeting if additional information is needed.

Prepared by Karla Plascencia: _____

Verified by Finance: _____

For Council approval on: _____

Mayor: _____

Council: _____

RECEIVED

2024 APR 18 P 14:34

CITY OF SAN LUIS
OFFICE OF THE CITY CLERK

Payment Register

From Payment Date: 4/1/2024 - To Payment Date: 4/5/2024

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
1BYPAYABLE - 1st BY Accounts Payable									
<u>Check</u>									
108589	04/04/2024	Open			Accounts Payable	STANDARD INSURANCE CO.	\$12,102.79		
108590	04/05/2024	Open			Accounts Payable	ARIZONA PUBLIC SERVICE	\$38.12		
108591	04/05/2024	Open			Accounts Payable	CHAPMAN CHEVROLET BUICK GMC YUMA LLC	\$43,795.18		
108592	04/05/2024	Open			Accounts Payable	CHAPMAN CHEVROLET BUICK GMC YUMA LLC	\$43,795.18		
108593	04/05/2024	Open			Accounts Payable	DE LEON, JESUS	\$260.00		
108594	04/05/2024	Open			Accounts Payable	DUARTE, ERNESTO	\$176.01		
108595	04/05/2024	Open			Accounts Payable	ESPINOSA ZEREGA, LOUIS, REY	\$500.00		
108596	04/05/2024	Open			Accounts Payable	FRANK CASSIDY PC	\$234.00		
108597	04/05/2024	Open			Accounts Payable	LEON, ALFREDO	\$68.29		
108598	04/05/2024	Open			Accounts Payable	MAHON, AMANDA	\$140.00		
108599	04/05/2024	Open			Accounts Payable	NORWOOD EQUIPMENT INC.	\$7,102.13		
108600	04/05/2024	Open			Accounts Payable	NUNO, JAVIER	\$260.00		
108601	04/05/2024	Open			Accounts Payable	PARRA, DANIEL, A.	\$87.00		
108602	04/05/2024	Open			Accounts Payable	RH BORDEN AND COMPANY LLC	\$44,400.00		
108603	04/05/2024	Open			Accounts Payable	RWC INTERNATIONAL LTD	\$360,507.67		
108604	04/05/2024	Open			Accounts Payable	SHUCK DRILLING COMPANY LLC	\$1,991.94		
108605	04/05/2024	Open			Accounts Payable	TISCHLERBISE, INC.	\$25,712.00		
Type Check Totals:							\$541,170.31		
<u>EFT</u>									
5201	04/05/2024	Open			Accounts Payable	24/7 GET FIT LLC	\$1,377.00		
5202	04/05/2024	Open			Accounts Payable	ALLKIOSK LLC	\$1,042.61		
5203	04/05/2024	Open			Accounts Payable	ARK WIRELESS & NETWORKING	\$2,150.00		
5204	04/05/2024	Open			Accounts Payable	BORDER GYM	\$1,075.00		
5205	04/05/2024	Open			Accounts Payable	FRESH TERRA SERVICES LLC	\$1,155.00		
5206	04/05/2024	Open			Accounts Payable	JAMES DAVEY AND ASSOCIATES INC	\$38,908.50		
5207	04/05/2024	Open			Accounts Payable	MN8 ENERGY OPERATING COMPANY LLC	\$36,136.70		
5208	04/05/2024	Open			Accounts Payable	ORDUNO-CROUSE, CANDICE	\$12,200.00		
5209	04/05/2024	Open			Accounts Payable	RAMIREZ ADVISORS INTER- NATIONAL,LLC	\$7,500.00		

SCHEDULE A

Payment Register

From Payment Date: 4/1/2024 - To Payment Date: 4/5/2024

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
5210	04/05/2024	Open			Accounts Payable	SIMS MACKIN, LTD.	\$2,450.00		
Type EFT Totals:							\$103,995.81		
1BYPAYABLE - 1st BY Accounts Payable Totals									

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	17	\$541,170.31	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	17	\$541,170.31	\$0.00

EFTs	Status	Count	Transaction Amount	Reconciled Amount
	Open	10	\$103,995.81	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Total	10	\$103,995.81	\$0.00

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	27	\$645,166.12	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	27	\$645,166.12	\$0.00

Grand Totals:

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	17	\$541,170.31	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	17	\$541,170.31	\$0.00

EFTs	Status	Count	Transaction Amount	Reconciled Amount
	Open	10	\$103,995.81	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Total	10	\$103,995.81	\$0.00

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	27	\$645,166.12	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	27	\$645,166.12	\$0.00

Guadalupe Canez

Digitally signed by: Guadalupe Canez
 DN: CN = Guadalupe Canez email = gcanez@sanluisaz.gov C = AD
 Date: 2024.04.04 18:31:43 -07'00'



Pay Day Register

Pay Date Range 04/01/24 - 04/30/24

Pay Batch 202404M

Pay Batch 202404M Total

Employees in Pay Batch 7

Female Employees in Pay Batch 3

Hours Description	Hours	Gross	Withholdings and Deductions	Gross Base	Benefits	Gross Base
102 - SALARY	.0000	7,550.00	Gross	7,650.00	ASRS Council	218.52 1,800.00
806 - TELEPHONE STIPEND	.0000	100.00	Imputed Income		ASRS LTD Council	2.70 1,800.00
Total	0.0000	\$7,650.00	FEDERAL TAX WITHHOLDING	189.54	ASRS/EORP - LEGACY RATE	1,158.66 1,800.00
			SOCIAL SECURITY TAX	474.30	Dental Council	254.03 .00
			MEDICARE	110.94	EODCRS - COUNCIL	159.00 2,650.00
			STATE WITHHOLDING	115.51	EODCRS - DISABILITY	3.98 2,650.00
			ASRS Council	218.52	EODCRS/EORP LEGACY RATE	1,868.52 2,650.00
			ASRS LTD Council	2.70	Health Council	5,844.91 .00
			Council Retirement EORP	403.00	Retirement Council EORP	2,371.81 3,100.00
			Dental Council	92.28	Vision Council	84.86 .00
			EODCRS - COUNCIL	212.00	Total	\$11,966.99
			EODCRS - DISABILITY	3.98		
			GARNISHMENT	221.11		
			Medical Council	1,004.81	Employer Taxes	Gross Base
			Vision Council	27.86	MEDICARE	110.94 7,650.00
			Net	\$4,573.45	SOCIAL SECURITY TAX	474.30 7,650.00
					SUTA/UNEMPLOYMENT	45.90 7,650.00
					Total	\$631.14
					Workers' Comp	Gross Base
					MUNICIPAL/ TOWN/	133.89 7,650.00
					Total	\$133.89
					Direct Deposits	Amount
					1st Bank Yuma	981.66
					Chase Bank	1,127.52
					Navy Federal	326.38
					REALTORS FED CRED UNION	31.93
					Wells Fargo	714.52
					Total	\$3,182.01
					Check	\$1,391.44

Digitally signed by: Miguel M Ramirez
 DN: CN = Miguel M Ramirez, email = mramirez@sanluisaz.gov, C = AD, O = City of San Luis, AZ
 Date: 2024.04.11 14:13:20 -07'00'

SCHEDULE B



Pay Day Register

Pay Date Range 03/23/24 - 04/05/24

Pay Batch 202408

Pay Batch 202408 Total

Employees in Pay Batch 323

Female Employees in Pay Batch 93

Hours Description	Hours	Gross	Withholdings and Deductions	Gross Base	Benefits	Gross Base	
100 - REGULAR	22,054.7500	528,287.60	Gross	754,715.89	ASRS ALTERNATE	512.29	5,128.00
1001 - LEAVE WITHOUT PAY	143.0100	.00	Imputed Income		AZ STATE RETIREMENT	49,886.38	410,925.40
1007 - ON CALL WORKED HOURS	21.5000	512.70	FEDERAL TAX WITHHOLDING	48,972.98	DENTAL = FAMILY	417.90	.00
1009 - PART TIME	259.5000	4,023.56	SOCIAL SECURITY TAX	46,792.31	LONG TERM DISABILITY	616.40	410,925.40
1010 - PART TIME FIREFIGHTERS	106.7500	2,167.57	MEDICARE	10,943.35	MEDICAL MEX ONLY - EE &	1,944.80	.00
105 - MILITARY LEAVE	14.0000	366.24	STATE WITHHOLDING	14,482.44	MEDICAL MEX ONLY - EE &	4,905.23	.00
201 - OVERTIME	1,985.7500	65,355.68	AM. FIDELITY - HEALTH FSA	83.34	MEDICAL MEX ONLY - EE &	1,414.40	.00
202 - OP STONE GARDEN- O.T.	502.0000	24,373.79	AM. FIDELITY- ACCIDENT-POST	34.39	MEDICAL MEX ONLY - EE ONLY	440.80	.00
2023 - FMLA - SICK LEAVE	388.3500	10,132.77	AM. FIDELITY- ACCIDENT-PRE	429.60	MEX & US HEALTH = EE	56,854.96	.00
2024 - FMLA - VACATION LEAVE	82.3900	1,495.67	AM. FIDELITY- CANCER-POST	28.00	MEX ONLY DENTAL - EE &	142.40	.00
2036 - MARSHALS OT	8.5000	346.29	AM. FIDELITY- CANCER-PRE TAX	142.10	MEX ONLY DENTAL - EE &	341.64	.00
210 - SRO	59.5000	1,865.34	AM. FIDELITY- GCI -POST TAX	44.37	MEX ONLY DENTAL - EE &	106.80	.00
300 - VACATION EARNED	1,263.5700	.00	AM. FIDELITY- GHI- PRE TAX	237.19	MEX ONLY DENTAL - EE ONLY	65.12	.00
301 - VACATION USED	816.0700	22,469.39	AM. FIDELITY- LIFE -POST TAX	115.80	PSPRS - ALTERNATE	250.31	3,128.82
400 - SICK EARNED	1,209.3700	.00	AM. FIDELITY- TX LIFE -POST	245.28	PSPRS FIRE DB NORM - TIER 1	11,419.23	86,970.51
405 - SCHEDULED SICK LEAVE	340.5468	8,876.78	AZ COPS - SLPD	500.00	PSPRS FIRE DB NORM - TIER 2	1,177.13	8,965.19
406 - UNSCHEDULED SICK LEAVE	356.7500	7,446.03	AZ STATE RETIREMENT	49,886.38	PSPRS FIRE DB NORM - TIER 3	7,567.25	79,155.23
502 - ON CALL PAY I.T.	.0000	125.00	CHILD SUPPORT 2	234.46	PSPRS POLICE DB NORM - TIER	7,357.59	78,023.14
503 - STAND-BY PAY	678.5000	1,357.00	DEFERRED COMP - ROTH	625.00	PSPRS POLICE DB NORM - TIER	1,173.97	12,449.20
701 - HOLIDAY	2,332.0000	58,365.10	DEFERRED COMP - ROTH	411.79	PSPRS POLICE DB NORM - TIER	4,452.59	46,575.08
704 - FIRE HOLIDAY EARNED	540.6000	.00	DEFERRED COMPENSATION	2,940.00	STANDARD STD	2,728.64	.00
706 - HOLIDAY WORKED HOURS	235.7500	9,083.79	DEFERRED COMPENSATION	1,618.17	U.S. MEX DENTAL - EE &	382.56	.00
901 - COMPENSATION USED	3.0000	45.03	FOP/ALC	405.00	U.S. MEX DENTAL - EE &	95.64	.00
921 - STEP OVERTIME	4.0000	218.76	GARNISHMENT - CHILD	3,339.77	US & MEX DENTAL - EE	3,100.80	.00
924 - AMBULANCE - REGULAR	24.0000	406.80	IAFF- FIRE DEPT	1,620.00	US & MEX HEALTH = C	16,983.75	.00
940 - PD - EDU ASST	.0000	550.00	LEGAL SHIELD	59.31	US & MEX HEALTH = FAMILY	23,010.99	.00
941 - PD - EDU BCHL	.0000	600.00	LONG TERM DISABILITY	616.40	US & MEX HEALTH = SP	2,911.50	.00
942 - PD - EDU MAST	.0000	100.00	MANHATTANLIFE ASSURANCE	114.08	VISION - SINGLE	1,193.82	.00
951 - PD - K-9 HANDLER	.0000	150.00	MASS MUTUAL - LIFE	9.77	VSP- VISION	612.06	.00
952 - PD - PHLEBOTOMIS	.0000	150.00	MEX ONLY DENTAL - EE &	183.20	Total	\$202,066.95	
953 - PD - COLLISION	.0000	150.00	MEX ONLY DENTAL - EE &	439.56			
954 - PD - NEGOTIATOR	.0000	100.00	MEX ONLY DENTAL - EE &	137.40	Employer Taxes		Gross Base
955 - PD - EVENING SHIFT	.0000	150.00	MEX ONLY HEALTH - EE & CH	570.46	MEDICARE	10,943.35	754,715.89
956 - PD - MIDNIGHT SHFT	.0000	750.00	MEXICO ONLY HEALTH - EE &	1,438.87	SOCIAL SECURITY TAX	46,792.31	754,715.89
961 - FD - EDU ASST	.0000	600.00	MEXICO ONLY HEALTH - EE &	414.88	SUTA/UNEMPLOYMENT	4,321.04	720,143.20
962 - FD - EDU BACHL	.0000	150.00	MISCELLANEOUS	130.00	Total	\$62,056.70	
965 - PD - STAND-BY PAY	.0000	2,468.00	NEW YORK LIFE - LIFE INS	36.49			
967 - FD - SPECIAL ASSIGNEMNT	738.5000	1,477.00	PAC FUND- FIRE DEPT.	139.00	Workers' Comp		Gross Base
Total	34,168.6568	\$754,715.89	PS DEFERRED COMP - ROTH	320.00	Ambulance EMT Search &	4,222.95	88,904.10

SCHEDULE C



Pay Day Register

Pay Date Range 03/23/24 - 04/05/24

Pay Batch 202408

PS DEFERRED COMP TIAA -	220.65	5,750.09	ANIMAL CONTROL OFFICERS	32.42	1,441.01
PS DEFERRED COMPENSATION	680.00	.00	ATTORNEY- ALL & CLERICAL-	66.55	30,248.01
PSPRS FIRE DB RATE - TIER 1a	5,297.61	69,249.69	AUTO SERVICE/ REPAIR	296.15	10,614.70
PSPRS FIRE DB RATE - TIER 1b	1,355.63	17,720.82	BUILDING- NOC OPER BY	521.94	14,417.82
PSPRS FIRE DB RATE - TIER 2	685.84	8,965.19	BUS COMPANY AND DRIVERS	83.99	1,521.60
PSPRS FIRE DB RATE - TIER 3	7,567.25	79,155.23	CLERICAL OFFICE/ LIBRARY/	396.12	165,051.32
PSPRS POLICE DB RATE - TIER	4,413.41	57,691.60	Electrician	68.58	2,184.00
PSPRS POLICE DB RATE - TIER	1,555.36	20,331.54	FIREFIGHTERS & DRIVERS	4,489.97	94,525.83
PSPRS POLICE DB RATE - TIER 2	952.36	12,449.20	GARBAGE/ ASH/ REFUSE	647.47	10,359.66
PSPRS POLICE DB RATE - TIER 3	4,452.59	46,575.08	Homemaker Service	39.89	1,741.80
STANDARD LIFE ADDTNL	929.85	.00	MUNICIPAL/ TOWN/	724.52	41,402.29
TRANSWESTERN MEXICAN	195.00	.00	PARKS- NOC ALL EMPLOYEES	777.44	25,077.67
U.S. MEX DENTAL - EE &	492.72	.00	POLICE OFFICERS	7,584.17	159,666.95
U.S. MEX DENTAL - EE &	123.18	.00	RECREATION- ALL EMPLOYEES/	305.77	22,319.64
UNITED WAY	14.00	.00	SEWAGE DISPOSAL/ PLANT	1,013.92	29,474.71
US & MEX DENTAL= FAMILY	540.57	.00	Street or Road Construction	2,622.19	29,696.30
US & MEX HEALTH = C	4,981.90	.00	WATERWORKS OPERATIONS	904.59	26,068.48
US & MEX HEALTH = FAMILY	6,787.64	.00	Total	<u>\$24,798.63</u>	
US & MEX HEALTH = SP	904.04	.00			
VSP - VISION CHILDREN	236.98	.00	<u>Direct Deposits</u>		<u>Amount</u>
VSP - VISION FAMILY	341.53	.00	1st Bank Yuma		45,728.21
VSP - VISION SPOUSE	125.46	.00	ACADEMY BANK		2,626.14
Net	<u>\$523,121.18</u>		Bank of America		8,502.80
			Bank of America CA		1,145.22
			Bankcorp		200.00
			CAPITAL ONE		694.06
			Charles Sch		250.00
			Chase Bank		240,833.27
			CHASE BANK CA		1,326.01
			CHASE BANK MORGAN		3,030.41
			CHASE BANK TX		2,272.11
			chase centro		1,811.04
			discover		400.00
			Federal Credit Union		39,889.20
			FF CREDIT UNION		3,138.19
			FIDELITY		510.12
			FIREFIGHTER FIRST CREDIT UNION		8,827.92
			HUGHES FCU		2,024.15
			MECHNICS BANK		1,167.67
			National Bank		1,283.45
			Navy Federal		28,282.16
			NetSpend Corporation DD		120.00
			NORTH ISLAND CREDIT UNION		820.51



Pay Day Register

Pay Date Range 03/23/24 - 04/05/24

Pay Batch 202408

Miguel M
Ramirez

Digitally signed by: Miguel M Ramirez
DN: CN = Miguel M Ramirez
email = mramirez@sanluisaz.gov
C = AD O = City of San Luis, AZ
Date: 2024.04.11 14:13:55 -07'00'

PATHWARD	3,543.92
Sunbank	2,059.90
THE FOOTHILLS BANK	757.74
VANTAGE WEST	1,789.24
WASHINGTON FEDERAL	1,120.42
Wells Fargo	103,782.11
WELLS FARGO CA	4,186.00
WELLS FARGO YUMA	2,858.52
Total	<u>\$514,980.49</u>
Check	\$8,140.69

Payment Register

From Payment Date: 4/8/2024 - To Payment Date: 4/12/2024

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
1BYPAYABLE - 1st BY Accounts Payable									
Check									
108606	04/09/2024	Open			Accounts Payable	TACOS EL CHIPILON, LLC	\$613.36		
108607	04/11/2024	Open			Utility Management Refund	ARGUETA, EDEN	\$155.39		
108608	04/11/2024	Open			Utility Management Refund	BELTRAN, JOSE A & MARTHA J LEYVA	\$140.09		
108609	04/11/2024	Open			Utility Management Refund	BENITEZ, GLORIA	\$236.24		
108610	04/11/2024	Open			Utility Management Refund	CAMARENA-LOPEZ, CRISTIAN	\$248.97		
108611	04/11/2024	Open			Utility Management Refund	CANO, IVETTE	\$57.42		
108612	04/11/2024	Open			Utility Management Refund	CARRERA, GUADALUPE & MARIA	\$13.72		
108613	04/11/2024	Open			Utility Management Refund	CORREIA, SUSAN, RAE	\$189.00		
108614	04/11/2024	Open			Utility Management Refund	DURON, ARMANDO	\$162.34		
108615	04/11/2024	Open			Utility Management Refund	ESPINOZA, ANGELICA	\$168.67		
108616	04/11/2024	Open			Utility Management Refund	GONZALEZ JUAN M & KARLA K	\$62.87		
108617	04/11/2024	Open			Utility Management Refund	JUAREZ, RAUL & NANCY	\$176.56		
108618	04/11/2024	Open			Utility Management Refund	LIRA, DIANA	\$27.44		
108619	04/11/2024	Open			Utility Management Refund	LUNA, GABRIELA G	\$124.72		
108620	04/11/2024	Open			Utility Management Refund	LUNA, GERARDO & ANDREA	\$13.48		
108621	04/11/2024	Open			Utility Management Refund	MANRIQUEZ CALVILLO, VANESSA	\$228.75		
108622	04/11/2024	Open			Utility Management Refund	MARTINEZ CESPEDES, ROSA, I	\$283.86		
108623	04/11/2024	Open			Utility Management Refund	NUNEZ, MARIA, A	\$198.46		
108624	04/11/2024	Open			Utility Management Refund	OCHOA , YADIRA	\$138.66		
108625	04/11/2024	Open			Utility Management Refund	OLVERA, JESUS & GLORIA ESTRADA	\$215.90		
108626	04/11/2024	Open			Utility Management Refund	PADILLA, RAMON	\$167.46		
108627	04/11/2024	Open			Utility Management Refund	RAMOS, VICTOR	\$200.58		
108628	04/11/2024	Open			Utility Management Refund	RITCHIE, JUSTIN & CARMEN	\$153.15		
108629	04/11/2024	Open			Utility Management Refund	RIVAS, GRECIA, A	\$2,428.56		
108630	04/11/2024	Open			Utility Management Refund	ROBLES, JESUS & MARTHA	\$157.30		

SCHEDULE D

Payment Register

From Payment Date: 4/8/2024 - To Payment Date: 4/12/2024

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
108631	04/11/2024	Open			Utility Management Refund	RODRIGUEZ, ALEJANDRO G	\$171.45		
108632	04/11/2024	Open			Utility Management Refund	RODRIGUEZ, HAMINTON B	\$8.49		
108633	04/11/2024	Open			Utility Management Refund	RODRIGUEZ, RIGOBERTO & MARCELA	\$188.30		
108634	04/11/2024	Open			Utility Management Refund	ROJAS, JESUS & SOLEDAD V	\$75.68		
108635	04/11/2024	Open			Utility Management Refund	ROUND 5 LLC	\$1,878.12		
108636	04/11/2024	Open			Utility Management Refund	TORRES ROBERTO & SALDANA LUZ	\$209.19		
108637	04/11/2024	Open			Utility Management Refund	VIFIBER ENGINEERING & CONSTRUCTION	\$2,284.51		
108638	04/11/2024	Open			Utility Management Refund	VERA, EDGAR	\$238.07		
108639	04/12/2024	Open			Accounts Payable	FOP/ALC	\$405.00		
108640	04/12/2024	Open			Accounts Payable	INTERNAL REVENUE SERVICE	\$221.11		
108641	04/12/2024	Open			Accounts Payable	SAN LUIS POLICE OFFICERS ASSOC	\$500.00		
108642	04/12/2024	Open			Accounts Payable	SUPPORT PAYMENT CLEARINGHOUSE	\$3,407.97		
108643	04/12/2024	Open			Accounts Payable	UNITED WAY OF YUMA COUNTY INC.	\$14.00		
108644	04/12/2024	Open			Accounts Payable	UNITED YUMA FIRE FIGHTERS ASSOC	\$139.00		
108645	04/12/2024	Open			Accounts Payable	UNITED YUMA FIRE FIGHTERS- IAFF	\$1,620.00		
108646	04/12/2024	Open			Accounts Payable	AIRGAS USA LLC	\$131.10		
108647	04/12/2024	Open			Accounts Payable	ALVAREZ, MARIA , ELENA	\$1,050.00		
108648	04/12/2024	Open			Accounts Payable	AMERICAN NATIONAL RED CROSS & ITS CONSTITUENT CHAP	\$494.00		
108649	04/12/2024	Open			Accounts Payable	ANGEL'S TOWING SERVICE/AUTO SALES	\$270.00		
108650	04/12/2024	Open			Accounts Payable	AUTOZONE STORES, INC	\$2,148.49		
108651	04/12/2024	Open			Accounts Payable	BETOS CABINETS LLC	\$1,830.00		
108652	04/12/2024	Open			Accounts Payable	BRATTON, WALT	\$4,941.39		
108653	04/12/2024	Open			Accounts Payable	C&D DISPOSAL LLC	\$249.58		
108654	04/12/2024	Open			Accounts Payable	CELAYA, JOSE E	\$1,826.74		
108655	04/12/2024	Open			Accounts Payable	COMITE DE BIENESTAR INC	\$2,500.00		
108656	04/12/2024	Open			Accounts Payable	CONSTRUCTION SUPPLY HOLDINGS II, LLC	\$3,213.67		
108657	04/12/2024	Open			Accounts Payable	EMAZON, JESUS	\$336.00		
108658	04/12/2024	Open			Accounts Payable	EMPIRE MACHINERY	\$661.61		
108659	04/12/2024	Open			Accounts Payable	FX TACTICAL, LLC	\$48.65		
108660	04/12/2024	Open			Accounts Payable	G&T ALARM CO LLC	\$258.00		
108661	04/12/2024	Open			Accounts Payable	GALERIA CAFE	\$830.32		
108662	04/12/2024	Open			Accounts Payable	GARCIA, JESUS	\$240.00		
108663	04/12/2024	Open			Accounts Payable	GARCIA, JESUS	\$150.00		
108664	04/12/2024	Open			Accounts Payable	IRON MOUNTAIN INC	\$306.66		
108665	04/12/2024	Open			Accounts Payable	LA BODEGA, LLC	\$332.16		

Payment Register

From Payment Date: 4/8/2024 - To Payment Date: 4/12/2024

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
108666	04/12/2024	Open			Accounts Payable	LOOMIS	\$1,591.22		
108667	04/12/2024	Open			Accounts Payable	LOPEZ, BRENDA	\$1,075.00		
108668	04/12/2024	Open			Accounts Payable	LOPEZ CAMARGO, FABIOLA	\$250.00		
108669	04/12/2024	Open			Accounts Payable	M & Y ELECTRICAL LLC	\$189.00		
108670	04/12/2024	Open			Accounts Payable	MACHADO, IVAN & AIXIA GUTIERREZ	\$500.00		
108671	04/12/2024	Open			Accounts Payable	MANNY'S MICHOACANA LLC	\$412.76		
108672	04/12/2024	Open			Accounts Payable	MGM INTERNET SOLUTIONS, INC	\$110.00		
108673	04/12/2024	Open			Accounts Payable	PPEP INC.	\$7,500.00		
108674	04/12/2024	Open			Accounts Payable	PRODUCTIVITY FOCUS	\$5,400.00		
108675	04/12/2024	Open			Accounts Payable	QUINONEZ, FRANCISCO	\$180.00		
108676	04/12/2024	Open			Accounts Payable	RUSH TRUCK CENTER	\$1,635.04		
108677	04/12/2024	Open			Accounts Payable	SEPULVEDA, MANUEL	\$200.00		
108678	04/12/2024	Open			Accounts Payable	SHUCK DRILLING COMPANY LLC	\$18,822.15		
108679	04/12/2024	Open			Accounts Payable	TAQUERIA AGUILAR LLC	\$2,894.36		
108680	04/12/2024	Open			Accounts Payable	WALKER, BARBARA	\$400.00		
108681	04/12/2024	Open			Accounts Payable	AMERICAN FIDELITY ASSURANCE CO	\$2,062.90		
108682	04/12/2024	Open			Accounts Payable	AMERICAN FIDELITY ASSURANCE CO	\$166.67		
108683	04/12/2024	Open			Accounts Payable	BOTELLO, EMMANUEL	\$123.00		
108684	04/12/2024	Open			Accounts Payable	CENTURYLINK	\$582.34		
108685	04/12/2024	Open			Accounts Payable	COMITE DE BIENESTAR INC	\$197.92		
108686	04/12/2024	Open			Accounts Payable	DWD CONSTRUCTION	\$36,000.00		
108687	04/12/2024	Open			Accounts Payable	ENTERPRISE FM TRUST	\$755.68		
108688	04/12/2024	Open			Accounts Payable	FREGOSO, JESUS	\$10.18		
108689	04/12/2024	Open			Accounts Payable	HEMMER, ADRIAN	\$200.00		
108690	04/12/2024	Open			Accounts Payable	HIGUERA, JONATHAN	\$166.26		
108691	04/12/2024	Open			Accounts Payable	JUAREZ, NANCY	\$123.00		
108692	04/12/2024	Open			Accounts Payable	MANHATTANLIFE ASSURANCE CO	\$228.14		
108693	04/12/2024	Open			Accounts Payable	MASSMUTUAL FINANCIAL GROUP	\$19.53		
108694	04/12/2024	Open			Accounts Payable	MORRIS, JOHNNIE	\$289.00		
108695	04/12/2024	Open			Accounts Payable	MUNOZ, MARIA	\$24.96		
108696	04/12/2024	Open			Accounts Payable	NEW YORK LIFE INSURANCE CO.	\$72.97		
108697	04/12/2024	Open			Accounts Payable	PREPAID LEGAL SERVICES	\$118.60		
108698	04/12/2024	Open			Accounts Payable	REYNOSO, NIGEL	\$123.00		
108699	04/12/2024	Open			Accounts Payable	RUVALCABA, MARIA, JOSEFINA	\$87.80		
108700	04/12/2024	Open			Accounts Payable	SANTANA, MARCO	\$123.00		
108701	04/12/2024	Open			Accounts Payable	SAUCEDA, JOEL	\$123.00		
108702	04/12/2024	Open			Accounts Payable	STANDARD INSURANCE CO.	\$1,731.70		
108703	04/12/2024	Open			Accounts Payable	TEXAS LIFE INSURANCE COMPANY	\$490.42		
108704	04/12/2024	Open			Accounts Payable	TRANSWESTERN INSURANCE ADMIN	\$390.00		
108705	04/12/2024	Open			Accounts Payable	VISION SERVICE PLAN OF ARIZONA	\$5,085.76		
108706	04/12/2024	Open			Accounts Payable	ZAVALA, NEREIDA	\$97.56		
Type Check Totals:									
EFT									
5211	04/12/2024	Open			Accounts Payable	ALLKIOSK LLC	\$1,054.26		
							<hr/>		
							\$130,295.13		

Payment Register

From Payment Date: 4/8/2024 - To Payment Date: 4/12/2024

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference	
5212	04/12/2024	Open			Accounts Payable	ALSCO, INC	\$4,284.68			
5213	04/12/2024	Open			Accounts Payable	AMAZON.COM SALES, INC.	\$323.18			
5214	04/12/2024	Open			Accounts Payable	AMBERLY'S PLACE	\$3,500.00			
5215	04/12/2024	Open			Accounts Payable	AMERICANA POLYGRAPH & PRIVATE INVESTIGATION	\$175.00			
5216	04/12/2024	Open			Accounts Payable	APPLIED PRODUCTS GROUP LLC	\$26,493.92			
5217	04/12/2024	Open			Accounts Payable	ARIZONA EMERGENCY PRODUCTS, INC.	\$1,616.09			
5218	04/12/2024	Open			Accounts Payable	BILL ALEXANDER FORD	\$781.48			
5219	04/12/2024	Open			Accounts Payable	BLT ASPHALT LLC	\$3,042.36			
5220	04/12/2024	Open			Accounts Payable	BLT READY MIX CONCRETE LLC	\$1,672.85			
5221	04/12/2024	Open			Accounts Payable	CHAPMAN CHEVROLET BUICK GMC YUMA LLC	\$342.57			
5222	04/12/2024	Open			Accounts Payable	CHAPMAN DCJR YUMA LLC	\$993.45			
5223	04/12/2024	Open			Accounts Payable	CORRAL, RICARDO	\$475.00			
5224	04/12/2024	Open			Accounts Payable	CROWN AWARDS	\$2,715.87			
5225	04/12/2024	Open			Accounts Payable	CSC OF YUMA	\$651.72			
5226	04/12/2024	Open			Accounts Payable	CUEVAS, CHRISTIAN	\$75.00			
5227	04/12/2024	Open			Accounts Payable	DESERT DOCUMENT SHREDDERS, LLC	\$75.50			
5228	04/12/2024	Open			Accounts Payable	DESERT WATER STORE INC	\$339.76			
5229	04/12/2024	Open			Accounts Payable	FONSECA, BRIANDA	\$1,750.00			
5230	04/12/2024	Open			Accounts Payable	FRESH TERRA SERVICES LLC	\$2,187.00			
5231	04/12/2024	Open			Accounts Payable	JAMES DAVEY AND ASSOCIATES INC	\$10,867.50			
5232	04/12/2024	Open			Accounts Payable	JSA COMPANY	\$12,346.00			
5233	04/12/2024	Open			Accounts Payable	KTL&C, LLC.	\$275.28			
5234	04/12/2024	Open			Accounts Payable	METRO FIRE EQUIPMENT INC	\$2,473.92			
5235	04/12/2024	Open			Accounts Payable	O'REILLY AUTO PARTS	\$1,316.76			
5236	04/12/2024	Open			Accounts Payable	ODP BUSINESS SOLUTIONS LLC	\$997.32			
5237	04/12/2024	Open			Accounts Payable	PRECISION PROTECTIVE SERVICES LLC	\$10,323.50			
5238	04/12/2024	Open			Accounts Payable	ROACH PEST CONTROL	\$680.00			
5239	04/12/2024	Open			Accounts Payable	SIMS MACKIN, LTD.	\$5,490.00			
5240	04/12/2024	Open			Accounts Payable	SOUTHWEST MERCH LLC	\$1,926.77			
5241	04/12/2024	Open			Accounts Payable	STRONG, CAMERON, T	\$1,380.00			
5242	04/12/2024	Open			Accounts Payable	THOMSON WEST PUBLISHING CO.	\$430.18			
5243	04/12/2024	Open			Accounts Payable	UNIVERSAL BACKGROUND SCREENING INC	\$217.34			
5244	04/12/2024	Open			Accounts Payable	VERIZON COMMUNICATIONS INC	\$3,157.00			
5245	04/12/2024	Open			Accounts Payable	WAXIE SANITARY SUPPLY	\$873.54			
5246	04/12/2024	Open			Accounts Payable	WESTERN SUN SYSTEMS, INC	\$516.00			
5247	04/12/2024	Open			Accounts Payable	YUMA COUNTY RECORDER'S OFFICE	\$195.00			
5248	04/12/2024	Open			Accounts Payable	YUMA REGIONAL MEDICAL CENTER	\$2,510.41			
5249	04/12/2024	Open			Accounts Payable	FRUTH GROUP INC	\$2,254.99			
5250	04/12/2024	Open			Accounts Payable	SAM'S CLUB	\$1,589.83			
Type EFT Totals:										
1BYPAYABLE - 1st BY Accounts Payable Totals							40 Transactions	\$112,371.03		

Payment Register

From Payment Date: 4/8/2024 - To Payment Date: 4/12/2024

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
				Checks	Status	Count	Transaction Amount	Reconciled Amount	
					Open	101	\$130,295.13	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Stopped	0	\$0.00	\$0.00	
					Total	101	\$130,295.13	\$0.00	
				EFTs	Status	Count	Transaction Amount	Reconciled Amount	
					Open	40	\$112,371.03	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Total	40	\$112,371.03	\$0.00	
				All	Status	Count	Transaction Amount	Reconciled Amount	
					Open	141	\$242,666.16	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Stopped	0	\$0.00	\$0.00	
					Total	141	\$242,666.16	\$0.00	
Grand Totals:									
				Checks	Status	Count	Transaction Amount	Reconciled Amount	
					Open	101	\$130,295.13	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Stopped	0	\$0.00	\$0.00	
					Total	101	\$130,295.13	\$0.00	
				EFTs	Status	Count	Transaction Amount	Reconciled Amount	
					Open	40	\$112,371.03	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Total	40	\$112,371.03	\$0.00	
				All	Status	Count	Transaction Amount	Reconciled Amount	
					Open	141	\$242,666.16	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Stopped	0	\$0.00	\$0.00	
					Total	141	\$242,666.16	\$0.00	

Guadalupe Canez

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AGENDA ITEM REVIEW FORM

Regular City Council Meeting

7. A.

Meeting Date: 04/24/2024

Department Head: Roula Encinas, Acting Director of Finance, Finance Department

Submitted By: Roula Encinas, Acting Director of Finance, Finance Department

Action Requested: Motion

ITEM:

Discussion and possible action on any and all matters regarding the acceptance and approval for the filing of the Annual Comprehensive Financial Report for the City of San Luis, Fiscal Year Ended June 30, 2023. **(Roula Encinas, Acting Director of Finance and Heinfeld, Meech & Co., P.C.)**

SUMMARY:

The Annual Comprehensive Financial Report (ACFR) is an audit of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the city as of and for the year ended June 30, 2023 (ACFR 2023). The audit was conducted in accordance with auditing standards generally accepted in the United States of America and was performed for the purpose of complying with A.R.S. § 9-481. The report is available online.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO ACCEPT AND APPROVE THE FILING OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE CITY OF SAN LUIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM: N/A

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):

No fiscal Impact associated with this item.

Attachments

City of San Luis ACFR FY23

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR FISCAL YEAR ENDED
ON **JUNE 30, 2023**



2023



ANNUAL COMPREHENSIVE FINANCIAL REPORT

2023

FOR FISCAL YEAR ENDED
ON **JUNE 30, 2023**

PREPARED BY:
DEPARTMENT OF FINANCE

CITY OF SAN LUIS, ARIZONA
Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023

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INTRODUCTORY SECTION



Letter of Transmittal

For the Fiscal Year Ended June 30, 2023



February 16, 2024

Honorable Mayor, City Council, City Manager, and Citizens of the City of San Luis, Arizona:

I am pleased to present the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. Laws of the State of Arizona require that all local governments publish a complete set of audited financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. According to that requirement, we hereby issue the annual comprehensive financial report of the City of San Luis for the fiscal year ended June 30, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework established for this purpose. The internal control framework is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of financial statements. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As presented in this report, we believe the data is accurate in all material respects and is presented in a manner that fairly sets forth the financial position and results of operations of the City on both a city-wide and fund basis. Furthermore, we believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity and financial stability have been included.

The basic financial statements and related notes have been audited by an independent firm of certified public accountants, Heinfeld, Meech & Co., P.C., whose report is included herein. As stated in the independent auditors' report, the goal of the independent audit was to provide reasonable assurance that the financial statements are free from material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements of the City of San Luis, Arizona, for the fiscal year ended June 30, 2023, are fairly presented, in all material respects, in conformity with GAAP. The independent auditors' report is located at the front of the financial section of this report.

The independent audit of the financial statements of San Luis is usually part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements. A grant reform that increased the single-audit threshold changed audit rules for fiscal years beginning on or after January 1, 2015. As a result of the new rules, the City was required to undergo a single audit due to the expended amounts that exceeded the \$750,000 margin in federal dollars during the audited year. In addition, the City must make records available for review or audit by appropriate federal agencies and the U.S. Government Accountability Office officials.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides an introduction, overview, and analysis of the basic financial statements. The discussion and analysis that complements this letter of transmittal should be read in combination with it.

Profile of the Government

The City of San Luis, incorporated in 1979, is located in the southwestern corner of Arizona, immediately adjacent to Mexico and California, and occupies 30 square miles. The City of San Luis is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time. Policy-making and legislative authority are vested in a governing council (Council) consisting of the Mayor and six Council Members, all elected on a non-partisan basis, and serve overlapping four-year terms. The City Council is responsible for passing ordinances, adopting the budget, appointing committee, commission, and board members, and appointing the positions of City Manager, City Attorney, Magistrate, Chief of Police, and Chief of Fire. The City Manager is responsible for carrying out the policies and ordinances of the City Council, as well as overseeing the day-to-day operations of the City.

The City has experienced significant increases in population over the years. The 2000 census recorded the City of San Luis population at 15,400, and the 2020 census recorded the City of San Luis population at 35,257, a 128% increase from 2010. Today we estimate the City has 39,700 residents. The City of San Luis is listed in the top 10 cities with the most percentage growth in Arizona. Based on current projections, population growth trends are expected to continue at the same pace. While having a positive impact, this growth will continue to present challenges to the City in providing its current level of services.

The City provides a full range of municipal services, including police and fire protection, solid waste services, water and sewer services, construction and maintenance of streets, recreational and cultural activities, planning and zoning services, and general administrative services. San Luis offers a wide range of community facilities, including one gym, one cultural center, one senior center, one youth center, one activity center, one swimming pool, and five parks encompassing 60 acres.

This report includes financial statements on both a government-wide and a fund basis for the primary government and its component units. Criteria used by the City for inclusion of activities in preparing its financial statements are in conformity with GASB Statement No.14, "The Financial Reporting Entity." Component units are separate legal entities included in the reporting entity due to the significance of their financial or operational relationship with the City. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the

financial reporting entity consists of the City and two blended component units, the San Luis Community Facilities District and the San Luis Employees' Self Insurance Health Fund, as discussed further in Note 1 A of the notes to the financial statements.

Financial information

Internal Control: Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting information is compiled to prepare financial statements in accordance with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management.

Budget Control: The City of San Luis, like all cities in the State of Arizona, is subject to numerous budget and related legal requirements. Article IX, Section 20 (1) of the Arizona Constitution sets limits on the City's legal budget capacity. The City's expenditure limitation for the fiscal year 2023 was \$51.2 million.

The annual operating budget, which is adopted by ordinance each fiscal year, serves as the base for the City's financial planning and control. Budgets are developed on a departmental basis by expenditure function within a fund. The budgets display the City's financial operations, including funding for one corporation outside the City's organizational structure. The City relies on the City's General Plan adopted in November 2020 to set the goals and priorities that will allow us to become the City we need to be in the future. There are four themes that are the focus of the plan (Growth, Economy, Environment, and Public Services).

The City Manager submits the annual balanced budget to City Council before June each year. A public hearing on the budget is held in the middle of June, with an expected budget adoption by June 30. The City is required to publish specific information and notices and hold public hearings as defined by state statute.

Economic Condition and Outlook

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. The City of San Luis's diverse local economy is built on retail trade, agriculture, real estate development, and manufacturing. San Luis is a significant gateway for imports and exports to and from Mexico.

The City of San Luis' most significant revenue source is sales tax revenue, totaling \$19.2 million in the Fiscal Year 2023. Sales tax is generated from various business categories, including food stores, retail stores, restaurants, construction, and utilities. The City also receives a share of sales tax generated from the State of Arizona's (State) applied tax rate and from the City's own applied tax rate.

The City of San Luis is an agriculture community that is part of Yuma County's \$2.3 billion agriculture industry and provides 90% of the U.S. vegetables consumed in the U.S.

As we rebounded from the COVID pandemic, we were faced with high inflation rates creating sharp increases in commodity prices combined with supply chain shortages. Housing permits are on pace to continue to stay steady even though the rest of the state expects a decline in housing development driven by high interest rates thereby significantly reducing housing affordability. The City continues to face a shortage of affordable housing and we continue to struggle to deal with a lack of workforce in basic positions. Cost of infrastructure continues to increase limiting our ability to meet the City growing demands. As we look ahead for 2024, the Federal Reserve is expected to return interest rates to 3% and 6% with a 2% inflation rate and no recession expected. Yet, we continue to be conservative and make smart choices in the coming months to continue to support job growth in key sectors, improve public services, and patch holes in our safety net – all while thoughtfully managing the City's budget.

Despite the negative impacts of the pandemic and the economy, new residential development continues thriving. The real estate sector faced high interest rates, but the demand for housing continues in our community. The City continues to receive applications for residential developments. There are three subdivisions under construction, which we expect to be completed by the end of June 2024. The City issued a total of 643 building permits of which 249 were for new residential units in the Fiscal Year 2023.

As the City of San Luis' needs grow and its population, our government works efficiently to meet those needs. Its citizens and municipal government are committed to creating a sustainable economy that will increase the quality of life for its residents and find solutions for the future. One of the major focuses will be to increase revenues to the City by promoting more commercial and industrial developments, encouraging a primary property tax and evaluating current fees for each department to make sure the revenues cover the cost of operations of the departments.

High interest rates delay the development of several commercial projects including Burger King and Wendy fast-food restaurants as well as two new hotels from the Extended Stay America and Hilton Hampton Inn chains. However, we had the completion of a gas station and convenience store, an elementary school and charter school.

In the industrial sector, an investor purchased 88 acres of land in the industrial park and made significant infrastructure improvements to recruit manufacturing to the area.

The City received \$62 million in state and federal grants for widening the Cesar Chavez Boulevard. The widening of this street addresses the traffic issues in that sector of the City, provides alternative modes of transportation and enhances the safety of our residents. We expect the design to be completed by November 2024 and construction in June of 2026.

To better serve our residents, we have completed the construction of a new Fire Station in the East area of the City and constructed substation for the Police Department. We started designing a new Police Station in the same area. We invested \$7 million in road infrastructure focusing in addressing the traffic impact to the community. We also invested \$5 million in water and \$2 million in wastewater improvements to meet our current and future demands.

The medical mall constructed in FY 2021 is looking to expand to include a 15-bed community hospital representing a 55 million investment. The construction of this hospital will provide the residents with the healthcare they need without traveling outside the community.

Another significant economic factor in the City is the state prison that employs more than 987 professionals and staff. In addition, since San Luis is a border/U.S. Port of entry, the U.S. Government departments of INS, Customs, and U.S. Marshall Prison facilities provide hundreds of jobs stationed in San Luis.

The \$307.5 million modernization and expansion of the San Luis I Land Port of Entry, funded by the Bipartisan Infrastructure Law and the Inflation Reduction Act, marks a significant development in regional border infrastructure. The project will double the vehicles lanes from 8 to 16 lanes and pedestrian lanes from 4 to 10 lanes. The port processes 8 million border crossers daily and we expect the number of crossers will double as well. The Mexican shopper contributes approximately 70% of the sales tax to San Luis. This project, part of President Biden's Investing in America Agenda, aims to replace outdated facilities with expanded buildings and increased inspection capacities, substantially boosting local economic activity and job creation. Key enhancements include doubling vehicle inspection lanes, a new pedestrian inspection building, and advanced sustainability features like all-electric, net-zero design, and solar panels, aligning with the Federal Sustainability Plan. Notably, the port's upgrade will enhance security, alleviate congestion, and foster environmental justice, while supporting the highly integrated binational economy of the San Luis region. The project, expected to be completed by Fall 2028, exemplifies a collaborative effort across local, state, and federal levels, emphasizing the importance of modern infrastructure in promoting economic prosperity and national security.

Long-Term Financial Planning

The budget process guides the City's financial planning process. This process includes the annual budget that each department presents for review, followed by acceptance, reductions, or additions depending on revenue and expenditure forecasts. As part of the annual budget process, departments also submit capital plans for review and approval based on available funding. The capital plans are updated annually and approved by the City Council and serve as the primary drivers of the long-term financial planning process.

The budget process includes input from City Council, Departments, City Manager, and citizens, including community budget hearings. The City Council formally adopts the budget for the following year by the end of June.

It is customary for the water, wastewater, and sanitation funds to initiate a bi-annual review of existing rate study extending over a ten-year financial forecast to determine the long-term funding availability. The City had its last utility rate study completed back on December 28, 2022, and adopted by City Council on March 22, 2023. The adopted utility rate consists of a five-year utility rate increase plan that will support the enterprise funds and its capital projects.

Certificates of Achievements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to San Luis for its ACFR for the fiscal year that ended June 30, 2022.

The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standard for the preparation of state and local government financial reports.


In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR, with contents conforming to program standards. Such ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for nine consecutive years. We believe that our current ACFR conforms to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

Acknowledgments

The preparation of this Annual Comprehensive Financial Report would not have been possible without the efficient and dedicated services of the staff of the Finance Department as well as the excellent cooperation and assistance of other City employees who contributed to its preparation. Sincere appreciation also must be given to the Mayor and the Governing Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of San Luis' finances. We also wish to thank the City's Independent Auditors, Heinfeld, Meech & Co., P.C., for their assistance in matters pertaining to the City's financial affairs.

Respectfully submitted,



Roula J. de Encinas
Acting Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of San Luis
Arizona**

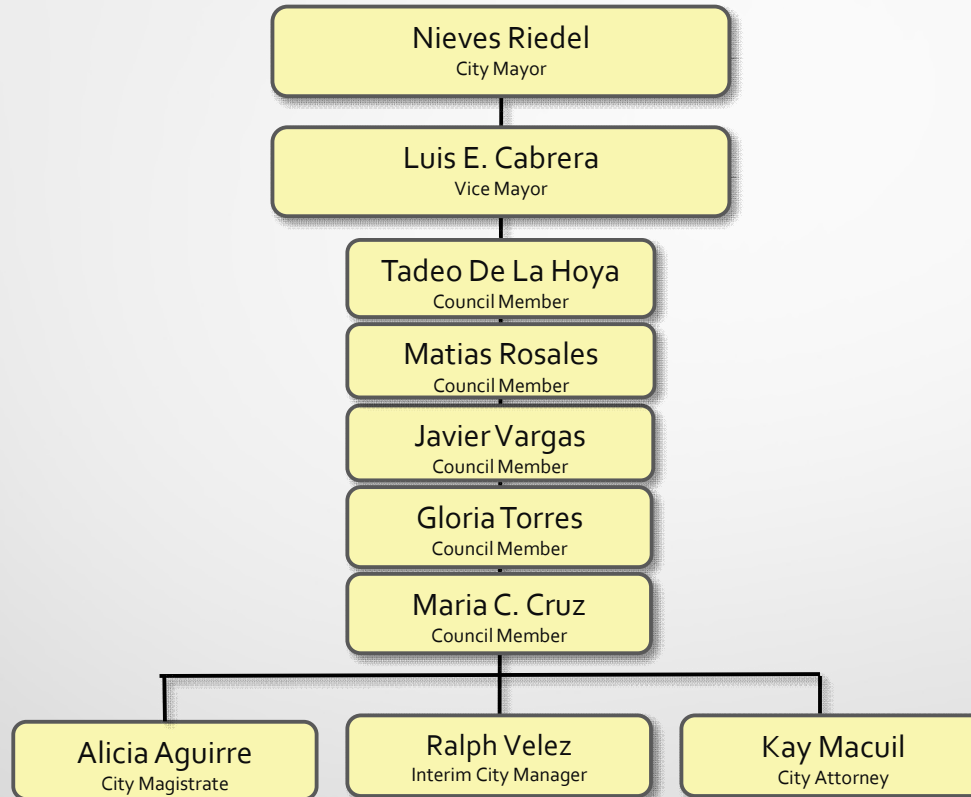
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY COUNCIL



Elected officials

As of June 30, 2023

Nieves Rjedel
Mayor

Matias Rosales
Councilmember
Tadeo DeLaHoya
Councilmember
Gloria Torres
Councilmember

Luis Cabrera
Vice Mayor
Maria C Cruz
Councilmember
Javier Vargas
Councilmember



Appointed officials

Ralph Velez
Interim City Manager
Jenny Torres
Assistant City Manager

Attorney
City Clerk
Economic Development Manager
Acting Director of Parks and Recreation
Director of Finance
Fire Chief
Police Chief
Director of Human Resources
Information Technology Manager
Magistrate
Director of Planning & Zoning
Director of Public Works
Risk & Property Manager
Senior Services Manager
Billing and Collection Manager

Kay Macuil
Sonia Cornelio
Jenny Torres
Jose Luis Cisneros
Monica Castro
Angel Ramirez
Miguel Alvarez
Adela Cortez
Derek Duenas
Alicia Aguirre
Jose Guzman
Eulogio Vera
Maria Sabori
Aracely DeLaHoya
Edgar Esparza



FINANCIAL SECTION



Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of San Luis, Arizona

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, the aggregate remaining fund information of the City of San Luis, Arizona (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund, the Highway Users Fund and the Community Development Fund of the City of San Luis, Arizona, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of City of San Luis, Arizona, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1, the City implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and GASB Statement No. 99, *Omnibus 2022*, for the year ended June 30, 2023, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and net pension liability information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained

during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2024, on our consideration of City of San Luis, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of San Luis, Arizona's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of San Luis, Arizona's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
February 16, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)



**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

As management of the City of San Luis, Arizona (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the basic financial statements, which follow this discussion and analysis.

FINANCIAL HIGHLIGHTS

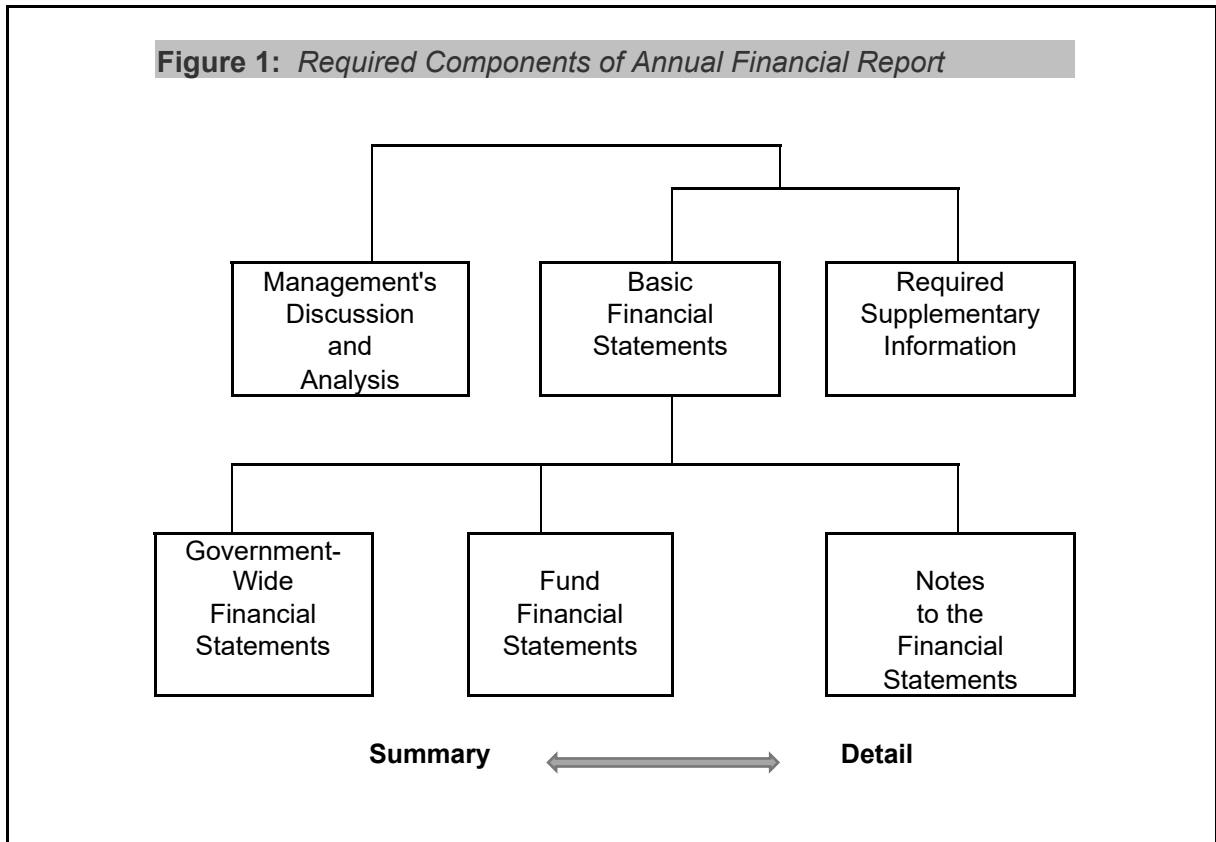
- The assets and deferred outflows of the City exceeded the liabilities and deferred inflows at the close of the fiscal year by \$140.4 million.
- The City's net position of governmental activities increased \$15.4 million to \$97.5 million, and business-type activities increased \$3.5 million to \$42.9 million representing 69 percent and 31 percent, respectively, of the total net position of \$140.4 million.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$35.9 million, an increase of \$427,120 over the prior year. 17 percent of this amount, or \$6.1 million, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$30.3 million, or 115 percent of total general fund expenditures for the fiscal year.
- General revenues from governmental activities accounted for \$30.8 million in revenues or 66 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$15.8 million or 34 percent of total governmental activities. The City had \$16.9 million of program revenues related to business-type activities.
- The City had \$31.2 million in expenses related to governmental activities; of which \$15.8 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$30.8 million were adequate to provide for the costs of these programs. The City had \$14.2 million in expenses related to business-type activities that were offset by program specific charges for services or capital grants and contributions.
- Among major governmental funds, the general fund had \$31.5 million in revenues, which primarily consisted of taxes, licenses and permits, fines and forfeitures, intergovernmental, and rental revenues. The total expenditures of the general fund were \$26.0 million. The general fund's fund balance increased from \$29.5 million to \$30.6 million. The highway users fund had revenues of \$4.3 million, which consisted primarily of intergovernmental revenues, and expenditures of \$4.3 million. The community development fund had revenue of \$4.5 million, which consisted primarily of intergovernmental revenues, and expenditures of \$8.0 million.
- The City's total long-term liabilities decreased from \$63.6 million to \$63.4 million during the current fiscal year. This decrease was due primarily to bond principal payments during the year.

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the fiscal condition of the City.

The following diagram shows how the required components of this annual comprehensive financial report are arranged and relate to one another.



Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a financial statement of a private-sector business. These statements are prepared under the full-accrual basis of accounting where all the current year's revenues and expenses are included regardless of when cash is received or paid. The government-wide statements provide short and long-term information about the City's financial status as a whole. These two statements report the City's net position and how they have changed. The statement of net position and the statement of activities help to determine if the City is in a better financial position as a result of the current year's activities.

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The *statement of net position* reflects the City's net position at the end of the fiscal year. The net position of the City is the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to evaluate the City's financial condition.

The *statement of activities* presents information showing how the City's net position changed during the recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing or related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

In the government-wide financial statements the City's activities are presented in the following three categories:

- **Governmental activities** – Most of the City's basic services are included here, such as general government, public safety, health and welfare, culture and recreation, community development, and public works and streets. Sales taxes, intergovernmental, licenses and permits, and fines and forfeitures revenue finance most of these activities.
- **Business-type activities** – The services provided by the City included here are water, wastewater, business center, sanitation, ambulance services, and business incubator. The services are financed through user fees and charges.
- **Discretely presented component unit** – The City includes the activities of another entity in its report – The San Luis Facility Development Corporation, which owns the Detention Facility. Although legally separate, the component unit is required to be included for fair presentation in conformity with Generally Accepted Accounting Principles. Financial information for the component unit is reported separately from the financial information for the primary government.

Fund Financial Statements. The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- **Governmental funds.** Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental* activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in funds balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains nine individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Highway Users, Community Development, and Debt Service Funds, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules in the other supplementary information section presented immediately following the notes to the financial statements.

- **Proprietary funds.** The City has two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses separate enterprise funds to account for its water, wastewater, business center, sanitation, ambulance services and business incubator, all six of which are presented as major funds of the City. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of the City. The City uses an internal service fund to account for its self-insurance program. Because this operation benefits predominantly governmental rather than business-type activities, the internal service fund has been included with the governmental activities in the government-wide financial statements.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also includes certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees, public safety employees, and elected officials. Required supplementary information can be found immediately following the notes to the financial statements.

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

As noted previously, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, (see figure 2) assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$140.4 million as of June 30, 2023. By far the largest portion of the City's net position 68 percent) reflects its net investment in capital assets (e.g., land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure); less any related debt still outstanding that was used to acquire those assets. The City uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion six percent of the City's net position, \$8.3 million at June 30, 2023, represents resources that are subject to external restrictions on how they may be used. Unrestricted net position, 26 percent at June 30, 2023, may be used to meet the government's ongoing obligations to its citizens and creditors.

The following table presents a summary of the City's net position for the fiscal years ended June 30, 2023 and 2022.

Figure 2	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 60,117,364	\$ 55,557,818	\$ 26,983,859	\$ 30,094,069	\$ 87,101,223	\$ 85,651,887
Capital assets, net	81,520,773	67,286,246	56,506,426	52,354,476	138,027,199	119,640,722
Total Assets	141,638,137	122,844,064	83,490,285	82,448,545	225,128,422	205,292,609
Total Deferred Outflow of Resources	6,517,196	4,787,180	1,481,549	1,736,101	7,998,745	6,523,281
Long-term liabilities	32,011,541	30,486,583	31,359,804	33,069,010	63,371,345	63,555,593
Other liabilities	16,737,103	9,149,699	2,099,118	1,620,074	18,836,221	10,769,773
Total Liabilities	48,748,644	39,636,282	33,458,922	34,689,084	82,207,566	74,325,366
Total Deferred Inflow of Resources	1,868,276	5,873,338	8,608,700	10,096,919	10,476,976	15,970,257
Net Position						
Net investment in capital assets	69,074,159	54,131,102	29,161,274	23,411,492	98,235,433	77,542,594
Restricted	6,028,237	9,971,478	2,308,381	1,985,219	8,336,618	11,956,697
Unrestricted	22,436,017	18,019,044	11,434,557	14,001,932	33,870,574	32,020,976
Total net position	\$ 97,538,413	\$ 82,121,624	\$ 42,904,212	\$ 39,398,643	\$140,442,625	\$121,520,267

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

Changes in net position

Governmental Activities: Net position in governmental activities saw an increase of \$15.4 million. The reasons for this change can be summarized as follows:

- Program revenues covered 51 percent of total governmental expenses, increasing from 28 percent in the prior year. This is a 23 percent increase in total governmental expense coverage. Overall, revenues exceeded expenses resulting in the increase in net position.
- Program revenues totaled \$15.8 million, which was an increase of \$7.9 million from the previous year due primarily to a three percent increase in charges for services, a seven percent increase in operating grants and a 367 percent increase in capital grants. The significant increase in capital grants and contributions reflects the City utilizing COVID-19 funding from the federal government for allowable capital projects and receipt of donated infrastructure from developers.
- General revenues are used to support program activities citywide. Total general revenues increased from the prior year by \$6.3 million totaling \$30.8 million. This amounts to an overall increase in general revenues of 26 percent, due mainly to increases in sales tax collections and state-shared revenues.
- Expenses totaled \$31.2 million, a ten percent increase compared to the previous year. This increase resulted from compensation increases and expanded positions within the police and fire departments.
- For governmental activities, state shared revenues represent 32 percent of the total revenues, being the largest single source of funds, followed by city sales taxes and capital grants and contributions representing 29 and 21 percent of total revenues, respectively. This was the first time in recent history that state-shared revenues exceeded city sales taxes; this was due to large income tax distributions from the State that are not expected to continue as the State transitions to a flat tax structure.

Business-type Activities: Net position of the enterprise funds at the end of the year amounted to \$42.9 million. The Enterprise Funds had an increase in net position of \$3.5 million. Overall, total expenses exceeded revenues for all the proprietary funds, with the exception of water.

Expenses totaled \$14.2 million, a ten percent increase compared to prior year. This increase was the result of rising water and wastewater maintenance and supplies costs coupled with an increase in the indirect administration cost rates charged by central services.

Capital grants and contributions increased and charges for services increased in comparison with prior year by 713 percent and three percent, respectively. The increase in capital grants and contributions is due to the City receiving donated water and wastewater infrastructure from developers when none was received in the prior year.

The last rate increase from city rate study to compensate for historical shortfalls took place on July 1, 2017. Net position for the enterprise funds has steadily increased over the past few years due to the growing customer base and customers paying more appropriate rates for the delivery of service.

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

For business-type activities, the largest part of the revenue is attributable to Charges for Services - Program Revenues, which is made up of 34 percent Water, 31 percent Wastewater, 18 percent Ambulance, and 12 percent Sanitation funds.

Figure 3	Governmental Activities		Business-type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues:						
Charges for services	\$ 2,017,959	\$ 1,956,061	\$ 14,199,564	\$ 13,800,769	\$ 16,217,523	\$ 15,756,830
Operating grants and contributions	4,124,126	3,837,548			4,124,126	3,837,548
Capital grants and contributions	9,654,758	2,069,581	2,740,181	337,189	12,394,939	2,406,770
General Revenues:						
City sales taxes	13,705,119	11,954,405			13,705,119	11,954,405
Franchise taxes	501,885	459,210			501,885	459,210
Property taxes	644,548	591,017			644,548	591,017
State shared revenues	14,703,246	11,449,813			14,703,246	11,449,813
Investment earnings	1,276,956	68,556	716,265	6,255	1,993,221	74,811
Total Revenues	46,628,597	32,386,191	17,656,010	14,144,213	64,284,607	46,530,404
Expenses						
General Government	7,222,026	6,471,663			7,222,026	6,471,663
Public Safety	11,971,071	10,777,088			11,971,071	10,777,088
Public Works & Streets	5,535,816	4,935,627			5,535,816	4,935,627
Health and Welfare	523,849	455,673			523,849	455,673
Culture and Recreation	3,413,747	3,376,103			3,413,747	3,376,103
Community Development	1,910,943	1,782,982			1,910,943	1,782,982
Interest on Long-Term Debt	634,356	667,842			634,356	667,842
Water			3,785,695	3,478,927	3,785,695	3,478,927
Wastewater			4,830,760	4,536,975	4,830,760	4,536,975
Business Center			624,742	652,574	624,742	652,574
Sanitation			1,858,155	1,482,881	1,858,155	1,482,881
Business Incubator			168,653	206,348	168,653	206,348
Ambulance Services			2,882,436	2,448,287	2,882,436	2,448,287
Total expenses	31,211,808	28,466,978	14,150,441	12,805,992	45,362,249	41,272,970
Increase/(decrease) in net position	15,416,789	3,919,213	3,505,569	1,338,221	18,922,358	5,257,434
Net position – beginning	82,121,624	78,202,411	39,398,643	38,060,422	121,520,267	116,262,833
Net position - ending	\$ 97,538,413	\$ 82,121,624	\$ 42,904,212	\$ 39,398,643	\$ 140,442,625	\$ 121,520,267

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

Governmental and Business-type activities. The following table (Figure 4) presents the cost of the major City functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and City's taxpayers by each of these functions.

- The cost of all governmental activities this year was \$31.2 million. The cost of all business-type activities this year was \$14.2 million.
- Federal and State governments and charges for services subsidized certain governmental and business-type programs with grants and contributions and other local revenues of \$32.7 million.
- The net cost of governmental activities of \$15.4 million was financed by general revenues of \$30.8 million, which are primarily made up of sales taxes and state shared revenues.
- Business type activities showed an increase to net position of \$3.5 million in the fiscal year ended June 30, 2023 as compared to the prior fiscal year. The user fee charges continue to play a significant role in consistent increases to net position even if at a slower increase in the current year than in prior years. However, capital contributions received increased in comparison with prior year due to developer conveyance of water and wastewater infrastructure .

Figure 4 - Activities	Total Expenses	Net (Expense)/ Revenue
Governmental Activities		
General Government	\$ 7,222,026	\$ (5,285,408)
Public Safety	11,971,071	(10,474,183)
Public Works and Streets	5,535,816	5,993,518
Health and Welfare	523,849	(439,282)
Culture and Recreation	3,413,747	(3,160,597)
Community Development	1,910,943	(1,414,657)
Interest on Long-Term Debt	634,356	(634,356)
Total Expenses	31,211,808	(15,414,965)
Business-Type Activities		
Water	3,785,695	2,059,428
Wastewater	4,830,760	1,288,123
Business Center	624,742	(822)
Sanitation	1,858,155	(142,842)
Business Incubator	168,653	(61,400)
Ambulance Services	2,882,436	(353,183)
Total Expenses	14,150,441	2,789,304
Total	\$45,362,249	\$(12,625,661)

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

Discretely Component Unit

The Detention Facility, which is a legally separate component unit within the financial statements of the City of San Luis, Arizona, presents at June 30, 2023 a positive net position of \$5.4 million. This is an increase of \$2.4 million when compared to the \$3.1 million net position balance from last year. There were also increases in revenue and expenses due to increases in the populations residing within the facility. Revenues increased seven percent in comparison to prior year and expenses increased ten percent.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the City governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, fund balance available for appropriations can be a useful measure of a government's net resources available for spending at the end of the fiscal year. The City's major governmental funds include the General Fund, the Highway Users Fund, the Community Development Fund, and the Debt Service fund. The remaining governmental funds are considered non-major.

At June 30, 2023, the City's governmental funds reported combined fund balance of \$35.9 million, an increase of \$427,120 from prior year.

The General Fund is the chief operating fund of the City. At the end of the current year fiscal year, the City's fund balance available in the general fund was \$30.6 million. As a measure of the general fund's liquidity, unassigned fund balance represents approximately 117 percent of total general fund expenditures and total fund balance represents approximately 118 percent of that same amount. A fund balance percentage of 15 to 20 percent of expenditures is typically considered a sign of financial health.

The Highway Users Fund accounts for the revenues and expenditures dedicated to support the maintenance, repair and construction of streets. During the current year, fund balance decreased \$31,203 to \$2.5 million, which is insignificant.

The Community Development Fund accounts for resources received under federal, state and local grants for community development projects. During the current year, fund balance decreased \$244,127 to a deficit of \$339,315 due to outstanding grant reimbursements.

The Debt Service Fund accounts for the resources accumulated for payment of interest and principal on governmental activities debt backed by the City's excise taxes. During the current year, resources of \$1.5 million were transferred in from the General Fund for the annual principal and interest expenditures of \$1.8 million with investment earnings making up the deficit between expenditures and transfers in. Fund balance only increased \$1 during the fiscal year to \$264,995.

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

BUDGETARY HIGHLIGHTS

The City's annual budget is the legally adopted expenditure control document of the City. Budgetary comparison statements are required for the general fund and all major funds. These statements compare the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis.

The City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendment to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriation that become necessary to maintain services.

General Fund revenues for fiscal year 2023 were \$3.1 million more than projected. Key differences between final estimated revenues and actual revenues were due to stronger sales tax collections than anticipated.

General Fund expenditures were \$2.1 million less than the revised fiscal year 2023 budget due to the following:

- This significant reduction can be primarily attributed to a series of vacant positions within various city departments that have remained unfilled throughout the year. The budget allocated for these positions, which covers salaries, benefits, and associated costs, has consequently not been utilized, contributing to the overall decrease in expenditures.
- Additionally, the reduction in General Fund expenditures can also be traced back to lower operational expenses than anticipated. This includes savings in areas such as utilities, maintenance, supplies, and special services where budgeted amounts were not fully spent.

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

CAPITAL ASSETS

As of June 30, 2023, the City had invested \$138.0 million in capital assets including land, buildings, facilities, vehicles, computers, equipment, and infrastructure assets prior to depreciation. Total depreciation expense for the year was \$4.0 million for the governmental activities and \$2.3 million for the business-type-activities.

The following schedule (Figure 5) presents capital asset balances for the fiscal year ended June 30, 2023 and 2022.

Figure 5	Governmental Activities		Business-type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 6,651,140	\$ 4,921,886	\$ 954,696	\$ 685,239	\$ 7,605,836	\$ 5,607,125
Construction in progress	9,154,578	3,360,415	3,492,551	638,784	12,647,129	3,999,199
Buildings and Improvements	27,449,535	26,694,230	10,236,279	10,035,381	37,685,814	36,729,611
Machinery and equipment	17,796,956	15,231,592	12,430,759	11,319,678	30,227,715	26,551,270
Infrastructure	76,848,984	69,630,178	63,955,425	62,126,618	140,804,409	131,756,796
SBITAs	104,095				104,095	
Right-to-use leases			702,519	702,519	702,519	702,519
Total	<u>\$138,005,288</u>	<u>\$119,838,301</u>	<u>\$91,772,229</u>	<u>\$ 85,508,219</u>	<u>\$ 229,777,517</u>	<u>\$ 205,346,520</u>

Major capital asset events during the current fiscal year included the following:

- Commencement of construction of a new fire station at a cost of \$1.3 million.
- Various streets improvements across the City at a cost of \$4.0 million.
- Contributed infrastructure (land, streets, water lines, sewer lines) from developers in the amount of \$5.1 million.
- Water well site rehabilitation at a cost of \$989,794.

Additional information on the City's capital assets can be found in Note 6 of this report.

DEBT ADMINISTRATION

At year end, the City's debts represent Revenue Bonds in the amount of \$48.6 million for both governmental and business-type activities that are backed solely by specified revenue sources (i.e., excise taxes and user fees collected). The remainder which is composed of financed purchases, leases, SBITAs, and notes are paid from user fees and charges and others.

Long-term debt decreased by \$3.0 million due primarily to planned bond principal payments. .

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

DEBT ADMINISTRATION (CONTINUED)

The following schedule presents a summary of the City's outstanding long-term debt for the fiscal year ended June 30, 2023 and 2022.

OUTSTANDING DEBT						
(Revenue Bonds, Financed Purchases, Leases, and Notes Payable)						
Figure 6	Governmental Activities		Business-type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenue bonds	\$19,697,222	\$20,697,655	\$28,872,067	\$30,684,638	\$48,569,289	\$51,382,293
Financed purchases	104,796	156,973	10,466	15,698	115,262	172,671
Leases payable			699,128	699,163	699,128	699,163
SBITAs payable	68,210				68,210	
Note payable	296,020	436,325	36,100	88,478	332,120	524,803
Total	\$20,166,248	\$21,290,953	\$29,617,761	\$31,487,977	\$49,784,009	\$52,778,930

Additional information on the City's long-term obligations can be found in Notes 8 through 13 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's revenues and expenditures/expenses are affected by changes in international, national and local economic factors. Economic growth can be measured by various factors. Highlights of the economic factors that affected the City this past fiscal year are explained below:

The yearly number of visitors crossing the border in the City increased for private vehicles, pedestrians, and decreased for commercial crossings. The increase in pedestrian and personal vehicle crossing can be attributed to several factors, including the easing of COVID-19 restrictions which has led to a resurgence in tourism and cross-border family visits. When comparing the current year to the previous year, daily averages of vehicles increased by 11% percent, pedestrians by 6% percent. The decrease in commercial crossing by 3% percent could stem from a variety of challenges. These might include increased tariffs or trade barriers, logistical challenges, or shifts in trade patterns favoring other ports of entry. Another contributing factor could be the implementation of stricter border controls or inspections for commercial vehicles, leading to delays and increased costs for businesses. The peak months for all crossings occur in December through May and hit the lowest point during the summer months of July and August. (Source: United States Department of Transportation).

Figure 7	BORDER CROSSING					
	Fiscal Year 2023			Fiscal Year 2022		
Class	Per Month High	Per Month Low	Daily Average	Per Month High	Per Month Low	Daily Average
Vehicles	839,495	673,536	24,732	745,901	628,300	22,240
Pedestrians	220,066	115,428	5,925	211,765	110,492	5,557
Commercial	11,904	6,516	267	11,730	6,495	275

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

ECONOMICS FACTORS AND NEXT YEAR'S BUDGET (CONTINUED)

- General Fund revenues come from two main sources: local sales taxes and intergovernmental revenues. The City of San Luis, like all Arizona cities, places significant reliance on collected local sales tax. Overall, local sales tax revenues encompassed 29 percent of the \$30.8 million general revenues in fiscal year 2023. Our composition of sales taxes is made up of retail trade, wholesale trade, construction activities, and communications. Our retail sales increased by 12.8 percent compared to last, primarily due to favorable economic conditions, including increased consumer confidence, higher disposable income levels, and successful marketing strategies that significantly boosted consumer spending. We expect a slight increase in sales tax revenue through the fiscal year 2023-24 in construction, retail, and food industries compared to the fiscal year 2022-23 levels due to substantial interest in developing new subdivisions and the rising cost of goods and services. However, increasing interest rates and inflation can also affect the acquisition power, resulting in a slight decrease or no change in the retail sales tax revenue in the next year.
- The City also receives significant revenue allocations from the State for income tax, sales tax, and motor vehicle tax. These revenue sources are placed in the City's General Fund to support the City's day-to-day activities.

There is quite a bit of opportunity and business potential still available within the City.

Population and residential growth increased the demand for commercial development. High interest rates delay the development of several commercial projects including Burger King and Wendy fast-food restaurants as well as two new hotels from the Extended Stay America and Hilton Hampton Inn chains. However, we had the completion of a gas station and convenience store, an elementary school and charter school. The expansion of the medical mall to include a community hospital represents a significant investment in local healthcare, reducing the need for residents to seek services outside the community.

Investments in public safety and services are evident with the completion of a new fire station, the construction of a police substation, and plans for a new police station. Additionally, substantial investments in road, water, and wastewater infrastructure aim to address current impacts and meet future demands.

The \$307.5 million overhaul of the San Luis I Land Port of Entry, funded by the Bipartisan Infrastructure Law and the Inflation Reduction Act, is set to double vehicle and pedestrian lanes. This project, integral to President Biden's Investing in America Agenda, focuses on sustainability, security, and economic stimulation, and job creation anticipating a completion by Fall 2028.

The receipt of \$62 million in state and federal grants for the widening of Cesar Chavez Boulevard is a major step towards addressing traffic concerns, enhancing safety, and providing alternative transportation modes. The project timeline extends to construction commencement in June 2026, promising substantial improvements in local infrastructure.

The City continues to face many important growth issues, and its citizens and municipal government are committed to finding solutions for the future. The City maintains a strong commitment to sustainability and cost-effective services while delivering the same quantity and the best quality of services to its constituents.

**CITY OF SAN LUIS, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional information, contact the City's Finance Director.

BASIC FINANCIAL STATEMENTS



City of San Luis, Arizona
Statement of Net Position
June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Detention Facility
Assets				
Current assets:				
Cash and investments	\$ 44,005,328	\$ 22,274,498	\$ 66,279,826	\$
Restricted cash and investments	2,617,677	693,656	3,311,333	10,765,216
Accounts receivable (net)	2,651,646	1,423,315	4,074,961	2,897,034
Property taxes receivable	18,795		18,795	
Internal balances	6,187,320	(6,187,320)		
Due from component unit	6,438		6,438	
Notes receivable		25,774	25,774	
Due from governmental entities	3,458,350		3,458,350	
Leases receivable	12,103	634,953	647,056	
Prepaid items	374,491	59,470	433,961	
Inventory	133,587	308,458	442,045	
Total current assets	<u>59,465,735</u>	<u>19,232,804</u>	<u>78,698,539</u>	<u>13,662,250</u>
Noncurrent assets:				
Leases receivable	443,175	7,696,629	8,139,804	
Net pension assets	208,454	54,426	262,880	
Capital assets not being depreciated	15,805,718	4,447,247	20,252,965	661,359
Capital assets, net accumulated depreciation	65,715,055	52,059,179	117,774,234	23,462,983
Total noncurrent assets	<u>82,172,402</u>	<u>64,257,481</u>	<u>146,429,883</u>	<u>24,124,342</u>
Total assets	<u>141,638,137</u>	<u>83,490,285</u>	<u>225,128,422</u>	<u>37,786,592</u>
Deferred outflows of resources				
Pension plan items	6,457,547	749,763	7,207,310	
Deferred loss on refunding	59,649	731,786	791,435	216,202
Total deferred outflows of resources	<u>6,517,196</u>	<u>1,481,549</u>	<u>7,998,745</u>	<u>216,202</u>
Liabilities				
Current liabilities:				
Accounts payable	5,413,276	828,334	6,241,610	5,170,870
Estimated claims and judgements	800,298		800,298	
Accrued payroll and taxes	1,494,738	132,451	1,627,189	
Due to primary government				6,438
Court bonds payable	89,986		89,986	
Customer deposits	985	563,718	564,703	
Accrued interest payable	355,011	574,615	929,626	325,871
Unearned revenues	8,582,809		8,582,809	
Total current liabilities	<u>16,737,103</u>	<u>2,099,118</u>	<u>18,836,221</u>	<u>5,503,179</u>
Noncurrent liabilities:				
Current portion of long-term obligations	1,886,602	1,961,573	3,848,175	2,835,000
Non-current portion of long-term obligations	30,124,939	29,398,231	59,523,170	24,217,582
Total noncurrent liabilities	<u>32,011,541</u>	<u>31,359,804</u>	<u>63,371,345</u>	<u>27,052,582</u>
Total liabilities	<u>48,748,644</u>	<u>33,458,922</u>	<u>82,207,566</u>	<u>32,555,761</u>
Deferred inflows of resources				
Pension plan items	1,288,164	225,189	1,513,353	
Deferred gain on refunding	136,512	150,734	287,246	
Leases	443,600	8,232,777	8,676,377	
Total deferred inflows of resources	<u>1,868,276</u>	<u>8,608,700</u>	<u>10,476,976</u>	
Net position				
Net investment in capital assets	69,074,159	29,161,274	98,235,433	(2,712,038)
Restricted for:				
Capital projects	1,862,694	1,700,795	3,563,489	
Debt service	264,995	607,586	872,581	5,495,683
Special purposes	601,533		601,533	
HURF	2,463,515		2,463,515	
Other purposes	835,500		835,500	
Unrestricted	22,436,017	11,434,557	33,870,574	2,663,388
Total net position	<u>\$ 97,538,413</u>	<u>\$ 42,904,212</u>	<u>\$ 140,442,625</u>	<u>\$ 5,447,033</u>

City of San Luis, Arizona
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Primary Government
					Governmental Activities
Primary Government					
Governmental activities					
General government	\$ 7,222,026	\$ 1,855,707	\$	\$ 80,911	\$ (5,285,408)
Public safety	11,971,071	97,649	1,086,885	312,354	(10,474,183)
Public works and streets	5,535,816	6,748	2,450,263	9,072,323	5,993,518
Health and welfare	523,849		84,567		(439,282)
Culture and recreation	3,413,747	57,855	6,125	189,170	(3,160,597)
Community development	1,910,943		496,286		(1,414,657)
Interest on long-term debt	634,356				(634,356)
Total governmental activities	<u>31,211,808</u>	<u>2,017,959</u>	<u>4,124,126</u>	<u>9,654,758</u>	<u>(15,414,965)</u>
Business-type activities					
Water	3,785,695	4,806,977		1,038,146	
Wastewater	4,830,760	4,416,848		1,702,035	
Business center	624,742	623,920			
Sanitation	1,858,155	1,715,313			
Business incubator	168,653	107,253			
Ambulance services	2,882,436	2,529,253			
Total business-type activities	<u>14,150,441</u>	<u>14,199,564</u>		<u>2,740,181</u>	
Total primary government	<u>\$ 45,362,249</u>	<u>\$ 16,217,523</u>	<u>\$ 4,124,126</u>	<u>\$ 12,394,939</u>	
Component Unit					
Detention Facility	\$ 24,705,971	\$ 26,789,857	\$	\$	
General revenues					
Taxes:					
					13,705,119
					501,885
					644,548
					14,703,246
					1,276,956
Total general revenues					<u>30,831,754</u>
Changes in net position					
					15,416,789
Net position, beginning of year					
					82,121,624
Net position, end of year					
					<u>\$ 97,538,413</u>

**Net (Expense) Revenue and Changes in Net
Position**

Primary Government		Component Unit
Business-Type Activities	Total	Detention Facility
\$	\$ (5,285,408)	\$
	(10,474,183)	
	5,993,518	
	(439,282)	
	(3,160,597)	
	(1,414,657)	
	(634,356)	
	<u>(15,414,965)</u>	
2,059,428	2,059,428	
1,288,123	1,288,123	
(822)	(822)	
(142,842)	(142,842)	
(61,400)	(61,400)	
<u>(353,183)</u>	<u>(353,183)</u>	
<u>2,789,304</u>	<u>2,789,304</u>	
		2,083,886
	13,705,119	
	501,885	
	644,548	
	14,703,246	
<u>716,265</u>	<u>1,993,221</u>	<u>289,208</u>
<u>716,265</u>	<u>31,548,019</u>	<u>289,208</u>
3,505,569	18,922,358	2,373,094
<u>39,398,643</u>	<u>121,520,267</u>	<u>3,073,939</u>
<u>\$ 42,904,212</u>	<u>\$ 140,442,625</u>	<u>\$ 5,447,033</u>



FUND FINANCIAL STATEMENTS



GOVERNMENTAL FUNDS

City of San Luis, Arizona
Balance Sheet
Governmental Funds
June 30, 2023

	<u>General</u>	<u>Highway Users</u>	<u>Community Development</u>	<u>Debt Service</u>
Assets				
Cash and investments	\$ 16,991,937	\$ 8,199,005	\$ 10,683,064	\$
Restricted cash and investments				2,617,677
Accounts receivable (net)	2,400,739	2,500		44,552
Property taxes receivable				
Due from governmental entities	2,390,973	338,023	525,198	
Due from other funds	13,478,212			
Due from component unit	6,438			
Leases receivable	455,278			
Prepaid items	256,785	558	116,990	158
Inventories	15,430	118,157		
Total assets	<u>\$ 35,995,792</u>	<u>\$ 8,658,243</u>	<u>\$ 11,325,252</u>	<u>\$ 2,662,387</u>
Liabilities				
Accounts payable	\$ 1,679,689	\$ 969,924	\$ 2,590,423	\$
Accrued payroll and taxes	1,456,288	36,282	2,168	
Court bonds payable	89,986			
Customer deposits	985			
Due to other funds	250,445	5,188,522		991,176
Bond interest payable				355,011
Bonds payable				1,051,205
Unearned revenues	4,119		8,575,690	
Total liabilities	<u>3,481,512</u>	<u>6,194,728</u>	<u>11,168,281</u>	<u>2,397,392</u>
Deferred inflows of resources				
Unavailable revenues - municipal court	782,972			
Unavailable revenues - intergovernmental			496,286	
Unavailable revenues - property taxes				
Unavailable revenues - other	725,293			
Leases	443,600			
Total deferred inflows of resources	<u>1,951,865</u>		<u>496,286</u>	
Fund balances				
Nonspendable	272,215	118,715	116,990	158
Restricted		2,344,800		264,837
Unassigned	30,290,200		(456,305)	
Total fund balances	<u>30,562,415</u>	<u>2,463,515</u>	<u>(339,315)</u>	<u>264,995</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 35,995,792</u>	<u>\$ 8,658,243</u>	<u>\$ 11,325,252</u>	<u>\$ 2,662,387</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 4,048,753	\$ 39,922,759
	2,617,677
1,710	2,449,501
18,795	18,795
204,156	3,458,350
	13,478,212
	6,438
	455,278
	374,491
	133,587
<u>\$ 4,273,414</u>	<u>\$ 62,915,088</u>
\$ 173,240	\$ 5,413,276
	1,494,738
	89,986
	985
1,084,134	7,514,277
	355,011
	1,051,205
<u>3,000</u>	<u>8,582,809</u>
<u>1,260,374</u>	<u>24,502,287</u>
	782,972
18,155	514,441
13,230	13,230
	725,293
	443,600
<u>31,385</u>	<u>2,479,536</u>
	508,078
2,981,655	5,591,292
	29,833,895
<u>2,981,655</u>	<u>35,933,265</u>
<u>\$ 4,273,414</u>	<u>\$ 62,915,088</u>

City of San Luis, Arizona
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net
Position
June 30, 2023

Total fund balances - governmental funds **\$ 35,933,265**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	138,005,288	
Less accumulated depreciation/amortization	<u>(56,484,515)</u>	
		81,520,773

Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.

Municipal court	782,972	
Intergovernmental	514,441	
Property taxes	13,230	
Other	<u>725,293</u>	
		2,035,936

Deferred items related to the refunding of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds. (76,863)

Deferred outflows of resources, deferred inflows of resources, and net assets related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Net pension assets	208,454	
Deferred outflows of resources related to pensions	6,143,222	
Deferred inflows of resources related to pensions	<u>(973,839)</u>	
		5,377,837

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position. 3,707,801

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(826,265)	
Note payable	(296,020)	
Financed purchases payable	(104,796)	
SBITAs	(68,210)	
Bonds payable	(18,646,017)	
Net pension liability	<u>(11,019,028)</u>	
		<u>(30,960,336)</u>

Net position of governmental activities **\$ 97,538,413**



City of San Luis, Arizona
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	<u>General</u>	<u>Highway Users</u>	<u>Community Development</u>	<u>Debt Service</u>
Revenues				
Taxes	\$ 14,207,004	\$	\$	\$
Licenses and permits	778,429			
Intergovernmental	14,680,454	3,619,573	4,482,347	
Fines and forfeitures	264,100			
Charges for services	74,622			
Rents	666,545			
Investment earnings	695,344	243,368		222,245
Development fees		431,600		
Other	130,801	6,748	57,855	
Total revenues	<u>31,497,299</u>	<u>4,301,289</u>	<u>4,540,202</u>	<u>222,245</u>
Expenditures				
Current:				
General government	6,427,678			
Public safety	9,921,187			
Public works and streets	151,503	2,932,872		
Health and welfare	327,514		121,940	
Culture and recreation	2,878,937		33,981	
Community development	1,346,421		49,431	
Capital outlay	4,794,470	1,399,620	7,775,965	
Debt service:				
Principal retirement	128,590			1,051,205
Interest and fiscal charges	1,120			713,976
Total expenditures	<u>25,977,420</u>	<u>4,332,492</u>	<u>7,981,317</u>	<u>1,765,181</u>
Excess (deficiency) of revenues over expenditures	<u>5,519,879</u>	<u>(31,203)</u>	<u>(3,441,115)</u>	<u>(1,542,936)</u>
Other financing sources (uses)				
Transfers in		1,849,740	3,196,988	1,542,935
Transfers out	(4,589,923)	(1,849,740)		
SBITA agreements	104,095			
Total other financing sources (uses)	<u>(4,485,828)</u>		<u>3,196,988</u>	<u>1,542,935</u>
Changes in fund balances	<u>1,034,051</u>	<u>(31,203)</u>	<u>(244,127)</u>	<u>(1)</u>
Fund balances, beginning of year	<u>29,528,364</u>	<u>2,494,718</u>	<u>(95,188)</u>	<u>264,996</u>
Fund balances, end of year	<u>\$ 30,562,415</u>	<u>\$ 2,463,515</u>	<u>\$ (339,315)</u>	<u>\$ 264,995</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 640,224	\$ 14,847,228
	778,429
1,105,040	23,887,414
160,984	425,084
	74,622
2,500	669,045
110,967	1,271,924
531,085	962,685
1,840	197,244
<u>2,552,640</u>	<u>43,113,675</u>
60,080	6,487,758
1,155,785	11,076,972
98,338	3,182,713
	449,454
	2,912,918
418,670	1,814,522
889,287	14,859,342
99,777	1,279,572
12,303	727,399
<u>2,734,240</u>	<u>42,790,650</u>
<u>(181,600)</u>	<u>323,025</u>
	6,589,663
(150,000)	(6,589,663)
	104,095
<u>(150,000)</u>	<u>104,095</u>
<u>(331,600)</u>	<u>427,120</u>
<u>3,313,255</u>	<u>35,506,145</u>
<u>\$ 2,981,655</u>	<u>\$ 35,933,265</u>

City of San Luis, Arizona
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Changes in fund balances - total governmental funds **\$ 427,120**

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation/amortization expense.

Expenditures for capitalized assets	\$ 14,958,519	
Capital contributions from donated assets	3,313,706	
Less current year depreciation/amortization	(4,028,795)	
		14,243,430

Issuance of SBITAs provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position. (104,095)

Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Municipal court	4,725	
Intergovernmental	313,688	
Property taxes	4,324	
Other	(149,617)	
		173,120

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Financed purchase principal retirement	52,177	
SBITA principal retirement	35,885	
Note principal retirement	140,305	
Bond principal retirement	1,051,205	
		1,279,572

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred items, is reported as pension expense in the Statement of Activities.

Current year pension contributions	1,573,161	
Pension expense	(2,237,569)	
		(664,408)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	54,147	
Deferred bond items on issuance of refunding debt	(4,828)	
Loss on disposal of assets	(8,903)	
Amortization of deferred bond items	97,871	
		138,287

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The changes in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities. (76,237)

Changes in net position in governmental activities **\$ 15,416,789**

City of San Luis, Arizona
Statement of Revenues, Expenditures, and Changes in Fund Balances
- Budget and Actual
General
For the Year Ended June 30, 2023

	<u>Budget</u>			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Taxes	\$ 12,931,150	\$ 12,931,150	\$ 14,207,004	\$ 1,275,854
Licenses and permits	780,240	780,240	778,429	(1,811)
Intergovernmental	13,850,000	13,850,000	14,680,454	830,454
Fines and forfeitures	198,740	198,740	264,100	65,360
Charges for services	44,650	44,650	74,622	29,972
Rents	517,700	517,700	666,545	148,845
Investment earnings	16,100	16,100	695,344	679,244
Other	77,900	77,900	130,801	52,901
Total revenues	<u>28,416,480</u>	<u>28,416,480</u>	<u>31,497,299</u>	<u>3,080,819</u>
Expenditures				
Current:				
General government				
City council	1,653,640	1,379,877	1,066,902	312,975
City administration	1,050,560	525,560	365,677	159,883
City clerk	296,650	316,330	252,199	64,131
City attorney	406,565	409,715	312,582	97,133
City prosecutor	349,710	362,760	346,539	16,221
Finance	534,945	557,295	531,496	25,799
Human resources	464,660	464,660	384,926	79,734
Municipal court	852,740	907,290	742,812	164,478
Information technology	710,252	710,252	546,601	163,651
Facilities	553,554	571,924	567,721	4,203
Fleet services	229,760	232,490	225,161	7,329
Risk and property	595,410	595,410	442,490	152,920
Billing and collections	31,070	31,070	31,000	70
Non departmental	404,563	710,363	611,572	98,791
Public safety				
Police department	6,393,141	6,729,291	6,594,039	135,252
Fire department	3,335,550	3,537,590	3,322,170	215,420
Fire department east	13,700	13,700	4,978	8,722
Public works and streets				
Public works	340,550	328,550	151,503	177,047
Health and welfare				
Senior services	320,417	334,547	327,514	7,033
Culture and recreation				
Cultural center	240,790	251,270	230,945	20,325
Parks ground	1,628,570	1,630,220	1,483,039	147,181
Parks - recreation	878,132	887,952	670,130	217,822
Youth center	282,897	302,887	275,391	27,496
Aquatic center	303,840	303,840	219,432	84,408
Community development				
Development services	540,990	540,990	453,267	87,723
Building safety	514,336	527,506	511,772	15,734
Economic development	534,214	534,214	381,382	152,832
Capital outlay	3,283,827	4,323,683	4,794,470	(470,787)
Debt service:				
Principal retirement	83,940	83,940	128,590	(44,650)
Interest and fiscal charges	1,120	1,120	1,120	
Bond issuance costs				
Total expenditures	<u>26,830,093</u>	<u>28,106,296</u>	<u>25,977,420</u>	<u>2,128,876</u>
Excess (deficiency) of revenues over expenditures	<u>1,586,387</u>	<u>310,184</u>	<u>5,519,879</u>	<u>5,209,695</u>
Other financing sources (uses)				
Transfers out	(4,003,810)	(4,003,810)	(4,589,923)	(586,113)
SBITA agreements			104,095	104,095
Total other financing sources (uses)	<u>(4,003,810)</u>	<u>(4,003,810)</u>	<u>(4,485,828)</u>	<u>(482,018)</u>
Changes in fund balances	<u>(2,417,423)</u>	<u>(3,693,626)</u>	<u>1,034,051</u>	<u>4,727,677</u>
Fund balances, beginning of year	<u>29,528,364</u>	<u>29,528,364</u>	<u>29,528,364</u>	
Fund balances, end of year	<u>\$ 27,110,941</u>	<u>\$ 25,834,738</u>	<u>\$ 30,562,415</u>	<u>\$ 4,727,677</u>

City of San Luis, Arizona
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Highway Users
For the Year Ended June 30, 2023

	<u>Budget</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 3,600,000	\$ 3,600,000	\$ 3,619,573	\$ 19,573
Investment earnings	1,550	1,550	243,368	241,818
Development fees	406,800	406,800	431,600	24,800
Other	<u> </u>	<u> </u>	6,748	6,748
Total revenues	<u>4,008,350</u>	<u>4,008,350</u>	<u>4,301,289</u>	<u>292,939</u>
Expenditures				
Current:				
Public works and streets	2,932,180	3,238,740	2,932,872	305,868
Capital outlay	<u>1,636,898</u>	<u>1,547,561</u>	<u>1,399,620</u>	<u>147,941</u>
Total expenditures	<u>4,569,078</u>	<u>4,786,301</u>	<u>4,332,492</u>	<u>453,809</u>
Excess (deficiency) of revenues over expenditures	<u>(560,728)</u>	<u>(777,951)</u>	<u>(31,203)</u>	<u>746,748</u>
Other financing sources (uses)				
Transfers in	1,848,685	1,848,685	1,849,740	1,055
Transfers out	<u>(2,880,107)</u>	<u>(2,880,107)</u>	<u>(1,849,740)</u>	<u>1,030,367</u>
Total other financing sources (uses)	<u>(1,031,422)</u>	<u>(1,031,422)</u>	<u> </u>	<u>1,031,422</u>
Changes in fund balances	<u>(1,592,150)</u>	<u>(1,809,373)</u>	<u>(31,203)</u>	<u>1,778,170</u>
Fund balances, beginning of year	<u>2,494,718</u>	<u>2,494,718</u>	<u>2,494,718</u>	<u> </u>
Fund balances, end of year	<u>\$ 902,568</u>	<u>\$ 685,345</u>	<u>\$ 2,463,515</u>	<u>\$ 1,778,170</u>

City of San Luis, Arizona
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Community Development
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 15,395,911	\$ 15,395,911	\$ 4,482,347	(10,913,564)
Other	47,550	47,550	57,855	10,305
Total revenues	<u>15,443,461</u>	<u>15,443,461</u>	<u>4,540,202</u>	<u>(10,903,259)</u>
Expenditures				
Current:				
General government	145,600	145,600		145,600
Public works and streets	500,000	500,000		500,000
Health and welfare	135,150	135,150	121,940	13,210
Culture and recreation	47,500	47,500	33,981	13,519
Community development	740,000	130,000	49,431	80,569
Capital outlay	16,853,923	16,184,471	7,775,965	8,408,506
Total expenditures	<u>18,422,173</u>	<u>17,142,721</u>	<u>7,981,317</u>	<u>9,161,404</u>
Excess (deficiency) of revenues over expenditures	<u>(2,978,712)</u>	<u>(1,699,260)</u>	<u>(3,441,115)</u>	<u>(1,741,855)</u>
Other financing sources (uses)				
Transfers in	2,978,712	2,978,712	3,196,988	218,276
Changes in fund balances	<u> </u>	<u>1,279,452</u>	<u>(244,127)</u>	<u>(1,523,579)</u>
Fund balances, beginning of year	<u>(95,188)</u>	<u>(95,188)</u>	<u>(95,188)</u>	<u> </u>
Fund balances, end of year	<u>\$ (95,188)</u>	<u>\$ 1,184,264</u>	<u>\$ (339,315)</u>	<u>\$ (1,523,579)</u>



PROPRIETARY FUNDS

City of San Luis, Arizona
Statement of Fund Net Position
Proprietary Funds
June 30, 2023

Business-Type Activities

	Water	Wastewater	Sanitation	Business Incubator	Ambulance Services
Assets					
Current assets:					
Cash and investments	\$ 13,074,989	\$ 6,756,177	\$	\$	\$ 478,805
Restricted cash and investments	693,656				
Accounts receivable (net)	471,889	105,190	31,438	3,561	811,237
Notes receivable	25,774				
Due from other funds					
Leases receivable				92,202	
Prepaid items and other assets	211,727	46,974	35,401	558	73,268
Total current assets	<u>14,478,035</u>	<u>6,908,341</u>	<u>66,839</u>	<u>96,321</u>	<u>1,363,310</u>
Noncurrent assets:					
Leases receivable				357,768	
Net pensions assets					54,426
Capital assets not being depreciated	1,888,327	1,320,142	297,349		589,746
Capital assets, net of accumulated depreciation	19,760,814	25,133,896	1,051,068	2,423,911	682,336
Total noncurrent assets	<u>21,649,141</u>	<u>26,454,038</u>	<u>1,348,417</u>	<u>2,781,679</u>	<u>1,326,508</u>
Total assets	<u>36,127,176</u>	<u>33,362,379</u>	<u>1,415,256</u>	<u>2,878,000</u>	<u>2,689,818</u>
Deferred outflows of resources					
Pension plan items	98,612	138,945	41,459		470,747
Deferred loss on refunding					
Total deferred outflows of resources	<u>98,612</u>	<u>138,945</u>	<u>41,459</u>		<u>470,747</u>
Liabilities					
Current liabilities:					
Accounts payable	214,689	392,685	68,581	933	128,919
Estimated claims and judgements					
Accrued payroll and taxes	21,797	32,704	11,065	379	66,506
Customer deposits	542,350	12,350		9,018	
Due to other funds	47,486		1,006,540	799,732	
Accrued interest	205,089	237,610			10,597
Total current liabilities	<u>1,031,411</u>	<u>675,349</u>	<u>1,086,186</u>	<u>810,062</u>	<u>206,022</u>
Noncurrent liabilities:					
Current portion of long-term obligations	445,681	553,662	44,723	778	101,729
Non-current portion of long-term obligations	9,457,942	11,201,548	231,446	699,289	924,029
Total noncurrent liabilities	<u>9,903,623</u>	<u>11,755,210</u>	<u>276,169</u>	<u>700,067</u>	<u>1,025,758</u>
Total liabilities	<u>10,935,034</u>	<u>12,430,559</u>	<u>1,362,355</u>	<u>1,510,129</u>	<u>1,231,780</u>
Deferred inflows of resources					
Pension plan items	15,121	21,170	6,048		182,850
Deferred gain on refunding	71,101	79,633			
Leases				403,029	
Total deferred inflows of resources	<u>86,222</u>	<u>100,803</u>	<u>6,048</u>	<u>403,029</u>	<u>182,850</u>
Net position					
Net investment in capital assets	12,275,128	16,195,784	1,312,317	1,724,783	1,261,616
Restricted for:					
Capital projects	662,395	1,038,400			
Debt service	607,586				
Unrestricted	11,659,423	3,735,778	(1,224,005)	(759,941)	484,319
Total net position	<u>\$ 25,204,532</u>	<u>\$ 20,969,962</u>	<u>\$ 88,312</u>	<u>\$ 964,842</u>	<u>\$ 1,745,935</u>

Business-Type Activities		Governmental Activities
Business Center	Total Enterprise Funds	Internal Service Funds
\$ 1,964,527	\$ 22,274,498	4,082,569
	693,656	
	1,423,315	202,145
	25,774	
		250,445
542,751	634,953	
	<u>367,928</u>	
<u>2,507,278</u>	<u>25,420,124</u>	<u>4,535,159</u>
7,338,861	7,696,629	
	54,426	
351,683	4,447,247	
<u>3,007,154</u>	<u>52,059,179</u>	
<u>10,697,698</u>	<u>64,257,481</u>	
<u>13,204,976</u>	<u>89,677,605</u>	<u>4,535,159</u>
	749,763	
731,786	<u>731,786</u>	
<u>731,786</u>	<u>1,481,549</u>	
22,527	828,334	
		800,298
	132,451	
	563,718	
4,333,562	6,187,320	27,060
<u>121,319</u>	<u>574,615</u>	
<u>4,477,408</u>	<u>8,286,438</u>	<u>827,358</u>
815,000	1,961,573	
<u>6,883,977</u>	<u>29,398,231</u>	
<u>7,698,977</u>	<u>31,359,804</u>	
<u>12,176,385</u>	<u>39,646,242</u>	<u>827,358</u>
	225,189	
	150,734	
7,829,748	<u>8,232,777</u>	
<u>7,829,748</u>	<u>8,608,700</u>	
(3,608,354)	29,161,274	
	1,700,795	
	607,586	
<u>(2,461,017)</u>	<u>11,434,557</u>	<u>3,707,801</u>
<u>\$ (6,069,371)</u>	<u>\$ 42,904,212</u>	<u>\$ 3,707,801</u>

City of San Luis, Arizona
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities			
	Water	Wastewater	Sanitation	Business Incubator
Operating revenues				
Charges for services	\$ 4,676,469	\$ 4,416,434	\$ 1,690,096	\$
Rents				105,815
Other	130,508	414	25,217	1,438
Total operating revenues	<u>4,806,977</u>	<u>4,416,848</u>	<u>1,715,313</u>	<u>107,253</u>
Operating expenses				
Cost of sales and services	2,758,658	3,327,864	1,750,481	95,919
Insurance premiums/claims				
Depreciation and amortization	663,324	1,077,368	104,749	59,450
Total operating expenses	<u>3,421,982</u>	<u>4,405,232</u>	<u>1,855,230</u>	<u>155,369</u>
Operating income (loss)	<u>1,384,995</u>	<u>11,616</u>	<u>(139,917)</u>	<u>(48,116)</u>
Nonoperating revenues (expenses)				
Investment earnings	456,260	259,505		
Interest and fiscal charges	(363,713)	(425,528)	(2,925)	(13,284)
Total nonoperating revenue (expenses)	<u>92,547</u>	<u>(166,023)</u>	<u>(2,925)</u>	<u>(13,284)</u>
Income (loss) before capital contributions	1,477,542	(154,407)	(142,842)	(61,400)
Capital contributions	<u>1,038,146</u>	<u>1,702,035</u>		
Changes in net position	2,515,688	1,547,628	(142,842)	(61,400)
Total net position, beginning of year	<u>22,688,844</u>	<u>19,422,334</u>	<u>231,154</u>	<u>1,026,242</u>
Total net position, end of year	<u>\$ 25,204,532</u>	<u>\$ 20,969,962</u>	<u>\$ 88,312</u>	<u>\$ 964,842</u>

Business-Type Activities			Governmental Activities
Ambulance Services	Business Center	Total Enterprise Funds	Internal Service Funds
\$ 2,526,339	\$	\$ 13,309,338	\$ 3,016,979
	562,617	668,432	
2,914	61,303	221,794	
<u>2,529,253</u>	<u>623,920</u>	<u>14,199,564</u>	<u>3,016,979</u>
2,677,637	92,521	10,703,080	
			3,098,520
183,659	190,270	2,278,820	
<u>2,861,296</u>	<u>282,791</u>	<u>12,981,900</u>	<u>3,098,520</u>
<u>(332,043)</u>	<u>341,129</u>	<u>1,217,664</u>	<u>(81,541)</u>
	500	716,265	5,304
<u>(21,140)</u>	<u>(341,951)</u>	<u>(1,168,541)</u>	<u>5,304</u>
<u>(21,140)</u>	<u>(341,451)</u>	<u>(452,276)</u>	<u>5,304</u>
(353,183)	(322)	765,388	(76,237)
		2,740,181	
(353,183)	(322)	3,505,569	(76,237)
<u>2,099,118</u>	<u>(6,069,049)</u>	<u>39,398,643</u>	<u>3,784,038</u>
<u>\$ 1,745,935</u>	<u>\$ (6,069,371)</u>	<u>\$ 42,904,212</u>	<u>\$ 3,707,801</u>

City of San Luis, Arizona
Statement of Cash Flows
Proprietary Funds
June 30, 2023

Business-Type Activities

	Water	Wastewater	Sanitation	Business Incubator	Ambulance Services
<u>Increase/Decrease in Cash and Cash Equivalents</u>					
Cash flows from operating activities					
Cash received from customers	\$ 4,897,824	\$ 4,421,847	\$ 1,709,378	\$ 89,217	\$ 2,357,469
Cash payments to suppliers for goods and services	(2,034,155)	(2,340,673)	(1,445,074)	(84,790)	(637,207)
Cash payments to employees for services	(640,595)	(814,956)	(280,971)	(12,746)	(1,735,211)
Net cash provided by/used for operating activities	2,223,074	1,266,218	(16,667)	(8,319)	(14,949)
Cash flows from noncapital financing activities					
Interfund borrowing	44,406		1,006,540	21,638	
Cash flows from capital and related financing activities					
Capital contributions from development fees and grants	148,504	762,869			
Payments for capital acquisitions	(1,592,436)	(1,285,411)	(1,137,572)		(594,578)
Principal paid on long-term obligations	(405,794)	(505,121)	(52,378)	(35)	(36,757)
Interest paid on long-term obligations	(419,594)	(486,629)	(2,925)	(13,284)	(21,140)
Net cash provided by/used for capital and related financing activities	(2,269,320)	(1,514,292)	(1,192,875)	(13,319)	(652,475)
Cash flows from investing activities					
Investment income	456,260	259,505			
Net increase/decrease in cash and cash equivalents	454,420	11,431	(203,002)		(667,424)
Cash and cash equivalents, beginning of year	13,314,225	6,744,746	203,002		1,146,229
Cash and cash equivalents, end of year	\$ 13,768,645	\$ 6,756,177	\$	\$	\$ 478,805
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u>					
Cash and investments	\$ 13,074,989	\$ 6,756,177	\$	\$	\$ 478,805
Restricted cash and investments	693,656				
Total cash and cash equivalents	\$ 13,768,645	\$ 6,756,177	\$	\$	\$ 478,805
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>					
Operating income/loss	\$ 1,384,995	\$ 11,616	\$ (139,917)	\$ (48,116)	\$ (332,043)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:					
Depreciation/amortization	663,324	1,077,368	104,749	59,450	183,659
Difference between pension expense and contributions	(72,333)	(60,922)	12,804	-	215,562
Difference between lease revenue and cash payments	-	-	-	(19,434)	-
Changes in assets and liabilities:					
Increase/decrease in accounts receivable	43,164	3,499	(5,935)	(1,201)	(171,784)
Increase/decrease in prepaid items and other assets	18,717	34,542	(6,580)	(558)	1,130
Increase/decrease in notes receivable	233				
Increase/decrease in accounts payable	133,144	203,240	20,542	619	70,294
Increase/decrease in customer deposits	47,450	1,500		2,599	
Increase/decrease in estimated claims and judgements					
Increase/decrease in accrued payroll and taxes	3,105	3,923	1,382	(608)	10,950
Increase/decrease in compensated absences payable	1,275	(8,548)	(3,712)	(1,070)	7,283
Total adjustments	838,079	1,254,602	123,250	39,797	317,094
Net cash provided by/used for operating activities	\$ 2,223,074	\$ 1,266,218	\$ (16,667)	\$ (8,319)	\$ (14,949)

Business-Type Activities		Governmental Activities
Business Center	Total Enterprise Funds	Internal Service Funds
\$ 605,452 (81,580)	\$ 14,081,187 (6,623,479) (3,484,479)	\$ 2,925,506 (2,956,417)
<u>523,872</u>	<u>3,973,229</u>	<u>(30,911)</u>
1,128,162	2,200,746	21,333
	911,373 (4,609,997)	
(795,000)	(1,795,085)	
<u>(251,582)</u>	<u>(1,195,154)</u>	
<u>(1,046,582)</u>	<u>(6,688,863)</u>	
500	716,265	5,304
605,952	201,377	(4,274)
<u>1,358,575</u>	<u>22,766,777</u>	<u>4,086,843</u>
<u>\$ 1,964,527</u>	<u>\$ 22,968,154</u>	<u>\$ 4,082,569</u>
\$ 1,964,527	\$ 22,274,498 693,656	\$ 4,082,569
<u>\$ 1,964,527</u>	<u>\$ 22,968,154</u>	<u>\$ 4,082,569</u>
\$ 341,129	\$ 1,217,664	\$ (81,541)
190,270	2,278,820	-
-	95,111	-
(23,920)	(43,354)	-
5,452	(126,805)	(91,473)
	47,251	
	233	
10,941	438,780	
	51,549	
		142,103
	18,752	
	(4,772)	
<u>182,743</u>	<u>2,755,565</u>	<u>50,630</u>
<u>\$ 523,872</u>	<u>\$ 3,973,229</u>	<u>\$ (30,911)</u>



NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial statement presentation follows the recommendations promulgated by the Governmental Accounting Standards Board (“GASB”) commonly referred to as accounting principles generally accepted in the United States of America (“U.S. GAAP”). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting standards.

During the year ended June 30, 2023, the City implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, and GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and GASB Statement No., 99 *Omnibus 2022*. These Statements increase the usefulness of the financial statements by requiring the recognition of certain assets and liabilities for SBITAs and public-private and public-public partnerships. These Statements also require a government to disclose essential information about the arrangements. The City’s analysis of SBITAs, public-private partnerships, and public-public partnerships in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of these standards.

Below are the City’s more significant accounting policies.

A. Reporting Entity

The City of San Luis (the “City”) was incorporated in 1979 under the provision of the Arizona Constitution and is located on the Arizona-Sonora Mexico border. The City is a municipal entity governed by an elected Mayor and council.

The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61, *The Financial Statement Entity – Omnibus*. The City is the primary government unit. Component units are financially accountable to the City. Financial accountability exists if the primary government appoints a voting majority of the entity’s governing body and (1) it is able to impose its will on that organization, or (2) there is a potential for the organization to provide financial benefit, or impose financial burdens on the primary government. Component units meeting the criteria have been accounted for as “blended” component units of the City. Despite being legally separate, these entities are so intertwined with the City that they are, in substance, part of the City’s operations. Accordingly, the balances and transactions of these component units are reported within the funds of the City.

Blended Component Units

The San Luis Community Facilities District (SLCFD) was created in 1999 under the provisions of Title 48, Chapter 4, Article 6 of the Arizona Revised Statutes. The District is considered by law to be an independent political sub-division of the state, and separate from the City. Council members serve as the Board of Directors. The purpose of the entity is to provide land for the development of the Regional Center for Border Health which will revert along with the development to the City at the end of the term. The District leases the land under a 30-year agreement to Western Arizona Area Health Education Center, Inc. (WAAHEC), an unrelated not-for-profit corporation for \$2,500 per year. The activity is reported in the San Luis Community Facilities District Fund.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The San Luis Employees' Self Insurance Health Fund (ESI) was formed for the purpose of managing the health insurance fund and is governed by five Board members. The Board consists of three non-staff members, one member of Council and one member from the Human Resources Department. Although it is legally separate from the City, the Trust is reported as if it were part of the City government, because its sole purpose is to provide services exclusively to City employees through a self-insured plan. Employees are covered 100 percent by the plan and pay on the average \$275 a month for family or dependent care. The activity of the ESI is reported as the Insurance Fund, an internal service fund.

No separate financial statements are prepared for the blended component units.

Discretely Presented Component Unit

Discretely presented component units are entities that are legally separate from the primary government but for which omission would cause the primary government's financial statements to be misleading or incomplete. The component units below do not meet the criteria for blended presentation and therefore, they are reported separately from the primary government.

The San Luis Facility Development Corporation (SLFDC) was incorporated in 2005 exclusively for the purpose of financing, owning, and/or operating one or more public projects that affect economic development in the City of San Luis, Arizona or Yuma County and to provide facilities, equipment, and other physical plant and related support to the project. It is governed by a Board of five Directors of which two are members of City Council. The Corporation was used in April 2014 and July 2014 to refinance two bond issues that were originally used to build and extend the detention facility respectively. The City General Fund receives certain revenues in the form of a bed tax from the operations. The activity is reported in the City's Detention Facility Fund.

No separate financial statements are prepared for the discretely presented component unit.

Joint Ventures

A joint venture (JV) is a legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. A "jointly governed organization" is an organization that meets all the JV criteria except the participants do not retain on-going financial interest or responsibility.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The City participates under a membership provision with two other entities in a jointly governed organization, the Greater San Luis Port Authority, Inc. (GYPA) which is directed by a seven person board. The GYPA was established in September 8, 2000, as a nonprofit corporation for the purpose of promoting and developing the new port district through cooperative regional effort of government entities (members), within the Yuma County region and to ensure the economic wellness of the San Luis area. Members are required to pay a fee of \$50,000 per year for operational expenses of the corporation. The City carries in its budget an annual appropriation of \$50,000 to retain its membership. Complete financial statements of the GYPA may be obtained from the GYPA's office at P.O. Box 4601, San Luis, AZ 85349.

Related Organizations

The City's officials are also responsible for appointing the board members of other organizations; however, the City's accountability for these organization does not extend beyond the making of appointments and therefore they are not included as part of the financial statements.

The following is a related organization that is excluded from the reporting entity:

- East San Luis Community Facility District

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements – The Government-Wide Financial Statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Fiduciary activities are not included in these statements.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due from and to other funds
- Transfers in and out

Governmental Fund Financial Statements – All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recognized as soon as they are both “*measurable*” and “*available*”. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For these purposes, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, other local taxes, franchise fees, forfeitures and penalties, motor license fees, rents and concessions, interest revenue, and state and federal grants and subventions. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county levies real and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

Reconciliations of the fund financial statements to the Government-Wide Financial Statements are provided to explain the differences.

Certain indirect costs are included as part of the program expenses reported for individual functions and activities.

The City reports the following major governmental funds.

General – This fund is the general operating fund of the City. It accounts for all financial resources of the City except those required to be accounted for in other funds.

Highway Users – This fund accounts for the revenue received from the State for public works and streets.

Community Development – This fund accounts for grants received from the Federal and State governments for community development purposes.

Debt Service – This fund accounts for the repayment of several of the City's bonds.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The City's non-major funds are as follows:

Special Revenue Funds

- Police Grants and Special Revenues
- Judicial Collection Enhancement
- San Luis Community Facilities District
- Assessment Districts

Capital Projects Funds

- Capital Outlay Reserve

Proprietary Fund Financial Statements - Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the costs of sales and services, administrative expenses and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following proprietary funds:

Water – This fund accounts for the City's water operations.

Wastewater – This fund accounts for the City's wastewater operations.

Sanitation – This fund accounts for the activities of the City's sanitation operations.

Business Incubator – This fund accounts for the City's business incubator operations which offers assistance to small businesses, encourage light manufacturing and help create job opportunities within the City.

Ambulance Services – This fund accounts for City's ambulance resources to provide emergency 9-1-1 response and emergency medical transportation for the residents and guests of the City of San Luis.

Business Center – This fund accounts for activity related to properties acquired by the City from the Industrial Development Authority to develop trade, encourage production, and assure job opportunities in the City.

Additionally, the City reports the following internal service fund type:

Insurance (ESI) - The Insurance fund is used to account for the accumulation and allocation of costs associated with the City's self-insured group health and dental insurance program.

C. Cash, Cash Equivalents and Investments

The City considers cash on hand, demand deposits, cash and investments held by the State Treasurer, cash with trustee and highly liquid investments with maturities of three months from the date of acquisition to be cash equivalents. All cash and investments of proprietary funds are held in the City's investment pool. These cash pools have the general characteristics of a demand deposit account, therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for Statement of Cash Flows purposes.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Cash, Cash Equivalents and Investments (Continued)

Cash and investments are generally pooled except for funds required to be held by fiscal agents or restricted under provisions of bond indentures. Arizona Revised Statutes (A.R.S.) authorize the City to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona or any of its counties, cities, towns, school districts, and special districts as specified by statute.

The State Board of Deposit provides oversight for the State Treasurer's pool, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares.

Money market investments are stated at amortized cost. All other investments are stated at cost, which approximates fair value. Certain resources set aside for the repayments of debt are classified as investments held by trustee – restricted. Certain disclosure requirements, if applicable, for Deposits and Investment Risks in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentration of Credit Risk
- Foreign Currency Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

D. Restricted Cash and Investments with Fiscal Agents

Cash and investments with fiscal agents are restricted due to limitations on their use by bond covenants and other agreements. Fiscal agents acting on behalf of the City hold investment funds arising from the proceeds of long-term debt issuances or the operation of the San Luis Detention Facility.

E. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is included in investment earnings in the governmental fund financial statements and in non-operating revenues in the proprietary fund financial statements.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

G. Receivables

Receivables include such items as taxes, intergovernmental revenues, charges for services, miscellaneous account receivable, and interest receivable, and are reported net of allowance for uncollectible. The City reserved all receivable in excess of 180 days as an allowance.

H. Interfund Receivables and Payable

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds."

I. Inventories

Inventories of the governmental funds are recorded under the consumption method. Inventories are recorded as expenditures when consumed rather than when purchased. Inventories are valued at year end based on average cost. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

J. Capital Assets

Capital assets, which include land, buildings, improvements other than buildings, machinery, equipment, construction in progress, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible right-to-use assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

Capital assets are depreciated using the straight-line method over the estimated useful life of the asset. Intangible right-to use assets are amortized over the shorter of the lease/subscription term or the underlying asset's useful life. The estimated useful lives and depreciation/amortization periods are as follows:

Assets	Years
Infrastructure	30-50
Buildings and improvements	45
Improvements other than buildings	10-30
Machinery, and equipment	5-15
Intangible right-to-use assets	58

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the statement of net position reports separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources, when applicable. The City and its blended component unit have items that qualify for reporting in these categories.

Deferred Outflows of Resources represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- In conjunction with pension accounting requirements, the difference between expected and actual investment earnings is recorded as a deferred outflow of resources related to pensions. This amount is determined based on the actuarial valuation performed for the plan.

Deferred Inflows of Resources represent inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as revenue until that time. In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting, in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from Municipal Court fines, intergovernmental revenue, property taxes, and other revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

Under the full accrual basis, the City has three items that qualify for reporting in this category:

- A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- In conjunction with pension accounting requirements, the difference between expected and actual experience related is recorded as a deferred inflow of resources related to pensions. This amount is determined based on the actuarial valuation performed for the plan as described further in Note 15.
- A deferred inflow from leases is recorded at the inception of a lease in which the City is the lessor. The inflow of resources is recognized ratably over the term of the lease.

The City's employee vacation and sick leave policies provide for granting vacation and sick leave with pay. Annual leave, based on graduated scale of years of employment, is credited to each employee as it accrues and differs between administrative and public safety functions. The maximum accrual allowed follows the aforementioned pattern of accrued hours and cannot exceed twice the yearly earned hours. Vacation benefits vest at the employee's current rate of pay.

The current and long-term liabilities for accumulated vacation are reported on the government-wide financial statements and in the proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations, and retirements. Resources from the General Fund are generally used to liquidate the governmental funds liabilities for compensated absences.

Generally, sick leave benefits provide for ordinary sick pay and are cumulative but are forfeited upon termination of employment. Because sick leave benefits do not vest with employees, a liability for sick leave benefits is not accrued in the financial statements.

K. Leases

As lessee, the City recognizes lease liabilities with an initial, individual value of \$100,000 or more. The City uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The City's estimated incremental borrowing rate is based on the interest rate from recent debt issuances.

As lessor, the City recognizes lease receivables with an initial, individual value of \$100,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the City charges the lessee) and the implicit rate cannot be determined, the City uses an interest rate based on the applicable rate on federal securities as the discount rate to measure lease receivables.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities, net of bond premiums or discounts. Bond premiums and discounts are amortized over the life of the bonds using straight-line method. Issuance costs are reported as expense when incurred.

Governmental fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

M. Arbitrage Rebate Requirement

The City is subject to the Internal Revenue Code (“IRC”) Section 148(f), related to its tax exempt revenue bonds. The IRC requires that investment earnings on gross proceeds of any revenue bonds that are in excess of the amount prescribed will be surrendered to the Internal Revenue Service. The City had no rebate liability for arbitrage as of June 30, 2023.

N. Claims Liabilities

The City accounts for material claims and judgments outstanding at year-end. When it is probable that a claim liability has incurred at year-end, and the amount of loss can be reasonably estimated, the City records the estimated loss.

O. Subscription-Based Information Technology Arrangements (SBITAs)

As an end user of subscription-based technology, the City recognizes SBITA obligations with an initial, individual value of \$50,000 or more. The City uses its estimated incremental borrowing rate to measure SBITA obligations unless it can readily determine the interest rate implicit in the SBITA contract. The City's estimated incremental borrowing rate is based on describe how the City determined its estimated incremental borrowing rate.

P. Pensions

For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Pensions (Continued)

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Q. Net Position

For government-wide and proprietary fund financial statements, net position represents the difference between all other elements in the statement of net position and should be displayed in the following three components:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

R. Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to show the hierarchy of constraints placed on how fund balance can be spent. The governmental fund types classify fund balances as follows:

Non-spendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories – Portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories which are not spendable resources.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Fund Balances (Continued)

Prepaid Items – Portion of fund balance that is not an available resource because it represents the year-end portion of prepaid items which are not spendable resources.

Restricted – This classification includes revenue sources that are restricted to specific purposes externally imposed by 1) external parties (grantors or creditors) 2) imposed by law through constitutional provisions or 3) enabling legislation legally enforceable by external parties.

Committed – Represents portion of fund balance that can only be used for specific purpose imposed by majority vote of City Council, the highest level of decision-making authority. Such commitment is made via a Council resolution and must be made prior to the end of the fiscal year. Any changes or removal of specific purposes requires majority action as well by the governing body. Committed funds include funds for capital projects and specified program services as defined by the creation of the fund.

Assigned – Amounts are constrained by the City’s intent to be used for specific purposes. Intent should be expressed by the Council or the City Manager but requires City Council to approve a resolution to set up encumbrances.

Unassigned – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and does not have a specific purpose. In the governmental funds, other than the general fund, if expenditures incurred exceeded the amounts restricted, committed or assigned, the fund may report a negative fund balance as unassigned.

The City has a revenue spending guideline for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. Management may deviate from this policy if it’s in the best interest of the City.

	<u>General Fund</u>	<u>Highway Users Fund</u>	<u>Community Development Fund</u>	<u>Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:					
Non spendable:					
Prepaid items	\$ 256,785	\$ 558	\$ 116,990	\$ 158	
Inventory	15,430	118,157			
Restricted:					
HURF		2,344,800			
Special purposes					588,303
Capital projects					1,714,823
Debt service				264,837	
Other purposes					678,529
Unassigned	30,290,200		(456,305)		
Total fund balances	<u>\$ 30,562,415</u>	<u>\$ 2,463,515</u>	<u>\$ (339,315)</u>	<u>\$ 264,995</u>	<u>\$ 2,981,655</u>

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

T. Budget

The City publishes and adopts an annual budget in accordance with applicable state statutes. The City prepares an annual budget on a basis consistent with Generally Accepted Accounting Principles for all governmental funds. After review of the tentative budgets, City Council holds public hearings and then adopts the annual budget for the General, Special Revenue, Debt Service, Capital Projects, and Enterprise funds. All annual appropriations lapse at the fiscal year end.

The appropriated budget is prepared by fund and department on the same basis of accounting as required for governmental fund types and conforms to GAAP. Amendments are required for any revisions that increases total expenditures of any fund or that change functional appropriations. During the year, several amendments to the original budget were necessary to meet the needs of the City. Also, transfers of appropriations between departments and over-expenditures of appropriations at the department level require Council approval. The City legal level of budgetary control, which is the level at which expenditures may not legally exceed appropriations, is at the department level.

NOTE 2- CASH AND INVESTMENTS

Cash and investments are classified in the accompanying financial statements as follows:

	Primary Government		Component Unit	Total
	Governmental Activities	Business-type Activities	Detention Facility	
Equity in pooled cash	\$ 9,565,400	\$ 603,991	\$	\$ 10,169,391
Cash and cash equivalents	4,085,569	3,417,116		7,502,685
Investments	30,354,359	18,253,391		48,607,750
Restricted assets:				
Cash and investments	2,617,677	693,656	10,765,216	14,076,549
Total	<u>\$ 46,623,005</u>	<u>\$ 22,968,154</u>	<u>\$ 10,765,216</u>	<u>\$ 80,356,375</u>

**CITY OF SAN LUIS, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 2- CASH AND INVESTMENTS (CONTINUED)

Cash and investments consisted of the following:

Cash on hand	\$	5,500
Demand deposits		17,666,576
Investments		<u>62,684,299</u>
Total		<u>\$ 80,356,375</u>

Custodial Credit Risk - Demand Deposits. For deposits, custodial credit risk is the risk that in the event of bank failure the City’s deposits may not be returned to the City. The City does not have a policy for custodial credit risk. The carrying amounts of the City’s demand deposits were \$17,666,577 at June 30, 2023. Bank balances were \$20,372,509 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions not in the City’s name.

Risk Disclosures – Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity, the greater the sensitivity its fair value is to changes in market interest rates. The City does not have a formal investment policy that limit its investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rate.

	Fair Value	Investment Maturities (in years) Less than 1
Money Market	\$ 14,076,549	\$ 14,076,549
State Treasurer	<u>48,607,750</u>	<u>48,607,750</u>
Total	<u>\$ 62,684,299</u>	<u>\$ 62,684,299</u>

Investment should be recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments will be recognized as an increase or decrease to investment assets and investment income as applicable.

The City measures and records investment using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At June 30, 2023, City’s investment in mutual funds were considered to be level one investments.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 2- CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is defined as the risk that an issuer of an investment will not fulfill its obligation to repay the holder at the maturity date. This is generally measured by the assignment of a rating by a nationally recognized statistical organization. However, some issuers do not seek a credit rating. The City has no investment policy that would further limit its investment choices. As of June 30, 2023, the City's investment in the State Treasurer's Government Investment Pool (LGIP) were rated AAf by Standard and Poor's Corporation.

The City's investment in mutual funds were rated Aaa by Moody's Corporation.

That portion of the external investment pool which belongs to local government participants is reported in the State's Annual Financial Report. A copy of the report can be obtained from the State's website at www.aztreasury.gov or by writing to Arizona State Treasurer's Office, 1700 West Washington Street, 1st Floor, Phoenix, AZ 85007. The City's position in the LGIP at June 30, 2023 is stated at cost, which approximates fair value.

The State Treasurer's pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The pools, as investment companies, are not registered with the Securities and Exchange Commission. The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant's position in the State Treasurer investment pools approximates the value of the participant's shares in the pool and the participants' shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

Custodial Credit Risk – Investments. For investments, custodial credit risk is the risk that, in the event of the counterparty's failure, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment in the State Treasurer's investment pool represents a proportionate interest in the pool's portfolio; however, the City's portion is not identified with specific investments and is not subject to custodial credit risk.

Concentration Credit Risk. The City places no limit on the amount the City may invest in any one issuer. As of June 30, 2023, the City's investments included 22 percent invested in money market funds, and 78 percent invested in the State Treasurer's investment pool.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 3- RECEIVABLES

Receivables are reported net of allowance for uncollectible of \$4,442,219 for proprietary fund receivables and \$362,614 for governmental funds receivable of which the majority relates to court fines.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, unavailable revenue of \$2,035,936 consisted mostly of court fines and detention center issuer fees receivable reported in the General Fund ; unearned revenue of \$8,582,809 consisted mostly of federal grant revenue not yet spent from the Community Development Fund.

NOTE 4- LEASES RECEIVABLE

The City leases land for a cell tower, office space, and industrial building space under the provisions of contracts classified as leases. The related receivables under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Lease revenue of \$17,511, \$562,617, and \$101,712 is recorded as rents revenue in the General, Business Center, and Business Incubator Funds, respectively, while related interest revenue of \$3,462, \$61,303, \$1,438 is recorded as other revenue in those same funds, respectively.

Future minimum lease payments to be received under the lease agreements at year end are summarized as follows:

	Governmental Activities	Business-type Activities
Year ending June 30:		
2024	\$ 15,476	\$ 694,249
2025	15,784	707,830
2026	16,097	708,316
2027	16,416	711,640
2028	16,747	633,987
2029-33	88,914	3,000,000
2034-38	98,159	2,299,999
2039-43	108,393	
2044-48	119,680	
2049	8,351	
Total	<u>\$ 504,017</u>	<u>\$ 8,756,021</u>

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 5- INTERFUND TRANSACTIONS

A. Due From and To Other Funds

Fund	Due from other Funds	Due to other Funds
General	\$ 13,478,212	\$ 250,445
Highway Users		5,188,522
Debt Service		991,176
Non-Major Governmental		1,084,134
Water		47,486
Sanitation		1,006,540
Business Incubator		799,732
Business Center		4,333,562
Internal Service	250,445	27,060
Total	\$ 13,728,657	\$ 13,728,657

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

B. Transfers

Transfers between funds of the primary government:

Transfers in:	Transfers out			Total
	General Fund	Highway Users Fund	Non-Major Governmental Funds	
Highway Users Fund	\$ 1,849,740	\$	\$	\$ 1,849,740
Community Development Fund	1,347,248	1,849,740		3,196,988
Debt Service Fund	1,392,935		150,000	1,542,935
Total	\$ 4,589,923	\$1,849,740	\$ 150,000	\$ 6,589,663

Transfers are used (1) to move receipts restricted for debt service from the collecting funds to the funds obligated to pay debt service payments (2) to meet local match requirements for federal and state grants.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 6- CAPITAL ASSETS

A summary of capital asset activity for the fiscal year ended June 30, 2023 follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 4,921,886	\$ 1,729,254	\$	\$ 6,651,140
Construction in progress	3,360,415	7,099,702	1,305,539	9,154,578
Total capital assets, not being depreciated	<u>8,282,301</u>	<u>8,828,956</u>	<u>1,305,539</u>	<u>15,805,718</u>
Capital assets, being depreciated:				
Buildings and improvements	26,694,230	817,086	61,781	27,449,535
Machinery and equipment	15,231,592	2,608,821	43,457	17,796,956
Infrastructure	69,630,178	7,218,806		76,848,984
Total capital assets being depreciated	<u>111,556,000</u>	<u>10,644,713</u>	<u>105,238</u>	<u>122,095,475</u>
Less accumulated depreciation for:				
Buildings and improvements	(11,560,519)	(749,382)	(52,878)	(12,257,023)
Machinery and equipment	(10,499,234)	(1,149,037)	(43,457)	(11,604,814)
Infrastructure	(30,492,302)	(2,094,491)		(32,586,793)
Total accumulated depreciation	<u>(52,552,055)</u>	<u>(3,992,910)</u>	<u>(96,335)</u>	<u>(56,448,630)</u>
Total capital assets, being depreciated, net	<u>59,003,945</u>	<u>6,651,803</u>	<u>8,903</u>	<u>65,646,845</u>
SBITA right-to-use assets				
SBITA assets		104,095		104,095
Less accumulated amortization		(35,885)		(35,885)
Total SBITA right-to-use assets, net		<u>68,210</u>		<u>68,210</u>
Governmental activities capital assets, net	<u>\$ 67,286,246</u>	<u>\$ 15,548,969</u>	<u>\$ 1,314,442</u>	<u>\$ 81,520,773</u>
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$ 685,239	\$ 269,457	\$	\$ 954,696
Construction in progress	638,784	2,853,767		3,492,551
Total capital assets, not being depreciated	<u>1,324,023</u>	<u>3,123,224</u>		<u>4,447,247</u>
Capital assets, being depreciated:				
Buildings and improvements	10,035,381	200,898		10,236,279
Machinery and equipment	11,319,678	1,285,877	174,796	12,430,759
Infrastructure	62,126,618	1,828,807		63,955,425
Total capital assets being depreciated	<u>83,481,677</u>	<u>3,315,582</u>	<u>174,796</u>	<u>86,622,463</u>
Less accumulated depreciation for:				
Buildings and improvements	(3,539,737)	(316,831)		(3,856,568)
Machinery and equipment	(9,016,020)	(548,407)	(166,761)	(9,397,666)
Infrastructure	(20,585,769)	(1,401,364)		(21,987,133)
Total accumulated depreciation	<u>(33,141,526)</u>	<u>(2,266,602)</u>	<u>(166,761)</u>	<u>(35,241,367)</u>
Total capital assets, being depreciated, net	<u>50,340,151</u>	<u>1,048,980</u>	<u>8,035</u>	<u>51,381,096</u>
Intangible right-to-use assets				
Leased land	702,519			702,519
Less accumulated amortization	(12,218)	(12,218)		(24,436)
Total intangible right-to-use assets, net	<u>690,301</u>	<u>(12,218)</u>		<u>678,083</u>
Governmental activities capital assets, net	<u>\$ 52,354,475</u>	<u>\$ 4,159,986</u>	<u>\$ 8,035</u>	<u>\$ 56,506,426</u>

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 6- CAPITAL ASSETS (CONTINUED)

<u>Discretely Presented Component Unit</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 661,359	\$	\$	\$ 661,359
Total capital assets, not being depreciated	<u>661,359</u>			<u>661,359</u>
Capital assets, being depreciated:				
Buildings and improvements	34,129,886			34,129,886
Machinery and equipment	329,194			329,194
Total capital assets being depreciated	<u>34,459,080</u>			<u>34,459,080</u>
Less accumulated depreciation for:				
Buildings and improvements	(9,904,094)	(762,809)		(10,666,903)
Machinery and equipment	(329,194)			(329,194)
Total accumulated depreciation	<u>(10,233,288)</u>	<u>(762,809)</u>		<u>(10,996,097)</u>
Total capital assets, being depreciated, net	<u>24,225,792</u>	<u>(762,809)</u>		<u>23,462,983</u>
Discretely presented component unit capital assets, net	<u>\$ 24,887,151</u>	<u>\$ (762,809)</u>	<u>\$</u>	<u>\$ 24,124,342</u>

Depreciation and amortization expense were charged to governmental functions as follows:

<u>Governmental activities:</u>	<u>Amount</u>
General government	\$ 497,960
Public safety	696,542
Health and welfare	57,942
Culture and recreation	413,862
Community development	34,705
Public works and streets	<u>2,327,784</u>
Total depreciation expense	<u>\$ 4,028,795</u>
<u>Business-type activities:</u>	
Water	\$ 663,324
Wastewater	1,077,368
Sanitation	104,749
Business Incubator	59,450
Ambulance Services	183,659
Business Center	<u>190,270</u>
Total depreciation/amortization expense	<u>\$ 2,278,820</u>
<u>Discretely presented Component Unit:</u>	
Detention Facility	\$ 762,809
Total depreciation expense	<u>\$ 762,809</u>

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 7- CONSTRUCTION COMMITMENTS

The City entered into several construction contracts for street projects (special revenue fund projects) and wastewater treatment projects totaling \$12.6 million. These commitments have only been recorded in the accompanying financial statements for work completed as of June 30, 2023. The remaining balance for work not yet complete at the end of the year is estimated at \$814,404 for governmental activities projects and \$422,532 for business-type activities projects.

NOTE 8- LEASES PAYABLE

The City has acquired the use of land for the Business Incubator under the provisions of a contract classified as a lease. The related obligation under the lease agreement has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the Business Incubator Fund, a major proprietary fund, are used to pay the lease obligation. Amortization of right-to-use assets recorded under leases is included with depreciation expense.

The net present value and future minimum lease payments at year end were as follows:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2024	\$ 36	\$ 13,283
2025	37	13,282
2026	37	13,282
2027	38	13,281
2028	39	13,280
2029-33	6,446	66,143
2034-38	14,680	65,168
2039-43	24,489	63,340
2044-48	36,112	60,501
2049-53	49,809	56,466
2054-58	65,875	51,028
2059-63	84,655	43,940
2064-68	106,520	34,933
2069-73	131,906	23,691
2074-78	161,298	9,862
2079	17,151	122
Total	\$ 699,128	\$ 541,602

The right-to-use assets recorded under leases that meet the City's capitalization threshold are as follows:

	Governmental Activities
Asset:	
Land	\$ 702,519
Less: Accumulated amortization	24,436
Total	\$ 678,083

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 9- FINANCED PURCHASES PAYABLE

The City has acquired portable radios, two vehicles, and a copier, under the provisions of contracts classified as financed purchases payables. Revenues from the General Fund and the Ambulance Services Fund are used to repay the obligations.

Annual debt service requirements to maturity on financed purchases payable at year end are summarized as follows:

Year ending June 30:	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 49,411	\$ 1,592	\$ 5,233	\$
2025	55,385		5,234	
Total	\$ 104,796	\$ 1,592	\$ 10,467	\$

NOTE 10 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

The City has entered into subscription-based information technology arrangements (SBITAs) for network intrusion monitoring. The related obligation under the SBITAs has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the General Fund are used to pay the obligation. Amortization of right-to-use assets recorded under SBITAs is included with depreciation expense.

The net present value and future minimum SBITA payments at year end were as follows:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2024	\$ 33,525	\$ 2,360
2025	34,685	1,200
Total	\$ 68,210	\$ 3,560

The total value of assets recorded under SBITAs that meet the City’s capitalization threshold is \$104,095, less accumulated amortization of \$35,585.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 11- REVENUE BONDS PAYABLE

PRIMARY GOVERNMENT

Revenue bonds payable at June 30, 2023 consisted of the outstanding revenue bonds presented below. The bonds are generally not callable with interest payable semiannually.

In November 2014, the City issued \$28,795,000 in Excise Tax Revenue Refunding Obligations Series 2014A and \$2,220,000 Series 2014B Taxable Obligations collectively with an average true-interest rate of 4.02 percent to refund the 2005 San Luis Civic Improvement Corporation (SLCIC) in the amount of \$40,000,000.

Purpose	Original Amount Issued	Interest Rate	Maturity	Outstanding Principal June 30, 2023
Governmental activities	\$ 12,085,700	4.00-5.00%	7/1/23-38	\$ 9,194,327
Business-type activities	18,929,300	4.00-5.00%	7/1/23-38	14,400,673
Total				<u>\$ 23,595,000</u>

Future debt service requirements for SLCIC revenue bonds are as follows:

Year Ending June 30:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 391,621	\$ 445,600	\$ 613,379	\$ 697,925
2025	411,105	425,532	643,895	666,493
2026	432,537	406,604	677,463	636,846
2027	450,072	386,701	704,928	605,674
2028	471,504	363,662	738,496	629,588
2029-33	2,737,451	1,430,537	4,287,549	2,240,588
2034-38	3,493,416	654,991	5,471,584	1,025,884
2039	806,621	20,166	1,263,379	31,584
Total	<u>\$ 9,194,327</u>	<u>\$ 4,133,793</u>	<u>\$14,400,673</u>	<u>\$ 6,534,582</u>

In October 2017, the City issued \$14,540,000 in Excise Tax Revenue Refunding Obligations. This consisted of Tax Exempt Series 2017A \$2,825,000, and \$11,715,000 Series 2017B Taxable Obligations collectively with average true-interest rate of 3% to refund the Greater Arizona Development Authority (GADA) obligations in the amount of \$12,845,000.

Purpose	Original Amount Issued	Interest Rate	Maturity	Outstanding Principal June 30, 2023
Governmental activities	\$ 2,825,000	5.00%	7/1/23-27	\$ 1,550,000
Business-type activities	11,715,000	2.00-3.50%	7/1/23-31	7,790,000
Total				<u>\$ 9,340,000</u>

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 11- REVENUE BONDS PAYABLE (CONTINUED)

PRIMARY GOVERNMENT (Continued)

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
Year Ending June 30:				
2024	\$ 280,000	\$ 70,500	\$ 815,000	\$ 232,450
2025	295,000	56,125	830,000	210,850
2026	310,000	41,000	860,000	186,538
2027	325,000	25,125	880,000	160,438
2028	340,000	8,500	905,000	133,097
2029-32			3,500,000	225,046
Total	<u>\$ 1,550,000</u>	<u>\$ 201,250</u>	<u>\$ 7,790,000</u>	<u>\$ 1,148,419</u>

In May 2021, the City issued \$9,215,000 in Excise Tax Revenue Obligations Taxable Series 2021 to pay down the net pension liabilities for the City's police and fire pension plans with the Public Safety Personnel Retirement System.

Purpose	Original Amount Issued	Interest Rate	Maturity	Outstanding Principal June 30, 2023
Governmental activities	\$ 8,230,172	0.49-2.92%	7/1/23-37	\$ 7,944,368
Business-type activities	984,828	0.49-2.92%	7/1/23-37	950,633
Total				<u>\$ 8,895,001</u>

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
Year Ending June 30:				
2024	\$ 379,584	\$ 175,309	\$ 45,416	\$ 20,976
2025	477,829	172,609	57,171	20,652
2026	482,295	167,928	57,705	20,092
2027	486,761	161,597	58,239	19,335
2028	495,692	153,662	59,308	18,385
2029-33	2,625,829	599,450	314,171	71,722
2034-38	2,996,378	222,197	358,623	26,585
Total	<u>\$ 7,944,368</u>	<u>\$ 1,652,752</u>	<u>\$ 950,633</u>	<u>\$ 197,747</u>

The City has pledged to repay \$54,770,000 in Excise Tax Revenue Bonds and Refunding Bonds issued in 2014, 2018, and 2021 and payable through 2039. Pledged revenues on the bonds include excise taxes, state shared revenues, permit fees, and franchise taxes. Excise taxes are defined to include the transaction privilege tax and business taxes, which the City imposes. A portion of the debt service is funded by the revenues directly or indirectly derived from the operation and use of the water system. However, that does not relieve the aforementioned revenues to be pledged. In 2023, the revenue pledged amounted to \$29.8 million. Principal and interest for the current year were \$2,525,000 and \$1,686,111 respectively. The coverage ratio (pledged revenues to debt service) for 2023 is 7.07. More in depth disclosures can be referenced from the statistical section, Table XII.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 11- REVENUE BONDS PAYABLE (CONTINUED)

PRIMARY GOVERNMENT (Continued)

In November 2013, the City issued direct placement Utility Revenue Bonds Series 2013 totaling \$6,580,000 to finance the construction of new water and sewer lines. Payments will be effected when due from pledged revenues.

Purpose	Original Amount Issued	Interest Rate	Maturity	Outstanding Principal June 30, 2023
Business-type activities	\$ 6,580,000	3.80%	7/1/23-33	\$ 4,530,000

Future debt service requirements for the Utility Revenue Bond payable are as follow:

	Business-Type Activities		
	Principal	Interest	Total
Year Ending June 30:			
2024	\$ 340,000	\$ 165,680	\$ 505,680
2025	350,000	152,570	502,570
2026	365,000	138,985	503,985
2027	380,000	124,830	504,830
2028	395,000	110,105	505,105
2029-33	2,205,000	309,605	2,514,605
2034	495,000	9,405	504,405
Total	<u>\$ 4,530,000</u>	<u>\$ 1,011,180</u>	<u>\$ 5,541,180</u>

The City has pledged to repay \$6,580,000 in Utility Revenue Bonds issued in 2013, and payable through 2034. The bonds are collateralized by net operating revenues and investment income of the Water and Wastewater Enterprise Funds. In 2023, the net revenue pledged amounted to \$4.0 million. Principal and interest for the current year were \$340,000 and \$172,140, respectively. The coverage ratio (pledged revenues to debt service) for 2023 is 7.75. More in depth disclosures can be referenced from the statistical section, Table XIII.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 11- REVENUE BONDS PAYABLE (CONTINUED)

DISCRETELY PRESENTED COMPONENT UNIT

In October 2005, the San Luis Facility Development Corporation (SLFDC) issued Senior Lien Project Revenue Bonds Series 2005 totaling \$27,795,000 to finance the construction of a regional detention facility. The principal and interest on the bonds are not a general obligation of the Corporation and City, but the issuer entered into agreements to house prisoners and the revenues from there are to be pledged to secure payment of the bonds. Again, in February 2011, the SLFDC issued Senior Lien Project Revenue Bonds Series 2011 totaling \$20,165,000 to finance the construction for an expansion of the existing regional detention facility. The bonds were issued with the same terms and conditions as the previous issues. Subsequently, during April 2014 and July 2014, the Corporation refunded both issues following an IRS audit in which the issues were found to be taxable as opposed to the non-taxable status at time of issuance. The refunding amounts were \$26,090,000 and \$20,835,000 respectively.

Purpose	Original Amount	Interest Rate	Maturity	Outstanding Principal June 30, 2023
Detention facility	\$ 26,090,000	7.00-7.25%	5/1/23-30	\$ 18,045,000
Detention facility	20,835,000	6.95%	5/1/23-27	9,445,000
Total				<u>\$ 27,490,000</u>

Future debt service requirements for the SLCFDC revenue bonds are as follows:

	Principal		Interest	
	2014 Series Principal	2014 Series A Principal	2014 Series Interest	2014 Series A Interest
Year Ending June 30:				
2024	\$ 1,175,000	\$ 1,660,000	\$ 1,298,800	\$ 656,428
2025	1,260,000	1,775,000	1,216,550	541,058
2026	1,350,000	1,895,000	1,128,350	417,696
2027	1,440,000	4,115,000	1,033,850	285,992
2028	3,170,000		929,450	
2029-30	9,650,000		1,152,752	
Total	<u>\$ 18,045,000</u>	<u>\$ 9,445,000</u>	<u>\$ 6,759,752</u>	<u>\$ 1,901,174</u>

The SLFDC has pledged to repay \$46,925,000 in Refunding Revenue Bonds issued in 2014, and payable through 2030. The bonds are collateralized by Detention Center operating revenue. In 2023, the revenue pledged amounted to \$27.1 million. Principal and interest for the current year were \$2,645,000 and \$2,108,873 respectively. The coverage ratio (pledged revenues to debt service) for 2023 is 5.70.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 12- NOTE OBLIGATIONS

Outstanding long-term debt and current portions are summarized as follows:

<u>Governmental activities</u>	CURRENT PORTION	LONG TERM PORTION	TOTAL
Notes payable to the Walmart Store for \$376,000 dated October 4, 2006 for road extension. Note is due in quarterly installments of the first 1% of City Sales Tax collected on retail sales from the Walmart Store until fully paid.	\$	\$ 29,672	\$ 29,672

Note payable to 1st Bank Yuma issued on December 2, 2020 for the purchase of park land for the amount of \$508,980 with an interest rate 3.8% payable in 5 years.	99,708	160,640	266,348
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<u>Business-type activities</u>	CURRENT PORTION	LONG TERM PORTION	TOTAL
Note payable to 1st Bank Yuma issued on February 26, 2019 for equipment purchase for the amount of \$ 246,842 with an interest rate 4.5% payable in 5 years.	\$ 36,100	\$	\$ 36,100

Debt service requirements on all debt to maturity are shown below.

		Governmental Activities		
		Principal	Interest	Total
Year Ending June 30:				
	2024	\$ 99,708	\$ 8,483	\$ 108,191
	2025	111,570	4,399	115,969
	2026	55,070	627	55,697
	Total	\$ 266,348	\$ 13,509	\$ 279,857

		Business-Type Activities		
		Principal	Interest	Total
Year Ending June 30:				
	2024	\$ 36,100	\$ 626	\$ 36,726

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 13- CHANGE IN LONG-TERM LIABILITIES

Compensated Absences

The City's policy relating to compensated absences is described in Note 1-L. As shown in the table below, the long-term portion of this debt, amounting to \$826,265 for governmental activities and \$134,696 for business-type activities at June 30, 2023 is expected to be paid in future years from future resources. Compensated absences for governmental activities have been liquidated primarily by the General Fund. Pension liabilities have typically been liquidated with General Fund and Proprietary Fund revenues.

Long-term liability activity for all categories for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 880,412	\$ 606,118	\$ 660,265	\$ 826,265	\$ 652,754
Revenue bonds payable	19,591,257		902,562	18,688,695	1,051,205
Revenue bonds premium	1,106,398		97,871	1,008,527	
Note payable	436,325		140,305	296,020	99,708
Financed purchases payable	156,973		52,177	104,796	49,410
SBITAs		104,095	35,885	68,210	33,525
Pension	8,315,218	2,703,810		11,019,028	
Governmental activities long-term liabilities	<u>\$ 30,486,583</u>	<u>\$ 3,414,023</u>	<u>\$ 1,889,065</u>	<u>\$ 32,011,541</u>	<u>\$ 1,886,602</u>
Business-type activities:					
Compensated absences	\$ 139,466	\$ 134,488	\$ 139,258	\$ 134,696	\$ 106,409
Revenue bonds payable	24,553,744		1,412,438	23,141,306	1,473,795
Revenue bonds premium	1,377,903		86,119	1,291,784	
Revenue bonds discount	(102,009)		(10,986)	(91,023)	
Direct placement revenue bonds	4,855,000		325,000	4,530,000	340,000
Note payable	88,478		52,378	36,100	36,100
Leases payable	699,163		35	699,128	36
Financed purchases payable	15,698		5,232	10,466	5,233
Pension	1,441,567	165,780		1,607,347	
Business-type activities long-term liabilities	<u>\$ 33,069,010</u>	<u>\$ 300,268</u>	<u>\$ 2,009,474</u>	<u>\$ 31,359,804</u>	<u>\$ 1,961,573</u>
Discretely presented component units:					
Revenue bonds payable	\$ 30,135,000	\$	\$ 2,645,000	\$ 27,490,000	\$ 2,835,000
Revenue bonds discount	(512,302)		(74,884)	(437,418)	
Discretely presented component unit long-term liabilities	<u>\$ 29,622,698</u>	<u>\$</u>	<u>\$ 2,570,116</u>	<u>\$ 27,052,582</u>	<u>\$ 2,835,000</u>

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 14- COMMITMENTS AND CONTINGENCIES

Federal and State Grants – The City has received a number of grants from both Federal and State governments. Although the programs have been audited by the respective agencies, not all audits have been approved as of June 30, 2023; however, the City expects no material disallowance of expenditures.

Lawsuits – The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City’s legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Guarantees - In May 2020 and May 2022, the City Council guaranteed loans of \$1.0 million and \$2.2 million, respectively, of the GYPA in accordance with A.R.S. Repayments of the first loan are made monthly through June 29, 2025 and calculated using a four percent interest rate. Repayments of the second loan are made annually through May 16, 2032 and calculated using a five and a half percent interest rate. In the event that the GYPA defaults on the loans, the City will be responsible for 33 percent of the payments not satisfied by the liquidation of collateral pledged for the loans.

Incentive Fees – The City’s contract with the operator of the Detention Center includes a provision for variable incentive fees that are calculated based on average daily inmate counts at the facility. The fees are accumulated but only distributed if excess project revenues exist. At year end, \$5.7 million of variable incentive fees had been accumulated but not recognized as expenses due to disbursement being improbable.

NOTE 15- STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Individual Deficit /Net Position – At June 30, 2023, the following individual funds reported deficits in Net Position.

	Deficit
Governmental Funds:	
Community Development	\$ (339,315)
Enterprise Funds:	
Business Center	(6,069,371)

The fund balance deficit of the Community Development Fund is expected to be eliminated when grant reimbursements are received during fiscal year 2023-24.

The net position deficit of the Business Center Fund is expected to be subsidized through future rent revenues of unoccupied building space.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 16- RISK MANAGEMENT

The City of San Luis, Arizona is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and potential workers-related accidents. The City carries commercial insurance for vision, life, disability and stop loss. The City's insurance protection for property liability, crime, cybersecurity, excess liability and workers' compensations is provided by the Arizona Municipal Risk Retention Pool, of which the City is a participating member.

The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has the authority to assess its members' additional premiums should reserves and annual premiums be insufficient to meet the pool's obligations. There were no settlements in excess of insurance coverage in any of the prior three fiscal years.

The City established an Insurance Fund (an Internal Service Fund) during fiscal year 2012 to account for and finance its uninsured risks of loss related to health and dental claims. The program provides annual coverage per individual for up to a maximum of \$50,000 for each claim. In addition, the City has an annual aggregate reimbursement maximum of \$1.0 million. The City purchases commercial insurance for claims in excess of these specified amounts.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended June 30, 2023	Year Ended June 30, 2022
Unpaid claims, beginning of fiscal year	\$ 658,196	\$ 187,101
Incurred claims (including IBNRs)	3,098,520	3,945,694
Claim payments	2,956,418	3,474,599
Unpaid claims, end of fiscal year	<u>\$ 800,298</u>	<u>\$ 658,196</u>

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 17- RETIREMENT PLANS

The City contributes to four plans, all of which are described below. The plans are component units of the State of Arizona.

At June 30, 2023, the City reported the following aggregate amounts related to pensions for all plans to which it contributes:

	Governmental Activities	Business-Type Activities	Total
Net pension assets	\$ 208,454	\$ 54,426	\$ 262,880
Net pension liabilities	11,019,028	1,607,348	12,626,376
Deferred outflows of resources	6,457,547	749,763	7,207,310
Deferred inflows of resources	1,288,164	225,189	1,513,353
Expense	2,237,569	317,847	2,555,416
Contributions	1,573,161	222,737	1,795,898

The City reported \$1,795,898 of pension contributions as expenditures in the governmental funds or as deferred outflows of resources in the proprietary funds related to all plans to which it contributes.

Arizona State Retirement System

Plan Description – City employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at www.azasrs.gov.

The ASRS OPEB plans are not further disclosed because of their relative insignificance to the City's financial statements.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 17- RETIREMENT PLANS (CONTINUED)

Benefits Provided – The ASRS provides retirement benefits, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefits terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

ASRS

	ASRS Retirement Initial membership date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* any years age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%
	*With actuarially reduced benefits	

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.17 percent (12.03 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 12.17 percent (11.92 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members' annual covered payroll. The City's contributions to the pension plan for the year ended June 30, 2023 were \$1,094,924.

**CITY OF SAN LUIS, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 17- RETIREMENT PLANS (CONTINUED)

Employers are also required to pay an Alternative Contribution rate (ACR) for retire members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The City was required by statute to contribute at the actuarially determined rate of 9.68 percent (9.62 for retirement and 0.06 percent for long-term disability). ACR contributions are included in employer contributions presented above.

The City’s pension contributions are paid by the same funds as the employee’s salary, with the largest component coming from the General Fund.

Pension Liability – At June 30, 2023, the City reported a liability of \$11,481,050 for its proportionate share of the ASRS’ net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2021, to the measurement date of June 30, 2022. The City’s proportion of the net liability was based on the City’s actual contributions to the applicable plan relative to the total of all participating employers’ contributions to the plan for the year ended June 30, 2022.

The City’s reported liability at June 30, 2023 increased by \$2,471,256 from the City’s prior year liability of \$9,009,794 because of changes in the ASRS’ net pension liability and the City’s proportionate share of that liability. The ASRS’ publicly available financial report provides details on the change in the net pension liability.

Net Liability	City % Proportion	Increase (Decrease)
\$ 11,481,050	0.070	0.002

The City’s proportion of the net pension liability was based on total ASRS employer’s pension liability. The City’s proportion measured as of June 30, 2022, was .0703 percent, which was an increase of 0.0013 from its proportion measured as of June 30, 2021.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 17- RETIREMENT PLANS (CONTINUED)

Pension Expense and Deferred Outflows/Inflows of Resources – For the year ended June 30, 2023, the City recognized pension expense for ASRS of \$1,555,279. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 97,825	\$
Changes of assumptions or other inputs	569,827	
Net difference between projected and actual earnings on pension investments		302,422
Changes in proportion and differences between contributions and proportionate share of contributions	241,182	
Contributions subsequent to the measurement date	1,094,924	
Total	\$ 2,003,758	\$ 302,422

The \$1,094,924 reported as deferred outflows of resources related to ASRS pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pension will be recognized in pension expense as follows:

Year Ending June 30:	
2024	\$ 700,888
2025	(53,441)
2026	(525,076)
2027	484,041

Actuarial Assumptions – The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2021
Actuarial roll forward date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4%
Inflation	2.3%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP
Healthcare cost trend rate	Not applicable

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 17- RETIREMENT PLANS (CONTINUED)

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The Board adopted the experience study recommended changes which were applied to June 30, 2020, actuarial valuation.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage excluding any expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	3.90%
Credit	20	5.30
Interest rate sensitive bonds	10	(0.20)
Real estate	20	6.00
Total	100%	

Discount Rate. The discount rate used to measure the ASRS total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 16,939,948	\$ 11,481,050	\$ 6,929,182

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 17- RETIREMENT PLANS (CONTINUED)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in a separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

Public Safety Personnel Retirement System

Plan Description – City public safety personnel who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers an agent multiple-employer defined benefit pension plan. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and employees who became PSPRS members on or after July 1, 2017, participate in either agent plans or cost-sharing plans (PSPRS Tier 3 Risk Pool).

The PSPRS issue publicly available financial reports that include their financial statements and required supplemental information. The reports are available on the PSPRS Web site at www.psprs.com.

The PSPRS Tier 3 Risk Pool plan and the PSPRS OPEB plans are not further disclosed because of their relative insignificance to the City’s financial statements.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 17- RETIREMENT PLANS (CONTINUED)

Benefits Provided – The PSPRS provides retirement, disability, and survivor benefits. State statute establishes benefits terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows. See the publicly available PSPRS financial report for additional benefits information.

	Retirement Initial Membership Date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
Retirement and disability: Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Normal retirement	50% less 2.0% for each year of credited service less than 20 years or plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5 % to 2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor benefit:		
Retired members	80% to 100% of retired member's pension benefit	
Active members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Employees Covered by Benefit Terms – At June 30, 2023, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS - Police	PSPRS - Fire
Retirees and beneficiaries	9	3
Inactive, non-retired members	1	3
Active members	25	27
Total	35	33

**CITY OF SAN LUIS, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 17- RETIREMENT PLANS (CONTINUED)

Contributions – State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2023, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	PSPRS - Police	PSPRS - Fire
Active members – pension	7.65% to 11.65%	7.65% to 11.65%
City:		
Pension	8.07-9.82%	9.82-11.82%
Health insurance	0.12%	0.12-0.28%

For the agent plans, the City’s contributions to the pension plan for the year ended June 30, 2023, were:

	PSPRS - Police	PSPRS - Fire
Pension contributions	\$ 294,364	\$ 342,733

During fiscal year 2023, the City paid for PSPRS pension contributions as follows: 88.9 percent from the General Fund, and 11.1 percent from the Ambulance Services Fund.

Pension Liability – At June 30, 2023, the City reported the following net pension liabilities/asset:

	PSPRS - Police	PSPRS - Fire
Net Pension (Assets) Liabilities	\$ 344,618	\$ (262,880)

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 17- RETIREMENT PLANS (CONTINUED)

The net pension assets/liabilities were measured as of June 30, 2022. The total pension liability used to calculate the net pension asset or liability was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2022, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the five-year period ended June 30, 2021, including decreasing the discount rate from 7.3 percent to 7.2 percent, changing the wage inflation rate from 3.5 percent to a range of 2.75-15.0 percent, and increasing the cost-of-living adjustment rate from 1.75 percent to 1.85 percent.

Pension Actuarial Assumptions – The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	2.75-15.0%
Price inflation	2.5%
Cost-of-living adjustment	1.85%
Mortality rates	PubS-2010 tables

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The PSPRS Board adopted the experience study recommended changes which were applied to the June 30, 2022, actuarial valuation.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.20 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. public equity	24%	3.49%
International public equity	16	4.47
Global private equity	20	7.18
Other assets (capital appreciation)	7	4.83
Core bonds	2	0.45
Private credit	20	5.10
Diversifying strategies	10	2.68
Cash – Mellon	1	-0.35
Total	<u>100%</u>	

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 17- RETIREMENT PLANS (CONTINUED)

Pension Discount Rates – At June 30, 2022, the discount rate used to measure the total pension liability was 7.2 percent, which was a decrease of .1 from the discount rate used as of June 30, 2021.

The projection of cash flows used to determine the PSPRS discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
PSPRS - Police			
Balances at June 30, 2022	\$ 13,156,169	\$ 15,624,049	\$ (2,467,880)
Changes for the year:			
Service cost	355,528		355,528
Interest on the total pension liability	971,605		971,605
Differences between expected and actual experience in the measurement of the pension liability	1,136,881		1,136,881
Changes of assumptions or other inputs	145,989		145,989
Contributions – employer		228,436	(228,436)
Contributions – employee		199,267	(199,267)
Net investment income		(619,024)	619,024
Benefit payments, including refunds of employee contributions	(404,078)	(404,078)	
Administrative expense		(11,174)	11,174
Net changes	2,205,925	(606,573)	2,812,498
Balances at June 30, 2023	<u>\$ 15,362,094</u>	<u>\$ 15,017,476</u>	<u>\$ 344,618</u>

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 17- RETIREMENT PLANS (CONTINUED)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
PSPRS - Fire			
Balances at June 30, 2022	\$ 9,698,814	\$ 11,813,574	\$ (2,114,760)
Changes for the year:			
Service cost	411,690		411,690
Interest on the total pension liability	734,077		734,077
Differences between expected and actual experience in the measurement of the pension liability	614,137		614,137
Changes of assumptions or other inputs	62,520		62,520
Contributions – employer		285,446	(285,446)
Contributions – employee		168,152	(168,152)
Net investment income		(474,496)	474,496
Benefit payments, including refunds of employee contributions	(109,301)	(109,301)	
Administrative expense		(8,558)	8,558
Net changes	1,713,123	(138,757)	1,851,880
Balances at June 30, 2023	<u>\$ 11,411,937</u>	<u>\$ 11,674,817</u>	<u>\$ (262,880)</u>

Sensitivity of the City’s Net Pension (Assets) Liabilities to Changes in the Discount Rate-The following table presents the City’s net pension (assets) liabilities calculated using the discount rates noted above, as well as what the City’s net pension (assets) liabilities would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	Current		
	1% Decrease	Discount Rate	1% Increase
PSPRS - Police:			
Rate	6.20%	7.20%	8.20%
Net pension (assets) liability	\$ 2,932,543	\$ 344,618	\$ (1,715,109)
PSPRS - Fire			
Rate	6.20%	7.20%	8.20%
Net pension (assets) liability	\$ 1,778,054	\$ (262,880)	\$ 1,891,973

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 17- RETIREMENT PLANS (CONTINUED)

Pension Plan Fiduciary Net Position - Detailed information about the pension plans' fiduciary net position is available in the separately issued PSPRS financial report. The reports are available on the PSPRS website at: www.psprs.com.

Pension Expense-For the year ended June 30, 2023, the City recognized the following pension expense:

	PSPRS - Police	PSPRS - Fire
Pension expense	\$ 528,373	\$ 396,860

Pension Deferred Outflows/Inflows of Resources - At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Police:		
Differences between expected and actual experience	\$ 1,649,436	\$ 314,325
Changes of assumptions or other inputs	321,861	
Net difference between projected and actual earnings on pension plan investments	593,049	
Contributions subsequent to the measurement date	294,364	
Total	\$ 2,858,710	\$ 314,325
 PSPRS - Fire		
Differences between expected and actual experience	\$ 1,219,514	\$ 883,177
Changes of assumptions or other inputs	347,708	
Net difference between projected and actual earnings on pension plan investments	363,780	
Contributions subsequent to the measurement date	342,733	
Total	\$ 2,273,735	\$ 883,177

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 17- RETIREMENT PLANS (CONTINUED)

The amounts reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as an increase in the net pension assets or a reduction of the net pension liabilities in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	PSPRS - Police	PSPRS - Fire
2024	\$ 467,188	\$ 184,173
2025	413,970	161,074
2026	323,895	93,150
2027	667,539	386,556
2028	194,161	99,419
Thereafter	183,268	123,453

PSPDCRP Plan. Public safety employees who are not members of PSPRS participate in the PSPDCRP. The PSPDCRP is a defined contribution pension plan. The PSPRS Board of Trustees governs the PSPDCRP according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.1. Benefit terms, including contribution requirements, are established by State statute. For the year ended June 30, 2023, active PSPDCRP members were required by statute to contribute at least 9 percent of the members' annual covered payroll, and the City was required by statute to contribute 9 percent of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the earnings on those contributions. Employees vest in a portion of the City's contributions each year as set forth in statute. The pension plan retains nonvested City contributions when forfeited because of employment terminations. For the year ended June 30, 2023, the City recognized pension expense of \$5,555.

Elected Officials Retirement Plan

Plan Description - Elected officials and judges participate in the Elected Officials Retirement Plan (EORP), ASRS, or the Elected Officials Defined Contribution Retirement System (EODCRS). EORP administers a cost-sharing multiple-employer defined benefit pension plan for elected officials and judges who were members of the plan on December 31, 2013. This plan was closed to new members as of January 1, 2014. The PSPRS Board of Trustees governs the EORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 3. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the EORP plans. The report is available on PSPRS's website at www.psprs.com.

The EORP OPEB plans are not further disclosed because of their relative insignificance of the City's financial statements.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 17- RETIREMENT PLANS (CONTINUED)

Benefits Provided - The EORP provides retirement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average yearly compensation, and service credit as follows:

EORP	Initial membership date:	
Retirement and disability	Before January 1, 2012	On or after January 1, 2012
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and age if disabled	10 years, age 62 5 years, age 65 Any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
Benefit percent		
Normal retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%
Disability retirement	80% with 10 or more years of service 40% with 5 to 10 years of service 20% with less than 5 years of service	75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service
Survivor benefit		
Retired members	75% of retired member's benefit	50% of retired member's benefit
Active members and other inactive members	75% of disability retirement benefit	50% of disability retirement benefit

* With reduced benefits of 0.25% for each month early retirement precedes the member's normal retirement age, with a maximum reduction of 30%.

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan.

Health insurance premium benefits are available to retired or disabled members with five years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 8 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with five to seven years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 17- RETIREMENT PLANS (CONTINUED)

Contributions - State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability and designates a portion of certain court fees for the EORP.

For the year ended June 30, 2023, statute required active EORP members to contribute seven or 13 percent of the members' annual covered payroll, and the City to contribute 70.42 percent of all active EORP members' annual covered payroll. Also, statute required the City to contribute 58.39 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members. In addition, statute required the City to contribute 64.42 percent of annual covered payroll of retired members who worked for the City in positions that an employee who contributes to the EORP would typically fill. The City's contributions to the pension plan for the year ended June 30, 2023 were \$63,877.

During fiscal year 2023, the City paid for EORP pension contributions from the General Fund.

Pension Liability - At June 30, 2023, the City reported a liability for its proportionate share of the EORP's net pension liability that reflected a reduction for the City's proportionate share of the State's appropriation for EORP. The amount the City recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the EORP net pension liability	\$	800,708
State's proportionate share of the EORP net pension liability associated with the City		77,963
Total	\$	878,671

The net asset and net liability were measured as of June 30, 2022, and the total liability used to calculate the net asset or net liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2022 reflect changes of actuarial assumptions, including decreasing the investment rate of return from 7.3 percent to 7.2 percent, decreasing the wage inflation from 3.75 percent to 3.25 percent and increasing the cost of living adjustment from 1.75 percent to 1.85 percent.

The City's proportion of the net pension liability was based on the City's actual contributions to the pension plan relative to the total of all participating employers' actual contributions for the year ended June 30, 2022. The City's proportion measured as of June 30, 2022, was 0.12 percent, which was the same proportion measured as of June 30, 2021.

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 17 - RETIREMENT PLANS (CONTINUED)

Pension Expense - For the year ended June 30, 2023, the City recognized pension expense for EORP of \$74,905.

Pension Deferred Outflows/Inflows of Resources - At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$	\$ 13,429
Net difference between projected and actual earnings on pension investments	7,231	
Contributions subsequent to the measurement date	63,877	
Total	\$ 71,108	\$ 13,429

The \$63,877 reported as deferred outflows of resources related to EORP pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

Year Ending June 30	Pension
2024	\$ (11,973)
2025	69
2026	(3,408)
2027	9,113

Actuarial Assumptions - The significant actuarial assumptions used to measure the total pension liability are as follows:

EORP

Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.20%
Wage inflation	3.25%
Price inflation	2.50%
Cost of living adjustment	1.85%
Permanent benefit increase	Included
Mortality rates	PUBG-2010 Mortality Tables with MP2021 improvement scale with adjustments to match current experience
Healthcare cost trend rate	Not applicable

**CITY OF SAN LUIS, ARIZONA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 17- RETIREMENT PLANS (CONTINUED)

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.20 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash-Mellon	1%	-.35%
Core bonds	2	.45
Diversifying Strategies	10	2.68
Private credit	20	5.10
Other Assets (capital appreciation)	7	4.83
Global private equity	20	7.18
International public equity	16	4.47
U.S. public equity	24	3.49
Total	<u>100%</u>	

Discount Rate - At June 30, 2022, the discount rate used to measure the EORP total pension liability was 7.2 percent, which was .1 percent lower than the discount rate used as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the statutorily set rates, and state contributions will be made as currently required by statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the EORP net pension liability to changes in the discount rate -The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.2 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.2 percent) or one percentage point higher (8.2 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Net pension (assets) liability	\$ 914,120	\$ 800,708	\$ 703,562

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued EORP financial report.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN LUIS, ARIZONA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
City's proportion of the net pension (assets) liability	0.07%	0.07%	0.07%	0.06%	0.06%
City's proportionate share of the net pension (assets) liability	\$ 11,481,050	\$ 9,009,794	\$ 11,650,354	\$ 9,288,007	\$ 8,837,885
City's covered payroll	\$ 7,837,311	\$ 7,835,768	\$ 7,409,817	\$ 6,728,524	\$ 6,356,202
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	146.49%	114.98%	157.23%	138.04%	139.04%
Plan fiduciary net position as a percentage of the total pension liability	74.26%	78.58%	69.33%	73.24%	73.40%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Measurement date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	
City's proportion of the net pension (assets) liability	0.06%	0.06%	0.06%	0.06%	
City's proportionate share of the net pension (assets) liability	\$ 9,873,369	\$ 10,475,512	\$ 9,932,851	\$ 9,246,398	
City's covered payroll	\$ 6,155,121	\$ 5,998,839	\$ 5,914,065	\$ 5,299,698	
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	160.41%	174.63%	167.95%	174.47%	
Plan fiduciary net position as a percentage of the total pension liability	69.92%	67.06%	68.35%	69.49%	

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

**CITY OF SAN LUIS, ARIZONA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ELECTED OFFICIALS RETIREMENT PLAN
LAST SEVEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
City's proportion of the net pension (assets) liability	0.12%	0.12%	0.12%	0.13%	0.08%
City's proportionate share of the net pension (assets) liability	\$ 800,708	\$ 746,991	\$ 813,649	\$ 836,624	\$ 542,454
State's proportionate share of the net pension (assets) liability	<u>77,963</u>	<u>75,085</u>	<u>77,331</u>	<u>78,634</u>	<u>92,946</u>
Total	<u>\$ 878,671</u>	<u>\$ 822,076</u>	<u>\$ 890,980</u>	<u>\$ 915,258</u>	<u>\$ 635,400</u>
City's covered payroll	\$ 92,800	\$ 91,963	\$ 93,350	\$ 110,239	\$ 87,213
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	862.83%	812.27%	871.61%	758.92%	621.99%
Plan fiduciary net position as a percentage of the total pension liability	32.01%	36.28%	29.80%	30.14%	30.40%
	<u>2018</u>	<u>2017</u>			
Measurement date	June 30, 2017	June 30, 2016			
City's proportion of the net pension (assets) liability	0.09%	0.06%			
City's proportionate share of the net pension (assets) liability	\$ 1,157,339	\$ 1,008,290			
State's proportionate share of the net pension (assets) liability	<u>374,681</u>	<u>208,166</u>			
Total	<u>\$ 1,532,020</u>	<u>\$ 1,216,456</u>			
City's covered payroll	\$ 68,562	\$ 132,685			
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	1688.02%	759.91%			
Plan fiduciary net position as a percentage of the total pension liability	19.66%	23.42%			

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

CITY OF SAN LUIS, ARIZONA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - POLICE
LAST NINE FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020
Total pension liability			
Service cost	\$ 355,528	\$ 374,421	\$ 403,478
Interest	971,605	926,693	846,911
Changes of benefit terms			
Differences between expected and actual experience	1,136,881	(236,221)	357,114
Changes of assumptions or other inputs	145,989		
Benefit payments, including refunds of employee contributions	(404,078)	(457,446)	(513,645)
Net change in total pension liability	<u>2,205,925</u>	<u>607,447</u>	<u>1,093,858</u>
Total pension liability—beginning	<u>13,156,169</u>	<u>12,548,722</u>	<u>11,454,864</u>
Total pension liability—ending	<u><u>\$ 15,362,094</u></u>	<u><u>\$ 13,156,169</u></u>	<u><u>\$ 12,548,722</u></u>
Plan fiduciary net position			
Contributions—employer	\$ 228,436	\$ 6,309,302	\$ 576,635
Contributions—employee	199,267	179,082	194,076
Net investment income	(619,024)	2,424,785	88,327
Benefit payments, including refunds of employee contributions	(404,078)	(457,446)	(513,645)
Administrative expense	(11,174)	(11,103)	(7,202)
Other			(32,133)
Net change in plan fiduciary net position	<u>(606,573)</u>	<u>8,444,620</u>	<u>306,058</u>
Plan fiduciary net position—beginning	<u>15,624,049</u>	<u>7,179,429</u>	<u>6,873,371</u>
Plan fiduciary net position—ending	<u><u>\$ 15,017,476</u></u>	<u><u>\$ 15,624,049</u></u>	<u><u>\$ 7,179,429</u></u>
Net pension (assets) liability—ending	<u><u>\$ 344,618</u></u>	<u><u>\$ (2,467,880)</u></u>	<u><u>\$ 5,369,293</u></u>
Plan fiduciary net position as a percentage of the total pension liability	97.76%	118.76%	57.21%
Covered payroll	\$ 2,169,380	\$ 2,773,330	\$ 2,683,494
Net pension (assets) liability as a percentage of covered payroll	15.89%	(88.99)%	200.09%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 420,691	\$ 365,220	\$ 449,219	\$ 350,332	\$ 306,944	\$ 282,241
736,413	721,974	647,619	562,087	555,140	466,641
		162,160	512,893		91,936
705,904	(461,278)	385,365	(58,955)	(423,441)	(9,596)
265,067		121,338	362,672		606,442
(408,087)	(929,669)	(274,770)	(333,006)	(410,680)	(234,608)
1,719,988	(303,753)	1,490,931	1,396,023	27,963	1,203,056
9,734,876	10,038,629	8,547,698	7,151,675	7,123,712	5,920,656
<u>\$ 11,454,864</u>	<u>\$ 9,734,876</u>	<u>\$ 10,038,629</u>	<u>\$ 8,547,698</u>	<u>\$ 7,151,675</u>	<u>\$ 7,123,712</u>
\$ 573,259	\$ 258,678	\$ 393,486	\$ 351,711	\$ 248,515	\$ 264,741
198,310	178,569	231,348	207,745	182,813	165,787
342,633	414,905	640,556	30,048	179,881	580,609
(408,087)	(929,669)	(274,770)	(333,006)	(410,680)	(234,608)
(6,945)	(7,015)	(6,068)	(4,724)	(4,770)	(4,714)
(1,881)	72	68	(99,246)	(3,823)	2,155
697,289	(84,460)	984,620	152,528	191,936	773,970
6,176,082	6,260,542	5,275,922	5,123,394	4,931,458	4,157,488
<u>\$ 6,873,371</u>	<u>\$ 6,176,082</u>	<u>\$ 6,260,542</u>	<u>\$ 5,275,922</u>	<u>\$ 5,123,394</u>	<u>\$ 4,931,458</u>
<u>\$ 4,581,493</u>	<u>\$ 3,558,794</u>	<u>\$ 3,778,087</u>	<u>\$ 3,271,776</u>	<u>\$ 2,028,281</u>	<u>\$ 2,192,254</u>
60.00%	63.44%	62.36%	61.72%	71.64%	69.23%
\$ 2,353,202	\$ 1,728,405	\$ 2,081,175	\$ 1,794,507	\$ 1,799,219	\$ 1,663,348
194.69%	205.90%	181.54%	182.32%	112.73%	131.80%

CITY OF SAN LUIS, ARIZONA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - FIRE
LAST NINE FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020
Total pension liability			
Service cost	\$ 411,690	\$ 431,341	\$ 366,149
Interest	734,077	696,458	564,876
Changes of benefit terms			
Differences between expected and actual experience	614,137	(470,260)	916,711
Changes of assumptions or other inputs	62,520		
Benefit payments, including refunds of employee contributions	(109,301)	(135,819)	(85,039)
Net change in total pension liability	<u>1,713,123</u>	<u>521,720</u>	<u>1,762,697</u>
Total pension liability—beginning	<u>9,698,814</u>	<u>9,177,094</u>	<u>7,414,397</u>
Total pension liability—ending	<u><u>\$ 11,411,937</u></u>	<u><u>\$ 9,698,814</u></u>	<u><u>\$ 9,177,094</u></u>
Plan fiduciary net position			
Contributions—employer	\$ 285,446	\$ 3,004,520	\$ 343,486
Contributions—employee	168,152	161,015	163,261
Net investment income	(474,496)	2,088,614	80,955
Benefit payments, including refunds of employee contributions	(109,301)	(135,819)	(85,039)
Administrative expense	(8,558)	(9,590)	(6,600)
Other			3,325
Net change in plan fiduciary net position	<u>(138,757)</u>	<u>5,108,740</u>	<u>499,388</u>
Plan fiduciary net position—beginning	<u>11,813,574</u>	<u>6,704,834</u>	<u>6,205,446</u>
Plan fiduciary net position—ending	<u><u>\$ 11,674,817</u></u>	<u><u>\$ 11,813,574</u></u>	<u><u>\$ 6,704,834</u></u>
Net pension (assets) liability—ending	<u><u>\$ (262,880)</u></u>	<u><u>\$ (2,114,760)</u></u>	<u><u>\$ 2,472,260</u></u>
Plan fiduciary net position as a percentage of the total pension liability	102.30%	121.80%	73.06%
Covered payroll	\$ 1,971,629	\$ 2,593,218	\$ 2,401,633
Net pension (assets) liability as a percentage of covered payroll	(13.33)%	(81.55)%	102.94%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 370,521	\$ 344,233	\$ 429,788	\$ 335,758	\$ 296,352	\$ 294,507
494,466	463,118	433,198	347,995	308,046	275,282
		88,014	588,157		(8,383)
122,327	(487,056)	(519,052)	(33,940)	51,216	(184,049)
168,975		200,618	264,127		77,627
(106,693)	(83,463)	(131,347)	(281,063)	(51,738)	(25,329)
1,049,596	236,832	501,219	1,221,034	603,876	429,655
6,364,801	6,127,969	5,626,750	4,405,716	3,801,840	3,372,185
<u>\$ 7,414,397</u>	<u>\$ 6,364,801</u>	<u>\$ 6,127,969</u>	<u>\$ 5,626,750</u>	<u>\$ 4,405,716</u>	<u>\$ 3,801,840</u>
\$ 315,972	\$ 143,184	\$ 241,876	\$ 253,312	\$ 208,243	\$ 199,532
146,801	149,282	195,123	207,731	173,223	157,403
308,103	352,682	517,876	23,851	138,174	416,103
(106,693)	(83,463)	(131,347)	(281,063)	(51,738)	(25,329)
(6,342)	(6,068)	(4,982)	(3,832)	(3,755)	(3,378)
(1,809)	58	(92,419)	(26,171)	(2,750)	8,528
656,032	555,675	726,127	173,828	461,397	752,859
5,549,414	4,993,739	4,267,612	4,093,784	3,632,387	2,879,528
<u>\$ 6,205,446</u>	<u>\$ 5,549,414</u>	<u>\$ 4,993,739</u>	<u>\$ 4,267,612</u>	<u>\$ 4,093,784</u>	<u>\$ 3,632,387</u>
<u>\$ 1,208,951</u>	<u>\$ 815,387</u>	<u>\$ 1,134,230</u>	<u>\$ 1,359,138</u>	<u>\$ 311,932</u>	<u>\$ 169,453</u>
83.69%	87.19%	81.49%	75.85%	92.92%	95.54%
\$ 1,998,964	\$ 1,769,302	\$ 1,778,902	\$ 1,594,143	\$ 1,544,922	\$ 1,471,355
60.48%	46.09%	63.76%	85.26%	20.19%	11.52%

**CITY OF SAN LUIS, ARIZONA
SCHEDULE OF PENSION CONTRIBUTIONS
ALL PENSION PLANS
LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Arizona State Retirement System:				
Actuarially determined contribution	\$ 1,094,924	\$ 941,261	\$ 912,866	\$ 848,424
Contributions in relation to the actuarially determined contribution	1,094,924	941,261	912,866	848,424
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 9,185,604	\$ 7,837,311	\$ 7,710,352	\$ 7,409,817
Contributions as a percentage of covered payroll	11.92%	12.01%	11.84%	11.45%
Elected Officials Retirement Plan:				
Actuarially determined contribution	\$ 63,877	\$ 55,704	\$ 56,493	\$ 55,682
Contributions in relation to the actuarially determined contribution	63,877	55,704	56,493	55,682
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 103,983	\$ 92,800	\$ 91,963	\$ 93,350
Contributions as a percentage of covered payroll	61.43%	60.03%	61.43%	59.65%
Public Safety Personnel Retirement System - Police:				
Actuarially determined contribution	\$ 294,364	\$ 316,638	\$ 637,131	\$ 625,122
Contributions in relation to the actuarially determined contribution	294,364	316,638	6,368,494	625,122
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$ (5,731,363)</u>	<u>\$</u>
City's covered payroll	\$ 3,922,750	\$ 2,169,380	\$ 2,773,330	\$ 2,683,494
Contributions as a percentage of covered payroll	7.50%	14.60%	22.97%	23.30%
Public Safety Personnel Retirement System - Fire:				
Actuarially determined contribution	\$ 342,733	\$ 381,729	\$ 469,747	\$ 398,198
Contributions in relation to the actuarially determined contribution	342,733	381,729	3,082,714	398,198
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$ (2,612,967)</u>	<u>\$</u>
City's covered payroll	\$ 2,920,482	\$ 1,971,629	\$ 2,593,218	\$ 2,401,633
Contributions as a percentage of covered payroll	11.74%	19.36%	18.11%	16.58%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available. Information for fiscal years 2016 through 2012 is not available for the EORP plan.

NOTE: During the fiscal year ended June 30, 2021, the City made excess contributions to the Public Safety Retirement System for both the Police and Fire pension plans. The excess contributions were funded by the issuance of Excise Tax Revenue Obligations.

See accompanying notes to this schedule.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 752,249	\$ 692,826	\$ 663,522	\$ 650,874	\$ 644,042	\$ 584,114
<u>752,249</u>	<u>692,826</u>	<u>663,522</u>	<u>650,874</u>	<u>644,042</u>	<u>584,114</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 6,728,524	\$ 6,356,202	\$ 6,155,121	\$ 5,998,839	\$ 5,914,065	\$ 5,299,698
11.18%	10.90%	10.78%	10.85%	10.89%	11.02%
\$ 54,965	\$ 20,495	\$ 16,112			
<u>54,965</u>	<u>20,495</u>	<u>16,112</u>			
<u>\$</u>	<u>\$</u>	<u>\$</u>			
\$ 110,239	\$ 87,213	\$ 68,562			
49.86%	23.50%	23.50%			
\$ 525,830	\$ 435,558	\$ 400,210	\$ 352,801	\$ 281,218	\$ 272,789
<u>525,830</u>	<u>435,558</u>	<u>400,210</u>	<u>352,801</u>	<u>281,218</u>	<u>272,789</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 2,353,202	\$ 1,728,405	\$ 2,081,175	\$ 1,794,507	\$ 1,799,219	\$ 1,663,348
22.35%	25.20%	19.23%	19.66%	15.63%	16.40%
\$ 382,197	\$ 347,491	\$ 233,214	\$ 203,572	\$ 188,635	\$ 180,241
<u>382,197</u>	<u>347,491</u>	<u>233,214</u>	<u>203,572</u>	<u>188,635</u>	<u>180,241</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 1,998,964	\$ 1,769,302	\$ 1,778,902	\$ 1,594,143	\$ 1,544,922	\$ 1,471,355
19.12%	19.64%	13.11%	12.77%	12.21%	12.25%

NOTE 1: PENSION PLAN SCHEDULES

Actuarial Assumptions for Valuation Performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2021 valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020 actuarial valuation.

The actuarial assumptions used in the June 30, 2022 valuation for PSPRS and EORP were based on the results of an actuarial experience study for the five-year period ending June 30, 2021. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The PSPRS Board adopted the experience study recommended changes which were applied to the June 30, 2022 actuarial valuation. The total liabilities as of June 30, 2022 reflect changes in actuarial assumptions based on the results of an actuarial experience study, including decreasing the discount rate from 7.3 percent to 7.2 percent, changing the wage inflation rate from 3.5 percent to a range of 2.75-15.0 percent, and increasing the cost-of-living adjustment rate from 1.75 percent to 1.85 percent.

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS and EORP changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plan's OR plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date.

**SUPPLEMENTARY INFORMATION COMBINING FUND
FINANCIAL STATEMENTS**



SPECIAL REVENUE FUNDS

Police Grants and Special Revenues - accounts for proceeds restricted to the use of Public Safety programs including the Operation Stone Garden program (OPSG), Smart and Safe Arizona Act funds, School Resource Officers (SROs) agreements, and other miscellaneous grants specific to Public Safety. It also accounts for monies and assets confiscated through criminal prosecution.

Judicial Collection Enhancement - reports the proceeds of specific revenue sources legally restricted to municipal court revenues and expenditures. The fund includes the JCEF Collections, San Luis Court Enhancement, Fill The Gap, Default Fees, Warrant Fees, and the San Luis Municipal Court Fare as departments.

SL Community Facilities District - The San Luis Community Facilities District was created in 1999 to provide land for the development of the Regional Center for Border Health, which will revert along with the development of the City at the end of the term. The district leases the land under a 30-year agreement to Western Arizona Area Health Education Center, Inc. (WAAHEC), an unrelated not-for-profit corporation.

Assessment Districts - accounts for the property taxes from a specific group of property owners within the City to improve, enhance, maintain landscaping, and light streets. Its primary purpose is to maintain specified areas of the subdivisions where the assessment district was created. Arizona Revised Statutes allow the establishment of Assessment Districts, which was adopted by City Council resolution.

CAPITAL PROJECTS FUNDS

Capital Outlay Reserve – accounts for the public safety, parks and recreation, and administrative impact development fee activities of the City. Revenues are collected and expended in accordance with the City's adopted infrastructure improvement plan and Arizona Revised Statutes.

**City of San Luis, Arizona
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023**

Special Revenue Funds

	Police Grants and Special Revenues	Judicial Collection Enhancement	SL Community Facilities District	Assessment Districts
Assets				
Cash and investments	\$ 236,204	\$ 226,981	\$ 42,500	\$ 596,240
Accounts receivable (net)	947	763		
Property taxes receivable				18,795
Due from governmental entities	204,156			
Total assets	<u>\$ 441,307</u>	<u>\$ 227,744</u>	<u>\$ 42,500</u>	<u>\$ 615,035</u>
Liabilities				
Accounts payable	\$ 7,674	\$ 4,193		\$ 13,502
Due to other funds				
Unearned revenues	3,000			
Total liabilities	<u>10,674</u>	<u>4,193</u>		<u>13,502</u>
Deferred inflows of resources				
Unavailable revenues - intergovernmental	18,155			
Unavailable revenues - property taxes				13,230
Total deferred inflows of resources	<u>18,155</u>			<u>13,230</u>
Fund balances				
Restricted	412,478	223,551	42,500	588,303
Total fund balances	<u>412,478</u>	<u>223,551</u>	<u>42,500</u>	<u>588,303</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 441,307</u>	<u>\$ 227,744</u>	<u>\$ 42,500</u>	<u>\$ 615,035</u>

Capital Projects
Fund

<u>Capital Outlay</u> <u>Reserve</u>	<u>Total Non-Major</u> <u>Governmental</u> <u>Funds</u>
\$ 2,946,828	\$ 4,048,753
	1,710
	18,795
	<u>204,156</u>
<u>\$ 2,946,828</u>	<u>\$ 4,273,414</u>
\$ 147,871	\$ 173,240
1,084,134	1,084,134
	<u>3,000</u>
<u>1,232,005</u>	<u>1,260,374</u>
	18,155
	<u>13,230</u>
	<u>31,385</u>
<u>1,714,823</u>	<u>2,981,655</u>
<u>1,714,823</u>	<u>2,981,655</u>
<u>\$ 2,946,828</u>	<u>\$ 4,273,414</u>

San Luis, City of
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

Special Revenue Funds

	Police Grants and Special Revenues	Judicial Collection Enhancement	SL Community Facilities District	Assessment Districts
Revenues				
Taxes	\$	\$	\$	\$ 640,224
Intergovernmental	1,105,040			
Fines and forfeitures	77,654	83,330		
Rents			2,500	
Investment earnings				
Development fees				
Other	1,840			
Total revenues	<u>1,184,534</u>	<u>83,330</u>	<u>2,500</u>	<u>640,224</u>
Expenditures				
Current:				
General government		60,080		
Public safety	1,155,785			
Public works and streets				98,338
Community development				418,670
Capital outlay				
Debt service:				
Principal retirement				
Interest and fiscal charges				
Total expenditures	<u>1,155,785</u>	<u>60,080</u>	<u>2,500</u>	<u>517,008</u>
Excess (deficiency) of revenues over expenditures	<u>28,749</u>	<u>23,250</u>	<u>2,500</u>	<u>123,216</u>
Other financing sources (uses)				
Transfers out				
Total other financing sources (uses)				
Changes in fund balances	<u>28,749</u>	<u>23,250</u>	<u>2,500</u>	<u>123,216</u>
Fund balances, beginning of year	<u>383,729</u>	<u>200,301</u>	<u>40,000</u>	<u>465,087</u>
Fund balances, end of year	<u>\$ 412,478</u>	<u>\$ 223,551</u>	<u>\$ 42,500</u>	<u>\$ 588,303</u>

Capital Projects

Fund

<u>Capital Outlay Reserve</u>	<u>Total Non-Major Governmental Funds</u>
\$	\$ 640,224
	1,105,040
	160,984
	2,500
110,967	110,967
531,085	531,085
	1,840
<u>642,052</u>	<u>2,552,640</u>
	60,080
	1,155,785
	98,338
	418,670
889,287	889,287
99,777	99,777
<u>12,303</u>	<u>12,303</u>
<u>1,001,367</u>	<u>2,734,240</u>
<u>(359,315)</u>	<u>(181,600)</u>
<u>(150,000)</u>	<u>(150,000)</u>
<u>(150,000)</u>	<u>(150,000)</u>
<u>(509,315)</u>	<u>(331,600)</u>
<u>2,224,138</u>	<u>3,313,255</u>
<u>\$ 1,714,823</u>	<u>\$ 2,981,655</u>

City of San Luis, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Police Grants and Special Revenues
For the Year Ended June 30, 2023

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Intergovernmental	\$ 2,203,673	\$ 1,105,040	\$ (1,098,633)
Fines and forfeitures	64,000	77,654	13,654
Other	18,000	1,840	(16,160)
Total revenues	<u>2,285,673</u>	<u>1,184,534</u>	<u>(1,101,139)</u>
Expenditures			
Current:			
Public safety	<u>2,285,673</u>	<u>1,155,785</u>	<u>1,129,888</u>
Total expenditures	<u>2,285,673</u>	<u>1,155,785</u>	<u>1,129,888</u>
Changes in fund balances	<u> </u>	<u>28,749</u>	<u>28,749</u>
Fund balances, beginning of year	<u>383,729</u>	<u>383,729</u>	<u> </u>
Fund balances, end of year	<u>\$ 383,729</u>	<u>\$ 412,478</u>	<u>\$ 28,749</u>

City of San Luis, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Judicial Collection Enhancement
For the Year Ended June 30, 2023

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fines and forfeitures	\$ 73,200	\$ 83,330	\$ 10,130
Total revenues	<u>73,200</u>	<u>83,330</u>	<u>10,130</u>
Expenditures			
Current:			
General government	<u>80,000</u>	<u>60,080</u>	<u>19,920</u>
Total expenditures	<u>80,000</u>	<u>60,080</u>	<u>19,920</u>
Changes in fund balances	<u>(6,800)</u>	<u>23,250</u>	<u>30,050</u>
Fund balances, beginning of year	<u>200,301</u>	<u>200,301</u>	
Fund balances, end of year	<u>\$ 193,501</u>	<u>\$ 223,551</u>	<u>\$ 30,050</u>

City of San Luis, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
SL Community Facilities District
For the Year Ended June 30, 2023

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Rents	\$ 2,500	\$ 2,500	\$ _____
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>_____</u>
Changes in fund balances	<u>2,500</u>	<u>2,500</u>	<u>_____</u>
Fund balances, beginning of year	<u>40,000</u>	<u>40,000</u>	<u>_____</u>
Fund balances, end of year	<u>\$ 42,500</u>	<u>\$ 42,500</u>	<u>\$ _____</u>

City of San Luis, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Assessment Districts
For the Year Ended June 30, 2023

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Taxes	\$ 642,640	\$ 640,224	\$ (2,416)
Total revenues	<u>642,640</u>	<u>640,224</u>	<u>(2,416)</u>
Expenditures			
Current:			
Public works and streets	178,830	98,338	80,492
Community development	463,810	418,670	45,140
Total expenditures	<u>642,640</u>	<u>517,008</u>	<u>125,632</u>
Changes in fund balances		<u>123,216</u>	<u>123,216</u>
Fund balances, beginning of year	<u>465,087</u>	<u>465,087</u>	
Fund balances, end of year	<u>\$ 465,087</u>	<u>\$ 588,303</u>	<u>\$ 123,216</u>

City of San Luis, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Debt Service
For the Year Ended June 30, 2023

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Investment earnings	\$ 400	\$ 222,245	\$ 221,845
Total revenues	<u>400</u>	<u>222,245</u>	<u>221,845</u>
Expenditures			
Debt service:			
Principal retirement	902,570	1,051,205	(148,635)
Interest and fiscal charges	727,460	713,976	13,484
Total expenditures	<u>1,630,030</u>	<u>1,765,181</u>	<u>(135,151)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,629,630)</u>	<u>(1,542,936)</u>	<u>86,694</u>
Other financing sources (uses)			
Transfers in	1,629,630	1,542,935	(86,695)
Total other financing sources (uses)	<u>1,629,630</u>	<u>1,542,935</u>	<u>(86,695)</u>
Changes in fund balances	<u> </u>	<u>(1)</u>	<u>(1)</u>
Fund balances, beginning of year	<u>264,996</u>	<u>264,996</u>	<u> </u>
Fund balances, end of year	<u>\$ 264,996</u>	<u>\$ 264,995</u>	<u>\$ (1)</u>

City of San Luis, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Capital Outlay Reserve
For the Year Ended June 30, 2023

	<u>Budget</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Investment earnings	\$ 2,230	\$ 4,470	\$ 110,967	\$ 106,497
Development fees	799,560	799,560	531,085	(268,475)
Total revenues	<u>801,790</u>	<u>804,030</u>	<u>642,052</u>	<u>(161,978)</u>
Expenditures				
Capital outlay	2,206,574	1,240,390	889,287	351,103
Debt service:				
Principal retirement	97,410	97,410	99,777	(2,367)
Interest and fiscal charges	12,380	12,380	12,303	77
Total expenditures	<u>2,316,364</u>	<u>1,350,180</u>	<u>1,001,367</u>	<u>348,813</u>
Excess (deficiency) of revenues over expenditures	<u>(1,514,574)</u>	<u>(546,150)</u>	<u>(359,315)</u>	<u>186,835</u>
Other financing sources (uses)				
Transfers out	(150,000)	(150,000)	(150,000)	
Total other financing sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	
Changes in fund balances	<u>(1,664,574)</u>	<u>(696,150)</u>	<u>(509,315)</u>	<u>186,835</u>
Fund balances, beginning of year	<u>2,224,138</u>	<u>2,224,138</u>	<u>2,224,138</u>	
Fund balances, end of year	<u>\$ 559,564</u>	<u>\$ 1,527,988</u>	<u>\$ 1,714,823</u>	<u>\$ 186,835</u>

City of San Luis, Arizona
Statement of Fund Net Position
Component Unit
June 30, 2023

	Detention Facility
Assets	
Current assets	
Restricted cash and investments	\$ 10,765,216
Accounts receivable (net)	2,897,034
Total current assets	13,662,250
Noncurrent assets	
Land	661,359
Buildings and improvements	34,129,886
Machinery and equipment	329,194
Accumulated depreciation	(10,996,097)
Total noncurrent assets	24,124,342
Total assets	\$ 37,786,592
Deferred outflows of resources	
Deferred outflow on refundings	216,202
Liabilities	
Current liabilities	
Accounts payable	5,170,870
Due to primary government	6,438
Accrued interest	325,871
Total current liabilities	5,503,179
Noncurrent liabilities	
Current portion of long-term obligations	2,835,000
Noncurrent portion of long-term liabilities	24,217,582
Total noncurrent liabilities	27,052,582
Total liabilities	32,555,761
Net position	
Net investment in capital assets	(2,712,038)
Restricted for:	
Debt service	5,495,683
Unrestricted	2,663,388
Total net position	\$ 5,447,033

City of San Luis, Arizona
Statement of Revenues, Expenses, and Changes in
Fund Net Position
Component Unit
For the Year Ended June 30, 2023

	Detention Facility
Operating revenues	
Charges for services	\$ 26,789,857
Operating expenses	
General operations	21,703,036
Depreciation	762,809
Total operating expenses	22,465,845
Operating income (loss)	4,324,012
Nonoperating revenues (expenses)	
Investments earnings	289,208
Interest expense	(2,240,126)
Total nonoperating revenues (expenses)	(1,950,918)
Change in net position	2,373,094
Net position, beginning of year	3,073,939
Net position, end of year	\$ 5,447,033

**City of San Luis, Arizona
Statement of Cash Flows
Component Unit
June 30, 2023**

	Detention Facility
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities	
Cash received from customers	\$ 28,000,181
Cash payments to suppliers for goods and services	<u>(20,321,813)</u>
Net cash provided by/used for operating activities	<u>7,678,368</u>
Cash flows from noncapital financing activities	
Borrowing with the primary government	6,438
Cash flows from capital and related financing activities	
Principal paid on long-term debt	(2,645,000)
Interest paid on long-term debt	<u>(2,139,602)</u>
Net cash provided by/used by capital and related financing activities	<u>(4,784,602)</u>
Cash flows from investing activities	
Investment earnings	289,208
Net increase/decrease in cash and cash equivalents	3,189,412
Cash and cash equivalents, beginning of year	<u>7,575,804</u>
Cash and cash equivalents, end of year	<u>\$ 10,765,216</u>
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u>	
Restricted cash and investments	\$ 10,765,216
Total cash and cash equivalents	<u>\$ 10,765,216</u>
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>	
Operating income/loss	\$ 4,324,012
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Depreciation	762,809
Changes in assets and liabilities:	
Increase/decrease in accounts receivable	1,210,324
Increase/decrease in accounts payable	<u>1,381,223</u>
Total adjustments	<u>3,354,356</u>
Net cash provided by/used for operating activities	<u>\$ 7,678,368</u>

STATISTICAL SECTION

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

Financial Trends

These schedules contain information on financial trends to help the reader understand how the City's financial position and financial activities have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate revenue.

Debt Capacity

These schedules present information to help the reader evaluate the City's current levels of outstanding debt as well as assess the City's ability to make debt payments and/or issue additional debt in the future.

Demographic and Economic Information

These schedules present various demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place and to help make comparisons with other school cities.

Operating Information

These schedules contain information about the City's operations and various resources to help the reader draw conclusions as to how the City's financial information relates to the services provided by the City.

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to five percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

CITY OF SAN LUIS, ARIZONA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities										
Net investment in capital assets	\$ 69,074,159	\$ 54,131,102	\$ 51,811,286	\$ 44,991,467	\$ 52,027,709	\$47,586,157	\$45,187,300	\$43,224,321	\$35,443,285	\$33,724,834
Restricted	6,028,237	9,972,478	9,947,936	8,680,843	3,168,082	2,981,920	3,063,550	1,785,917	2,383,498	2,479,675
Unrestricted	22,436,017	18,018,044	16,443,189	9,602,386	8,143,370	2,083,278	531,781	2,061,627	3,056,046	11,368,513
Total governmental activities net position	<u>\$ 97,538,413</u>	<u>\$ 82,121,624</u>	<u>\$78,202,411</u>	<u>\$63,274,696</u>	<u>\$63,339,161</u>	<u>\$52,651,355</u>	<u>\$48,782,631</u>	<u>\$47,071,865</u>	<u>\$40,882,829</u>	<u>\$47,573,022</u>
Business-type Activities										
Net investment in capital assets	\$ 29,161,274	\$ 23,411,492	\$ 21,682,880	\$ 20,134,312	\$ 19,186,148	\$16,864,092	\$14,221,545	\$15,188,424	\$13,550,172	\$11,403,309
Restricted	2,308,381	1,985,219	1,662,459	1,585,473	978,691	284,192		7,214,146	8,444,571	9,905,406
Unrestricted	11,434,557	14,001,932	14,715,083	11,450,312	9,244,818	7,892,361	7,368,823	(3,637,294)	(6,706,347)	(5,047,319)
Total business-type activities net position	<u>\$ 42,904,212</u>	<u>\$ 39,398,643</u>	<u>\$ 38,060,422</u>	<u>\$33,170,097</u>	<u>\$29,409,657</u>	<u>\$25,040,645</u>	<u>\$21,590,368</u>	<u>\$18,765,276</u>	<u>\$15,288,396</u>	<u>\$16,261,396</u>
Primary Government										
Net investment in capital assets	\$98,235,433	\$77,542,594	\$73,494,166	\$65,125,779	\$71,213,857	\$64,450,249	\$59,408,845	\$58,412,745	\$48,993,457	\$45,128,143
Restricted	8,336,618	11,957,697	11,610,395	10,266,316	4,146,773	3,266,112	3,063,550	9,000,063	10,828,069	12,385,081
Unrestricted	33,870,574	32,019,976	31,158,272	21,052,698	17,388,188	9,975,639	7,900,604	(1,575,667)	(3,650,301)	6,321,194
Total primary government net position	<u>\$140,442,625</u>	<u>\$121,520,267</u>	<u>\$116,262,833</u>	<u>\$96,444,793</u>	<u>\$92,748,818</u>	<u>\$77,692,000</u>	<u>\$70,372,999</u>	<u>\$65,837,141</u>	<u>\$56,171,225</u>	<u>\$63,834,418</u>

Source: Statement of Net Position
City financial records and reports

**CITY OF SAN LUIS, ARIZONA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

Expenses:	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
General Government	\$ 7,222,026	\$ 6,471,663	\$ 6,607,195	\$ 5,907,870	\$ 5,691,433	\$ 6,163,171	\$ 5,994,778	\$ 8,228,000	\$ 7,694,562	\$ 7,322,938
Public Safety	11,971,071	10,777,088	10,024,938	9,259,939	8,248,004	8,144,859	9,126,508	7,905,663	7,483,604	6,949,558
Health and Welfare	523,849	455,673	394,653	334,338	183,081	213,634	222,820	235,413	226,788	168,499
Culture and Recreation	3,413,747	3,376,103	2,818,162	2,859,046	2,726,204	2,579,256	2,839,136	2,467,238	2,509,450	2,285,536
Community Development	1,910,943	1,782,982	1,490,104	1,313,645	1,035,590	987,340	945,698	906,408	703,901	691,362
Public Works & Streets	5,535,816	4,935,627	5,078,056	4,265,822	3,436,305	3,810,361	3,560,360	3,270,282	2,591,698	2,427,548
Interest on Long-Term Debt	634,356	667,842	558,408	532,115	550,817	541,343	649,618	658,670	1,367,055	830,808
Total Governmental activities	\$31,211,808	\$28,466,978	\$26,971,516	\$24,472,775	\$21,871,433	\$22,439,964	\$23,338,918	\$23,671,674	\$22,577,058	\$20,676,249
Business-type activities										
Water	\$ 3,785,695	\$ 3,478,927	\$ 3,445,313	\$ 3,341,438	\$ 2,955,792	\$ 2,696,643	\$ 2,826,192	\$ 2,741,022	\$ 3,218,848	\$ 2,672,415
Wastewater	4,830,760	4,536,975	4,012,743	3,626,910	3,624,956	3,648,877	3,141,132	2,944,122	3,395,825	2,849,798
Business Center	624,742	652,574	651,827	659,950	669,248	1,016,409	1,226,764	1,215,501	1,197,456	1,263,313
Sanitation	1,858,155	1,482,881	1,525,841	1,392,014	1,305,797	1,141,085	1,120,902	1,105,078	1,117,567	1,010,243
Business Incubator	168,653	206,348	189,976	185,536	182,586	173,272	163,062	144,578	56,534	-
Ambulance Services	2,882,436	2,448,287	2,464,088	1,991,579	1,721,285	1,946,014	1,049,335	-	-	-
Total business-type activities	\$14,150,441	\$12,805,992	\$12,289,788	\$11,197,427	\$10,459,664	\$10,622,300	\$9,527,387	\$8,150,301	\$8,986,230	\$7,795,769
Total expenses	\$45,362,249	\$41,272,970	\$39,261,304	\$35,670,202	\$32,331,097	\$33,062,264	\$32,866,305	\$31,821,975	\$31,563,288	\$28,472,018
Program revenues										
Governmental activities										
Charges for services										
General Government	\$ 1,855,707	\$ 1,793,937	\$ 1,870,445	\$ 2,938,045	\$ 3,544,657	\$ 1,350,023	\$ 1,765,937	\$ 3,021,700	\$ 2,780,190	\$ 2,494,028
Public Safety	97,649	82,127	41,866	46,924	423,258	305,749	426,767	315,098	1,007,465	980,528
Health and Welfare	-	-	-	-	371,427	-	-	-	-	-
Culture and Recreation	57,855	42,555	19,047	39,786	272,468	142,037	211,126	74,395	373,194	288,009
Community Development	-	-	-	-	-	0	0	594,182	385,797	432,936
Public Works & Streets	6,748	37,442	-	-	-	187,408	342,089	62,642	62,640	51,595
Operating Grants and Contributions	4,124,126	3,837,548	5,517,652	4,519,471	2,372,433	2,002,228	2,308,056	2,709,123	2,989,656	2,564,023
Capital Grants and Contributions	9,654,758	2,069,581	10,801,651	5,044,964	6,874,510	4,511,855	3,749,914	7,816,499	612,897	157,458
Total Governmental activities	\$ 15,796,843	\$ 7,863,190	\$ 18,250,661	\$ 12,589,190	\$ 13,858,753	\$ 8,499,300	\$ 8,803,889	\$ 14,593,639	\$ 8,211,839	\$ 6,968,577
Business-type activities										
Charges for services										
Water	\$ 4,806,977	\$ 4,746,978	\$ 4,840,917	\$ 4,722,633	\$ 4,382,952	\$ 4,182,192	\$ 4,025,661	\$ 3,796,031	\$ 3,592,820	\$ 3,369,477
Wastewater	4,416,848	4,259,727	4,186,548	4,040,776	3,930,950	4,054,103	4,006,279	3,686,360	3,397,094	2,663,176
Business Center	623,920	633,396	600,000	582,560	600,000	626,826	629,265	629,265	629,265	629,265
Sanitation	1,715,313	1,640,763	1,579,491	1,507,375	1,444,522	1,386,984	1,284,544	1,205,279	1,159,196	1,142,822
Business incubator	107,253	90,080	43,843	41,706	38,869	29,999.00	3,471.00	-	-	-
Ambulance Services	2,529,253	2,429,825	2,364,529	2,106,432	2,014,413	2,476,603.79	1,953,337.00	-	-	-
Capital Grants and Contributions	2,740,181	337,189	3,158,839	1,365,769	1,214,350.00	1,046,430	0	1,941,586	1,177,792	1,322,452.00
Total business activities	\$ 16,939,745	\$ 14,137,958	\$ 16,774,167	\$ 14,367,251	\$ 13,626,056	\$ 13,803,138	\$ 11,902,557	\$ 11,258,521	\$ 9,956,167	\$ 9,127,192
Total program revenues	\$ 32,736,588	\$ 22,001,148	\$ 35,024,828	\$ 26,956,441	\$ 27,484,809	\$ 22,302,438	\$ 20,706,446	\$ 25,852,160	\$ 18,168,006	\$ 16,095,769

Source: City financial records and reports
- Statement of Activities

CITY OF SAN LUIS, ARIZONA
CHANGES IN NET POSITION (continued)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net (Expense)/Revenue										
Governmental Activities:	\$ (15,414,965)	\$ (20,603,788)	\$ (8,270,835)	\$ (11,883,585)	\$ (8,012,678)	\$ (13,940,665)	\$ (14,535,029)	\$ (9,078,035)	\$ (14,365,219)	\$ (13,707,672)
Business-type activities	2,789,304	1,331,966	4,484,379	3,169,824	3,166,394	3,180,839	2,375,170	3,108,220	969,937	1,331,423
Total primary government net (expense) revenue	\$ (12,625,661)	\$ (19,271,822)	\$ (3,786,456)	\$ (8,713,761)	\$ (4,846,284)	\$ (10,759,826)	\$ (12,159,859)	\$ (5,969,815)	\$ (13,395,282)	\$ (12,376,249)
General Revenues and Other Changes in net Position										
Governmental Activities										
Taxes										
Sales and use taxes	\$ 13,705,119	\$ 11,954,405	\$ 12,128,587	\$ 10,660,531	\$ 9,720,729	\$ 8,978,743	\$ 7,694,566	\$ 7,448,887	\$ 7,324,294	\$ 6,750,517
Franchise taxes	501,885	459,210	445,924	415,758	437,765	435,767	401,364	435,822	439,034	427,800
Other taxes	644,548	591,017	491,053	-	-	-	-	0	122,163	-69,355
State shared Revenues	14,703,246	11,449,813	10,942,821	9,267,561	8,609,052	8,407,534	8,073,305	7,123,544	6,936,337	7,331,517
Investment Earnings	1,276,956	68,556	23,119	249,585	296,968	182,505	56,947	26,179	19,300	16,064
Miscellaneous	-	-	-	-	-	-	-	624,606	246,626	213,640
Transfer in (out)	-	-	(345,344)	(365,151)	(364,030)	(407,435)	(394,435)	(391,967)	(100,841)	-
Total general revenues and transfers	\$ 30,831,754	\$ 24,523,001	\$ 23,686,160	\$ 20,228,284	\$ 18,700,484	\$ 17,597,114	\$ 15,831,747	\$ 15,267,071	\$ 14,986,913	\$ 14,670,183
Business-type activities										
Investment Earnings	\$716,265	\$6,255	\$22,992	\$225,465	\$285,755	\$74,278	\$55,487	\$24,708	\$21,667	\$13,909
Miscellaneous	-	-	-	-	552,832	-	-	(\$48,015)	\$0	-
Transfer in (out)	-	-	345,344	365,151	364,030	407,435	394,435	391,967	100,841	-
Total Business-type activities	\$ 716,265	\$ 6,255	\$ 368,336	\$ 590,616	\$ 1,202,617	\$ 481,713	\$ 449,922	\$ 368,660	\$ 122,508	\$ 13,909
Total primary government	\$ 31,548,019	\$ 24,529,256	\$ 24,054,496	\$ 20,818,900	\$ 19,903,101	\$ 18,078,827	\$ 16,281,669	\$ 15,635,731	\$ 15,109,421	\$ 14,684,092
Change in net Position										
Governmental Activities	\$ 15,416,789	\$ 3,919,213	\$ 14,965,325	\$ 8,344,699	\$ 10,687,806	\$ 3,656,449	\$ 1,296,718	\$ 6,189,036	\$ 621,694	\$ 962,511
Business-type activities	3,505,569	1,338,221	4,852,715	3,760,440	4,369,012	3,662,552	2,825,092	3,476,880	1,092,445	1,345,332
Total Changes in Net Position	\$ 18,922,358	\$ 5,257,434	\$ 19,818,040	\$ 12,105,139	\$ 15,056,818	\$ 7,319,001	\$ 4,121,810	\$ 9,665,916	\$ 1,714,139	\$ 2,307,843

Source: - City financial records and reports
- Statement of Activities

CITY OF SAN LUIS, ARIZONA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund										
Nonspendable	\$272,215	\$187,361	\$179,249	\$64,958	\$77,075	\$80,392	\$118,243	\$128,035	\$42,831	\$56,719
Committed	-	-	-	-	-	-	-	106,785	106,624	106,465
Unassigned	30,290,200	29,341,003	28,275,177	20,076,139	15,245,609	11,859,205	9,858,234	9,207,428	10,005,982	9,061,328
Total General Fund	\$30,562,415	\$29,528,364	\$28,454,426	\$20,141,097	\$15,322,684	\$11,939,597	\$9,976,477	\$9,442,248	\$10,155,437	\$9,224,512
All other governmental funds										
Nonspendable	\$ 235,863	\$ 196,934	\$ 186,821	\$ 197,764	\$ 217,730	\$ 118,543	\$ 93,575	\$ 168,175	\$ 167,914	\$ 190,319
Restricted	5,591,292	5,954,435	5,469,260	4,551,958	3,129,596	2,822,456	2,885,421	754,165	1,181,060	1,461,661
Assigned	-	-	-	-	-	-	-	2,591,330	2,648,759	2,776,109
Unassigned	(456,305)	(173,588)	(656,007)	(131,223)	(179,241)	(9,234)	-	(715,933)	(951,255)	272,948
Total all other governmental funds	\$ 5,370,850	\$ 5,977,781	\$ 5,000,074	\$ 4,618,499	\$ 3,168,085	\$ 2,931,765	\$ 2,978,996	\$ 2,797,737	\$ 3,046,478	\$ 4,701,037
TOTAL GOVERNMENTAL FUNDS	\$35,933,265	\$35,506,145	\$ 33,454,500	\$ 24,759,596	\$ 18,490,769	\$ 14,871,362	\$ 12,955,473	\$ 12,239,985	\$ 13,201,915	\$ 13,925,549

Source: Balance Sheet - Governmental Funds

CITY OF SAN LUIS, ARIZONA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Taxes	\$ 14,847,228	\$ 13,198,047	\$ 13,078,793	\$ 11,558,323	\$ 10,493,501	\$ 9,760,020	\$ 8,398,476	\$ 8,187,574	\$ 8,259,961	\$ 7,391,446
Intergovernmental	23,887,414	16,535,815	18,051,816	14,810,304	12,636,697	8,828,680	11,705,819	10,159,135	10,098,225	9,895,694
Licenses and permits	778,429	739,854	1,026,519	\$1,053,843	\$843,768	3,236,021	734,502	528,034	483,218	431,909
Fines and forfeits	425,084	406,465	355,770	\$426,442	\$494,828	519,153	577,989	541,336	611,178	687,319
Charges for user services	74,622	70,020	1,576,343	1,057,353	865,730	526,714	778,835	432,193	376,938	218,807
Rents	669,045	190,244	25,732	\$1,476,480	\$1,358,079	424,340	268,690	339,119	761,335	811,666
Investment earnings	1,271,924	64,351	18,923	\$241,533	\$291,947	179,601	54,631	24,445	17,057	13,322
Development fees	962,685	1,075,381	-	-	-	-	-	-	-	-
Others	197,244	212,347	275,004	790,441	678,463	187,987	408,006	624,606	529,759	418,940
Total revenues	\$ 43,113,675	\$ 32,492,524	\$ 34,408,900	\$ 31,414,719	\$ 27,663,013	\$ 23,662,516	\$ 22,926,948	\$ 20,836,442	\$ 21,137,671	\$ 19,869,103
Expenditures:										
General government	\$ 6,487,758	\$ 5,793,566	\$ 5,002,607	\$ 5,518,192	\$ 5,419,958	\$ 5,463,647	\$ 5,236,772	\$ 5,037,910	\$ 4,652,111	\$ 4,546,198
Public safety	11,076,972	10,045,461	16,602,424	\$8,977,394	\$8,221,406	7,073,034	7,587,098	7,328,654	6,688,960	6,519,780
Public works & streets	3,182,713	2,702,287	2,069,914	\$1,921,422	\$1,695,053	1,831,640	1,832,799	1,673,193	1,636,602	1,506,770
Health and welfare	449,454	396,472	223,710	\$230,695	\$258,917	209,748	213,543	210,378	205,049	149,367
Culture and recreation	2,912,918	2,916,439	2,619,377	\$2,610,929	\$2,529,842	2,328,232	2,507,249	2,099,843	2,099,208	1,952,674
Community development	1,814,522	1,709,901	1,454,703	\$1,308,828	\$1,108,506	1,016,830	938,132	901,382	668,940	663,142
Capital outlay	14,859,342	5,032,911	4,350,197	\$2,954,479	\$2,518,160	2,691,771	2,402,247	2,771,769	3,843,180	1,348,004
Debt service/authorities:										
Interest	727,399	760,885	651,451	\$625,182	\$643,859	626,133	713,695	722,772	1,168,906	839,755
Principal	1,279,572	1,082,957	759,232	\$675,923	\$708,590	398,030	385,490	660,504	391,834	331,242
Bond issue costs	-	-	336,579	-	-	87,664	-	-	238,101	-
Total expenditures	\$ 42,790,650	\$ 30,440,879	\$ 34,070,194	\$ 24,823,044	\$ 23,104,292	\$ 21,726,729	\$ 21,817,025	\$ 21,406,405	\$ 21,592,891	\$ 17,856,932
Excess (Deficiency) of Revenues Over Expenditures	\$ 323,025	\$ 2,051,645	\$ 338,706	\$ 6,591,675	\$ 4,558,721	\$ 1,935,787	\$ 1,109,923	\$ (569,963)	\$ (455,220)	\$ 2,012,171
OTHER FINANCING SOURCES (USES)										
Premium on debt issued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 428,870	\$ -	\$ -	\$ 1,296,704	\$ -
Debt issued	-	-	8,230,172	-	-	2,825,000	-	-	12,085,699	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	(3,164,208)	-	-	(13,850,916)	-
Notes Issued	-	-	508,980	-	-	-	-	-	300,939	37,693
Capital leases	-	-	-	42,303	12,302	297,873	-	-	-	-
SBITAs	104,095	-	-	-	-	-	-	-	-	-
Transfer from Other Funds	6,589,663	1,933,065	1,314,715	1,979,037	1,436,164	1,014,000	1,060,544	1,462,992	1,426,905	1,739,361
Transfer to Other Funds	(6,589,663)	(1,933,065)	(1,660,059)	(2,344,188)	(1,800,194)	(1,421,435)	(1,454,979)	(1,854,959)	(1,527,746)	(1,739,361)
Total other financing sources (Uses)	\$ 104,095	\$ -	\$ 8,393,808	\$ (322,848)	\$ (351,728)	\$ (19,900)	\$ (394,435)	\$ (391,967)	\$ (268,415)	\$ 37,693
NET CHANGE IN FUND BALANCES	\$ 427,120	\$ 2,051,645	\$ 8,732,514	\$ 6,268,827	\$ 4,206,993	\$ 1,915,887	\$ 715,488	\$ (961,930)	\$ (723,635)	\$ 2,049,864
Debt Services as a percentage of noncapital expenditures	7.21%	6.06%	5.62%	5.75%	9.37%	9.01%	5.66%	7.16%	8.55%	6.56%

Source: City financial records and reports

CITY OF SAN LUIS, ARIZONA
PROGRAM REVENUES
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities:										
Charges for service										
General Government	\$ 1,855,707	\$ 1,793,937	\$ 1,870,445	\$ 2,938,045	\$ 3,544,657	\$ 1,350,023	\$ 1,765,937	\$ 3,021,700	\$ 2,780,190	\$ 2,494,028
Public Safety	97,649	82,127	41,886	46,924	423,258	305,749	426,767	315,098	1,007,465	980,528
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	57,855	42,555	19,047	39,786	272,468	142,037	211,126	74,395	373,194	288,009
Community Development	-	-	-	-	-	-	-	594,182	385,797	432,936
Public Works & Streets	6,748	37,442	-	-	371,427	187,408	342,089	62,642	62,640	51,595
Operating grants and contributions	4,124,126	3,837,548	5,517,652	4,519,471	2,372,433	2,002,228	2,308,056	2,709,123	2,989,656	2,564,023
Capital grants and contributions	9,654,758	2,069,581	10,801,651	5,044,964	6,874,510	4,511,855	3,749,914	7,816,499	612,897	157,458
<i>Total governmental activities</i>	<u>\$15,796,843</u>	<u>\$7,863,190</u>	<u>\$18,250,681</u>	<u>\$12,589,190</u>	<u>\$13,858,753</u>	<u>\$8,499,300</u>	<u>\$8,803,889</u>	<u>\$14,593,639</u>	<u>\$8,211,839</u>	<u>\$6,968,577</u>
Business-type activities										
Charges for service										
Water	\$ 4,806,977	\$ 4,746,978	\$ 4,840,917	\$ 4,722,633	\$ 4,382,952	\$ 4,182,192	\$ 4,025,661	\$ 3,796,031	\$ 3,592,820	\$ 3,369,477
Wastewater	4,416,848	4,259,727	4,186,548	4,040,776	3,930,950	4,054,103	4,006,279	3,686,360	3,397,094	2,663,176
Business Center	623,920	633,396	600,000	582,560	600,000	626,826	629,265	629,265	629,265	629,265
Business Incubator	107,253	90,080	43,843	41,706	38,869	29,999	3,471	-	-	-
Sanitation	1,715,313	1,640,763	1,579,491	1,507,375	1,444,522	1,386,984	1,284,544	1,205,279	1,159,196	1,142,822
Ambulance Services	2,529,253	2,429,825	2,364,529	2,106,432	2,014,413	2,476,604	1,953,337	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	2,740,181	337,189	3,158,839	1,365,769	1,214,350	1,046,430	-	1,941,586	1,177,792	1,322,452
<i>Total business-type activities</i>	<u>\$ 16,939,745</u>	<u>\$ 14,137,958</u>	<u>\$ 16,774,167</u>	<u>\$ 14,367,251</u>	<u>\$ 13,626,056</u>	<u>\$ 13,803,138</u>	<u>\$ 11,902,557</u>	<u>\$ 11,258,521</u>	<u>\$ 9,956,167</u>	<u>\$ 9,127,192</u>
Total primary government	<u><u>\$ 32,736,588</u></u>	<u><u>\$ 22,001,148</u></u>	<u><u>\$ 35,024,848</u></u>	<u><u>\$ 26,956,441</u></u>	<u><u>\$ 27,484,809</u></u>	<u><u>\$ 22,302,438</u></u>	<u><u>\$ 20,706,446</u></u>	<u><u>\$ 25,852,160</u></u>	<u><u>\$ 18,168,006</u></u>	<u><u>\$ 16,095,769</u></u>

Source: City financial records and reports
Statement of Activities

CITY OF SAN LUIS, ARIZONA
GOVERNMENT-WIDE REVENUES BY FUNCTION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities										
General Government	\$ 1,936,618	\$ 2,087,635	\$ 2,011,652	\$ 3,263,002	4,438,576	1,355,037	1,807,078	3,107,233	2,856,516	2,531,262
Public Safety	1,496,888	1,311,374	3,926,785	2,618,495	936,173	631,996	964,958	932,208	1,990,965	1,653,703
Health and Welfare	84,567	95,252	-	-	-	-	-	-	-	-
Culture and Recreation	253,150	386,716	1,413,170	876,495	272,468	150,537	211,126	197,593	489,099	368,966
Community Development	496,286	66,199	1,219,380	355,948	268,570	275,175	202,706	594,182	385,797	432,936
Public Works & Streets	11,529,334	3,916,014	9,679,694	5,475,250	7,942,966	6,086,555	5,618,021	9,762,423	2,489,462	1,981,710
Unallocated General Revenues	30,831,754	24,523,001	23,686,160	20,228,284	18,700,485	17,597,115	15,831,747	15,267,071	14,986,913	14,670,183
Total Governmental Activities	<u>\$ 46,628,597</u>	<u>\$ 32,386,191</u>	<u>\$ 41,936,841</u>	<u>\$ 32,817,474</u>	<u>\$ 32,559,238</u>	<u>\$ 26,096,415</u>	<u>\$ 24,635,636</u>	<u>\$ 29,860,710</u>	<u>\$ 23,198,752</u>	<u>\$ 21,638,760</u>
Business-type activities										
Water	\$5,845,123	\$4,876,859	\$6,649,314	\$5,247,041	\$4,990,743	\$4,672,760	\$4,025,661	\$3,796,031	\$3,592,820	\$3,869,477
Wastewater	6,118,883	4,467,035	5,536,990	4,882,137	4,537,510	4,609,965	4,006,279	5,627,946	3,418,093	2,663,176
Business Center	623,920	633,396	600,000	582,560	600,000	626,826	629,265	629,265	629,265	629,265
Business Incubator	107,253	90,080	43,843	41,706	38,869	29,999	3,471	-	1,156,793	-
Sanitation	1,715,313	1,640,763	1,579,491	1,507,375	1,444,522	1,386,984	1,284,544	1,205,279	1,159,196	822,452
Ambulance Services	2,529,253	2,429,825	2,364,529	2,106,432	2,014,413	2,476,604	1,953,337	-	-	-
Unallocated General Revenues	716,265	6,255	368,336	590,016	1,202,616	481,713	449,922	-	122,508	13,909
Total Business Activities	<u>\$ 17,656,010</u>	<u>\$ 14,144,213</u>	<u>\$ 17,142,503</u>	<u>\$ 14,957,267</u>	<u>\$ 14,828,673</u>	<u>\$ 14,284,851</u>	<u>\$ 12,352,479</u>	<u>\$ 11,258,521</u>	<u>\$ 10,078,675</u>	<u>\$ 7,998,279</u>

Source: Statement of Activities.
City financial Records and reports

CITY OF SAN LUIS, ARIZONA
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City Sales Tax	\$13,705,119	\$11,954,405	\$12,128,587	\$10,660,531	\$9,720,729	\$8,989,483	\$7,694,566	\$7,508,359	\$7,324,294	\$6,750,517
State Sales taxes	5,518,598	4,992,164	4,125,823	3,470,421	3,272,469	3,090,501	2,889,943	2,659,098	2,550,568	2,812,693
Franchise Tax	501,885	459,210	445,925	415,758	437,765	435,767	401,364	435,822	439,034	427,800
Special Districts	640,224	584,632	488,533	482,034	335,006	345,509	302,546	302,865	374,470	282,484
Others	83,330	76,930	84,579	117,824	131,423	129,514	-	-	122,163	(69,355)
Total tax revenues	\$20,449,156	\$18,067,341	\$17,273,447	\$15,146,568	\$13,897,392	\$12,990,774	\$11,288,419	\$10,906,144	\$10,810,529	\$10,204,139

Source: Statement of Activities
Statement of Revenues, Expenditures and Change in Fund Balance Governmental Fund

Note: Includes Governmental Fund Types
Special Districts include Street Light Improvement Districts (SLIDs), Maintenance Improvement Districts (MIDs); both are levy as secondary property taxes.

**CITY OF SAN LUIS, ARIZONA
INTERGOVERNMENTAL REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
State Shared Sales Tax	\$5,518,598	\$4,992,164	\$4,125,822	\$3,470,721	\$3,272,469	\$3,090,501	\$2,889,943	\$2,659,098	\$2,550,568	\$2,812,693
Urban Revenue Sharing	7,082,128	4,631,128	4,970,262	4,330,742	3,929,206	3,981,836	3,856,245	3,360,240	3,378,557	3,559,275
Highway Users	3,619,573	3,376,414	3,144,848	3,006,613	2,804,155	2,651,344	2,526,082	2,239,260	2,126,238	1,929,961
Auto-in-lieu	2,079,728	1,808,742	1,838,257	1,466,398	1,407,377	1,335,198	1,259,413	1,104,206	1,007,212	959,549
Federal	5,484,034	1,880,353	3,970,104	2,536,130	1,140,890	40,939	1,139,781	673,284	615,896	634,216
Others	74,328	46,752	32,639	64,175	82,600	14,010	64,356	123,047	419,754	-
Total tax revenues	\$23,858,389	\$16,735,553	\$18,081,932	\$14,874,779	\$12,636,697	\$11,113,828	\$11,735,820	\$10,159,135	\$10,098,225	\$9,895,694

Source: Statement of Activities
Finance Records

Note: Includes governmental fund types
Includes all governmental revenues, including revenues from federal government

**CITY OF SAN LUIS, ARIZONA
CITY TRANSACTION PRIVILEGE TAXES BY CATEGORY
LAST TEN FISCAL YEARS**

	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Retail Sales	\$8,259,698	\$7,420,108	\$7,211,203	\$6,023,773	\$5,100,707	\$5,307,579	\$4,693,648	\$3,731,819	\$3,719,366	\$3,498,869
Contracting	2,266,111	1,714,833	2,140,305	2,056,745	2,039,455	1,188,901	888,499	1,573,668	1,654,681	1,336,456
Rentals	514,318	416,507	395,765	398,642	456,557	360,153	333,635	407,570	356,150	324,795
Communications/Utilities	1,217,783	1,111,684	1,045,592	992,652	1,021,204	1,140,903	947,825	1,174,550	1,044,285	1,053,760
Restaurant/Bar	1,067,278	838,501	734,546	652,531	604,790	611,999	456,027	422,284	417,278	363,027
Use	346,317	429,550	574,531	491,719	395,085	221,860	356,078	129,156	121,091	109,195
Other	33,614	23,222	26,645	44,469	102,956	107,963	18,855	69,312	45,339	64,415
	\$13,705,119	\$11,954,405	\$12,128,587	\$10,660,531	\$9,720,754	\$8,989,483	\$7,694,566	\$7,508,359	\$7,358,190	\$6,750,517
% Growth by year										
Retail Sales	11.3%	2.9%	19.7%	18.1%	-3.9%	13.1%	25.8%	0.3%	6.3%	6.4%
Contracting	32.1%	-19.9%	4.1%	0.8%	71.5%	33.8%	-43.5%	-4.9%	23.8%	-9.0%
Rentals	23.5%	5.2%	-0.7%	-12.7%	26.8%	7.9%	-18.1%	14.4%	9.7%	9.2%
Utilities	9.5%	6.3%	5.3%	-2.8%	-10.5%	20.4%	-19.3%	12.5%	-0.9%	9.8%
Restaurant/Bar	27.3%	14.2%	12.6%	7.9%	-1.2%	34.2%	8.0%	1.2%	14.9%	-2.2%
Use	-19.4%	-25.2%	16.8%	24.5%	78.1%	-37.7%	175.7%	6.7%	10.9%	29.8%
Other	44.8%	-12.8%	-40.1%	-56.8%	-4.6%	472.6%	-72.8%	52.9%	-29.6%	5.0%
	129.1%	-29.3%	17.7%	-21.0%	156.2%	544.3%	55.7%	83.1%	96.6%	60.2%

Note: Includes governm Includes governmental fund types

Source: AZ Department of AZ Department of Revenues
City of San Luis F City of San Luis Finance Department

**CITY OF SAN LUIS, ARIZONA
SALES TAX PAYERS - BY CATEGORY
CURRENT YEAR AND TEN YEARS AGO**

	2023				2014			
	Number of Payers	Percentage of Total Payers	Sales Tax Paid	Percentage of Total City Sales Tax Revenue	Number of Payers	Percentage of Total Payers	Sales Tax Paid	Percentage of Total City Sales Tax Revenue
Retail Sales	4,069	63.87%	\$8,259,698	60.27%	529	28.60%	\$3,498,869	53.57%
Construction, MFG & Wholesale	116	1.82%	2,266,111	16.53%	710	38.38%	1,336,456	20.46%
Rentals	331	5.20%	514,318	3.75%	126	6.81%	324,795	4.97%
Communications/Utilities	75	1.18%	1,217,783	8.89%	74	4.00%	1,053,760	16.13%
Restaurant/Bar	49	0.77%	1,067,278	7.79%	40	2.16%	363,027	5.56%
Use/Services	987	15.49%	346,317	2.53%	220	11.89%	109,195	1.67%
Other	744	11.68%	33,614	0.25%	151	8.16%	64,415	0.99%
	6,371	100%	\$13,705,119	100%	1,850	100%	\$6,750,517	103.35%

Note: Includes governmental fund types

Source: AZ Department of Revenues
City financial Records and reports

CITY OF SAN LUIS, ARIZONA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	Municipal Bonds	Notes Payable	Financed Purchases and SBITAs	Municipal Bonds/Loans	Direct Placement Revenue	Notes Payable	Leases and Financed Purchases			
2023	\$ 19,697,222	\$ 296,020	\$ 173,006	\$ 24,342,067	\$ 4,530,000	\$ 36,100	\$ 709,594	\$ 49,784,009	4.62%	1,407
2022	20,697,655	436,325	156,973	25,931,647	4,855,000	88,479	714,861	52,880,940	4.51%	1,494
2021	21,429,404	561,281	208,986	27,245,890	5,170,000	138,525	100,396	54,854,482	4.51%	1,550
2020	13,881,119	129,217	260,847	27,632,179	5,475,000	186,338	182,593	47,747,292	4.18%	1,388
2019	14,546,315	174,462	265,209	28,974,986	5,770,000	243,768	262,367	50,237,107	4.28%	1,511
2018	15,231,748	270,762	297,873	30,377,536	6,050,000	57,843	339,794	52,625,556	4.43%	1,590
2017	12,369,441	3,387,834	-	27,635,220	6,320,000	102,171	379,540	50,194,206	4.55%	1,543
2016	13,350,329	3,562,910	-	31,430,036	6,580,000	185,909	-	55,109,184	4.86%	1,621
2015	13,350,329	3,562,910	-	31,430,036	6,580,000	185,909	-	55,109,184	6.64%	1,660
2014	14,383,209	3,336,222	-	33,153,576	6,580,000	127,693	-	57,580,700	8.26%	1,847

Note; See Table XIV for Personal Income and Population

Source: (1) Based on data provided by the Greater Yuma Economic Development City financial Records and reports

**CITY OF SAN LUIS, ARIZONA
PLEDGED REVENUE COVERAGE - EXCISE TAX REVENUE BONDS
LAST TEN FISCAL YEARS**

		Excise Tax Revenue Bonds									
		<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Pledged revenues	(1)	\$29,782,958	\$24,657,240	\$24,759,401	\$21,475,220	\$19,715,582	\$18,672,560	\$15,562,640	\$15,766,957	\$15,379,657	\$15,052,446
Debt service requirements											
Principal		\$2,525,000	\$2,315,000	\$1,975,000	\$1,880,000	\$1,915,000	\$1,035,000	\$995,000	\$1,690,001	\$1,020,000	\$785,000
Interest		1,686,111	1,766,249	1,687,496	1,710,626	1,759,000	1,679,297	2,337,226	2,369,747	3,528,124	2,723,387
Total Annual Requirements		4,211,111	4,081,249	3,662,496	3,590,626	3,674,000	2,714,297	3,332,226	4,059,748	4,548,124	3,508,387
Estimated Coverage		7.07	6.04	6.76	5.98	5.37	6.88	4.67	3.88	3.38	4.29

(1)

Pledged revenues on the Excise Tax Revenue Bonds are the "Excise Taxes", "State Shared Revenues", Licenses and Permit Fees, and Franchise fees. Excise Taxes are defined to include the transaction privilege and business taxes, which the City imposes. State Shared Revenues are defined as any excise tax, transaction privilege and use taxes and income taxes imposed by the State of Arizona and allocated or apportioned to the City, except the City's share of any such taxes which by State law, rule or regulation must be expended for other purposes.

Source: Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds and debt service schedules - City financial records

**CITY OF SAN LUIS, ARIZONA
PLEDGED REVENUE COVERAGE - UTILITY REVENUE BONDS
LAST TEN FISCAL YEARS**

Water and Wastewater Utility Revenue Bonds										
(3)	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Gross Revenues	(1) \$9,939,699	\$9,012,642	\$9,050,328	\$8,976,213	\$8,598,226	\$8,232,732	\$8,086,255	\$7,506,930	\$7,011,185	\$6,045,693
Operating Expenses	(2) 5,970,809	5,494,237	5,130,618	4,405,164	4,059,728	3,363,861	5,027,804	4,388,160	5,387,500	4,315,552
Net Revenues Available	\$3,968,890	\$3,518,405	\$3,919,710	\$4,571,049	\$4,538,498	\$4,868,871	\$3,058,451	\$3,118,770	\$1,623,685	\$1,730,141
Debt Service Requirements										
Principal	\$340,000	\$325,000	\$315,000	\$305,000	\$295,000	\$280,000	\$270,000	\$260,000	\$ -	\$ -
Interest	172,140	184,490	196,460	208,050	219,260	229,900	240,160	250,040	250,040	159,053
	\$512,140	\$509,490	\$511,460	\$513,050	\$514,260	\$509,900	\$510,160	\$510,040	\$250,040	\$159,053
Estimated Coverage	7.75	6.91	7.66	8.91	8.83	9.55	6.00	6.11	6.49	10.88

Notes:

- (1) Includes total operating revenues and investment income of the Water Utility and Wastewater Utility Enterprise Funds.
(2) Includes total operating expenses of the Water Utility and Wastewater Utility Enterprise Funds less depreciation and amortization.

Source: Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds and repayment schedules for the Water and Wastewater Utility Revenue Bonds.

CITY OF SAN LUIS
Computation of Direct and Overlapping Debt
June 30, 2023

<u>Jurisdiction</u>	<u>Net Assessed Value (2)</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
City of San Luis: Note Payable	\$ 103,479,734	\$ 296,020	100.00%	\$ 296,020
City of San Luis: Revenue Bonds	103,479,734	18,688,695	100.00%	18,688,695
City of San Luis: Premiums	103,479,734	1,008,527	100.00%	1,008,527
City of San Luis: Financed Purchases/SBITAs Payable	103,479,734	173,006	100.00%	173,006
		<u>\$ 20,166,248</u>		<u>\$ 20,166,248</u>
As presented fiscal year ended June 30, 2023				
Arizona Western College	\$ 1,443,410,621	\$ 72,963,302	0.61%	\$ 445,076
Somerton Elementary School District No. 11	100,393,626	1,292,000	18.00%	\$ 232,560
Gadsden School District No. 32	82,451,926	9,041,437	26.70%	\$ 2,414,064
Yuma County	1,443,410,621	34,162,930	0.61%	\$ 208,394
Yuma Union High School District No 70 (1)	<u>1,338,185,445</u>	<u>63,336,017</u>	0.94%	<u>\$ 595,359</u>
Total Overlapping General Obligation Bonded Debt		<u>\$ 180,795,686</u>		<u>\$ 3,895,453</u>
Total Direct and Overlapping General Obligation Debt				<u><u>\$ 24,061,701</u></u>

Sources: City of San Luis GIS Department

(1) Total Net Debt Outstanding from FY22 Report of Bonded Indebtedness, AZ Financial Transparency Portal

(2) County records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

**CITY OF SAN LUIS, ARIZONA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Personal Income	Labor force	Employment	Unemployment	Unemployment rate percentage
2023	35,372	47,257	15,169	10,907	4,262	28.1%
2022	35,391	47,414	15,096	8,062	7,034	46.6%
2021	35,394	41,122	13,946	10,850	3,096	22.2%
2020	34,394	37,800	14,626	7,386	7,240	49.5%
2019	33,243	37,800	14,534	11,220	3,314	22.8%
2018	33,107	33,967	14,139	10,787	3,352	23.7%
2017	32,540	33,124	13,382	9,897	3,485	26.0%
2016	34,001	33,376	18,632	9,998	8,633	46.3%
2015	33,190	25,000	18,662	9,822	8,840	47.4%
2014	31,180	22,368	19,824	9,689	10,134	65.8%

Data Source:

Greater Yuma Economic Development Corporation

**CITY OF SAN LUIS, ARIZONA
MAJOR EMPLOYERS WITHIN THE CITY
CURRENT YEAR AND NINE YEARS AGO**

Employer	2023			2014		
	# of Employees	Rank	Percentage of City Employment	# of Employees	Rank	Percentage of City Employment
Arizona State Prison	987	1	25.61%	800	3	22.80%
Gadsen Unified School District	923	2	23.95%	845	1	24.08%
Cordova Harvesting	500	3	12.97%			
ACT Call Center	366	4	9.50%	812	2	23.14%
Walmart	321	5	8.33%	290	5	8.26%
City of San Luis	312	6	8.10%	243	6	6.93%
San Luis Detention Center	179	7	4.64%	123	7	3.51%
Factor Sales	144	8	3.74%	396	4	11.29%
Comite De Bienestar	65	9	1.69%	-		0.00%
Basha's/Food City	57	10	1.47%	-		0.00%
Total Employees	3,854		100.00%	3,509		100.00%

Source: Greater Yuma Economic Development Corporation

Notes:

(1) Data for 8 employers was the only available information for 2014.

**CITY OF SAN LUIS, ARIZONA
 AUTHORIZED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS**

Permanent Position by Function	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund										
General Government	95	76	76	91	89	79	56	58	55	57
Public Safety	106	98	98	80	83	96	89	94	85	90
Health and Welfare	7	5	5	4	4	4	3	4	4	2
Culture and Recreation	32	27	25	23	47	23	35	47	37	36
Community Development	16	16	14	12	12	10	9	9	8	9
Sub total General Fund	<u>256</u>	<u>222</u>	<u>218</u>	<u>210</u>	<u>235</u>	<u>212</u>	<u>192</u>	<u>189</u>	<u>194</u>	<u>194</u>
General Fund	256	222	218	210	235	212	192	189	194	194
Public Works & Streets	23	21	21	20	15	17	18	15	16	11
Enterprise Funds	62	58	53	40	30	53	50	32	32	32
Total Permanent Positions	<u>341</u>	<u>301</u>	<u>292</u>	<u>270</u>	<u>280</u>	<u>282</u>	<u>260</u>	<u>237</u>	<u>237</u>	<u>237</u>

Source: City Payroll

**CITY OF SAN LUIS, ARIZONA
UTILITY STATISTICAL DATA - BILLINGS
LAST TEN FISCAL YEARS**

	Utility Rate Increases & Average Bill									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Water										
Average bill	\$45.12	\$46.11	\$48.10	\$48.84	\$48.28	\$48.16	\$48.45	\$48.03	\$46.59	\$45.05
% Increase	-2.15%	-4.14%	-1.52%	1.16%	0.25%	-0.60%	0.88%	3.09%	3.41%	7.98%
Wastewater										
Average bill	\$43.96	\$43.96	\$43.26	\$43.65	\$44.56	\$44.60	\$51.57	\$48.40	\$46.30	\$37.33
% Increase	0.00%	1.62%	-0.89%	-2.04%	-0.09%	-13.52%	6.56%	4.52%	24.03%	18.25%
Residential Solid Waste										
Average bill	\$18.01	\$17.90	\$17.48	\$17.51	\$17.64	\$17.82	\$17.03	\$16.95	\$16.86	\$16.89
% Increase	0.61%	2.40%	-0.17%	-0.74%	-1.01%	4.64%	0.47%	0.52%	-0.15%	-1.32%

Source: City Customer Service and Billing records (Billing Register Summary)

**CITY OF SAN LUIS, ARIZONA
UTILITY STATISTICAL DATA - ACCOUNTS
LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Water										
Number of Accounts	8,393	8,103	7,949	7,614	7,194	6,828	6,669	6,384	6,190	6,023
% Increase	3.58%	1.94%	4.40%	5.84%	5.36%	2.38%	4.46%	3.13%	2.77%	2.26%
Wastewater										
Number of Accounts	8164	7972	7,721	7,383	7,027	6,618	6,495	6,216	5,990	5,827
% Increase	2.41%	3.25%	4.58%	5.07%	6.18%	1.89%	4.49%	3.77%	2.80%	2.44%
Residential Solid Waste										
Number of Accounts	7693	7559	7,319	6,983	6,620	6,222	6,113	5,825	5,643	5,549
% Increase	1.77%	3.28%	4.81%	5.48%	6.40%	1.78%	4.94%	3.23%	1.69%	3.41%

Source: City Customer Service and Billing records

**CITY OF SAN LUIS, ARIZONA
UTILITY STATISTICAL DATA - RATES**

**Charges for Water Services
Based Minimum Monthly Bill**

Water Service Fees						
Residential			Commercial / Government / School			
Meter Size	1st 2,000 G	Excess / 000's	1st 2,000 G	Commercial / Gov't	Excess / 000's	School
5/8" - 3/4"	\$ 16.40	\$ 2.51	\$ 41.70	\$ 3.16	\$ 2.95	
1"	N/A	N/A	\$ 69.65	\$ 3.16	\$ 2.95	
1 1/2"	N/A	N/A	\$ 138.88	\$ 3.16	\$ 2.95	
2"	N/A	N/A	\$ 222.28	\$ 3.16	\$ 2.95	
3"	N/A	N/A	\$ 486.69	\$ 3.16	\$ 2.95	
4"	N/A	N/A	\$ 1,668.18	\$ 3.16	\$ 2.95	
6"	N/A	N/A	\$ 3,475.37	\$ 3.16	\$ 2.95	
8"	N/A	N/A	\$ 5,004.54	\$ 3.16	\$ 2.95	

**Charges for Wastewater Services
Based Minimum Monthly Bill**

Wastewater Service Fees					
Residential			Commercial / Government / School		
Meter Size	Base	Excess / 000's	Base	Volume/000's	
Senior 60+ yrs	\$ 25.60	N/A	N/A	N/A	
5/8" - 3/4"	\$ 50.62	N/A	\$ 31.01	\$ 3.13	
1" - 8"	N/A	N/A	\$ 31.01	\$ 3.13	
Gadsden Residential	\$ 69.95	N/A	N/A	N/A	
Gadsden School	\$ 260.47	N/A	N/A	N/A	
Gasden Commercial	\$ 96.63	N/A	N/A	N/A	

Source: City Customer Service and Billing records

**CITY OF SAN LUIS, ARIZONA
UTILITY STATISTICAL DATA
LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Miscellaneous data on water utility										
Annual Consumption (000's gal)	1,196,668	1,220,347	1,240,165	1,180,168	1,144,797	1,085,982	1,067,585	1,041,105	1,023,995	1,080,987
Avg gallons/account/month	11,882	12,654	13,001	13,671	13,261	13,254	13,340	13,590	13,786	14,956
Avg gallons/account/year	142,579	151,845	156,015	164,049	159,132	159,048.33	160,082	163,080	165,427	179,477
Avg. daily demand (MGD)	3.8	3.75	3.74	3.53	3.23	3.23	445	453	460	499
Peak demand (MGD)	4.63	4.48	4.84	4.74	3.81	3.81	3.81	3.43	3.43	3.43
Number of wells in system	10	10	10	12	12	12	12	12	12	12
Available storage capacity (million Gallons)	4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,025
Miscellaneous data on wastewater utility										
Treatment plant capacity (000's)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Annual wastewater treated (000's)	651,801	580,295	526,272	613,095	586,810	514,839	458,763	465,867	471,403	463,767
Average daily flow (000's)	1,786	1,590	1,442	1,679	1,608	10,740	1,286	1,340	1,340	1,340
Miscellaneous data on solid waste service										
Tons of waste collected and disposed	13,351	14,313	14,100	12,300	12,046	11,719	10,740	10,306	9,681	10,610

Source: City Customer Service and Billing records
Public Works records

**CITY OF SAN LUIS, ARIZONA
BUILDING PERMITS AND HOME SALES
LAST TEN FISCAL YEARS
(\$'s in 000's)**

		Building Permits									
		Fiscal Year									
		<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial											
	Number of Permits	5	9	2	6	1	1	6	16	16	16
	Value	\$ 6,512	\$ 25,898	\$ 5,721	\$ 17,447	10	\$568	\$7,091	\$51	\$128	\$2,181
Residential											
	Number of Dwelling Units	251	193	374	355	340	193	267	169	159	112
	Value	\$ 38,089	\$ 30,795	\$ 57,804	\$ 54,327	\$ 49,318	\$ 29,110	\$ 35,339	\$ 24,850	\$ 24,530	\$ 16,908
Other											
	Number of Permits	390	414	484	390	352	404	480	523	318	200
	Value	\$ 12,509	\$ 9,342	\$ 11,432	\$ 8,160	\$ 6,664	\$ 8,293	\$ 9,601	\$ 10,652	\$ 2,146	\$ 19,089

		Single Family Housing Sales									
		Calendar Year									
		<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
New units sold		235	244	349	317	314	258	228	175	88	56

Source: City Development Services

CITY OF SAN LUIS, ARIZONA
Operating Indicator by Function
LAST TEN FISCAL YEARS

	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
GENERAL GOVERNMENT										
<i>Court</i>										
Charges filed/ Charges adjudicated(resolved)	3,613	2,684	2,186	2,630	2,749	2,200	3,317	3,734	3,989	4,630
Charges dismissed	-	862	399	761	1,014	754	1,037	841	938	1,019
<i>Human Resources</i>										
# of employment Applications Processed	2,000	2,044	2,001	2,683	1,816	2,829	3,047	1,643	750	530
<i>Finance</i>										
# of Accounts Payable checks issued	5,549	5,398	4,247	4,456	4,780	4,721	4,785	4,264	4,201	3,848
# of Claims filed, injured or ill workers	107	68	104	221	33	27	16	13	29	27
# of electrical inspections performed	-	-	2	3	4	**	**	3	1	8
Notice of claims	6	4	3	14	7	14	3	2	4	1
PUBLIC SAFETY										
<i>Police</i>										
# of 911 Emergency and Animal Calls	9,677	5,171	5,518	5,556	7,276	5,467	4,889	5,920	5,483	5,694
# of Traffic Stops	6,406	4,134	3,553	4,147	5,463	4,786	5,220	4,681	6,393	6,834
# of Arrests on Warrants	204	254	362	360	396	374	468	439	**	**
<i>Fire</i>										
# of Ambulance Transport Services	3,576	3,523	3,430	3,341	2,972	2,699	2,767	2,665	2,476	2,318
# of Fire & Hazmat Incidents	117	68	71	50	61	63	41	57	28	78
HEALTH AND WELFARE										
# of Meals served - Food Assistance	15,399	11,470	2,168	5,590	4,787	5,783	7,791	8,869	7,963	9,604
# of citywide transit ridership	3,655	2,682	390	4,797	6,157	6,166	9,538	10,661	8,136	9,243

Note: (**) Information is not available
Source: Various Departments

**CITY OF SAN LUIS, ARIZONA
CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Government										
City Hall										
Building	1	1	1	1	1	1	1	1	1	1
Vehicle	43	40	41	37	34	33	31	26	26	18
Public Safety										
Building	2	2	2	2	2	2	2	2	2	2
Vehicle	93	73	77	71	72	70	69	70	70	57
Culture & Recreation										
Building	3	3	3	3	3	3	3	3	3	3
Equipment	54	52	45	41	38	37	39	33	33	23
Health and Welfare										
Building	2	2	2	2	2	2	2	2	2	2
Vehicle	4	4	2	2	2	2	3	3	3	5
Public Works and streets										
Building	1	1	1	1	1	1	1	1	1	1
Equipment	36	35	29	28	28	28	27	26	26	18
Enterprise										
Building	4	4	4	4	4	4	4	4	4	3
Equipment	80	76	71	68	67	61	61	51	51	44

Source: City records Finance Department



AGENDA ITEM REVIEW FORM

Regular City Council Meeting

7. B.

Meeting Date: 04/24/2024

Department Head: Edgar Esparza, Billing & Collections Manager, Finance Department, Billing & Collections

Submitted By: Edgar Esparza, Billing & Collections Manager, Finance Department, Billing & Collections

Action Requested: Motion

ITEM:

Discussion and possible action on any and all matters regarding the acceptance and award of a contract to Dana Kepner Company, Inc. for the Water Meter Replacement Contract and Implementation of an Advanced Metering Infrastructure (AMI) System. **(Edgar Esparza, Billing and Collections Manager)**

SUMMARY:

Billing and Collections is seeking Council approval to accept and award the contract for the Water Meter Replacement Program and Implementation of AMI System to Dana Kepner Company, Inc.

The project consists of replacing 4,700 meters and antennas that are close to or past their life cycle. Upgrading our drive-by reading system to an AMI solution that will include the installation of two (2) base stations that will allow staff to remotely read the water meters. Also, the AMI solution will be able to read the water meters that will not be replaced. Finally, provide a customer portal for residents to be able to monitor their water usage, set up alerts, and learn about ways to reduce their water usage.

Last month, Billing and Collections solicited, through a Request for Proposal process, proposals from qualified vendors for our water meter replacement program and the installation of an advanced metering infrastructure system.

On April 4, 2024, at 10:00 AM, the office of the City Clerk received bids from Aquaflo Solutions, Inc., Mountain State Pipe & Supply, and Dana Kepner Company, Inc., at which time all bids were publicly opened in the Pedro Julian Conference Room.

Upon reviewing all three bids, Dana Kepner Company, Inc. scored the highest in our evaluation process as it was the vendor that best met all the requirements of the RFP.

The project will have a total cost of \$2,761,474.63. The City will be using \$2,017,065.21 from the grant received from WIFA with a matching fund of \$744,409.42.

Billing and Collections Division is seeking Council approval to award the contract to Dana Kepner Company, Inc. for this project for the amount of \$2,761,474.63 as permitted under the City's procurement code 3.05.030 Bidding.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO ACCEPT AND AWARD A CONTRACT TO DANA KEPNER COMPANY, INC. FOR THE WATER METER REPLACEMENT PROGRAM AND IMPLEMENTATION OF AN ADVANCED METERING INFRASTRUCTURE (AMI), AS PRESENTED, AND TO APPROVE THE BUDGET TRANSFER AS STATED IN THE FISCAL IMPACT.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM: Yes
CITY/STATE/FEDERAL FUNDS: Federal and City Funds
TOTAL: See fiscal impact statement
BUDGETED AMOUNT: See fiscal impact statement
AVAILABLE AMOUNT TO TRANSFER: See fiscal impact statement
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: See fiscal impact statement
FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

The total cost of the project will be \$2,761,474.63. The City will use the moneys from the grant received from WIFA. A total of \$2,017,065.21 will be grant with a match fund of \$744,409.42. The project is estimated to start in May. It was not budgeted for FY2024, and we will need to process a budget transfer. The transfer will be from GL account Water Fund Capital Outlay Equipment 300-302-90000 to Water Fund Capital Outlay CIP 300-3002-90015 for the amount of \$200,000.00. This amount represents the estimated costs for expenses in May and June 2024. This project is included in the proposed budget for FY2025.

Attachments

RFP Water Meter Replacement Program and Implementation of an AMI System
Proposed Contract
MSPS - Proposal
Dana Kepner - Proposal
Aquaflow Solutions - Proposal
Total Score of the Submittals



REQUEST FOR PROPOSAL

FOR

**WATER METER REPLACEMENT PROGRAM AND
IMPLEMENTATION OF AN ADVANCED METERING
INFRASTRUCTURE (AMI) SYSTEM**

BAN-2024-03

**Submission Deadline: Thursday, April 4, 2024
No later than 10:00A.M. – Arizona Time**

**City of San Luis
Attention: City Clerk
P.O. Box 1170
1090 East Union Street
San Luis, AZ 85349**

NOTICE

NOTICE IS HEREBY GIVEN that the City of San Luis, Arizona, is requesting proposals from qualified persons or vendors to provide a water meter replacement program and an implementation of Advanced Metering Infrastructure (AMI) System.

The City of San Luis will be conducting a meter replacement program along with an implementation of an AMI System. All meters will be replaced in-kind with the equivalent sized Sensus iPERL Water Meter and SmartPoint 520M endpoint that has the capability to communicate with an AMI system.

This project is being supported, in whole or in part, by federal award number 1505-0271 awarded to Water Infrastructure Finance Authority of Arizona by the US Department of Treasury. Water Conservation Grant Fund (WCGF) Award/Contract number WC2-097-2023.

In accordance with local and State law, sealed RFP's will be received by the **Office of the City Clerk at 1090 E. Union St., City of San Luis, Arizona 85349, until 10:00am on Thursday, April 4, 2024**, for the services specified herein. Proposals will be opened and read aloud at the above noted date, time, and location. Any submittals received at or after 10:00am on the referenced date will be returned unopened.

Submittals to this Request for Proposal should be addressed to:

Water Meter Replacement Program and implementation of an AMI System
BAN-2024-03
Attn: Sonia Cornelio, City Clerk
City of San Luis
1090 East Union Street | P.O. Box 1170
San Luis, AZ 85349

A non-mandatory Pre-Bid meeting will be held at the City of San Luis Pedro Julian Conference Room in City Hall on **Wednesday, March 20, 2024, at 10:00 A.M. (M.S.T.)** to discuss specifications and any questions Bidders may have.

The City of San Luis reserves the right under A.R.S. 34-201(A)(4) to reject any or all proposals or to withhold the award for any reason the City of San Luis determines. The City of San Luis, in its sole discretion, reserves the right to cancel this procurement and/or to waive any formality in any bid.

This is RFP Notice and is listed on the City's website: www.sanluisaz.gov. Packets are available at the City of San Luis City Hall, 1090 E. Union Street, City of San Luis, Arizona 85349 or via email eesparza@sanluisaz.gov

Dated at San Luis, Arizona this 28th day of February 2024.

Jenny Torres
Acting City Manager
City of San Luis

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TIMELINE

Request for Proposal Notice	March 3, 2024
Non-mandatory meeting	March 20, 2024
Requests for Clarification Deadline	March 22, 2024
Responses for Clarification	March 29, 2024
Request for Proposals Due Date	April 4, 2024
Staff Evaluation	April 8, 2024
Recommend Award to City Council	April 10, 2024
Desired Start Date for Deployment	May 1, 2024

INTRODUCTION

The City of San Luis (hereinafter “City”) invites interested and qualified persons or vendors to submit cost proposals for a water meter replacement program and the implementation of an Advanced Meter Infrastructure (AMI) System. This includes the purchase of the water meters and an AMI System. This entails the vendor being responsible to hire a third-party contractor to replace the water meters and meter smart points. In addition to the replacement of our water meters and smart points, it would also include the installation of Advanced Meter Infrastructure (hereinafter “AMI”) Network throughout the City.

BACKGROUND

The City of San Luis is one of the fastest growing cities in Arizona. Our Water Utility department oversees little over 8,500 water service connections. Our water service connections increase on an average of 250-300 per year. For our monthly reads, we currently have an Automatic Meter Reading (AMR) System in place. However, the City is looking into increasing the operational efficiency of the water distribution system and promoting water conservation by implementing an AMI system. In addition to the AMI system, the City will be replacing about 4,700 out of our 8,500 current water meters as they are near or past their life cycle.

SCOPE OF SERVICES

The City solicits interest from qualified vendors to provide a water meter replacement program and the installation of an Advanced Meter Infrastructure (AMI) System. This will include the purchase of approximately 4,700 water meters, installation/replacement of such water meters, and the installation of an AMI network through the City. All meters will be replaced in-kind with the equivalent sized Sensus iPERL water meters and SmartPoint 520M endpoint that has the capability of 2-way communications and integrate with the existing Tyler New World ERP billing software.

The purpose of this project is to increase the operational efficiency of the City water distribution system and promote water conservation by implementing an AMI system that enables wireless communications between utility systems and the metering endpoints. This would improve our ability to detect leaks and help contribute in our effort to reduce water usage and improve our water conservation.

Project implementation should include upgrades to the City’s water customers with a fully functional and scalable AMI water meter system.

The solicitation is for a complete turnkey AMI System, including:

- System must use electromagnetic meters with no moving parts that meet American Water Works Association (AWWA) standards. Mechanical meters will not be considered.
- System selected shall have a 20-year operational life span with a 20-year accuracy and battery warranty with at least 10 years of replacement at no cost and an additional 10-year warranty prorated for each year thereafter.

- Ability to view specific meter information including meter ID, consumption data, and latitude/longitude location data.
- System software must be capable of providing individual account reports, leak detection, tamper alarms, and reverse flow alarms.
- A customer portal that will allow customers to view their monthly water usage, allow for setting up alerts, compare water usage with previous months/years, and other account information via web server.
- Communication Propagation Study with a “Fixed Based” Communication System for the AMI system. The City does NOT want a “cellular” system with any ongoing monthly service fee for communication or connectivity issues.
- The system must be capable to operate in both AMI fixed network and AMR drive by as a back-up system should the AMI infrastructure become inoperable WITHOUT physically changing out any parts of the meter or physical manipulation to the meter.
- The system must be capable to integrate/read the rest of the meters that will not be replaced.
- Installation of meters, endpoints, including various fittings, new meter boxes and/or lids.
 - o Delivery of meters and endpoints must be consistent throughout the project timeline. The meter size that will be required will be 5/8x3/4”
 - o All equipment will be delivered and installed at a minimum rate of 400 meters and endpoints per month.
- Existing meters shall be photographed with its consumption displayed prior to the removal. Photographs and a spreadsheet detailing the address, consumption level, old meter number, old endpoint number shall be delivered to the Billing and Collections Division on a weekly basis throughout the installation phase.
- Existing meters shall be delivered to the City of San Luis Public Works Yard after removal. A point of contact will be provided later. The City will dispose of meters at the end of the project. If the vendor chooses to retain the meters, the bid shall include a specific cost adjustment accordingly.

This project has time restrictions, and all work must be completed before September 30, 2025.

NON-MANDATORY PRE-SUBMITTAL MEETING

Date: Wednesday, March 20, 2024

Time: 10:00AM

Where: Pedro Julian Conference Room

City Hall
1090 E Union Street
San Luis, AZ 85349

There will be an online “Teams” meeting available. Link will be provided on request to interested parties.

Contact information:

Edgar Esparza
Billing and Collections Manager
(928) 341-8570
eesparza@sanluisaz.gov

Cynthia Henderson
Administrator Coordinator
(928) 341-8570
chenderson@sanluisaz.gov

REQUEST FOR INFORMATION

Vendors who desire clarification of the procurement terms, selection criteria or submittal requirements shall restrict their inquiries to written communications only. All communications (other than delivery of the proposal as defined below) shall be addressed to the City project representative at the following:

Edgar Esparza
Billing and Collections Manager
eesparza@sanluisaz.gov

Request for information must be received by the project representative prior to **5:00PM on Friday, March 22, 2024**. Responses as required will be issued no later than **12:00PM on Friday, March 29, 2024**. Receipt of addenda must be acknowledged on the required form in the vendor's submission. It is the submitter's sole responsibility to check the City's website for periodic updates or addenda.

GENERAL REQUIREMENTS

Interested vendors are required to submit information relative to their qualifications, experience, project delivery approach, ability to meet the project's goals and objectives, and other criteria as listed. All information must be provided as requested for all vendors and their key personnel to be assigned to this project.

The RFP shall include the following:

- Cover Letter
 - o Location of the vendor
 - o Main contact for whom to call to negotiate and ask questions if they arise
 - o Contact for contract documentation and signatures
 - o Provide the **SAM.gov** Unique Entity ID number (UEI) as required by our grand funding. UEI number must be active throughout the completion of the project
- Full description and details of the Advanced Meter Infrastructure (AMI). Explain if they will integrate with current Sensus meters that the City utilizes
- Endpoint Requirements: Description of specific technical capabilities, and qualifications.
- Consumer Portal Requirements: Description of specific technical capabilities, and qualifications
- Training Requirements: Explain how the training will be conducted, how many sessions are included and for how many employees
- Description of at least three (3) but no more than five (5) similar projects in which the vendor participated with this system. Describe the vendor's role in the project and scope of work that demonstrates the vendor's expertise. Provide the name and contact information for each project.

The City reserves the right to cancel this request, reject in whole or in part any and all submittals, waive or decline to waive irregularities in any submittals, or determine not to enter into one or more of the multiple contracts as specified if determined by the City to be in the City's best interest. The City assumes no liability for the cost of preparing a response to this request

PROPRIETARY INFORMATION

All materials submitted in response to this solicitation, including samples, shall become the property of the City and are therefore subject to public release, upon request, after the Contract award. Vendors shall clearly mark any proprietary information contained in its submittal with the words “Proprietary Information”. Vendors shall not mark any Solicitation Form as proprietary. Marking all or nearly all of a submittal as proprietary may result in rejection of the submittal.

Vendors should be aware that the City is required by law to make its records available for public inspection. All vendors, by submission of material marked proprietary, acknowledge, and agree that the City will have no obligation to advocate for nondisclosure in any form nor will the City assume any liability to the vendors in the event of that the City must legally disclose these materials.

DELIVERY OF SUBMITTALS

Sealed RFP's will be received **before 10:00am on Thursday, April 4, 2024**, at the following address:

**City Clerk
City of San Luis
1090 East Union Street | P.O. Box 1170
San Luis, AZ 85349**

at which time all submittals will be publicly opened in the City Hall Multi-purpose Room.

Any submittals received at or after 10:00am on the above-stated date will be returned unopened. Vendors are solely responsible for the delivery of their submittals to the above location by the time and date specified. The City is not responsible for lateness of mail, carrier, etc. The City will not accept delivery of the bid at any other city locations. The time and date stamp in the City Clerk's Office shall be the official time of receipt. Modifications to submittals will not be considered after the deadline stated above.

The outside of the submittal envelope shall indicate the name and address of the respondent; shall be addressed to the City Clerk, City of San Luis, at the above address; and shall be clearly marked:

**Request for Proposal:
Water Meter Replacement Program and Implementation of an Advanced Metering Infrastructure
(AMI) System
BAN-2024-03
Due before 10:00am on Thursday, April 4, 2024**

MINIMUM QUALIFICATIONS

Vendors shall possess the qualifications and Arizona licenses as required by law, in addition to having extensive knowledge, expertise and experience for the products they are recommending. Selected

vendors will be required to execute and meet the terms of the City’s standard General Services Contract, including insurance requirements, in a form acceptable to the City Attorney. Approval of the City Council may also be required for award of a contract. A sample agreement is provided with this request.

EVALUATION CRITERIA

The City reserves the right to and will likely reject any responses that does NOT meet the minimum criteria described in this RFP. For responses meeting or exceeding the minimum criteria, the City will rank each Request for Proposals based on the weighted scoring criteria shown below. Based on the rankings, the City intends to select the most highly qualified vendor based on demonstrated competence and qualifications to negotiate a contract.

A. General Information – 5 points possible

- a. Brief overview of the vendor and legal organization of the company
- b. Submission requirements met
- c. SAM.gov Unique Entity ID number (UEI) as required by grant funding
- d. Description of at least three (3) but no more than five (5) similar projects in which the vendor participated for each applied service category. Describe the vendor’s role in the project and scope of work that demonstrates the vendor’s expertise. Provide the name and contact information for each project.

B. AMI Information Requirements – 10 points possible

- a. Communication Propagation Study with a “Fixed Based” Communication system for the AMI system
- b. Explain if the AMI system will include any cellular network
- c. Explain if the AMI includes a free or paid customer engagement web portal
- d. Explain if the AMI provides top of the hour time-synchronized readings across the entire system with at least an update every hour
- e. Explain if the meters, endpoints, and AMI infrastructure is manufacture by the same company
- f. Explain if current meters and endpoints will be able to integrate with the AMI System
- g. Describe if the system can identify unauthorized usage on marketed accounts
- h. Describe if the system can configure high or low usage parameters and identify accounts in violations
- i. Explain how many users the system can support at one time
- j. Explain if the software enhancements, upgrades, updates, and patches are included in the pricing structure or if it will be an annual cost for these items

C. Endpoint Information and Requirements – 10 points possible

- a. Describe the endpoint collection process and if it collects at the top of the hour and synchronized with 15-minute reads from the water meter
- b. Describe if the endpoint had two-way communication
- c. Describe the temperatures the endpoint can withstand storage and operating
- d. Describe if the endpoint can be installed via pit or remote
- e. Describe the network firmware updates
 - i. Are they able to be done remotely, with an infrared or local updates
- f. Explain the environments that the endpoints can withstand, include flooding or submerged pit application
- g. Describe the warranty of the endpoints and if it is included

- D. Consumer Portal Information and Requirement – 10 points possible
- a. Explain if the consumer portal is owned and developed by the AMI manufacturer
 - b. Explain if the web portal will be accessible through a standard internet browser
 - c. Explain if the consumer portal will allow the consumer to set up a leak notification through the portal and let the customer be notified via email
 - d. Explain if the utility customer service representative will be able to see the same view as the consumer or if the web portal will be different for the customer and the utility staff
 - e. Explain if the customer will be able to export consumption data in Comma Separated Value (CSV) format
- E. Training Information and Requirements – 5 points possible
- a. Describe who will be providing the training. Example, Manufacture Certified Trainers
 - b. Describe if there will be a web-based training for future head end system updates and upgrades and if there will be any cost that may be associated with the training
 - c. Describe if training materials for end users will be available online or in electronic form
- F. Forms A-F – 50 points possible
- a. Form A – Solicitation Response Cover Sheet
 - i. Vendor shall complete, sign, and submit Form A as the first page of the bid package
 - b. Form B – Price Sheet
 - i. Vendor shall certify that its bid will be valid for 120 days after submission. Vendor may be asked to extend this certification. Vendor shall complete, sign, and submit.
 - c. Form C – Bid Certification
 - i. Vendor shall complete, sign, and submit Form C.
 - d. Form D – Non-Collusion Certificate
 - i. Vendor shall complete, sign, and submit Form D.
 - e. Form E – Certificate of Ownership
 - i. Vendor shall complete, sign, and submit Form E completely and accurately stating the names and addresses of all persons, vendors, corporations, partnerships, or other associations having any direct or indirect financial interest in the Vendor’s business and the nature and extend of each such interest.
 - f. Form F – Vendor Qualifications, Representations and Warranties
 - i. The City shall consider awarding agreements only to responsible Vendors. Responsible vendors are those that have, in the sole judgement of the City, the financial ability, character, reputation, resources, skills, capability, reliability, and business integrity necessary to perform the requirements of the agreement. In determination of responsibility, the City may consider all information available to the City, whether specifically provided by the Vendor in response to this solicitation or other information otherwise available to the City in evaluating the responsibility of the Vendor. Such information may include, but is not limited to, experience and history of the City with current and/or prior contract held by the Vendor with the City or with other agencies, references provided by the Vendor to the City, information provided by the Vendor as part of the solicitation responses, and information not specifically provided by the Vendor but is otherwise available to the City and has merit in consideration of responsibility, in the opinion of the City. The evaluation of responsibility shall be determined by the City and shall by determined by the City and shall be in the sole opinion of the City. Such evaluation by the City shall be final and not subject to appeal. Furthermore, no agreement will be awarded to a Vendor if any owner of such vendor has been convicted within the past ten years of a crime involving dishonesty or false statements, or if the Vendor has unsatisfied tax or judgment liens.

G. Overall Evaluation – 10 points possible

- a. This is to be determined by the Review Committee. No submittal response is required. Information obtained from the RFP and from any other relevant source, in addition to past experiences with the City, maybe used in the evaluation and scoring process for this item.
 - i. Overall quality of the RFP evidencing interest in providing services
 - ii. Overall evaluation of the vendor and its perceived ability to provide the requires services

EVALUATION AND SELECTION PROCESS

To qualify for evaluation, the RFP must be submitted on time and materially satisfy all requirements identified in this request. If, in the judgement of the City, an RFP does not conform to the format specified herein, or if any section is absent or significantly incomplete, the City reserves the right to reject the submittal.

A. Overview

This is a qualifications-based selection process as authorized by A.R.S. § 34-604. The process will involve an evaluation and scoring of each vendor’s qualifications and relevant experience, as indicated in its RFP. A Review Committee appointed by the City for this procurement will individually evaluate the RFPs according to the criteria and weighting as indicated. Following evaluation of the RFPs, the highest ranked vendor will be determined. If approved, the contract may be in place until September 30, 2025.

B. Final Ranking and Contract Negotiation

Using the individual Review Committee member’s scores from the RFPs, the committee shall rank the vendors to generate a final vendor. The City will then notify each of the candidate vendors of the final rankings.

The contract in place once fully executed until September 30, 2025. The City will determine the value of the contract based on projected City needs and available budget.

Selected vendor will be required to execute and meet the terms of the City’s standard General Services contract, including insurance requirements, in a form acceptable to the City Attorney. Approval of the City Council may also be required for award of a contract.

C. TERM OF CONTRACT

The contract resulting from this request shall commence once fully executed until September 30, 2025. No contract between the parties shall exist until and unless a written contract has been fully executed by all parties thereto. The contract may be extended with the mutual consent of the City of San Luis and the Vendor

D. TERMINATION OF CONTRACT

The City reserves the right to terminate any part of or the entirety of any contract that may result from this proposal, without cause and at any time with thirty (30) calendar days written notice. In such case, the consultant shall be paid for services rendered through the date of the termination notice, and the results of all such work through that date shall become the property of the City.

E. COOPERATIVE USE OF CONTRACT

Any contract resulting from this request for proposals may be extended for use by other municipalities, school districts and government agencies in the State of Arizona with the approval of the contracted vendor. Any such usage by other entities must be in accordance with the statutes, codes, ordinances, charter and/or procurement rules and regulations of the respective government agency.

F. PROTEST POLICY

Any protest to the solicitation or award must be filed with the City Clerk's Office by 4:00 PM up to ten (10) days after issuance of the final list. All such protests shall be in writing and contain the following: 1) Name, address, email address and telephone number of the interested party; 2) Signature of the interested party or its representative; 3) Identification of the purchasing department and Project name; 4) Detailed statement of the legal and factual grounds for protest including copies of relevant documents; and 5) Form of relief requested. Protesting parties must demonstrate as part of their protest that they made every reasonable effort within the schedule and procedures of this solicitation to resolve the basis or bases of their protest during the solicitation process, including asking questions, seeking clarifications, requesting addenda, and otherwise alerting the City to perceived problems so that corrective action could be taken prior to the selection of the successful vendors. The City will not consider any protest based on items which could have been or should have been raised prior to the deadline for submitting questions or requesting addenda. The filing of a protest shall not prevent the City from executing an agreement with any other proposer.

G. Contracting with small and minority vendors, women's business enterprise and labor surplus area vendors:

1. The company will take all necessary affirmative steps to assure that minority vendors, women's business enterprises, and labor surplus area vendors are used when possible.
2. Affirmative steps shall include:
 - a. Placing qualified small and minority businesses and women's business enterprises on solicitation lists
 - b. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources
 - c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises

- d. Establishing delivery schedules, where the requirements permits, which encourage participation by small and minority business, and women's business enterprises
- e. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce



General Services Contract

Water Meter Replacement Program and Implementation of an Advanced Metering Infrastructure (AMI) System

Contract Number: 2024-***

THIS AGREEMENT made and entered into this ** day of **, 20**, by and between ** of the City of ** (Vendor City), County of ** (Vendor County), State of ** (Vendor State), hereinafter designated “Vendor”, and the City of San Luis, a municipal corporation, organized and existing under and by virtue of the laws of the State of Arizona, hereinafter designated “City”.

WITNESSETH: That the said Vendor, for and in consideration of the sum to be paid by the said City, and of the other covenants and agreements herein contained, and under the penalties expressed in the bonds provided, hereby agrees, for himself, his heir, executors, administrators, successors and assigns as follows:

ARTICLE I – SCOPE OF WORK: The Vendor shall furnish any and all labor, materials, equipment, transportation, utilities, services and facilities, required to perform all work for the construction of the project described as City of San Luis: Water Meter Replacement program and implementation of an Advanced Metering Infrastructure (AMI) System in a good and workmanlike and substantial manner and to the satisfaction of the City through its Contactors and under the direction and supervision of the Billing and Collections Manager, or his properly authorized agents and strictly pursuant to and in conformity with the Plans and Specifications prepared by the Vendors for the City, and with such written modifications of the same and other documents that may be made by the City through the Billing and Collections Manager or his properly authorized agents, as provided herein.

ARTICLE II – CONTRACT DOCUMENTS: The Request for Proposals, any Notice Inviting Bids, Plans, Standards Specifications and Details, Special Conditions, Addenda, if any, and Proposal as accepted by the Mayor and Council per Council Minutes of ** (Date of Council Meeting approved), Certificate of Insurance and Contract Amendments, if any, are by this reference made a part of this Contract to the same extent as if set forth herein in.

ARTICLE III – TIME OF COMPLETION: The contract resulting from this request shall commence on once fully executed until September 30, 2025. The contract may be extended with the mutual consent of the City of San Luis and the Vendor. Notice of intent to renew shall be made at least one (1) month prior to normal contract expiration. If renewal results in changes of the terms or conditions, such changes shall be in writing as an amendment to the contract and such amendment shall not become effective until fully executed by both parties.

ARTICLE IV – COMPENSATION: Vendor shall be paid, pursuant to the provisions as set forth in the Contract documents, the total sum of ** (Written amount) dollars and no cents (** \$ 000.00) plus any approved contract amendments, for the full and satisfactory completion of all work as set forth in the Project Specifications and Contract Documents. Retention shall be in accordance with Arizona Revised Statutes Section 34-221.

ARTICLE V – CONFLICT OF INTEREST: Pursuant to ARS Section 38-511, the City of San Luis may cancel this contract, without penalty or further obligation, if any person significantly involved in initiating, negotiation, securing, drafting or creating the contract on behalf of the City of San Luis is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. In the event of the foregoing, the City of San Luis further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiation, securing, drafting, or creating this contract on behalf of the City of San Luis from any other party to the contract, arising as a result of this contract.

ARTICLE VI – AMBIGUITY: This Agreement is the result of negotiations by and between the parties. Although it has been drafted by the San Luis City Attorney, it is the result of the negotiations between the parties. Therefore, any ambiguity in this Agreement is not to be construed against either party.

ARTICLE VII – NONDISCRIMINATION: The Vendor, after award and during its performance of this contract, will not discriminate on the grounds of race, color, national origin, religion, sex, disability or familial status in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The Vendor will not participate either directly or indirectly in the discrimination prohibited by or pursuant to Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1975, the Americans With Disability Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, and Arizona Governor Executive Orders 99-4, 2000-4 and 2009-09 as amended.

ARTICLE VIII – INDEPENDENT VENDOR STATUS: It is expressly agreed and understood by and between the parties that the Vendor is being retained by the City as an independent vendor, and as such the Vendor shall not become a City employee, and is not entitled to payment or compensation from the City or to any fringe benefits to which other City employees are entitled other than that compensation as set forth in Article IV - Compensation above. As an independent vendor, the Vendor further acknowledges that he is solely responsible for payment of any and all income taxes, FICA, withholding, unemployment insurance, or other taxes due and owing any governmental entity whatsoever as a result of this Agreement. As an independent vendor, the Vendor further agrees that he will conduct himself in a manner consistent with such status, and that he will neither hold himself out nor claim to be an officer or employee of the City by reason thereof, and that he will not make any claim, demand or application to or for any right or privilege applicable to any officer or employee of the City, including but not limited to workmen's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit.

ARTICLE IX – CITY FEES: Prior to final payment to the Vendor, the City shall deduct there from any and all unpaid privilege, license and other taxes, fees and any and all other unpaid moneys due the City from the

Vendor and shall apply to those moneys to the appropriate account. Vendor shall provide to the City any information necessary to determine the total amount(s) due.

ARTICLE X – OTHER WORK IN PROJECT AREA: The City of San Luis, any other vendors, whether under contract with the City, a third party, and/or utilities, may be working within the project area while this Contract is in progress. The Vendor herein acknowledges that delays and disruptions may, and in all likelihood, will occur due to other work. The Vendor’s bid shall be deemed to have recognized and included costs arising from and associated with other work in the project area disclosed by the Contract Documents or which would be apparent to an experienced vendor exercising due diligence during inspection of the project documents, the question-and-answer session in the pre-bid process or during site inspection. No payment will be made for any delays or disruptions in the work schedule that are wholly the fault of the vendor, its agents, employees, or any of the vendor’s subcontractors. In the event that the vendor encounters delay or disruption in the project schedule due to factors not wholly the fault of the vendor or within the vendor’s control then the Contract may be adjusted pursuant to the Delay’s and Extension of Time provisions of this Contract and a timely request submitted for Contract Amendment. Failure to submit a timely request for Contract Amendment shall be deemed a waiver of any entitlement to additional compensation.

ARTICLE XI – RIGHT TO ASSURANCE: If the City in good faith has reason to believe that the Vendor does not intend to or is unable to perform or continue performing under this Contract, the Billing and Collections Manager may demand in writing that the Vendor give a written assurance of intent to perform. Failure by the Vendor to provide written assurance within the number of Days specified in the demand may, at the City’s option, be the basis for terminating the Contract.

ARTICLE XII – TERMINATION FOR CONVENIENCE: The City reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the City without penalty or recourse. Upon receipt of the written notice, the Vendor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination, and minimize all further costs to the City. In the event of termination under this paragraph, all documents, data, and reports prepared by the Vendor under the Contract shall become the property of and be delivered to the City upon demand. The Vendor shall be entitled to receive just and equitable compensation for work completed, and materials accepted before the effective date of the termination.

ARTICLE XI – MISCELLANEOUS

- A. The parties hereto expressly covenant and agree that in the event of a dispute arising from this Agreement, each of the parties hereto waives any right to a trial by jury. In the event of litigation, the parties hereby agree to submit to a trial before the Court. The Vendor further agrees that this provision shall be contained in all subcontracts related to the project, which is the subject of this Agreement.

- B. The parties hereto expressly covenant and agree that in the event of litigation arising from this Agreement, neither party shall be entitled to an award of attorney fees, either pursuant to the Contract, pursuant to ARS Section 12-341.01 (A) and (B), or pursuant to any other state or federal statute, court

rule, case law or common law. The Vendor further agrees that this provision shall be contained in all subcontracts related to the project that is the subject of this Agreement.

- C. In the event of default, neither party shall be liable for incidental, special, or consequential damages.
- D. Any notices to be given by either party to the other must be in writing, and personally delivered or mailed by prepaid postage, at the following addresses:

Billing and Collections
City of San Luis
P.O. Box 3750
1090 E Union Street
San Luis, AZ 85349

E. This Agreement is non-assignable by the Vendor unless by subcontract, as approved in advance by the City.

F. All invoices shall be emailed to eesparza@sanluisaz.gov

G. This Agreement shall be construed under the laws of the State of Arizona.

H. Time is of the essence of this Agreement.

I. This Agreement represents the entire and integrated Agreement between the City and the Vendor and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the City and the Vendor. Written and signed amendments shall automatically become part of the Agreement, and shall supersede any inconsistent provision therein; provided, however, that any apparent inconsistency shall be resolved, if possible, by construing the provisions as mutually complementary and supplementary.

J. In the event any provision of this Agreement shall be held to be invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

K. INDEMNIFICATION: To the fullest extent permitted by law, the Vendor shall defend, indemnify and hold harmless the City, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of the Vendor, its employees, agents, or any tier of subcontractors in the performance of this Contract, Vendor's duty to defend, hold harmless and indemnify the City, its agents, representatives, officers, directors, officials and employees that arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused by any acts, errors, mistakes,

omissions, work or services in the performance of this Agreement including any employee of the Vendor or any tier of subcontractor or any other person for whose acts, errors, mistakes, omissions, work or services the Vendor may be legally liable.

L. No oral order, objection, claim or notice by any party to the other shall affect or modify any of the terms or obligations contained in this Agreement, and none of the provisions of this Agreement shall be held to be waived or modified by reason of any act whatsoever, other than by a definitely agreed waiver or modification thereof in writing. No evidence of modification or waiver other than evidence of any such written notice, waiver or modification shall be introduced in any proceeding.

M. **INSURANCE:** Vendor and/or subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Vendor, his agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract.

The City in no way warrants that the minimum limits contained herein are sufficient to protect the Vendor from liabilities that might arise out of the performance of the work under this Contract by the Vendor, his agents, representatives, employees, or subcontractors. Vendor is free to purchase such additional insurance as may be determined necessary.

Additional Insurance Requirements: The policies shall include, or be endorsed to include the following provisions:

1. On insurance policies where the City of San Luis is named as an additional insured, the City of San Luis shall be an additional insured to the full limits of liability purchased by the Vendor even if those limits of liability are in excess of those required by this Contract.

**Additional Insured:
City of San Luis
1090 E Union Street
San Luis, AZ 85349**

2. The Vendor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

All certificates required by this Contract shall be emailed directly to msabori@sanluisaz.gov and eesparza@sanluisaz.gov. The City contract number and project description shall be noted on the certificate of insurance. The City reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. Any Renewal of insurance certificates with endorsements will need to be emailed to the above emails at least two weeks prior to expiration.

Notice of Cancellation: With the exception of a ten (10) day notice of cancellation for nonpayment of premium, any changes to material to compliance with this contract in the insurance policies above shall require thirty (30) day written notice.

Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-VII, unless otherwise approved by the City of San Luis Risk Management Division.

Verification of Coverage: Vendor shall furnish the City with certificates of insurance (ACORD form or equivalent approved by the City) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be received and approved by the City before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the contract. Failure to maintain the insurance policies as required by this Contract or to provide evidence of renewal is a material breach of contract.

Insurance Limit Requirements - Vendor shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a following form basis.

Commercial General Liability – Occurrence Form:

Policy shall include bodily injury, property damage, personal injury, broad form contractual liability coverage.

- General Aggregate \$ 2,000,000
- Products – Completed Operations Aggregate \$ 1,000,000 (if applicable)
- Personal and Advertising Injury \$ 1,000,000 (if applicable)
- Each Occurrence \$ 1,000,000
- Fire Legal Liability (Damage to Rented Premises) \$ 100,000 (if applicable)

The policy shall be endorsed to include the following additional insured language: "The City of San Luis shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of, the Vendor".

Business Automobile Liability: Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

- Combined Single Limit (CSL) \$ 1,000,000

The policy shall be endorsed to include the following additional insured language: "The City of San Luis shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Vendor".

Worker's Compensation and Employer's Liability:

Workers' Compensation	Statutory
Employer's Liability	
○ Each Accident -	\$ 1,000,000
○ Disease – each employee -	\$ 1,000,000
○ Disease – policy limit -	\$ 1,000,000

Policy shall contain a waiver of subrogation against the City of San Luis for losses arising from work performed by or on behalf of the Vendor.

All insurance required pursuant to this Agreement must be written by an insurance company authorized to do business in the State of Arizona, to be evidenced by a Certificate of Authority as defined in ARS Section 20-217, a copy of which certificate is to be attached to each applicable bond or binder.

Prior to commencing work under this Agreement, the Vendor shall provide City with evidence that it is either a "self-insured employer" or a "carrier insured employer" for Workers' Compensation as required by ARS 23-901 et seq., or that it employs no persons subject to the requirement for such coverage.

N. Contractor Immigration Warranty

Contractor / Vendor understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. The following is only applicable to construction contracts: The Contractor / Vendor must also comply with A.R.S. § 34-301, "Employment of Aliens on Public Works Prohibited", and A.R.S. § 34-302, as amended, "Residence Requirements for Employees".

Under the provisions of A.R.S. § 41-4401, Contractor / Vendor hereby warrants to the City that the Contractor / Vendor and each of its subcontractors ("Subcontractors") will comply with and are contractually obligated to comply with all Federal Immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter "Contractor Immigration Warranty").

A breach of the Contractor Immigration Warranty shall constitute a material breach of this Contract and shall subject the Contractor / Vendor to penalties up to and including termination of this Contract at the sole discretion of the City.

The City retains the legal right to inspect the papers of any Contractor / Vendor or Subcontractors employee who works on this Contract to ensure that the Contractor / Vendor or Subcontractor is complying with the Contractor Immigration Warranty. Contractor / Vendor agrees to assist the City in regard to any such inspections.

The City may, at its sole discretion, conduct random verification of the employment records of the Contractor / Vendor and any of subcontractors to ensure compliance with Contractor / Vendor's Immigration Warranty. Contractor / Vendor agrees to assist the City in regard to any random verification performed.

Neither the Contractor / Vendor nor any Subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if the Contractor / Vendor or Subcontractor establishes that it has complied with employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214, Subsection A.

The provisions of this Article must be included in any contract the Contractor / Vendor enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a Contractor / Vendor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

O. Israel: Vendor certifies that it is not currently engaged in and agrees for the duration of this Agreement that it will not engage in a "boycott," as that term is defined in Ariz. Rev. Stat. § 35-393, of Israel.

P. Force Labor of Ethnic Uyghurs Certification: Pursuant to A.R.S. § 35- 394, Vendor certifies that the vendor does not currently, and agrees for the duration of the contract that it will not, use:

1. The forced labor of ethnic Uyghurs in the People' s Republic of China
2. Any goods or services produced by the forced labor of ethnic Uyghurs in the People' s Republic of China; and
3. Any Vendor, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People' s Republic of China.

If the Vendor becomes aware during the term of the Contract that the company is not in compliance with the written certification, the Vendor shall notify the City of San Luis within five business days after becoming aware of the noncompliance. If the Vendor does not provide City of San Luis with a written certification that the Company has remedied the noncompliance within 180 days after notifying the City of San Luis of the noncompliance, this Contract terminates, except that if the Contract termination date occurs before the end of the remedy period, the Contract terminates on the Contract termination date.

Q. Contracting with small and minority vendors, women's business enterprise and labor surplus area vendors:

1. The Company will take all necessary affirmative steps to assure that minority vendors, women's business enterprises, and labor surplus area vendors are used when possible.
2. Affirmative steps shall include:
 - a. Placing qualified small and minority businesses and women's business enterprises on solicitation lists
 - b. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources.

- c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises.
- d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises.
- e. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce.

R. In the event of a discrepancy between this Agreement and other documents incorporated into this Agreement this Agreement shall control over such other incorporated documents.

S. Non-Availability of Funds: Fulfillment of the obligation of the City under this Agreement is conditioned upon the availability of funds appropriated or allocated for the performance of such obligations. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the City at the end of the period for which the funds are available. No liability shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments as a result of termination under this paragraph.

T. This Agreement shall be construed under the laws of the State of Arizona.

U. This Agreement represents the entire and integrated Agreement between the City and the Vendor and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the City and the Vendor. Written and signed amendments shall automatically become part of the Agreement, and shall supersede any inconsistent provision therein; provided, however, that any apparent inconsistency shall be resolved, if possible, by construing the provisions as mutually complementary and supplementary.

V. In the event any provision of this Agreement shall be held to be invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

Dated this _____ day of _____ 2024.

ATTEST:

City of San Luis

Vendor

Nieves Riedel, City Mayor

By: _____

Title: _____

Attest:

Approves as to form:

Sonia Cornelio, City Clerk

Kay Macuil, City Attorney

U.S. DEPARTMENT OF THE TREASURY
CORONAVIRUS LOCAL FISCAL RECOVERY FUND
AWARD TERMS AND CONDITIONS

1. Use of Funds.

- a. Recipient understands and agrees that the funds disbursed under this award may only be used in compliance with section 603(c) of the Social Security Act (the Act), Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.
- b. Recipient will determine prior to engaging in any project using this assistance that it has the institutional, managerial, and financial capability to ensure proper planning, management, and completion of such project.

2. Period of Performance. The period of performance for this award begins on the date hereof and ends on December 31, 2026. As set forth in Treasury's implementing regulations, Recipient may use award funds to cover eligible costs incurred during the period that begins on March 3, 2021, and ends on December 31, 2024.

3. Reporting. Recipient agrees to comply with any reporting obligations established by Treasury as they relate to this award.

4. Maintenance of and Access to Records

- c. Recipient shall maintain records and financial documents sufficient to evidence compliance with section 603(c) of the Act, Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.
- d. The Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, shall have the right of access to records (electronic and otherwise) of Recipient in order to conduct audits or other investigations.
- e. Records shall be maintained by Recipient for a period of five (5) years after all funds have been expended or returned to Treasury, whichever is later.

5. Pre-award Costs. Pre-award costs, as defined in 2 C.F.R. § 200.458, may not be paid with funding from this award.

6. Administrative Costs. Recipient may use funds provided under this award to cover both direct and indirect costs.

7. Cost Sharing. Cost sharing or matching funds are not required to be provided by Recipient.

8. Conflicts of Interest. Recipient understands and agrees it must maintain a conflict of interest policy consistent with 2 C.F.R. § 200.318(c) and that such conflict of interest policy is applicable to each activity funded under this award. Recipient and subrecipients must disclose in writing to Treasury or the pass-through entity, as appropriate, any potential conflict of interest affecting the awarded funds in accordance with 2 C.F.R. § 200.112.

9. Compliance with Applicable Law and Regulations.

- a. Recipient agrees to comply with the requirements of section 603 of the Act, regulations adopted by Treasury pursuant to section 603(0 of the Act, and guidance issued by Treasury regarding the foregoing. Recipient also agrees to comply with all other applicable federal statutes, regulations, and executive orders, and Recipient shall provide for such compliance by other parties in any agreements it enters into with other parties relating to this award.
- b. Federal regulations applicable to this award include, without limitation, the following:
 - i. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. Subpart F — Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.
 - ii. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.
 - iii. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
 - iv. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.
 - v. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
 - vi. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.
 - vii. New Restrictions on Lobbying, 31 C.F.R. Part 21.
 - viii. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.
 - ix. Generally applicable federal environmental laws and regulations.
- c. Statutes and regulations prohibiting discrimination applicable to this award include, without limitation, the following:
 - i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;

- ii. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
- x. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;
- xi. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and
- xii. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

10. Remedial Actions. In the event of Recipient's noncompliance with section 603 of the Act, other applicable laws, Treasury's implementing regulations, guidance, or any reporting or other program requirements, Treasury may impose additional conditions on the receipt of a subsequent tranche of future award funds, if any, or take other available remedies as set forth in 2 C.F.R. § 200.339. In the case of a violation of section 603(c) of the Act regarding the use of funds, previous payments shall be subject to recoupment as provided in section 603(e) of the Act.

1. Hatch Act. Recipient agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.
2. False Statements. Recipient understands that making false statements or claims in connection with this award is a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and/or any other remedy available by law.
3. Publications. Any publications produced with funds from this award must display the following language: "This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to [name of Recipient] by the U.S. Department of the Treasury."
4. Debts Owed the Federal Government.
 - f. Any funds paid to Recipient (1) in excess of the amount to which Recipient is finally determined to be authorized to retain under the terms of this award; (2) that are determined by the Treasury Office of Inspector General to have been misused; or (3) that are determined by Treasury to be subject to a repayment obligation pursuant to section 603(e) of the Act and have not been repaid by Recipient shall constitute a debt to the federal government.
 - g. Any debts determined to be owed the federal government must be paid promptly by

Recipient. A debt is delinquent if it has not been paid by the date specified in Treasury's initial written demand for payment, unless other satisfactory arrangements have been made or if the Recipient knowingly or improperly retains funds that are a debt as defined in paragraph 14(a). Treasury will take any actions available to it to collect such a debt.

15. Disclaimer.

- h. The United States expressly disclaims any and all responsibility or liability to Recipient or third persons for the actions of Recipient or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this award or any other losses resulting in any way from the performance of this award or any contract, or subcontract under this award.
- i. The acceptance of this award by Recipient does not in any way establish an agency relationship between the United States and Recipient.

16. Protections for Whistleblowers.

- a. In accordance with 41 U.S.C. § 4712, Recipient may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.
- b. The list of persons and entities referenced in the paragraph above includes the following:
 - i. A member of Congress or a representative of a committee of Congress;
 - iii. An Inspector General;
 - iv. The Government Accountability Office;
 - v. A Treasury employee responsible for contract or grant oversight or management;
 - vi. An authorized official of the Department of Justice or other law enforcement agency;
 - vii. A court or grand jury; or
 - viii. A management official or other employee of Recipient, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct.
- c. Recipient shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

17. Increasing Seat Belt Use in the United States. Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Recipient should encourage its contractors to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.

18. Reducing Text Messaging While Driving. Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Recipient should encourage its employees, subrecipients, and contractors to adopt and enforce policies that ban text messaging while driving, and Recipient should establish workplace safety policies to decrease accidents caused by distracted drivers.

Form A - Solicitation Response Cover Sheet



Solicitation Response

Water Meter Replacement Program and Advanced Metering Infrastructure (AMI) Implementation

Please note all that apply:

- Original Forms A through F
- Addenda Number (s) Received (if any)

Business Name: _____

Business Address: _____

Business Phone: _____

Business Contact: _____

Contact Email: _____

Vendor Comments: _____

Form B – Price Sheet



Water Meter Replacement Program and Advanced Metering Infrastructure (AMI) Implementation

The City’s preferred meter manufacturer:

Sensus

Other manufacturers will be considered for comparable meters and/or approved equals designated by the scope of work.

Meter Manufacturer: _____

Make and/or Model: _____

	Estimated Quantity	Unit	Unit Price	Total Cost
5/8"x3/4", 25ft Wire, 2 Wire, 100 Gal	4,700	Each		
Water Meters Sub-total				
520M MXU, 1 Port, TC Hourly Read, Leak Det	2,290	Each		
520M MXU, 2 Port, TC Hourly Read, Leak Det	2,230	Each		
Meter Transceiver Units (MXU) Sub-total				
Replace of 5/8"x3/4" Meter	4,700	Each		
Replace Transmission Unit (MXU)	4,520	Each		
Installation Sub-total				
AMI Network Deployment Project Management	1	Each		
AMI Network Deployment Project Management Sub-total				
Customer Web Portal Set Up Fee	1	Each		
Platform	1	Each		
Personnel Training	1	Each		
Customer Portal Sub-total				

Form B – Price Sheet Continued

Water Meter Replacement Program and Advanced Metering Infrastructure (AMI) Implementation

	Estimated Quantity	Unit	Unit Price	Total Cost
Base station, 2-way, water only	2	Each		
Base Station Installation	2	Each		
RNI SAAS Set Up Fee	1	Each		
RNI Training	1	Each		
Annual RNI SAAS Fee	1	Each		
Base Station Protectin Plan - Annual Fee	2	Each		
Data Management Application Set Up Fee	1	Each		
Data Management Application Training	1	Each		
Data Management Application Integration	1	Each		
Data Management Application	1	Each		
Data Management Application SAAS Annual Fee	1	Each		
Advanced Metering Infrastructure (AMI) Sub-Total				
LLDPE Meter Box with HDPE Meter Box Lid 14in. X 19in. X 12in. Meter box lid with a 2" for AMI device endpoint. Meter boxes will be replaced only as needed	500	Each		
Meter box with meter box lid Sub-Total				
Total Project Cost				

By signing below respondent acknowledges that they have the authority to sign on behalf of the responding company:

Signature: _____

Written Name: _____

Title: _____

Email Address: _____

Company Name: _____

Street Address: _____

City/ State: _____

Zip Code: _____

Form C – Bid Certification

Water Meter Replacement Program and Advanced Metering Infrastructure (AMI) Implementation

Company Name: _____

The undersigned Vendor hereby certifies as follows:

C1 That he/she has read the City of San Luis’ solicitation documents, its appendices and attachments, and the following Addenda, and to the best of his/her knowledge, has complied with the mandatory requirements stated therein.

Addendum	Issue Date
_____	_____
_____	_____

C2 That he/she has had opportunity to ask questions regarding the solicitation, and that such questions having been asked, have been answered by the City.

C3 That the Vendor’s bid consists of the following:

1. Form A - Solicitation Response Cover Sheet
2. Form B - Price Sheet
3. Form C - Bid Certification
4. Form D - Non-Collusion Certificate
5. Form E - Certificate of Ownership
6. Form F - Vendor Qualifications, Representations and Warranties.

C4 That the Vendor’s bid is valid for 120 days

Dated this _____ day of _____ 2024.

Signature

Phone Number

Written Name

Email Address

Form D – Non-Collusion Certificate



Water Meter Replacement Program and Advanced Metering Infrastructure (AMI) Implementation

Company Name: _____

The undersigned Vendor hereby certifies as follows:

To the best of his/her knowledge, the person, vendor, association, partnership, or corporation herein, has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive pricing in the preparation and submission of a bid to the City of San Luis for consideration in the award of this solicitation.

Dated this _____ day of _____ 2024.

Signature

Phone Number

Written Name

Email Address

Form E – Certificate of Ownership



Water Meter Replacement Program and Advanced Metering Infrastructure (AMI) Implementation

Company Name: _____

The undersigned Vendor hereby certifies as follows:

To the best of his/her knowledge, the person, vendor, association, partnership, or corporation herein, are the only person, vendors, corporations, partnerships, or other associations having any direct or indirect financial interest in the Vendor's business as legal or equitable owner, creditor (except current bills for operating expenses), or holder of any security or other evidence of indebtedness.

Dated this _____ day of _____ 2024.

Signature

Phone Number

Written Name

Email Address

Form F – Vendor Qualifications, Representation, and Warranties



Water Meter Replacement Program and Advanced Metering Infrastructure (AMI) Implementation

Company Name: _____

The undersigned Vendor hereby certifies as follows:

- F1 Taxes and Liens – Vendor has no unsatisfied tax or judgment lien on record.

- F2 Vendor’s Examination – Vendor has made its own examination, investigation, and research regarding the requirements of the solicitation including but not limited to the work to be done, services to be performed, any conditions affecting the work and services, the type and quantity of labor, equipment, facilities necessary to perform. Vendor fully understands the character of the work and services, the manner in which payment is to be made, the terms and conditions of the draft agreement (see Appendix X), and the solicitation. Vendor acknowledges and agrees that it has satisfied itself by its own examination, investigation, and research, and that it will make no claim against the City because of erroneous estimates, statements, or interpretations made by the City. Vendor hereby proposes to furnish all materials, equipment, and facilities and to perform all labor which may be required to do the work within the time required and upon the terms and conditions provided in the draft agreement and the solicitation, and at the prices as bid.

Dated this _____ day of _____ 2024.

Signature

Phone Number

Written Name

Email Address



General Services Contract

Water Meter Replacement Program and Implementation of an Advanced Metering Infrastructure (AMI) System

Contract Number: 2024-03

THIS AGREEMENT was made and entered into this 24th day of April 2024 by and between Dana Kepner Company, Inc. of the City of Tucson, County of Pima, State of Arizona, hereinafter designated "Vendor," and the City of San Luis, a municipal corporation, organized and existing under and by virtue of the laws of the State of Arizona, hereinafter designated "City."

WITNESSETH: That the said Vendor, for and in consideration of the sum to be paid by the said City, and of the other covenants and agreements herein contained, and under the penalties expressed in the bonds provided, hereby agrees, for himself, his heir, executors, administrators, successors, and assigns as follows:

ARTICLE I – SCOPE OF WORK: The Vendor shall furnish any and all labor, materials, equipment, transportation, utilities, services, and facilities required to perform all work for the construction of the project described as City of San Luis: Water Meter Replacement program and implementation of an Advanced Metering Infrastructure (AMI) System in a good and workmanlike and substantial manner and to the satisfaction of the City through its Contractors and under the direction and supervision of the Billing and Collections Manager, or his properly authorized agents and strictly pursuant to and in conformity with the Plans and Specifications prepared by the Vendors for the City, and with such written modifications of the same and other documents that may be made by the City through the Billing and Collections Manager or his properly authorized agents, as provided herein.

ARTICLE II – CONTRACT DOCUMENTS: The Notice Inviting Bids, Plans, Standards Specifications and Details, Special Conditions, Addenda, if any, and Proposal as accepted

by the Mayor and Council per Council Minutes of April 24, 2024, Certificate of Insurance and Contract Amendments, if any, are by this reference made a part of this Contract to the same extent as if set forth herein in.

ARTICLE III – TIME OF COMPLETION: The Contract resulting from this request shall commence once fully executed until September 30, 2025. The Contract may be extended with the mutual consent of the City of San Luis and the Vendor. Notice of intent to renew shall be made at least one (1) month prior to normal contract expiration. If renewal results in changes to the terms or conditions, such changes shall be made in writing as an amendment to the contract, and such amendment shall not become effective until fully executed by both parties.

ARTICLE IV – COMPENSATION: Vendor shall be paid, pursuant to the provisions as set forth in the Contract Documents, the total sum of \$2,761,474.63 plus any approved contract amendments, for the full and satisfactory completion of all work as set forth in the Project Specifications and Contract Documents. Retention shall be in accordance with Arizona Revised Statutes Section 34-221.

ARTICLE V – CONFLICT OF INTEREST: Pursuant to ARS Section 38-511, the City of San Luis may cancel this contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City of San Luis is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. In the event of the foregoing, the City of San Luis further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting, or creating this contract on behalf of the City of San Luis from any other party to the contract, arising as a result of this contract.

ARTICLE VI – AMBIGUITY: This Agreement is the result of negotiations by and between the parties. Although it has been drafted by the San Luis City Attorney, it is the result of the negotiations between the parties. Therefore, any ambiguity in this Agreement is not to be construed against either party.

ARTICLE VII – NONDISCRIMINATION: The Vendor, after award and during its performance of this contract, will not discriminate on the grounds of race, color, national origin, religion, sex, disability, or familial status in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The Vendor will not participate either directly or indirectly in the discrimination prohibited by or pursuant to Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and

Community Development Act of 1974, the Age Discrimination Act of 1975, the Americans With Disability Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, and Arizona Governor Executive Orders 99-4, 2000-4 and 2009-09 as amended.

ARTICLE VIII – INDEPENDENT VENDOR STATUS: It is expressly agreed and understood by and between the parties that the Vendor is being retained by the City as an independent vendor, and as such, the Vendor shall not become a City employee and is not entitled to payment or compensation from the City or to any fringe benefits to which other City employees are entitled other than that compensation as set forth in Article IV - Compensation above. As an independent vendor, the Vendor further acknowledges that he is solely responsible for payment of any and all income taxes, FICA, withholding, unemployment insurance, or other taxes due and owing any governmental entity whatsoever as a result of this Agreement. As an independent vendor, the Vendor further agrees that he will conduct himself in a manner consistent with such status, that he will neither hold himself out nor claim to be an officer or employee of the City by reason thereof, and that he will not make any claim, demand or application to or for any right or privilege applicable to any officer or employee of the City, including but not limited to Workers's Compensation coverage, Unemployment Insurance benefits, Social Security coverage, or retirement membership or credit.

ARTICLE IX – CITY FEES: Prior to final payment to the Vendor, the City shall deduct from there any and all unpaid privilege, license, and other taxes, fees, and any and all other unpaid moneys due the City from the Vendor and shall apply those moneys to the appropriate account. Vendor shall provide to the City any information necessary to determine the total amount(s) due.

ARTICLE X – OTHER WORK IN PROJECT AREA: The City of San Luis and any other vendors, whether under contract with the City, a third party, and/or utilities, may be working within the project area while this Contract is in progress. The Vendor herein acknowledges that delays and disruptions may, and in all likelihood, occur due to other work. The Vendor's bid shall be deemed to have recognized and included costs arising from and associated with other work in the project area disclosed by the Contract Documents or which would be apparent to an experienced vendor exercising due diligence during inspection of the project documents, the question-and-answer session in the pre-bid process or during a site inspection. No payment will be made for any delays or disruptions in the work schedule that are wholly the fault of the vendor, its agents, employees, or any of the vendor's subcontractors. In the event that the vendor encounters delay or disruption in the project schedule due to factors not wholly the fault of the vendor or within the vendor's control, then the Contract may be adjusted

pursuant to the Delay's and Extension of Time provisions of this Contract and a timely request submitted for Contract Amendment. Failure to submit a timely request for Contract Amendment shall be deemed a waiver of any entitlement to additional compensation.

ARTICLE XI – RIGHT TO ASSURANCE: If the City, in good faith, has reason to believe that the Vendor does not intend to or is unable to perform or continue performing under this Contract, the Billing and Collections Manager may demand in writing that the Vendor give a written assurance of intent to perform. Failure by the Vendor to provide written assurance within the number of Days specified in the demand may, at the City's option, be the basis for terminating the Contract.

ARTICLE XII – TERMINATION FOR CONVENIENCE: The City reserves the right to terminate the Contract, in whole or in part, at any time, when in the best interests of the City, without penalty or recourse. Upon receipt of the written notice, the Vendor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination, and minimize all further costs to the City. In the event of termination under this paragraph, all documents, data, and reports prepared by the Vendor under the Contract shall become the property of and be delivered to the City upon demand. The Vendor shall be entitled to receive just and equitable compensation for work completed and materials accepted before the effective date of the termination.

ARTICLE XI – MISCELLANEOUS

- A. The parties hereto expressly covenant and agree that in the event of a dispute arising from this Agreement, each of the parties hereto waives any right to a trial by jury. In the event of litigation, the parties hereby agree to submit to a trial before the Court. The Vendor further agrees that this provision shall be contained in all subcontracts related to the project, which is the subject of this Agreement.
- B. The parties hereto expressly covenant and agree that in the event of litigation arising from this Agreement, neither party shall be entitled to an award of attorney fees, either pursuant to the Contract, pursuant to ARS Section 12-341.01 (A) and (B) or pursuant to any other state or federal statute, court rule, case law or common law. The Vendor further agrees that this provision shall be contained in all subcontracts related to the project that is the subject of this Agreement.
- C. In the event of default, neither party shall be liable for incidental, special, or consequential damages.
- D. Any notices to be given by either party to the other must be in writing and personally delivered or mailed by prepaid postage at the following addresses:

Billing and Collections
City of San Luis
P.O. Box 3750
1090 E Union Street
San Luis, AZ 85349

- E. This Agreement is non-assignable by the Vendor unless by subcontract, as approved in advance by the City.
- F. All invoices shall be emailed to eesparza@sanluisaz.gov
- G. This Agreement shall be construed under the laws of the State of Arizona.
- H. This Agreement represents the entire and integrated Agreement between the City and the Vendor and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the City and the Vendor. Written and signed amendments shall automatically become part of the Agreement and shall supersede any inconsistent provision therein, provided, however, that any apparent inconsistency shall be resolved, if possible, by construing the provisions as mutually complementary and supplementary.
- I. In the event any provision of this Agreement shall be held to be invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.
- J. INDEMNIFICATION: To the fullest extent permitted by law, the Vendor shall defend, indemnify and hold harmless the City, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of the Vendor, its employees, agents, or any tier of subcontractors in the performance of this Contract, Vendor's duty to defend, hold harmless and indemnify the City, its agents, representatives, officers, directors, officials and employees that arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused by any acts, errors, mistakes, omissions, work or services in the performance of this Agreement including any employee of the Vendor or any tier of subcontractor or any other person for whose acts, errors, mistakes, omissions, work or services the Vendor may be legally liable.

- K. No oral order, objection, claim, or notice by any party to the other shall affect or modify any of the terms or obligations contained in this Agreement. None of the provisions of this Agreement shall be held to be waived or modified by reason of any act whatsoever other than by a definitely agreed waiver or modification thereof in writing. No evidence of modification or waiver other than evidence of any such written notice, waiver, or modification shall be introduced in any proceeding.
- L. **INSURANCE:** Vendor and/or subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Vendor, his agents, representatives, employees or subcontractors.
- The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract.
- The City in no way warrants that the minimum limits contained herein are sufficient to protect the Vendor from liabilities that might arise out of the performance of the work under this Contract by the Vendor, his agents, representatives, employees, or subcontractors. Vendor is free to purchase such additional insurance as may be determined necessary.

Additional Insurance Requirements: The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where the City of San Luis is named as an additional insured, the City of San Luis shall be an additional insured to the total limits of liability purchased by the Vendor, even if those limits of liability are in excess of those required by this Contract.

**Additional Insured:
City of San Luis
1090 E Union Street
San Luis, AZ 85349**

2. The Vendor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

All certificates required by this Contract shall be emailed directly to msabori@sanluisaz.gov and eesparza@sanluisaz.gov. The City contract number and project description shall be noted on the certificate of insurance. The City reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. Any Renewal of Insurance certificates with endorsements will need to be emailed to the above emails at least two weeks prior to expiration.

Notice of Cancellation: With the exception of a ten (10) day notice of cancellation for nonpayment of premium, any changes to material to compliance with this contract in the insurance policies above shall require thirty (30) day written notice.

Worker's Compensation and Employer's Liability:

Workers' Compensation	Statutory
Employer's Liability	
• Each Accident -	\$ 1,000,000

Acceptability of Insurers: Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A-VII, unless otherwise approved by the City of San Luis Risk Management Division.

Verification of Coverage: Vendor shall furnish the City with certificates of insurance (ACORD form or equivalent approved by the City) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be received and approved by the City before work commences. Each insurance policy required by this Contract must be in effect at or prior to the commencement of work under this Contract and remain in effect for the duration of the Contract. Failure to maintain the insurance policies as required by this Contract or to provide evidence of renewal is a material breach of contract.

Insurance Limit Requirements - Vendor shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a following form basis.

Commercial General Liability – Occurrence Form:

Policy shall include bodily injury, property damage, personal injury, broad form contractual liability coverage.

- General Aggregate \$ 2,000,000
- Products – Completed Operations Aggregate \$ 1,000,000 (if applicable)
- Personal and Advertising Injury \$ 1,000,000 (if applicable)
- Each Occurrence \$ 1,000,000
- Fire Legal Liability (Damage to Rented Premises) \$ 100,000 (if applicable)

The policy shall be endorsed to include the following additional insured language: "The City of San Luis shall be named as an additional insured

with respect to liability arising out of the activities performed by, or on behalf of, the Vendor. "

Business Automobile Liability: Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

- Combined Single Limit (CSL) \$ 1,000,000

The policy shall be endorsed to include the following additional insured language: "The City of San Luis shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Vendor. "

- Disease – each employee - \$ 1,000,000
- Disease – policy limit - \$ 1,000,000

Policy shall contain a waiver of subrogation against the City of San Luis for losses arising from work performed by or on behalf of the Vendor.

All insurance required pursuant to this Agreement must be written by an insurance company authorized to do business in the State of Arizona, to be evidenced by a Certificate of Authority as defined in ARS Section 20-217, a copy of which certificate is to be attached to each applicable bond or binder.

Prior to commencing work under this Agreement, the Vendor shall provide City with evidence that it is either a "self-insured employer" or a "carrier-insured employer" for Workers' Compensation as required by ARS 23-901 et seq. or that it employs no persons subject to the requirement for such coverage.

M. Contractor Immigration Warranty

Contractor / Vendor understands and acknowledges its applicability to the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986, and the Drug-Free Workplace Act of 1989. The following is only applicable to construction contracts: The Contractor / Vendor must also comply with A.R.S. § 34-301, "Employment of Aliens on Public Works Prohibited," and A.R.S. § 34-302, as amended, "Residence Requirements for Employees."

Under the provisions of A.R.S. § 41-4401, Contractor / Vendor hereby warrants to the City that the Contractor / Vendor and each of its subcontractors ("Subcontractors") will comply with and are contractually obligated to comply with all Federal Immigration laws and regulations that

relate to their employees and A.R.S. § 23-214(A) (hereinafter "Contractor Immigration Warranty").

A breach of the Contractor Immigration Warranty shall constitute a material breach of this Contract and shall subject the Contractor / Vendor to penalties up to and including termination of this Contract at the sole discretion of the City.

The City retains the legal right to inspect the papers of any Contractor / Vendor or Subcontractors' employee who works on this Contract to ensure that the Contractor / Vendor or Subcontractor is complying with the Contractor Immigration Warranty. Contractor / Vendor agrees to assist the City in regard to any such inspections.

The City may, at its sole discretion, conduct random verification of the employment records of the Contractor / Vendor and any of the Subcontractors to ensure compliance with Contractor / Vendor's Immigration Warranty. Contractor / Vendor agrees to assist the City in regard to any random verification performed.

Neither the Contractor/Vendor nor any Subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if the Contractor/Vendor or Subcontractor establishes that it has complied with employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and E-Verify requirements prescribed by A.R.S. § 23-214, Subsection A.

N. Israel: Vendor certifies that it is not currently engaged in and agrees for the duration of this Agreement that it will not engage in a "boycott," as that term is defined in Ariz. Rev. Stat. § 35-393, of Israel.

O. Force Labor of Ethnic Uyghurs Certification: Pursuant to A.R.S. § 35- 394, Vendor certifies that the vendor does not currently, and agrees for the duration of the contract that it will not, use:

1. The forced labor of ethnic Uyghurs in the People's Republic of China
2. Any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China and
3. Any Vendor, subcontractors, or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

If the Vendor becomes aware during the term of the Contract that the Company is not in compliance with the written certification, the Vendor shall

notify the City of San Luis within five business days after becoming aware of the noncompliance. If the Vendor does not provide the City of San Luis with a written certification that the Company has remedied the noncompliance within 180 days after notifying the City of San Luis of the noncompliance, this Contract terminates, except that if the Contract termination date occurs before the end of the remedy period, the Contract terminates on the Contract termination date.

P. Contracting with small and minority vendors, women's business enterprises, and labor surplus area vendors:

1. The Company will take all necessary affirmative steps to ensure that minority vendors, women's business enterprises, and labor surplus area vendors are used when possible.
2. Affirmative steps shall include:
 - a. Placing qualified small and minority businesses and women's business enterprises on solicitation lists
 - b. Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources.
 - c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises.
 - d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises.
 - e. Using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

Q. In the event of a discrepancy between this Agreement and other documents incorporated into this Agreement, this Agreement shall control over such other incorporated documents.

R. Non-Availability of Funds: Fulfillment of the obligation of the City under this Agreement is conditioned upon the availability of funds appropriated or allocated for the performance of such obligations. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the City at the end of the period for which the funds are available. No liability shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments as a result of termination under this paragraph.

Dated this _____ day of _____ 2024.

City of San Luis, Arizona

Nieves Riedel, Mayor

Date: _____

Attest:

Sonia Cornelio, City Clerk

Approved As to Form

Kay Marion Macuil, City Attorney

Dana Kepner Company, Inc.

Matthew Roeder

Authorized Representative

Witness:

Signature

Print Name: _____

MSPS

	Estimated Quantity	Unit	Unit Price	Total Cost
5/8"x3/4", 25ft Wire, 2 Wire, 100 Gal	4,700	Each	\$118.56	\$557,232.00
Retro-Fit Meters	2,250	Each	\$13.18	\$29,655.00
NexT Splice Kit	2,250	Each	\$8.52	\$19,170.00
Water Meters Subtotal				\$606,057.00
500W Cellular Water Pit Module	6,950	Each	\$137.43	\$955,138.50
MXU Sub-totals				\$955,138.50
Replace of 5/8"x3/4" Meter	4,700	Each	\$79.55	\$373,885.00
5/8"x3/4" iPERL Meter Retrofit to Itron Cable	2,250	Each	\$68.18	\$153,405.00
Installation Sub-total				\$527,290.00
Itron Mobile Radio 2.2W/USB Cable and Charger	1	Each	\$2,422.25	\$2,422.25
Troubleshooting Equipment Sub-total				\$2,422.25
Implementation, Integration, Setup and Training	1	Each	\$38,915.00	\$38,915.00
AMI Essentials Water NAM-Hosted Setup	1	Each	\$14,826.00	\$14,826.00
Temetra Training	1	Each	\$2,600.00	\$2,600.00
Customer Web Portal Set Up Fee				\$56,341.00
AMI Essentials Water NAM Subscription	6,950	Each	\$3.19	\$22,170.50
Customer Web Portal Set Up Fee				\$22,170.50
Installation Mobilization	1	Each	\$12,000.00	\$12,000.00
Installation Project Management	6	Each	\$2,800.00	\$16,800.00
Sub Meter GPS Collection	6950	Each	\$11.36	\$78,952.00
Installation Services Sub-total				\$107,752.00
Total Project Cost				\$2,277,171.25

Dana Kepner Co.

	Estimated Quantity	Unit	Unit Price	Total Cost
5/8"x3/4", 25ft Wire, 2 Wire, 100 Gal	4,700	Each	\$197.00	\$925,900.00
Water Meters Subtotal				\$925,900.00
520M MXU, 1 Port, TC Hourly Read, Leak Det	2,290	Each	\$219.00	\$501,510.00
520M MXU, 2 Port, TC Hourly Read, Leak Det	2,230	Each	\$291.00	\$648,930.00
MXU Sub-totals				\$1,150,440.00
Replace of 5/8"x3/4" Meter	4,700	Each	\$66.82	\$314,054.00
Replace MXU Unit	4,520	Each	\$33.68	\$152,233.60
Installation Sub-total				\$466,287.60
AMI Network Deployment Project Management	1	Each	\$10,000.00	\$10,000.00
AMI Network Deployment Project Management Sub-total				\$10,000.00
Customer Web Portal Set Up Fee	1	Each	\$12,500.00	\$12,500.00
Platform	1	Each	\$18,020.00	\$18,020.00
Personnel Training	1	Each	\$6,000.00	\$6,000.00
Customer Web Portal Set Up Fee				\$36,520.00
Base station, 2-way, water only	2	Each	\$33,500.00	\$67,000.00
Base Station Installation	2	Each	\$22,000.00	\$44,000.00
RNI SAAS Set Up Fee	1	Each	\$7,956.25	\$7,956.25
RNI Training	1	Each	\$5,500.00	\$5,500.00
Annual RNI SAAS Fee	1	Each	\$16,393.74	\$16,393.74
Base Station Protectin Plan - Annual Fee	2	Each	\$1,963.59	\$3,927.18
Data Management Application Set Up Fee	1	Each	\$5,000.00	\$5,000.00
Data Management Application Training	1	Each	\$4,000.00	\$4,000.00
Data Management Application Integration'	1	Each	\$5,000.00	\$5,000.00
Data Management Application	1	Each	\$0.00	\$0.00
Data Management Application SAAS Annual Fee	1	Each	\$13,549.86	\$13,549.86
Advanced Metering Infrastructure (AMI) Sub-total				\$172,327.03
Total Project Cost				\$2,761,474.63

AquaFlow Solutions

	Estimated Quantity	Unit	Unit Price	Total Cost
5/8"x3/4", 25ft Wire, 2 Wire, 100 Gal	4,700	Each	\$230.45	\$1,083,115.00
Water Meters Subtotal				\$1,083,115.00
520M MXU, 1 Port, TC Hourly Read, Leak Det	2,290	Each	\$219.00	No Bid
520M MXU, 2 Port, TC Hourly Read, Leak Det	2,230	Each	\$291.00	No Bid
MXU Sub-totals				\$0.00
Replace of 5/8"x3/4" Meter	4,700	Each	\$115.00	\$540,500.00
Replace MXU Unit	4,520	Each	\$33.68	No Bid
Hourly Rate - Charged if water leaks occurs	1		\$65.00	
Installation Sub-total				\$540,500.00
Harmony Enterprise Management Software	1	Each	\$ 12,104.78	\$ 12,104.78
Harmony Software System Setup and Training	1	Each	\$ 6,619.32	\$ 6,619.32
Customer Engagement Portal	1	Each	\$ 8,580.60	\$ 8,580.60
Software Sub-total				\$ 27,304.70
Allegro Base Station Kit	1	Each	\$ 35,221.23	\$ 35,221.23
Installation of Tower Base Station and Antenna	2	Each	\$ 18,399.15	\$ 36,798.30
FCC License Application Fee for Harmony Encore	2	Each	\$ 1,168.20	\$ 2,336.40
Allegro Standard Repeater	4	Each	\$ 2,070.90	\$ 8,283.60
Allegro External Antenna	4	Each	\$ 605.41	\$ 2,421.64
Repeater Installation on existing pole	4	Each	\$ 13,492.71	\$ 53,970.84
Allegro Standard Repeater	1	Each	\$ 2,070.90	\$ 2,070.90
Allegro External Antenna	1	Each	\$ 605.34	\$ 605.34
Repeater Installation on existing pole	1	Each	\$ 5,256.90	\$ 5,256.90
Pre-implementation site visit	1	Each	\$ 4,906.44	\$ 4,906.44
Allegro Infrastructure Sub-total				\$ 151,871.59
Allegro 2WMMR Mobile Receiver	1	Each	\$ 2,683.71	\$ 2,683.71
Allegro Mobile MAG Mount Antenna	1	Each	\$ 126.67	\$ 126.67
Programming Activation Equipment Sub-total				\$ 2,810.38
Allegro Mobile Laptop Reading System Hard Shell	1	Each	\$ 11,141.97	\$ 11,141.97
Allegro Base Station Extended Warrenty Program	1	Each	\$ 6,741.90	\$ 6,741.90
Allegro Infrastructure Extended Warrenty	5	Each	\$ 471.93	\$ 2,359.65
Harmony Fized Base Annual Hosting Support	1	Each	\$ 5,192.63	\$ 5,192.63
Sub-total				\$ 25,436.15
Total Project Cost				\$1,831,037.82

Total Score of the Submittals

Project: Water Meter Replacement Program and Implementation of an Advanced Metering Infrastructure (AMI) System

RPF No.: BAN-2024-03

Please find below the scoring results from the City's evaluation committee.

Total Score of the Submittals		
Vendor	Score	Total Cost
Dana Kepner Company, Inc.	86/100	\$2,761,474.63
Aquaflow Solutions, Inc.	74/100	\$1,831,037.82
Mountain State Pipe & Supply Inc.	68/100	\$2,277,171.25



AGENDA ITEM REVIEW FORM

Regular City Council Meeting

7. C.

Meeting Date: 04/24/2024

Department Head: Eulogio Vera, Director of Public Works, Public Works Department

Submitted By: Jorge Perez, Assistant Director of Public Works, Public Works Department

Action Requested: Motion

ITEM:

Discussion and possible action on any and all matters regarding the purchase of electrical equipment for the Water Well Site #5 Project. **(Jorge Perez, Assistant Director of Public Works)**

SUMMARY:

The Department of Public Works and its water division are currently working on the development, design, and construction of a new groundwater well, filtration system, and building improvements at Well Site #5. Some of the equipment, like the filtration system and the pre-engineered metal building, have been ordered to take advantage of time and allow for the fabrication and delivery of materials. Public Works would like to procure electrical equipment such as the Service Entrance Section (SES), the Automatic Transfer Switch (ATS), and the Generator to advance on their fabrication and delivery.

The project was initiated at the beginning of the fiscal year by bringing a consultant on board to produce design plans for the construction of the well, to work with Pureflow filtration system and incorporate their system design into the project design, and to also produce 100% plans including electrical equipment and construction. The project has advanced in design in construction phases, concentrating initial efforts into the well design and filtration system for it to be ordered. At this stage, the design is far along to produce engineering design for the electrical equipment, and thus, the Department of Public Works is seeking the purchase of the aforementioned equipment. Conducting a formal bid process for the purchase of a new SES, ATS, and Generator could add 6-8 weeks to the project schedule. With this in mind, Public Works, with the assistance of its consultants, requested and obtained three proposals from Tumex Corporation/Specialty Electric, D&H Electric, Inc., and WW.Williams Power Solutions. All three responsive vendors provided estimated time of delivery and pricing as follows:

- Specialty Electric - \$204,036.00 – Lead time 367 days.
- D&H Electric - \$189,900.00 – Lead time 420 days.
- WW.Williams - \$119,000.00 (Did not include SES) – Lead time 213 days.

The Specialty Electric proposal is \$14,136.00 higher than D&H Electric but provides for a shorter delivery time of the equipment, allowing for project completion within fiscal year 2025. WW.Williams only provided a proposal for Automatic Transfer Switch and Generator but not the Service Entrance Section.

Public Works is seeking Mayor and Council approval to purchase the Service Entrance Section (SES), the Automatic Transfer Switch (ATS) and the Generator from Tumex Corporation/Specialty Electric in the amount of \$204,036.00 and to waive the formal purchasing procedures as authorized under the San Luis City Code, Section 3.05.010(F) *Procedures Waived*.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE THE PURCHASE OF ELECTRICAL EQUIPMENT FOR WELL SITE #5 PROJECT IN THE AMOUNT OF \$204,036.00 AND TO WAIVE FORMAL PURCHASING PROCEDURES FOR THE REASONS PRESENTED.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM: Yes
CITY/STATE/FEDERAL FUNDS: City
TOTAL: \$204,036.00
BUDGETED AMOUNT: \$1,600,000.00
AVAILABLE AMOUNT TO TRANSFER: N/A
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: See Fiscal Impact
FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

Proposals are as follows:

- Specialty Electric - \$204,036.00 – Lead time 367 days.
- D&H Electric - \$189,900.00 – Lead time 420 days.
- WW.Williams - \$119,000.00 (Did not include SES) – Lead time 213 days.

The Specialty Electric proposal is \$14,136.00 higher than D&H Electric but provides for a shorter delivery time of the equipment, allowing for project completion within fiscal year 2025. WW.Williams only provided a proposal for Automatic Transfer Switch and Generator but not the Service Entrance Section.

Public Works is seeking council approval for this purchase and to order equipment as presented. Funding will be allocated in fiscal year 2025 for payment to be processed upon delivery of equipment.

Attachments

Specialty Electric Proposal
D&H Electric Proposal
WW.Williams Proposal

Tumex Corporation SPECIALTY ELECTRIC

2006 S KENNEDY LANE
Yuma, AZ 85365

Voice: (928) 783-3086
Fax: (928) 783-3992

PROPOSAL

Proposal Number: CD24-115-3
Proposal Date: Mar 19, 2024
Complete By: Mar 19, 2024
Page: 1

To:
CITY OF SAN LUIS ATTN: ACCOUNTS PAYABLE PO BOX 1170 SAN LUIS, AZ 85349

Ship To:
ATTN: JIM DAVEY CITY OF SAN LUIS WELL SITE #5 SAN LUIS, AZ 85349

Customer ID	PO Number	Sales Rep Name
CITYOFSANLUIS	WELLSITE 5	Melva De Los Reyes
Customer Contact	Shipping Method	Payment Terms
PARKS &. JIBARRA	Courier	Net 10 Days

Quantity	Item	Description	Unit Price	Amount
1.00		OPTION 2 ===== SUPPLY ELECTRICAL EQUIPMENT FOR UPCOMING PROJECT AT WELL SITE PER ELECTRICAL ONE-LINE PROVIDED TO INCLUDE THE FOLLOWING: (1) New 1,000-amp service entrance meter main section 480/277V 3Ph 4W N3R without integrated Automatic Transfer Switch. (Lead Time: 262 working days) (1) Distribution panel 1000A 480/277V with breakers per diagram. Lead time: 161 working days. (1) 500kW 60HZ 480v Diesel Stand-by generator W/ 1000A ATS per specifications provided. (Lead Time: 19 weeks) Includes: 8.412% AZ Sales Tax	204,036.00	204,036.00
		Subtotal		Continued
		Sales Tax		Continued
		Freight		Continued
		TOTAL PROPOSAL AMOUNT		Continued

Tumex Corporation SPECIALTY ELECTRIC

2006 S KENNEDY LANE
Yuma, AZ 85365

Voice: (928) 783-3086
Fax: (928) 783-3992

PROPOSAL

Proposal Number: CD24-115-3
Proposal Date: Mar 19, 2024
Complete By: Mar 19, 2024
Page: 2

To:
CITY OF SAN LUIS ATTN: ACCOUNTS PAYABLE PO BOX 1170 SAN LUIS, AZ 85349

Ship To:
ATTN: JIM DAVEY CITY OF SAN LUIS WELL SITE #5 SAN LUIS, AZ 85349

Customer ID	PO Number	Sales Rep Name
CITYOFSANLUIS	WELLSITE 5	Melva De Los Reyes
Customer Contact	Shipping Method	Payment Terms
PARKS & JIBARRA	Courier	Net 10 Days

Quantity	Item	Description	Unit Price	Amount
		EXCLUDES: Permit; Concrete; Installation; Wiring & terminations; Engineering; Trenching & conduit; Fuel; Site delivery; Crane.		
		THIS PROPOSAL IS VALID FOR 30 DAYS.		
		Disclaimer: We reserve the right to amend, withdraw or alter this submission without penalty or charge resulting from circumstances beyond our control. We will not be held liable for lead time changes by manufacturers to material or equipment.		
		Subtotal		204,036.00
		Sales Tax		
		Freight		0.00
		TOTAL PROPOSAL AMOUNT		204,036.00

PROPOSAL

D. & H. ELECTRIC, INC.

2333 E. PALO VERDE P.O. BOX 4804 YUMA, AZ 85366-4804
 TELEPHONE: (928) 726-5671 FAX: (928) 726-9405

ATTENTION James Davey	EMAIL jdavey@jdacivil.com	
PROPOSAL SUBMITTED TO James Davey and Associates	PHONE (928) 782-7926	DATE 3/27/2024
STREET 1025 W 24 th Street, Suite #2	JOB NAME City of San Luis Well #5: Generator, SES and ATS	
CITY, STATE, AND ZIP CODE Yuma, AZ 85364	JOB LOCATION Well Site #5	

Inclusions

- Purchase and shipping of 1000 amp, 277/480 volt, 3 phase, 4 wire, Nema 1, Service entrance section
- Purchase and shipping of Automatic transfer switch with outdoor rated enclosure
- Purchase and shipping to job site of 500 kW, 277/480 volt, 3 phase, 4 wire diesel generator with 24 hour fuel tank.
- Delivery of equipment to San Luis, AZ
- Service entrance section lead time 280-300 working days after submittal review and approval.
- Generator Lead time 70-80 working days after submittal review and approval.

Exclusions

- Sales tax
- Installation of service entrance section or generator
- Unloading or storage of Service entrance section or Generator
- Testing and startup fuel
- NETA testing, Fuel Tank testing
- Concrete work: Equipment pads, Cutting or patching.
- Permit and fees.
- Engineered or as-build drawings

We propose hereby to furnish materials and labor – complete in accordance with above specifications for the sum of:

Two Hundred Eighty-Nine Thousand Nine Hundred Dollars

(\$)189,900.00

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owners to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized

Signature: Robert Green

Note: this proposal may be withdrawn if not accepted within 30 days.

Acceptance of proposal – the above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as outlined above.

Signature _____

Date of Acceptance: _____

To: City of San Luis	Attn: Jorge Perez
Project: San Luis Well #5	Quote#: 040824-0
Date Issued: 4/8/2024	Expiration: 5/10/2024
Reply To: Choose Name	Page 1 of 8

AKSA 500kW/625kVA UL2200 Generator Set

One (1), AKSA, Diesel Engine Driven Generator Set, Standby rated at 0.8 Power Factor, 480Y/277 Volt 3 Phase, equipped as follows for OUTDOOR application:

Engine:

- Volvo TAD1641GE, 16.12 L, 6 Cylinder, EPA Tier 2 Certified
- Engine Coolant 50/50 Mix, and Engine Oil

Cooling System:

- Unit Mounted Radiator, 50°C (122°F) Capability
- Qty. One (1), Engine Jacket Water Heater, -20°F Block Heater, 2500W, with ball type isolation valves. (240V 1PH input)

Starting System, Qty One (1):

- Electric Starting Motor, 24VDC
- Battery Charging Alternator
- Qty. Two (2), Battery Set, 24VDC Lead Acid type with battery rack and cables.
- Qty One (1), 10 amp DSE-BS2410Ei Battery Charger (with meters), NFPA 110. Mounted and Wired. 240VAC input required.

Instrumentation & Controls:

- Isochronous Electronic Governor (frequency reg. +/- .25%)
- Control Panel, Unit Mounted
DSE 7320 MKII Controller

The following optional features are included:

- High Fuel Level Pre-Alarm
- Critical Low Fuel Level Alarm
- Voltage Adjust Control
- Frequency Adjust Control
- Qty. One (1), DSE 2548 Remote Annunciator Panel (16 Lights) – NFPA 110 (Shipped Loose)
- Remote E-Stop Break Glass Station (Shipped Loose)

Generator (Alternator):

- Brushless, 2/3 Pitch, **Permanent Magnet Generator (PMG)** Alternator rated for **500kW/625kVA** at **130°C** temp rise.
- Stamford MX341 Automatic Voltage Regulator: ±1.0% regulation. Includes Voltage adjust rheostat, EMI filter, and V/Hz Roll-off. Fully encapsulated construction.

Circuit Breaker:

- Factory Mounted
 - 400 Amp 3 Pole, 100% Rated, LSI
 - 400 Amp 3 Pole, 100% Rated, LSI

To: City of San Luis	Attn: Jorge Perez
Project: San Luis Well #5	Quote#: 040824-0
Date Issued: 4/8/2024	Expiration: 5/10/2024
Reply To: Choose Name	Page 2 of 8

Generator Enclosure:

- Level 2 Maximum Sound Attenuated Enclosure
- Steel Construction
- Sound performance: **77** dB(A) at 23 feet
- Wind Rated at 130 mph
- Door Restraints
- Vibration Isolators: Spring Isolators
- Exhaust Louver: Fixed
- Intake Louver: Fixed

Exhaust System:

- Critical Grade Silencer with Stainless Steel Flex, Elbow and Rain cap.

Fuel System:

24-Hour / 855 Gallon UL 142 Sub-Base Tank with Electrical Stub-Up

Standard Features:

- Fuel fill drop tube
- Normal & Emergency Vent
- Emergency vent
- Manual fill
- Lockable fill cap
- Level alarm
- Basin drain (plugged)
- Removable supply and return dip tubes
- Leak detection
- Black paint finish
- Secondary containment
- Electrical stub-up area: Provides space for generator set electrical connections and internal wiring capabilities
- Baffles: Separates cold engine supply fuel from hot returning fuel (additional baffling as required for structural integrity)
- Fuel level gauge: A direct-reading fuel level gauge with electric sender

Optional Features:

- Fuel Fill Spill Containment (5 gallon)
- High Fuel Level Pre-Alarm
- Low Fuel Level Shutdown
- Fuel tank pressure (vacuum) testing may be required by your state/local AHJ. The fuel tank must not be filled with fuel until testing/permitting has been completed and approved by the local AHJ. Fuel tank pressure (vacuum) testing is not included in our scope of supply but can be provided upon request.
- Meets MI-DEQ requirements: High Fuel Switch (90%), Fuel Alarm Panel, Fuel Fill Spill Containment (5 gallon), Overfill Prevention Valve, Fire Rated Fuel Lines, Camlock Fill, Hazmat Label, Regional Labeling, Fuel Fill Drop Tube, Fuel Supply Check Valve, Tank Risers, Extended Vents (12 ft. above grade), Fuel Leak Switch

Warranty:

- 5 Years / 2000 Hours Comprehensive Warranty

To: City of San Luis	Attn: Jorge Perez
Project: San Luis Well #5	Quote#: 040824-0
Date Issued: 4/8/2024	Expiration: 5/10/2024
Reply To: Choose Name	Page 3 of 8

Instruction Manuals:

- O-M Manuals, Electronic Copy
- O-M Manuals, Hard Copy: One (1) Set

Spare Parts:

- Bypass Oil Filter (x2)
- Full Flow Oil Filter (x4)
- Fuel Filter (x4)
- Air Filter (x2)

Factory Testing:

- Standard Factory Test at 0.8 Power Factor

Onsite Services:

- NFPA 110 Start-up inspection includes Two (2) Trips with Four (4) hour load bank test using portable resistive load bank, to be completed during normal business hours, Monday thru Friday (excluding holidays). Additional trips or hours onsite, due to construction or other delays beyond our control, will be billed at extra cost at prevailing rates.
- Training of operating personnel
- Simulated power outage test using available site loads during start-up.

Automatic Transfer Switch:

- One (1) ASCO 300 Series Delayed Transition, 1000 Amp, 240V 3 Phase, 3 pole, Solid Neutral, Nema 1 Enclosure
With the following options:
 - **11BE:** Feature Bundle Includes Engine Exerciser, Event Log, RS 485 Enabled, Common Alarm, Output Contact.

To: City of San Luis	Attn: Jorge Perez
Project: San Luis Well #5	Quote#: 040824-0
Date Issued: 4/8/2024	Expiration: 5/10/2024
Reply To: Choose Name	

PRICING:
NET PRICE (2024 Delivery): \$115,355.00
FREIGHT ESTIMATE (F.O.B. Factory Shipping Point, Freight Prepaid and Add):.....\$3,645.00

•Please note: Final pricing of all items included in this quote is subject to change, without notice, by W.W. Williams. Enclosures may be repriced within 30 days of production, as we cannot prepurchase the required warehouse metals necessary to hold pricing firm. Generators are subject to repricing when the manufacturer places the unit into production, based on the applicable Manufacturer's amended pricing to reflect costs at the time of manufacture. A change in pricing does not allow for the cancelation, termination, or modification of any purchase order resulting from this quote.

TOTAL \$119,000.00

This quote is based on stock AKSA equipment intended to meet, or be substantially comparable to, our understanding of the project requirements only, based on review of: Specification Section(s) 26-32-13, and Drawing(s) E3.1 and E5.1.

NOTES(N), CLARIFICATIONS(C), DEVIATIONS(D), AND EXCEPTIONS(E):

1. (N) NETA testing not included (Provided by Others).
2. (N) All Interconnect Wiring (AC & DC) must be stranded wire.
3. (N) No testing is provided for ground fault at the job site (Provided by Others).
4. (N) Gensets not started-up within six months of shipment may require preservation at additional cost.
5. (N) Price does not include fuel for startup and testing.
6. (N) Price does not include fuel tank testing, which may be required by your local AHJ before fueling.
7. (N) Price does not include offloading or installation of the equipment or shipped loose items at job site.
8. (N) Price does not include any applicable local, state or federal taxes.
9. (N) Price does not include genset freight, which is pre-paid and add. We have provided an estimate which may fluctuate by time of delivery.
10. (N) W.W. Williams offers comprehensive scheduled service maintenance agreements performed by our experienced field service technicians for all makes of emergency power systems. A customer service maintenance agreement, tailored to meet your facility's requirements, will be quoted upon request.
11. (N) W.W. Williams reserves the right to correct errors or omissions.

Lead Times: Estimated delivery of this product is approximately **22 - 24 Weeks** from date of submittal approval and/or release for manufacturing. Please note that this is an estimate, and actual ship date could vary. In no event will we be responsible for any delay damages, liquidated damages, or any other late fees or penalties. If a specific ship date is required for this project, we must be notified in writing prior to date of order and we will accept or reject the order depending on all factors involved. We will not accept back charges or penalties unless we have agreed in writing to do so.

To: City of San Luis	Attn: Jorge Perez
Project: San Luis Well #5	Quote#: 040824-0
Date Issued: 4/8/2024	Expiration: 5/10/2024
Reply To: Choose Name	

Terms: Net 30, upon Delivery of Equipment, With Approved Credit, Otherwise C.O.D. - A 1 ½% (18% APR) Finance Charge Will Be Applied To All Accounts Past Due.

Terms and Conditions include those on the last page of this document.

Terms:

Payment Schedule: **Net 30** based on the following invoice schedule:

90% Invoiced upon Delivery of Equipment

10% Invoiced upon the sooner of completion of Start-Up or 60 days from delivery

With Approved Credit, Otherwise C.O.D. - A 1 ½% (18% APR) Finance Charge Will Be Applied To All Accounts Past Due. **90% OF JOB TOTAL MUST BE PAID BEFORE START-UP IS PERFORMED. Terms and**

Conditions include those on the last page of this document.

Acceptable methods of payment include cash, check, ACH, wire, or debit card.

If you are a new customers, or need to update terms, to help expedite your order please fill out our Credit App available at credit@wwilliams.com.

Thank you for the opportunity to support your power generation requirements. I look forward to working with you on this project and many more in the future.

Best regards,

Ruben Felix

Power Generation Sales
 The W.W. Williams Company, LLC

ELECTION TO PURCHASE OR LEASE (CHOOSE ONE):

PURCHASE - If a purchase order is written, we will also require that you sign and date this proposal in the following space provided. Please include this signed proposal with your purchase order. We will not order any equipment until you have submitted a credit application to W. W. Williams and it has been approved by W. W. Williams.

DATE: _____ ACCEPTED FIRM NAME: _____ BY: _____

To:	City of San Luis	Attn:	Jorge Perez
Project:	San Luis Well #5	Quote#:	040824-0
Date Issued:	4/8/2024	Expiration:	5/10/2024
Reply To:	Choose Name		Page 6 of 8

TERMS AND CONDITIONS

These Terms and Conditions apply to all sales transactions with The W.W. Williams Company, LLC, including quotations, purchase orders, service orders, sales orders, or similar documents:

1. **Terms Exclusive.** These Terms and Conditions and the applicable quotation, purchase order, service order, sales order or similar document constitute the complete, exclusive and final agreement (collectively, the "Agreement") of the buyer ("Buyer") and The W.W. Williams Company, LLC ("Williams"). All other additional or conflicting terms or conditions which may now or in the future appear on Buyer's acknowledgment, purchase order, or other similar document are expressly objected to by Williams without future notification and shall be null and void. These Terms and Conditions may only be modified, superseded or altered in writing signed by both parties. Buyer's acceptance of any performance by Williams shall be taken as Buyer's acceptance of these Terms and Conditions.
2. **Prices.** Prices are subject to change or withdrawal without notice. Unless otherwise stated in the Agreement, prices may be adjusted to and invoiced at Williams's price list in effect at the time of the shipment of goods or furnishing of the services. Unless otherwise stated in the Agreement, prices are exclusive of applicable taxes, excises, duties, quotation fees or other governmental impositions which Williams may be required to pay or collect on behalf of Buyer.
3. **Payment Terms; Security Interest.** Extensions of credit by Williams are subject to credit approval by Williams in its sole discretion, which may be modified or revoked by Williams at any time. Unless otherwise stated in the Agreement, payment shall be due and payable in full and without setoff within 15 days following delivery of the goods or completion of the services. Any payment not made when due shall be subject to a carrying charge of one and one-half percent (1 ½%) per month on the unpaid balance until paid in full. Buyer expressly grants to Williams a security interest in any goods, or a mechanic's or garage keeper's lien, as applicable, in respect of any services, to secure payment of the purchase price therefore and any other amounts or charges owed by Buyer to Williams. Buyer authorizes Williams (but Williams is not obligated) to file a financing statement or take such action as Williams deems advisable to evidence and perfect its security interest.
4. **Delivery; Force Majeure.** Unless otherwise stated in the Agreement, delivery of the goods, and services, if any, shall be F.O.B. point of shipment. Any delivery date specified is approximate only. Acceptance of shipment by a common carrier shall constitute tender of delivery. Upon tender of delivery, risk of loss shall pass to Buyer. Title shall pass to Buyer when the full price has been paid. Partial shipments may be made and payments therefore shall become due in accordance with the terms hereof as shipments are made and invoices rendered. If Williams is not able to meet the delivery date specified by reason of any force majeure event beyond Williams's control, including (but not limited to) war, governmental requests, restrictions or regulations, fire, flood, casualty, accident, or other acts of God, disease or illness, including but not limited to epidemic, pandemic, or quarantine, national or state declared emergency, strikes or other difficulties with employees, supplier delays, delay or inability to obtain goods, labor, equipment, material and service through Williams's usual sources, failure, refusal or delay of any carrier to transport materials, or any other similar event, Williams shall not be liable therefor and may, in its discretion without prior notice to Buyer, postpone the delivery date(s) under this Agreement for a time which is reasonable under all the circumstances. Acceptance of the goods or services shall constitute a waiver of all claims for damages.
5. **Standard Limited Warranty; Limitations of Liability.** The Williams Standard Limited Warranty and the limitations of liability contained therein, attached as Exhibit A hereto, shall apply to the purchase and sale of goods and services under this Agreement.
6. **Indemnification.** Buyer shall indemnify, defend, and hold harmless Williams, its directors, officers, employees and their respective affiliates against any claim, demand, complaint, liability, loss, cost, damage and/or expense (including attorneys' fees, costs and expenses of litigation and settlements) incurred by Williams arising out of or as a result of this Agreement, except to the extent caused by the negligence of Williams.
7. **Claims.** Unless otherwise stated in the Agreement, claims respecting the condition of goods, compliance with specifications, or any other matter affecting goods shipped or services provided to Buyer, must be made promptly and in no event later than twenty (20) days after receipt of the goods by Buyer or the furnishing of the services by Williams. Failure of Buyer to make a claim within such 20-day period shall be deemed an unqualified acceptance of the goods or services by Buyer. Buyer shall set aside, protect, and hold such goods (without charge to Williams) without further processing until Williams has an opportunity to inspect and advise of the disposition, if any, to be made of such goods. In no event shall any goods be returned, reworked, or scrapped by Buyer without the express written authorization of Williams.

To:	City of San Luis	Attn:	Jorge Perez
Project:	San Luis Well #5	Quote#:	040824-0
Date Issued:	4/8/2024	Expiration:	5/10/2024
Reply To:	Choose Name		Page 7 of 8

8. **Default and Williams's Remedies.** If Buyer fails to make timely payment on any sale of goods or services from Williams to Buyer, Williams, in addition to any other remedies available to it, may at its option, (a) defer further shipment or services until such payments are made and satisfactory credit arrangements are reestablished or (b) cancel the balance of any order, and Buyer shall not have any cause of action or be entitled to any offset, counterclaim, or recoupment against Williams by reason of such action. In the event of Buyer's default, Williams may exercise any and all remedies set forth in this Agreement, any other agreement between the parties, and applicable law, all of which rights and remedies are cumulative.

9. **Collection Costs and Attorney Fees.** Buyer agrees to pay all of Williams's costs and expenses incurred in collecting payments due from Buyer (including without limitation reasonable attorney fees and costs and expenses of any collection agency).

10. **Return Policy.** Returns must be accompanied by this invoice and in the original, unopened box or packaging. A 15% restocking charge will be applied to all returned items. No returns on electrical items. No returns on special order items. No returns after 30 days from invoice date.

11. **Technical Assistance.** Unless otherwise stated in the Agreement: (a) any technical advice provided by Williams with respect to the use of goods or services furnished to Buyer shall be provided as a courtesy without charge and without warranty; (b) Williams assumes no obligation and disclaims all liability for any such advice or for any results occurring as a result of the application of such advice; and (c) Buyer shall have sole responsibility for selection and specification of the goods and services appropriate for the end use of such goods or services.

12. **Miscellaneous.** This Agreement will be governed by the laws of the State of Ohio. The exclusive venue for any dispute related to this Agreement shall be the federal and state courts located in Columbus, Ohio. If any of the provisions hereof shall be held invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby. The individual rights and remedies of Williams reserved herein shall be cumulative and additional to any other or further remedies provided in law or equity. Waiver by Williams of performance or inaction with respect to Buyer's breach of any provision hereof, or failure of Williams to enforce any provision hereof which may establish a defense or limitation of liability, shall not be deemed a waiver of future compliance therewith or a course of performance modifying such provision, and such provision shall remain in full force and effect as written.

13. **Entire Agreement.** This Agreement, including without limitation the Terms and Conditions and any other document incorporated herein by reference, constitutes the sole and entire agreement between Buyer and Williams with respect to any order or sale of goods or furnishing of services to Buyer, superseding completely any prior or contemporaneous oral or written communications.

To: City of San Luis	Attn: Jorge Perez
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The W.W. Williams Company, LLC

Standard Limited Warranty

Limited warranty for parts and equipment:

The sole warranty provided for any part or equipment sold by The W.W. Williams Company, LLC (“Williams”) is to assign the warranty offered by the manufacturer or supplier to the Buyer. WILLIAMS MAKES NO REPRESENTATION OR WARRANTY TO THE EFFECTIVENESS OR EXTENT OF SUCH MANUFACTURER OR SUPPLIER WARRANTY. WILLIAMS EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, and does not assume or authorize any other person to assume for it any liability in connection with the sale.

Limited warranty for services:

Williams warrants its workmanship for a period of ninety (90) days from the date the services are performed (the “Warranty Period”). This warranty covers defects in Williams’s workmanship that are discovered during the Warranty Period. Buyer’s sole remedy, and Williams’s only liability, for Williams’s breach of its service warranty shall be, at Williams’s option, (i) reperforming the defective services; or (ii) refunding the purchase price paid for the defective services. WILLIAMS EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, and does not assume or authorize any other person to assume for it any liability in connection with the sale.

Limitations of Liability:

IN NO EVENT SHALL WILLIAMS BE LIABLE FOR ANY PUNITIVE, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR UNKNOWN DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROPERTY OR EQUIPMENT, LOSS OF DATA, LOSS OF USE, LOSS OF TIME, LOSS OF REVENUE, LOSS OF PROFIT, OR LOSS OF INCOME, WHETHER THE DAMAGES BE IN CONTRACT OR TORT.

WILLIAMS’S TOTAL LIABILITY FOR ANY PARTS, EQUIPMENT, OR SERVICES SOLD SHALL NOT EXCEED THE AMOUNT PAID TO WILLIAMS FOR SUCH PARTS, EQUIPMENT, OR SERVICES CAUSING THE LIABILITY.



AGENDA ITEM REVIEW FORM

Regular City Council Meeting

9.

Meeting Date: 04/24/2024

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Kay Macuil, City Attorney, Attorney's Office

Action Requested: Motion

ITEM:

EXECUTIVE SESSION:

Discussion and possible action to hold an executive session pursuant to A.R.S. § 38-431.03(A)(3) on any and all matters regarding discussion or consultation for legal advice with the City Attorney regarding compensation for the City Council members. **(Kay Marion Macuil, City Attorney)**

SUMMARY:

The City Attorney can properly advise the Council by holding an Executive Session for the purposes described in the agenda item.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO HOLD AN EXECUTIVE SESSION PURSUANT TO A.R.S. §§ 38-431.03(A)(3).

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM: N/A

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):

Fiscal impact is not applicable to this agenda item. Under A.R.S. §38-431.03(D), legal action involving a final vote or decision is not permitted to be taken at an executive session.



AGENDA ITEM REVIEW FORM

Regular City Council Meeting

11.

Meeting Date: 04/24/2024

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Kay Macuil, City Attorney, Attorney's Office

Action Requested: Motion
Resolution

ITEM:

DISCUSSION AND POSSIBLE ACTION ITEM:

Discussion and possible action on any and all matters regarding Resolution No. 2307. A resolution of the Mayor and City Council of the City of San Luis, Arizona, setting the compensation to be paid to City Council Members; establishing an effective date; repealing Resolution No. 1062; repealing any other conflicting provisions; and providing for severability. **(Kay Marion Macuil, City Attorney)**

SUMMARY:

The Law on Changing City Council Pay

The legal authority for the City Council to change its compensation is found in A.R.S. § 9-232.01 and the San Luis City Code § 2.05.240. The Arizona Constitution Article IV, Part 2 § 17, prohibits individual council members from receiving a change in compensation during their term, except if the city council has two or more members whose respective terms are staggered. The Arizona Supreme Court interpreted the Arizona Constitution's wording to mean that if there are staggered terms, the change in pay will take effect for all once a new council is elected. The reason for the interpretation is that an injustice would happen if those holding the same office, doing similar work, and being equal in authority received different compensation. The San Luis City Council has staggered terms authorized by A.R.S. § 9-232.02, A.R.S. § 9-272, and the San Luis City Code § 2.05.200.

San Luis City Council's Staggered Terms and Compensation Change

The staggered terms for San Luis City Council operate in even-numbered election years, so
(1) the term for the four (4) Council Members elected in 2022 will end in 2026, and
(2) the term for the three (3) City Council Members who will be elected in 2024 will end in 2028.

The pay change may take effect after those elected in 2024 take their oaths of office. If there is such a pay change, those elected in 2022 will still have two (2) years remaining in their term. So that all have the same pay, those elected in 2022 would also get the pay change in the middle of their term.

Summary of Resolution No. 2307

The resolution:

- cuts the City Council's pay in half so that the pay rate is:
 - \$875 per month to the Mayor,
 - \$650 per month to the Vice Mayor,

- \$450 per month to each of the remaining five (5) City Council Members who are not the Mayor or Vice Mayor;
- allows a reduction in pay due to unreasonable absences from Council Meetings as found by a majority vote of the City Council; the reduction would be by a percent commensurate with the percentage of unreasonable absences;
- eliminates health benefits;
- provides for continuation of retirement benefits as is required by law; and
- takes effect on January 11, 2024, or the first day of the City's employee payroll pay period following the date when all three (3) newly-elected or re-elected City Council Members will have taken their oaths of office, whichever date is later.

The staff has no recommendation on this item.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE AND ADOPT RESOLUTION NO. 2307 AS PRESENTED.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:	Yes
CITY/STATE/FEDERAL FUNDS:	City
TOTAL:	Please See the Fiscal Impact Statement
BUDGETED AMOUNT:	Please See the Fiscal Impact Statement
AVAILABLE AMOUNT TO TRANSFER:	N/A
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:	Please See the Fiscal Impact Statement

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

This item would take effect in the fiscal year 2024-2025. The new proposed annual total compensation for the City Council stands at \$79,000. Comparatively, the reduction from the previous compensation structure results in a total savings of \$164,640 annually. This includes direct savings from lowered salary expenses as well as reduced costs in medical benefits provided to the council members (Health, Dental & Vision).

Attachments

Resolution No. 2307



Resolution

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

No. 2307

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, SETTING THE COMPENSATION TO BE PAID TO CITY COUNCIL MEMBERS; ESTABLISHING AN EFFECTIVE DATE; REPEALING RESOLUTION NO. 1062; REPEALING ANY OTHER CONFLICTING PROVISIONS; AND PROVIDING FOR SEVERABILITY.

WHEREAS, A.R.S. § 9-232.01 authorizes the City Council to prescribe compensation or salary to be paid to the Mayor and Council Members by resolution; and

WHEREAS, the San Luis City Code § 2.05.240 authorizes the City Council to fix from time to time the compensation of the City's elective officers by resolution; and

WHEREAS, the Arizona Constitution Ariz. Const. art. IV, pt. 2 § 17, as amended, prohibits the individual Council Members from receiving a change in compensation during their term, except for a board composed of two or more whose respective terms are not coterminous; and

WHEREAS, the Arizona Supreme Court has interpreted the intention of Ariz. Const. art. IV, pt. 2 § 17 to remedy an injustice arising where those holding the same office, doing similar work, and being coequal in authority receive different salaries (Peterson v. Speakman, 49 Ariz. 342, 349, 66 P.2d 1023, 1026 (1937)); and

WHEREAS, A.R.S. § 9-232.02 and A.R.S. § 9-272 authorize the City Council to provide for four-year, staggered terms for Council Members in two classes, the first of three Council Members in the first regular election and the second of four Council Members in the second regular election; and

WHEREAS, the San Luis City Code § 2.05.200 adopted the staggered terms described in the above-cited Arizona statutes, and so the Council Members terms are not "coterminous"; and

WHEREAS, in the 2024 primary and regular elections, the first class of three Council Members are to be elected, and

WHEREAS, in the 2022 primary and regular elections, four Council Members from the second class were elected, and so those four Council Members will be subject to the same pay as the first class of Council Members under Ariz. Const. art. IV, pt. 2 § 17 under this resolution; and

WHEREAS, the last time a changed compensation took effect was June 24, 2014, under Resolution No.1062; and

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of San Luis, Arizona:

Section 1: Definitions.

"City" means the City of San Luis, Arizona.

"City Council Members" means all seven (7) members of the San Luis City Council, including the Mayor, Vice Mayor, and the remaining five City Council Members.

Section 2: All City Council Members shall have the same right to compensation whether they hold their offices by election or by appointment to fill a vacancy.

Section 3: Compensation. The salary to be paid shall be:

- a. \$875 per month to the Mayor,
- b. \$650 per month to the Vice Mayor, and
- c. \$450 per month to each of the remaining five (5) City Council Members who are not the Mayor or Vice Mayor.

Section 4: Attendance. Each of the City Council Members shall be fully compensated unless a majority of the other City Council Members find his or her nonattendance at Council Meetings to be unreasonable by a formal majority vote in a legally noticed open meeting. Upon passage of said vote, compensation shall be reduced in an amount commensurate with the percentage of unreasonable absences as determined by a majority of the same City Council Members in a legally noticed open meeting.

Section 5: Health Benefits. Starting January 11, 2025, the Mayor, Vice Mayor, and each Council Member shall not be eligible for health, dental, vision, or wellness benefits paid through the City and the City of San Luis Employee Benefits Trust.

- a. Personnel Policies Section HR-4-13, titled "Insurance Plans" of the personnel policies of the City of San Luis, is hereby amended to read as Exhibit "A" attached and by this reference incorporated into this resolution.
- b. Personnel Policies Section HR-4-14, titled "Health Benefit Plan," is amended to read as Exhibit "B" attached and, by this reference, incorporated into this resolution.

Section 6: Effective Date. The compensation change in this resolution shall become effective on January 11, 2025, or the first day (a Saturday) of the City's employee payroll pay period following the date when all three (3) newly-elected or re-elected City Council Members will have taken their oaths of office, whichever date is later.

Section 7: Retirement Benefits. For elected officials, retirement benefits through the rules of the Arizona retirement system officials and any and all required contributions by the City shall continue for the City Council Members.

Section 8: Repeal. This resolution repeals Resolution No. 1062.

Section 9: Repealing Conflicting Provisions: If a conflict arises between the provisions of this resolution and any other resolution or any ordinance, regulation, or policy of the City, the conflicting provisions are amended, superseded, and replaced, and this resolution shall govern.

Section 10: Severability. If any provision, paragraph, clause, or phrase of this resolution is declared void or unenforceable by a court of competent jurisdiction or by operation of controlling legislation, the invalidity or unenforceability of such provision, section, paragraph, clause, or phrase shall be severed from this resolution. Such invalidity or unenforceability shall not affect any of the remainder of this resolution. Each remaining provision of this resolution will be valid and will be enforced to the extent permitted by the law.

Section 11: The authorized representatives and other officers of the City, on behalf of the City, are authorized and directed, without further order of the City Council, to do all such acts as may be necessary or convenient to further the purposes and to carry out the terms and intent of this resolution.

PASSED, ADOPTED, and APPROVED by the Mayor and City Council of the City of San Luis, Yuma County, Arizona, this ____ day of _____ 2024.

Nieves Riedel, Mayor

ATTEST:

APPROVED AS TO FORM:

Sonia Cornelio, City Clerk

Kay Marion Macuil, City Attorney

Exhibit “A”
HR-4-13 Insurance Plans

CITY OF SAN LUIS		
PERSONNEL POLICIES	PAGE 1 of 1	ARTICLE 4. BENEFITS
HR-4-13. INSURANCE PLANS		Origination Date: September 12, 2002 Revision Date: March 23, 2005

Purpose: To define qualifying and other insurance plans that may be available to covered employees.

Applicability: To all covered City employment positions.

HR-4-13. Insurance Plans.

- A. Designation of qualifying health care plans. The following types of plans are qualifying healthcare plans:
 - 1. Medical Insurance.
 - 2. Dental Insurance.
 - 3. Vision Insurance.

- B. Designation of other qualifying insurance plans. Other qualifying insurance plans are:
 - 1. Life Insurance.
 - 2. Short-term Disability Income Insurance.
 - 3. Long-term Disability Income Insurance.
 - 4. Supplemental Insurance.

- C. City Insurance Plans. The City may or may not offer all or any of the qualifying healthcare and other insurance plans.

- D. City Council members are not eligible to participate in healthcare plans as listed in Section A above. City Council Members may participate in supplemental insurance plans if the premiums are paid by the participating City Council Members and at no cost to the City.

- E. Complaints. An employee who wishes to submit a complaint about an employee insurance plan shall contact Human Resources.

Exhibit “B”
HR-4-14 Health Benefit
Plan

CITY OF SAN LUIS		
PERSONNEL POLICIES	PAGE 1 of 1	ARTICLE 4. BENEFITS
HR-4-14. HEALTH BENEFIT PLAN		Origination Date: September 12, 2002 Revision Date: March 23, 2005

Purpose: To establish appointment eligibility and conditions required to join or make changes to a health insurance plan.

Applicability: To all covered City employment positions..

HR-4-14. Health Benefit Plan.

A. Eligibility. City Council Members and their dependents are not eligible to participate in the City's health benefit plan.

1. Except for those employees listed in subsection (A)(2), all City employees and their eligible dependents may participate in the health benefit plan ("Plan") if they comply with the contractual requirements of the Plan. An eligible employee may enroll in a Plan at any time within the first 30 days of employment or during an open enrollment period specified by the Plan. An eligible employee may submit an application for enrollment within 31 days of a family status event.
2. The following categories of employees are not eligible to participate in the health benefit plan:
 - a. An employee who works fewer than 31 hours per week;
 - b. An employee in a temporary, emergency, or seasonal position;

B. Eligibility exception. An employee who is on leave without pay may continue to participate in the health benefit plan under the following conditions:

1. HR-4-06 for employees on leave without pay due to industrial illness or injury;
2. HR-4-11 for employees on medical or FMLA leave without pay or
3. HR-4-12 for employees on leave without pay for any other reason.

C. Dependent eligibility. Dependents eligible to participate in the health benefit plan include an employee's spouse and each qualifying child as defined in the Health Benefit Plan.

D. Enrollment of dependents. An eligible employee may enroll eligible dependents at the time of the employee's original enrollment, within 31 days of a family status event, or at open enrollment.