

CITY OF SAN LUIS

BUDGET



FISCAL YEAR
2025-2026



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INTRODUCTION



Budget Message

July 31, 2025

Honorable Mayor and City Council,

I am pleased to present the proposed operating and capital budget for the City of San Luis for the fiscal year starting July 1st, 2025, and ending June 30th, 2026, which also includes the City's capital improvement plan for FY 2026 through FY 2031. This budget, totaling \$147.3 million, reflects our commitment to maintaining the City's financial strength while delivering the high-quality public services our community expects.

The budget increase of \$17.8 million for FY 2026 is primarily driven by capital projects and personnel costs.

Our prudent financial management has enabled the City to maintain a robust financial position. This budget is structurally balanced, aligning recurring revenues with ongoing expenses and investing one-time revenues on immediate needs. Thanks to our responsible fiscal practices, we have built substantial reserve funds, with FY 2026 marking the highest reserve account balance in the City's history, surpassing \$37 million—four times more than required by City policy and sound budgeting practices. This allows us to undertake significant community infrastructure improvements while maintaining solid reserves.

Revenue growth has slowed overall, with sales tax revenue being the only increase, up 12 percent over the previous year. State shared urban income tax has temporarily decreased due to a flat tax rate, standing at 2 percent below the prior year. Additionally, collections from state shared road funds and vehicle license tax have risen by 10 percent and 7 percent, respectively.

However, we remain cautious about the future. Sales tax revenues are volatile, tied to economic cycles. As almost half of our General Fund revenue comes from sales tax, we must be mindful of potential economic downturns.

Inflation has eased somewhat but remains above the Federal Reserve's long-run target of 2 percent. The Consumer Price Index rose 3.0 percent year-over-year in January 2025. The Federal Reserve has maintained its benchmark interest rate between 4.25 and 4.50 percent through mid-2025, following a peak of 5.25 percent in mid-2024. Although inflationary pressures have moderated, the Fed's cautious

stance reflects ongoing economic uncertainties, including persistent core inflation and labor market adjustments. Elevated interest rates continue to influence financial conditions and housing markets as policymakers seek to ensure a sustainable return to the 2 percent inflation goal.

Inflation, combined with labor shortages, compels us to maintain competitive compensation for employees. The FY 2026 budget includes funding for time-in-position and increases to ensure our employees' compensation remains competitive with other cities and private businesses in the county.

Operating Budget

The City of San Luis adheres to a prudent financial practice by preparing a comprehensive five-year financial forecast for major funds. This ensures that ongoing revenues align with ongoing expenditures throughout the forecast period.

The FY 2026 operating budget stands at \$97.8 million, reflecting a 7.2 percent increase from the previous year. The General Fund, which comprises 38 percent of the total operating budget, amounts to \$37.6 million. Below are the key highlights from the proposed operating budget:

Revenue Enhancement: The budget incorporates utility rate increases for water, wastewater, and solid waste rates. These adjustments follow the rate study adopted in the fiscal year 2022, ensuring adequate funding for operational and capital improvements. Despite these changes, the City of San Luis maintains competitive rates compared to other cities.

Service Provision: Adequate funding is allocated to departments to enable them to deliver essential services to City of San Luis residents and businesses.

Workforce Enhancement: The budget includes the addition of 23 positions, with a particular focus on the Public Services, Water and Wastewater Funds.

Employee Compensation: An allocation of \$575,000 has been designated to bring employee wages up to 100% of the base market rate, and \$180,000 has been set aside for longevity pay to reward long-term service. In addition, three positions have been reclassified, with no fiscal impact. This reflects our ongoing commitment to aligning compensation with market standards and recognizing employee dedication and tenure.

Reserve Maintenance: The budget ensures that reserves remain at a level equivalent to at least 6 months of operational expenditures, securing the City's fiscal stability.

This comprehensive approach safeguards the City's financial health while enabling strategic investments in vital areas, ultimately benefiting City of San Luis residents and businesses.

Budget Priorities

City Council's budget priorities, as discussed during study sessions and council meetings, reflect a



strong commitment to enhancing our community's well-being and economic prosperity. These priorities include:

Road Infrastructure Expansion: Our city's streets are a vital component of our infrastructure. Regular maintenance and investment are essential to ensure their safety and functionality. Neglecting our streets can result in potholes, cracks, and safety hazards. The Highway User Revenue Fund (HURF) supports 17 street projects, including street lighting, road widening, and street roadway construction.

Water Infrastructure: The FY2026 water budget includes over \$3.2 million in capital improvements aimed at enhancing infrastructure reliability, expanding system capacity, and modernizing operations. Major projects include the rehabilitation of Water Storage Tanks #3 and #4, and significant upgrades to Well Sites 5 and 7, including electrical systems, booster stations, and new groundwater wells with MTU integration. A new water main loop between San Luis Lane and Avenue D will strengthen system distribution. The budget also includes \$50,000 to update the ADWR Assured Water Supply to support regulatory compliance and system automation. Additionally, \$58,600 has been allocated for the Automated Metering Infrastructure (AMI) project, which was carried forward from the prior fiscal year to improve water usage tracking and billing accuracy. Furthermore, \$1.6 million in EDA grant funding has been carried forward into FY2026 to support the Highway 95 Water and Sewer Project, including a required local match of \$319,480. These investments demonstrate the City's continued commitment to dependable service, infrastructure sustainability, and water quality standards.

Wastewater Infrastructure: The FY2026 wastewater budget includes over \$20 million in capital projects aimed at improving system capacity, ensuring regulatory compliance, and supporting long-term growth. A major initiative is the construction and expansion of the West Wastewater Treatment Plant, funded through a WIFA loan, with a total investment of \$19.7 million including building and facility components. This project represents a key priority in the City's Capital Improvement Plan and will significantly enhance wastewater treatment capabilities to meet future demand. Additional investments include \$250,000 for the annual Sewer Manhole Repairs and Replacements Program, \$80,000 for a new generator at the High School Lift Station, and \$38,000 for perimeter block wall fencing at Lift Station 3A. These improvements support system resilience, operational efficiency, and public health protection. The City remains committed to environmental sustainability and infrastructure modernization through strategic investments in its wastewater system.

Parks and Recreation: Parks and recreational spaces continue to play a vital role in enhancing the quality of life for residents by providing opportunities for leisure, physical wellness, and community engagement. In FY2026, the City has allocated approximately \$1.52 million toward parks infrastructure improvements and amenities. Major projects include the demolition and replacement of the Joe Orduño Park restrooms, installation of a new relight structure system, purchase of an all-terrain litter vacuum for grounds maintenance, and continued investment in East Community Park through a multi-phase

development budget. Additional funds have been dedicated to maintenance assessments and the acquisition of new playground equipment for Joe Orduño Park to enhance safety and usability for families and children. To maintain the financial stability of the City, the Parks & Recreation events budget was reduced by \$180,000 for FY2026. As a result, only two community events will be held this fiscal year: the annual 4th of July Celebration and the Asado and Brew Festival. The City Council remains committed to long-term investment in parks infrastructure, particularly the continued development of East Community Park, recognizing its importance to public health, community identity, and quality of life.

Economic Development: In FY26, our focus remains on driving economic growth through key infrastructure and development projects, continuing our commitment to expanding revenue sources and enhancing the city's prosperity. This year includes several critical initiatives, such as the grant application CDBG RA for Merril Ave Street Improvements Phase II, Cesar Chavez Blvd Commercial Land Development, the YCIPTA Unmet Transit Study, and the business accelerator program: Fuerza Local Cohort 3

Moreover, the San Luis Land Port of Entry I Modernization Project continues, with the estimated completion of Phase I by Fall 2025, which will double vehicle processing lanes. The entire project, including pedestrian lane expansions and building upgrades in Phase II, is projected for completion by Fall of 2028. These investments are expected to stimulate economic growth by attracting businesses, fostering job creation, and enhancing the overall infrastructure of San Luis.

These projects, along with the revitalization efforts on Merrill Avenue and highway infrastructure, reflect our dedication to maintaining the economic vitality of our community and ensuring sustainable growth for years to come.

Capital Planning

Looking ahead to the future of the City of San Luis, our commitment to improving residents' quality of life remains paramount. To achieve this, we meticulously review and update our Capital Improvement Program (CIP) annually. The CIP outlines a five-year plan for improvements and identifies funding sources for these projects. In our latest CIP update, we've carefully assessed community needs,

reprioritized projects, and synchronized their timing and funding. This approach ensures a balanced set of amenities that align with City Council goals and community requirements. Our five-year CIP reinforces Mayor and Council primary issues:

1. Maintaining and Enhancing Infrastructure: We are dedicated to preserving and improving existing infrastructure, including streets, parks, and utility systems.

2. Completing Planned Projects: Our focus is on finishing ongoing construction initiatives before embarking on new capital projects.

3. Master Plans as Guidance: We rely on master plans to guide our long-term capital investments, ensuring a strategic approach to development.

4. Balancing Priorities: We strive to manage inflation, workload, and timely project completion while emphasizing high-visibility and grant-funded initiatives.

For the fiscal year 2025-26, our appropriated capital budget is \$52.1 million, with a proposed 2025-2031 CIP budget of \$131.4 million.

These investments predominantly target water and sewer infrastructure as mentioned above.

In addition to the Merril Avenue Street Improvements Phase II and the modernization of the port of entry, our 10-year CIP encompasses various facility and roadway enhancements. Notable projects involve the expansion of Cesar Chavez Boulevard and parking improvements, as well as continued support for the operations of the new East fire and police stations.

Equally vital is the maintenance of our existing assets. Therefore, the CIP encompasses various projects related to the replacement and refurbishment of buildings and equipment. For example, the Fire station and the Police department, constructed in 2007, are slated for roof repair and paint maintenance in the FY 2026 CIP.

Our CIP reflects our dedication to enhancing the city's infrastructure, expanding crucial facilities, and maintaining what we already own. This strategic approach ensures the sustained growth and well-being of our community for years to come.

ACKNOWLEDGEMENTS

The proposed budget reflects the city's commitment to investing in City Council priorities. This wouldn't have been possible without the strong partnership between the City Council and our staff. I extend my sincere thanks to the Mayor and City Council for their guidance and support in developing this budget. I would also like to acknowledge the hard work of the Finance Department staff, the City Manager's office, department heads, and all city employees who contributed to making the FY 2026 budget a reality. Your dedication and collaboration have set the stage for progress in our community. Thank you for your efforts, and I look forward to the positive impact of this budget on the City of San Luis.

Respectfully,

Roula J. de Encinas

Director of Finance

Budget Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of San Luis
Arizona**

For the Fiscal Year Beginning

July 01, 2024

Christopher P. Morrill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) has honored the City of San Luis, Arizona, with a Distinguished Budget Presentation Award for its Annual Budget for the fiscal year commencing on July 1, 2024. This prestigious award signifies that our budget document has met GFOA's rigorous criteria, serving as a policy statement, a financial plan, an operations guide, and an effective communication tool.

Key Officials and Staff

MAYOR AND COUNCIL

The City of San Luis was incorporated in 1979, and operates under the Council-Manager form of government. The Council consists 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 committees, board members, and appointing the positions of City Manager, City Attorney, Magistrate, and Chief of Police.



MAYOR
NIEVES RIEDEL



VICEMAYOR
TADEO AZAEL DE LA HOYA



COUNCIL MEMBER
MARIA CECILIA CRUZ

Key Officials and Staff

MAYOR AND COUNCIL CONTINUED



COUNCIL MEMBER
LIZETH SERVIN



COUNCIL MEMBER
ESTEBAN ROSALES



COUNCIL MEMBER
LUIS E. CABRERA



COUNCIL MEMBER
JAVIER VARGAS

Key Officials and Staff

EXECUTIVE TEAM

| | |
|----------------------------------|--------------------------|
| Acting City Manager | Jenny Torres |
| Assistant City Manager | Jenny Torres |
| Attorney | Kay Macuil |
| City Clerk | Sonia Cornelio |
| City Prosecutor | Amanda Mahon |
| Director of Economic Development | Jesus A. Esparza |
| Director of Parks & Recreation | Angelica Roldan |
| Director of Finance | Roula Jouanne de Encinas |
| Fire Chief | Angel Ramirez |
| Chief of Police | Nigel Reynoso |
| Director of Human Resources | Adela Cortez |
| Information Technology Manager | Fernando Corona |
| City Magistrate | Danae Figueroa |
| Director of Development Services | Jose A. Guzman |
| Director of Public Works | Eulogio Vera |
| City Engineer | Tomas A. Sanchez |

ACKNOWLEDGMENTS

| | |
|----------------------------|--------------------------|
| Director of Finance | Roula Jouanne de Encinas |
| Finance Accounting Manager | Miguel Ramirez |
| Finance Operations Manager | Mario Rodriguez |
| Accountant II | Carolina Corral |
| Accounting Analyst | Karla Plascencia |

Special thanks to City Administration for the cover design and pictures.



History of the City



The vibrant city of San Luis boasts a rich history, with its founding dating back to 1930 and its official incorporation achieved in 1979. Nestled in the scenic southwestern corner of Arizona, this charming city shares immediate borders with both Mexico and California, encompassing a total area of 30 square miles. The geographical proximity to Mexico is highlighted by the presence of two bustling ports of entry, fostering a dynamic interchange between these neighboring urban centers on a daily basis. This fluid interaction has given rise to a truly binational atmosphere that profoundly influences every facet of the community, from its cultural tapestry and linguistic diversity to its shared heritage, environmental awareness, and economic interconnectedness. For residents and visitors alike, San Luis offers an unparalleled sense of place that reflects the unique fusion of these cross-border influences.

Despite its relatively youthful status as a city, San Luis boasts a compelling appeal that resonates with various demographics. One of its standout features is the abundance of affordable housing options, a vital factor that contributes to its capacity to attract and retain new residents. The city takes pride in its robust educational framework, with a strong emphasis on higher learning opportunities, thereby nurturing a knowledgeable and skilled populace. In terms of safety and security, San Luis stands out with low crime rates, further enhancing its desirability as a place to establish roots.

Venturing into the heart of the city, downtown San Luis unveils an array of diverse retail establishments, catering to a wide spectrum of shopping preferences. This commercial hub, conveniently situated adjacent to the border, serves as a gateway to an even more eclectic shopping experience in the Mexican

border town. Here, open-air markets present an irresistible charm, offering not only Mexican souvenirs but also access to essential services such as dental, medical, and pharmaceutical care, all within walking distance from the border crossing.

San Luis prides itself on the preservation of its rich heritage and the nurturing of a vibrant cultural scene. This commitment to cultural authenticity sets the city apart, fostering a deep sense of community identity that resonates with residents and captivates visitors.

Remarkably, San Luis has undergone remarkable population growth over the years. The population, as recorded in the 2000 census, stood at 15,400, which surged to 25,500 in 2010. The most recent 2020 census data indicates an even more significant increase, with a population of 35,257, marking a remarkable 38.26% rise from 2010. This impressive growth has positioned the City of San Luis among the top 10 fastest-growing cities in Arizona. Projections for the future suggest that this upward trend in the population will continue at a consistent pace. However, while this growth heralds positive developments, it also presents challenges for the city in sustaining its current level of service as demands escalate.

In essence, the City of San Luis stands as a testament to the harmonious coexistence of cultures, the allure of affordable living, and the promise of an enriching quality of life. Its progressive growth trajectory mirrors the optimism and dynamism that define this community, while also underscoring the need for astute planning to address the evolving needs of its burgeoning population.

Population Overview



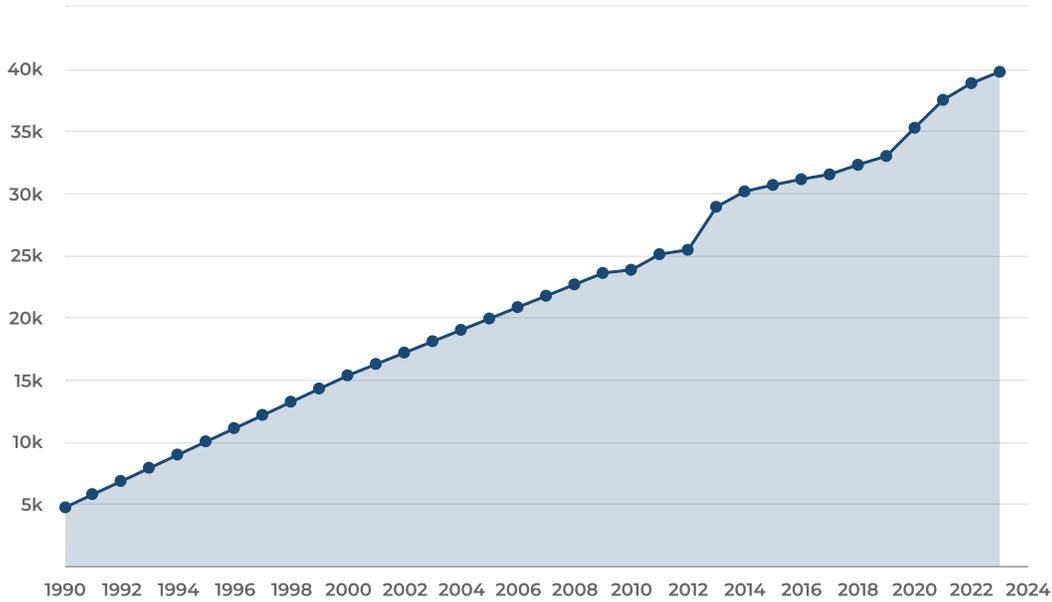
TOTAL POPULATION

39,761

▲ **2.4%**
vs. 2022

GROWTH RANK

6 out of **92**
Municipalities in Arizona



* Data Source: Client entered data for year 2023



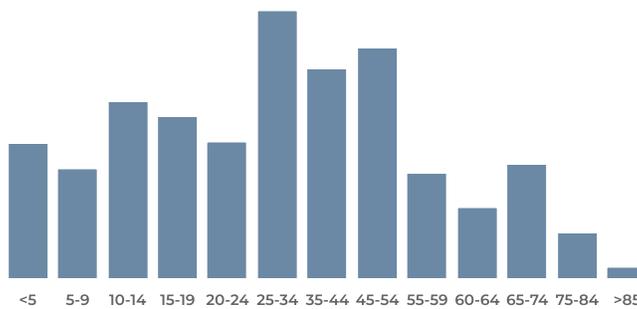
DAYTIME POPULATION

29,052

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

* Data Source: American Community Survey 5-year estimates

POPULATION BY AGE GROUP



Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.

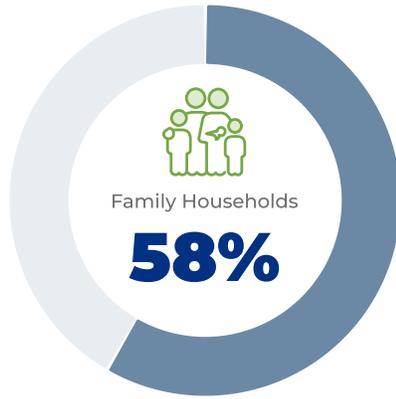
* Data Source: American Community Survey 5-year estimates

Household Analysis

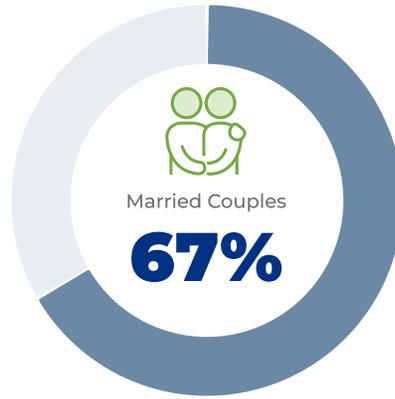
TOTAL HOUSEHOLDS

8,846

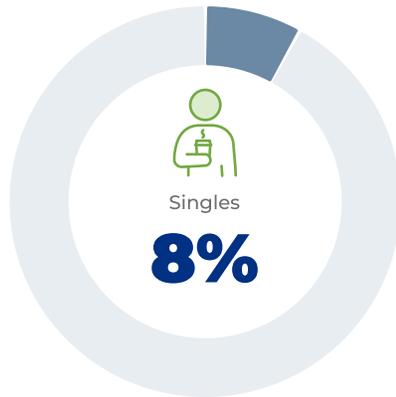
It is important to consider the dynamics of household types to plan for and provide services effectively. Household type also has a general correlation to income levels which affect the tax base.



▲ 24%
higher than state average



▲ 41%
higher than state average



▼ 72%
lower than state average

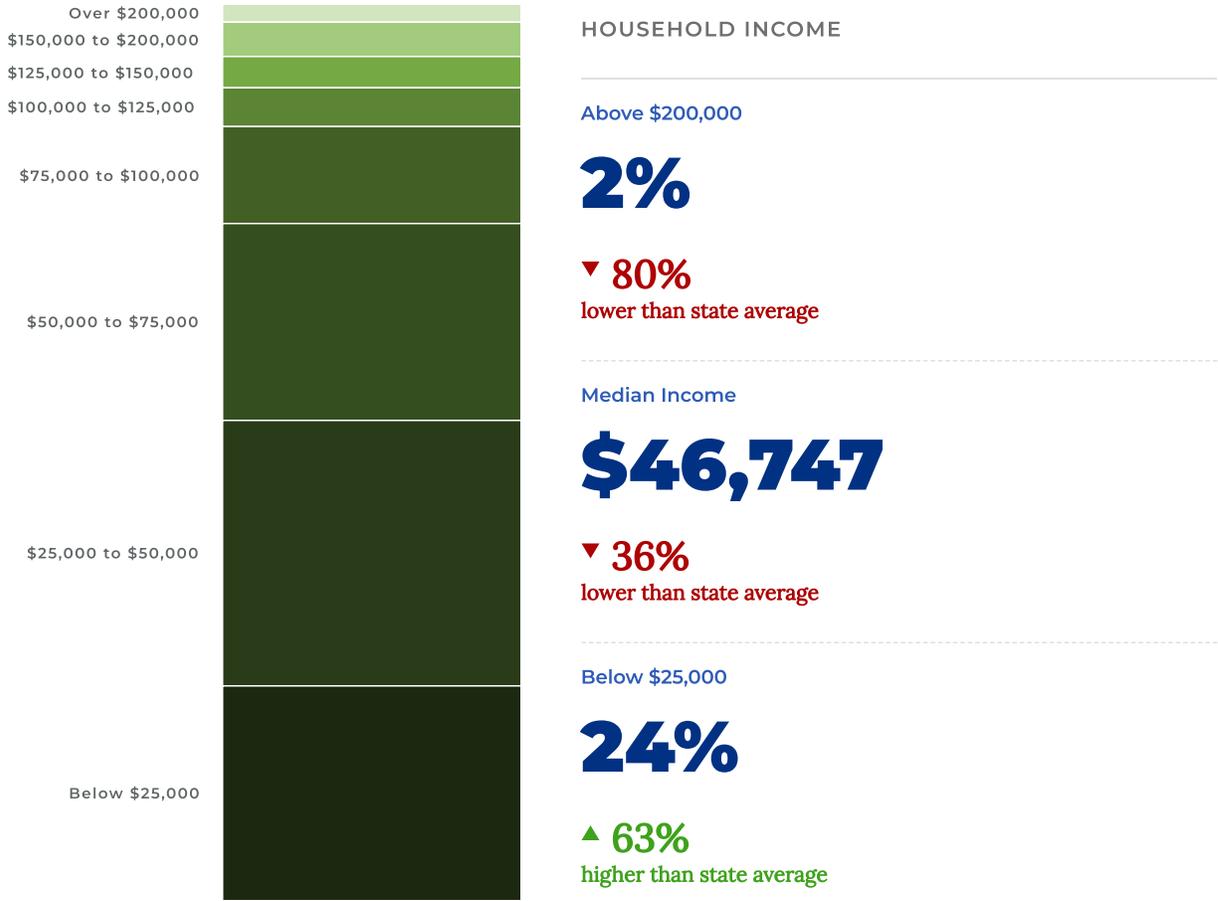


▼ 70%
lower than state average

** Data Source: American Community Survey 5-year estimates*

Economic Analysis

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.



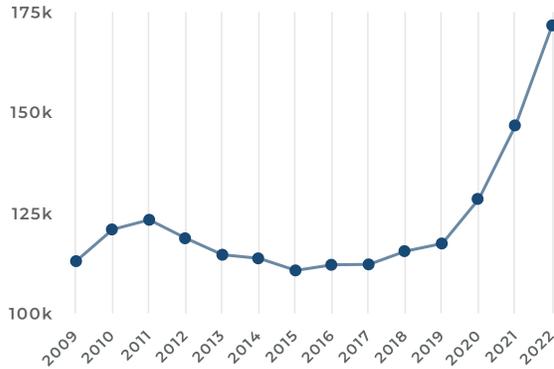
* Data Source: American Community Survey 5-year estimates

Housing Overview



2022 MEDIAN HOME VALUE

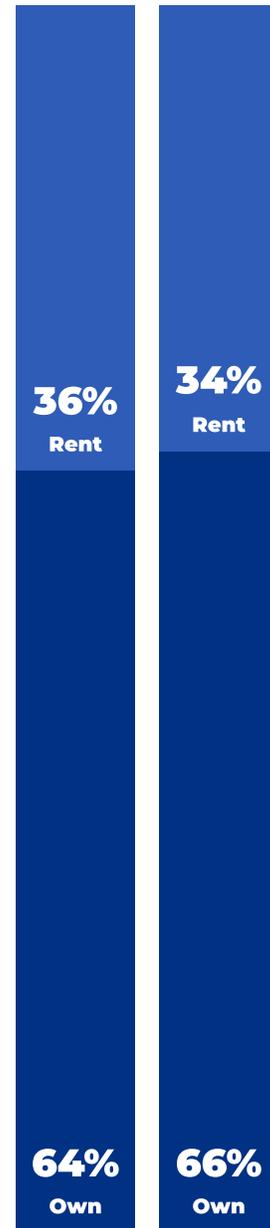
\$171,700



* Data Source: 2022 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

HOME OWNERS VS RENTERS

San Luis State Avg.



* Data Source: 2022 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

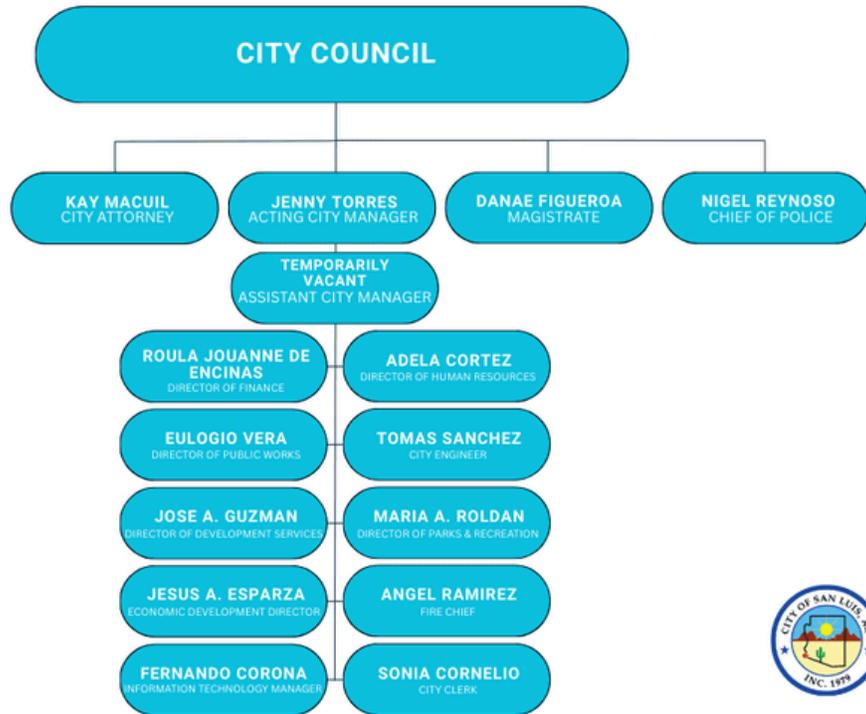
HOME VALUE DISTRIBUTION



* Data Source: 2022 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

Organization Chart

CITY OF SAN LUIS RESIDENTS



STRATEGIC PLAN



Strategic Plan

VISION

San Luis is a welcoming binational city that is built on agriculture, distinct history, and collaboration. We pride ourselves on having quality neighborhoods, significant cultural resources, and outstanding schools while offering an innovative and forward-thinking community to live, work, and play, which will develop in a manner that ensures that new growth improves our community and retains our shared values.

MISSION STATEMENT

To enhance the quality of life for the residents and businesses of San Luis by delivering services effectively and efficiently, providing a safe and healthy environment, and developing economic opportunities.

As San Luis continues to grow, the City is faced with new opportunities and challenges, creating a need for a shared vision for the future. By 2040, the population of San Luis is projected to be 72,566, which is more than double its current population. Although population growth may vary from these projections due to various factors, the City relies on these projections to plan for future needs.

We rely 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 FY 2026 budget was developed with the Council organization focusing on the four themes as a key factor in the decision-making process. The goals and objectives included in the department information tie directly to the organization's focus areas, and represent intermediate steps to achieving those Council-identified priorities. The Council reviews and updates the organization's focus areas during their annual retreat. Management staff and departmental personnel utilize the focus areas to guide daily operations.



Economy

A strong and healthy economy is the backbone for vibrant, thriving communities, and the driving force for improved quality of life. Employing a proactive approach to economic development fosters long-term prosperity in a continually changing regional and global economy. The Economy Theme covers three elements that provide a foundation for growing and sustaining a strong economy in San Luis: Economic Development, Community Revitalization, and Arts and Culture.



Public Services

Well-planned, quality municipal services have a direct correlation with the enhancement of the quality of life of residents and businesses. Clean and maintained streets provide for safe and efficient travel. Dedicated and responsive law enforcement, fire, and emergency medical services provide for the public safety of the community. Quality parks provide for passive and active recreational activities and support healthy and active lifestyles. Modern water and wastewater infrastructure and services support the orderly and planned growth and development of the community.



Environment

The natural environment is a valuable, yet often sensitive resource that shapes a community's character. Careful planning is necessary to provide a balance between the built and natural environments and to protect the natural resources that contribute to the quality of life in San Luis. The Environment Theme covers four elements that integrate environmental protection with community growth: Environmental Planning, Conservation, Open Space, and Energy.



Growth

Growth and development of the community is influenced by many separate, yet interrelated elements. The Growth Theme explores community topics related to future growth and development of San Luis with high quality and safe neighborhoods, vibrant shopping areas, and supporting employment uses. These topics contribute to the sense of place and the vision of how San Luis will look, feel, and function as it grows and develops into the future.

Principles of Sound Financial Management – Infrastructure and Public Services

The goal of financial sustainable infrastructure planning is ingrained within the Growth Theme. This section summarizes broad best practice fiscal principles relative to the planning and management of public funds for the expansion of infrastructure and public services to serve future growth. It is intended that the below Principles of Sound Financial Management will provide broad guidance to decision making in the City’s Capital Improvement Plan (CIP) and Annual Operating Budget processes.

- Expand municipal infrastructure in a manner that is efficient, cost-effective, and affordable for current and future residents of the city.
- Obtain full value for every dollar of public funds to deliver high quality infrastructure and public services to the community.
- Maintain an adequate financial base to support appropriate public service levels and maintain quality of life in San Luis.
- Develop and maintain the ability to respond efficiently and effectively to changes in the local, regional and international economic climate, including changes in federal and state priorities and funding.



Economy

- Strategic Goal: To accommodate the city's economic expansion, we recognize the importance of infrastructure development. We will allocate funds for road improvements, utilities, and public services. This includes expansion of roads, enhancing utility services, and promoting public service and inspiring individuals to contribute to the betterment of society. These investments will attract businesses, support growth, and ensure the city maintains a presence in the global economy.

Financial Sustainability

- Strategic Goal: Our foremost commitment is to maintain budgetary prudence and fiscal responsibility. This involves careful planning, monitoring, and management of the city's finances to ensure that revenues align with expenditures. We will continue to prioritize transparency in financial reporting, adhering to best practices and upholding the highest standards of accountability in all financial matters.
- Strategic Goal: Relying on a diverse range of revenue streams is essential for financial sustainability. We will actively seek opportunities to diversify our revenue sources, such as exploring new tax revenue options, Utility income, promoting economic development, and leveraging grants. Diversification will reduce dependency on a single revenue stream, enhancing our resilience to economic fluctuations.

Growth and public service

- Strategic Goal: Our primary commitment is to foster balanced growth and enhance public services through integrated urban development. We will focus on strategic planning and zoning to accommodate growth while maintaining the quality of public services and finalize the adoption of the parks, paths and trails Master Plan, the Downtown Mixed-Use Rezoning project, and the comprehensive subdivision regulations.

- Strategic Goal: To ensure growth is aligned with the needs of our residents, we will prioritize community engagement. We will establish channels for residents to provide input on public service improvements and development projects. This includes regular town hall meetings, surveys, and online platforms to gather feedback and make data-driven decisions to enhance public services effectively.
- Strategic Goal: Accommodating the city's growth requires a proactive approach to infrastructure expansion. We will allocate resources to expand roads, utilities, and public facilities in growing neighborhoods. Throughout this fiscal year, we will continuously work in several street improvements including county 22nd Street and 4th Ave, Union Street and 4th Ave intersection and 10th Ave and Cesar Chavez Boulevard widening. These investments will enhance public services and support community development in areas experiencing population growth.
- Strategic Goal: Our overarching vision encompasses fostering sustainable growth, generating job opportunities, and enhancing the quality of life for all our residents. We will prioritize initiatives that promote sustainability such as the San Luis Port of Entry, and work towards successful completion by fall 2028.

Objectives and Priorities

Throughout the year, the City Council and our dedicated staff engage in ongoing discussions to identify priorities and delve into financial matters during council work sessions. These deliberations serve as the crucible for shaping strategic objectives that harmonize with the City's overarching strategic plan. Additionally, council work sessions provide a valuable opportunity to assess our progress, meticulously scrutinize financial data, establish and evaluate financial targets, and engage in candid dialogues regarding concerns and potential opportunities.

As an integral part of our meticulous budget preparation process, we have outlined key priorities within the budget itself, strategically aligned with the City's overarching strategic plan:

Preservation of Resident Services: Maintaining and enhancing essential services for residents remains our highest priority. This budget ensures that every department is equipped to provide high-quality public services, with funding allocated to maintain operational standards across public safety, community development, and public works.

Employee Retention and Attraction: Addressing the pressing challenge of employee retention and recruitment is of paramount concern to us. To address this, we have earmarked \$575,000 thousand within the budget to align salaries with competitive industry standards, following a structured salary progression plan. We also set aside \$180,000 for longevity pay. Furthermore, we have the Incentive Program aimed at retaining our public safety personnel. This program is thoughtfully designed to foster commitment to employment in the City of San Luis, thereby mitigating shortages in labor markets and strengthening recruitment efforts, especially for positions that pose recruitment challenges.

Expansion of Road Infrastructure: The FY26 budget emphasizes the continued expansion and enhancement of road infrastructure to support the growing needs of the City of San Luis. Key projects include improvements to critical intersections such as Co. 22nd Street and Sidewinder Road, as well as the Co. 22nd and 4th Avenue Intersections, which will both see the installation of traffic signals to improve traffic flow and safety. Additional projects include the 10th Avenue and Los Alamos curve and addressing the Avenue B shoulder improvements, both of which will help improve road capacity and accessibility. Moreover, drainage improvements are planned at various locations. A significant portion of the budget is also dedicated to the Cesar Chavez Blvd widening project, ensuring that this major infrastructure upgrade proceeds as planned. Other essential initiatives include road improvements on

Main Street and B street improvement, resurfacing efforts, and ongoing beautification projects. These investments are crucial for maintaining the city's infrastructure, enhancing safety, and improving the overall efficiency of transportation networks as San Luis continues to grow.

Enhancement of Utility Services:

Our mission remains focused on delivering reliable and sustainable utility services to the residents of San Luis. In FY26, we will continue to make significant investments in both water and wastewater infrastructure to meet growing demand and modernize aging systems. This year's water budget includes major projects such as the rehabilitation of Water Storage Tanks #3 and #4, and the electrical and booster station upgrades at Well Site 7, all critical to ensuring water quality and service reliability.

A major focus is also on the expansion of the West Wastewater Treatment Plant, which will be supported by a \$19.7 million investment to address capacity needs. These enhancements are vital to maintaining the city's infrastructure and ensuring we can continue to provide essential utility services in a sustainable and efficient manner. Additionally, a substantial investment in the AMI Automated Metering Infrastructure from last year's budget will continue during FY2026 to modernize our utility services, improving efficiency and customer service.

Investment in Parks and Recreation: Our unwavering commitment to enriching the community experience is reflected in the allocation of \$650,000 to enhance East Community Park. Additionally, we have dedicated \$619,100 to Joe Orduño Park for the installation of a new relight structure system and the replacement of the restrooms.

Driving Economic Development and Elevating Quality of Life: Our overarching vision encompasses fostering economic growth, creating job opportunities, and enhancing the overall quality of life for all our residents. To tangibly realize this vision, we have allocated a substantial \$17.5 million within the City Economic Development budget, expressly dedicated to advancing this pivotal priority.

Collectively, these strategic initiatives form the bedrock of our fiscal year 2026 budget, embodying our steadfast commitment to the well-being and advancement of the City of San Luis and its diverse population.

BUDGET PROCESS



Fund Structure

The financial accounts for the City of San Luis are organized based on funds or account groups. Fund accounting segregates funds according to their intended purpose and is designed to demonstrate legal compliance and aid fiscal management by segregating transactions related to certain governmental functions or activities. In governmental accounting, a fund is a separate self-balancing set of accounts used to show operating results for a particular activity. Funds are categorized into three classes: governmental, proprietary, or fiduciary. Different fund types are found within each of these three classes. Major funds are identified and described below.

GOVERNMENTAL FUNDS

Governmental funds are used for all financial resources except those required to be accounted for in another fund.

General Fund (Major Fund) – This fund is the City's general operating fund. It is the largest fund and accounts for the primary services the City offers. The main source of revenue for this fund is sales taxes. Departments included through the General Fund:



| | | |
|----------------------|----------------------------|----------------------------|
| City Council | Cultural Center | Fire Department East |
| City Administration | Parks | Information Technology |
| City Clerk | Recreation | Facilities |
| City Attorney | Youth Center | Fleet Services |
| City Prosecutor | Municipal Pool | Risk & Property Management |
| Finance | Parks & Rec Administration | Billing & Collection |
| Human Resources | Senior Services | PW Administration |
| Development Services | Municipal Pool | Engineering |
| Building Safety | Police Department | Non-Departmental |
| Economic Development | Fire Department | |

Special Revenue Funds-These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. Categories within this fund include the following:

- Police Grants and Special Revenue
- Judicial Collection Enhancement Grant
- San Luis Community Facilities District
- Assessments
- Community Development Grants
- Other Grants

Debt Service Fund - This fund is used to account for the short and long-term payment of principal and interest on borrowed funds.

Capital Outlay Reserves (Impact Fees) - This fund segregates the revenue to pay for growth-related capital projects. The revenue is used to pay for eligible projects or repay debt issued for growth-related construction.

Highway Users - The Highway User Revenue Fund (HURF) is mainly supported by transportation-related taxes distributed to the cities and counties by the State. This fund accounts for the maintenance and construction of the city's streets.



Fund Structure

PROPRIETARY FUNDS

Enterprise funds are used by governments to account for business-like operations in which user charges are the main source of revenue. 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 city’s sanitation operations activities.



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

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



Ambulance Services – This fund accounts for the 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.

Internal Service Fund – City of San Luis has an Internal Service Fund. It’s main purpose is to provide services exclusively to City employees through a self-health insurance plan.

Fund Structure

| Departments | Governmental Funds | | | | | Proprietary Fund | | Component Unit |
|--|--------------------|---------------|-----------------------|--------------|-----------------|------------------|-----------------------|--------------------|
| | General Fund | Highway Users | Community Development | Debt Service | Non Mayor Funds | Enterprise Funds | Internal Service Fund | Detention Facility |
| City Council | x | | | | | | | |
| City Administration | x | | | | | | | |
| City Clerk | x | | | | | | | |
| City Attorney | x | | | | | | | |
| City Prosecutor | x | | | | | | | |
| Finance | x | | | | | | | |
| Human Resources | x | | | | | | | |
| Development Services | x | | | | | | | |
| Building Safety | x | | | | | | | |
| Economic Development | x | | | | | | | |
| Cultural Center | x | | | | | | | |
| Parks | x | | | | | | | |
| Recreation | x | | | | | | | |
| Youth Center | x | | | | | | | |
| Municipal Pool | x | | | | | | | |
| Parks & Rec. Administration | x | | | | | | | |
| Senior Services | x | | | | | | | |
| Municipal Court | x | | | | | | | |
| Police Department | x | | | | | | | |
| Fire Department | x | | | | | | | |
| Fire Department East | x | | | | | | | |
| Information Technology | x | | | | | | | |
| Facilities | x | | | | | | | |
| Fleet Services | x | | | | | | | |
| Risk & Property Management | x | | | | | | | |
| Billings & Collections | x | | | | | | | |
| PW Administration | x | | | | | | | |
| Engineering | x | | | | | | | |
| Non Departmental | x | | | | | | | |
| Street Repairs & Maintenance | | x | | | | | | |
| Public Safety | | | | | x | | | |
| Community Development | | | x | | | | | |
| Judicial Collection Enhancement | | | | | x | | | |
| Employee Benefit Trust | | | | | | | x | |
| SL Community Facilities District | | | | | x | | | |
| Water, Water Operation | | | | | | x | | |
| Wastewater, Operations | | | | | | x | | |
| Solid Waste, Operations | | | | | | x | | |
| Business Incubator | | | | | | x | | |
| Ambulance Service | | | | | | x | | |
| Business Center | | | | | | x | | |
| SLDF-Detention Facility Corp | | | | | | | | x |
| Debt Service Fund | | | | x | | | | |
| Impact Fees, City Administration | | | | | x | | | |
| Assessment Districts, Assessment Districts | | | | | x | | | |

Budget Process

The budget and financial plan for the City of San Luis is the policy document that reflects the goals and objectives of the City Council. The Council determines the priorities for the year, and staff develops a budget that best incorporates Council priorities and fits within the resources available.

The City Manager is responsible for implementing these policies and priorities, utilizing the allocation of available financial resources.

The annual review process provides the City with an opportunity to evaluate the services provided to the community's citizens. Programs are identified and evaluated, and the scope of service to be provided is defined. The staffing level needed to provide the service level deemed appropriate by the Council is then determined. Additionally, funding requirements and the level of effort to be provided are established.

Issues presented during the review and approval period include discussion topics about the Council sessions. Several work sessions took place in January and February to allow City staff to present major discussion points to the Council and the public. The goal is for the Council to make policy decisions and direct staff to budget priorities. This provides adequate time for the Council to gather input on major budget issues before preparing the budget. The Council reviews and discusses all personnel recommendations, operational expense recommendations, and the capital improvement plan. The Council arrives at a consensus for all decisions needed. The study sessions allow City management, departments, and the public to offer information and recommendations to the City Council.

The proposed budget is presented to the Council for tentative adoption before July. One public hearing is held on the content of the budget. Final adoption will occur before the end of the fiscal year. State law requires the operating budget to be all-inclusive. Therefore, the budget includes provisions for contingent revenues and expenditures that cannot be accurately determined when the budget is adopted (e.g., grants). The Resolution adopting the annual budget requires Council authorization for any expenditure on contingencies and the transfer of budget authority between funds.

The Arizona Constitution mandates an expenditure limitation on the amount the City can appropriate each fiscal year. Budget authority can be transferred between line items within a section. At year-end, division budgets are reviewed, and budget authority is transferred from contingencies by resolution as necessary. The Council can also amend total appropriations for a fund during the year by resolution if there is a corresponding increase/decrease in another fund so that the total appropriation is not exceeded.

Budget Timeline



Basis of Budgeting

The City prepares its budget annually following Generally Accepted Accounting Principles (GAAP) and employs the modified accrual basis of accounting for both governmental and proprietary funds. This basis of accounting aligns the City's budget with its audited financial statements. Revenues are recognized when they are measurable and available, while expenditures are generally recorded when the liability is incurred.

- Depreciation expense is not budgeted but is an expense in the ACFR.
- Capital purchases of proprietary funds are budgeted as expenditures but presented as assets in the ACFR.
- Debt service payments of proprietary funds are budgeted as expenditures but reported as a reduction of long-term debt liability in the ACFR.
- Long-term debt proceeds are budgeted as revenue in the Other Financing Sources account.



FINANCIAL GUIDELINES



Financial Policies

Budget Administration

The City must follow general budget legal requirements established by Arizona law and the City charter when preparing the annual budget. Per the Arizona Revised Statute, the City of San Luis must adopt a balanced budget each fiscal year. The City balances current revenues against current expenditures. Both operational and capital efforts must be sustainable to ensure continuity of services to citizens, and under the Arizona Revised Statutes, the budget cannot be increased once the Council adopts the preliminary budget.

Legal Level of Budgetary Control

The City Council sets policy and adopts the annual budget at the fund level as a total amount of expenditures. Financial control is set by the City Council at the fund level, with budgetary control for operating performance administered at the Departmental level by the City Manager and the Director of Finance.

Statutory Limitations

The Arizona Constitution mandates an expenditure limitation on the amount the City can appropriate each fiscal year unless otherwise approved by the voters. Some specific items excluded from the expenditure limit are bond sale revenue, interest revenue, trust and agency accounts, and federal and state grants.

In November 2024, voters approved the City's use of the Home Rule Option, allowing the City of San Luis to set its own annual expenditure limit based on local needs rather than the formula imposed by the State. FY2026 marks the first year this option is in effect. However, due to continued economic uncertainty and limited available resources, City management has elected to operate within the State-imposed expenditure limitation for this fiscal year as a conservative financial strategy.

Balanced Budget

The budget must be balanced for all budgeted funds. Total estimated expenditures for each of the governmental fund types must equal total anticipated revenues plus the portion of the beginning of the year unreserved fund balance in excess of the required fund balance reserve. Estimated expenses for proprietary fund types must equal total anticipated revenues and unreserved retained earnings.

Budget adjustments

The Arizona Revised Statutes do not allow for increases in the budget once the Council adopts the preliminary budget. However, budget transfers between funds, departments, and line items are permitted as outlined below.

- Budget adjustments up to \$50,000 between departments, non-personnel items and capital projects transactions shall be tracked cumulatively within the fiscal year. Such adjustments within the same fund may be authorized with the approval of the City Manager and Director of Finance in consultation with department heads involved in the transfer. If the total cumulative amount of such adjustments for any department within the same fiscal year exceeds \$50,000, the excess amount must be ratified by City Council before the transfer is finalized, even if individual transfers are under \$50,000.
- Budget transfers between non-personnel items to capital projects, or vice versa, within the same department up to \$50,000 may be authorized with the approval of both the City Manager and the Director of Finance. These transfers will count toward the cumulative \$50,000 threshold described above.
- Budget adjustments of personnel items to non-personnel items and capital projects will only be approved by the City Manager and Director of Finance. Such adjustments are subject to the cumulative \$50,000 threshold described above. As a matter of policy, each department head should conserve all possible salary savings to ensure that starting fund balances are maximized for the following fiscal year. The City Manager and Director of Finance will approve adjustments of personnel items funds only if the operating expense is an emergency and there are no other funds or departments from which monies can be transferred.
- Department Directors may authorize transfers between non-personnel items within the same fund and department. Such transfers will not count toward the cumulative amount of budget transfers.
- City Council must approve budget adjustments between funds and the use of funds in the contingency account.
- Budget adjustments of over \$50,000 between departments, capital projects, contingency transactions, and personnel line items to non-personnel items required City Council approval.
- Budget transfers for special revenue funds will be administered by the Finance Department and will not exceed the available revenues.
- Budget transfers are initiated internally by the Department, with final review and processing performed by the Finance Department.

Capital Projects

The City of San Luis reviews its Capital Improvement Plan annually to ensure it includes the necessary projects to maintain or improve the level of services in the City. The Capital Improvement Plan review has a five-year outlook.

The projects within the Capital Improvement plan must be accompanied by an estimate, location, and an identified funding source. It will also include a description of the project's benefits and confirmation that it can be operationally staffed and maintained within the budget resources. No capital project shall be funded unless operating impacts have been assessed and the necessary funds can be reasonably anticipated to be available when needed.

Procurement

The City of San Luis requires that all purchasing transactions comply with the City's Procurement Code. Additional financial controls are in place to mitigate risk and ensure contract compliance. Among these controls are the right to audit contracts' provisions, the right to require appropriate levels of insurance, and to request appropriate financial reports with the purchase request.

Revenues Projection and Use

The City reviews and adjusts revenues each year. Forecasting revenues involves combining a five-year analysis of past revenue history, a review of economic trends, and an analysis of information obtained from State agencies from which the City receives funds.

The policy of the City is to fund recurring revenues with ongoing expenditures. It is essential to ensure adequate funding to support continued operations.

One-time revenues should be used only for one-time expenditures. One-time revenues cannot be relied upon to fund new positions or fund the cost increase of operations. Examples of one-time revenues are sales of assets or positive fund balance carryover from prior years.

Appropriate uses for one-time revenues can be:

- Funding of capital expenditures that will reduce operating costs
- Information technology projects that will improve efficiency
- Special projects that will not incur ongoing operational expenses.
- Payment of early debt retirement.

Expenditure Projection and Use

State statute allows for encumbrances to be recognized for 60 days following the end of the prior fiscal year as uses of prior year appropriations. All annual appropriations lapse at year-end and are considered for inclusion in the subsequent year's budget on a case-by-case basis. Departments are directed to re-budget for all items expected to be delivered after June 30 to ensure that appropriations do not lapse.

Long-Range Planning

The City of San Luis needs to have the ability to anticipate future challenges in revenue and expense imbalances and identify the City's capacity to fund projected expenditures. To provide City officials with pertinent data to make decisions, the Finance Department should annually develop, in coordination with departments, five-year revenue and expenditure forecasts for the General Fund, Enterprise Funds, and Streets Funds. These forecasts will identify changes in revenue and expenditures due to projected new development in the City, economic and demographic trend information, legislative or program changes, and capital projects in the pipeline.

Operating Budget Preparation

Current operating costs must be less than or equal to current revenues.

All operating funds will be budgeted to retain sufficient fund balance for cash flow needs at the beginning of the following year.

The General fund may subsidize funds in the governmental funds to assure at least a zero fund balance.

Interfund Loans

The city of San Luis may loan resources from one fund to another, experiencing a temporary cash shortage. Interfund loans differ from a transfer of funds in that the amounts are provided with a requirement for repayment.

Debt Management

Long-term debt is not to be issued to finance current operations.

Fund Balance Reserves

Maintaining reserves is considered a prudent management practice. Adequate fund balances are kept to allow the City of San Luis to continue providing services to the community in case of unexpected emergencies or requirements, or economic downturns.

The City of San Luis shall establish and maintain a minimum unrestricted fund balance for the Governmental Funds and Proprietary Funds. This fund balance shall be adjusted for non-spendable funds to retain an adequate balance based on actual cash available. The City of San Luis shall retain a minimum of 6 months of operational expenditures.

Any use of the minimum unrestricted fund balance must include a repayment plan based on a multi-year financial projection that plans to restore the fund balance to the minimum adopted level within the three fiscal years following the fiscal year in which the event occurred. The general fund must maintain adequate reserves to ensure continuity of operations for the funds that are unable to meet the minimum level of reserves.

Cost Allocation

The City hired an external consultant firm to prepare a cost allocation plan (CAP) for the City. The primary objective of the CAP is to allocate costs from departments that provide services internally to operating departments that conduct the day to day operations necessary to serve the community. To ensure central service department costs are allocated to the operating departments, the City's cost structure was analyzed to determine which type of costs are allowable versus unallowable in accordance with generally accepted accounting principles (GAAP) . The City also utilizes the cost allocation plan to calculate an indirect cost rate that is allowable in accordance with OMB A-87. The City will annually update the indirect cost rate based on actual expenditures, as required by OMB A-87. The cost allocation plan was implemented in FY 2021.

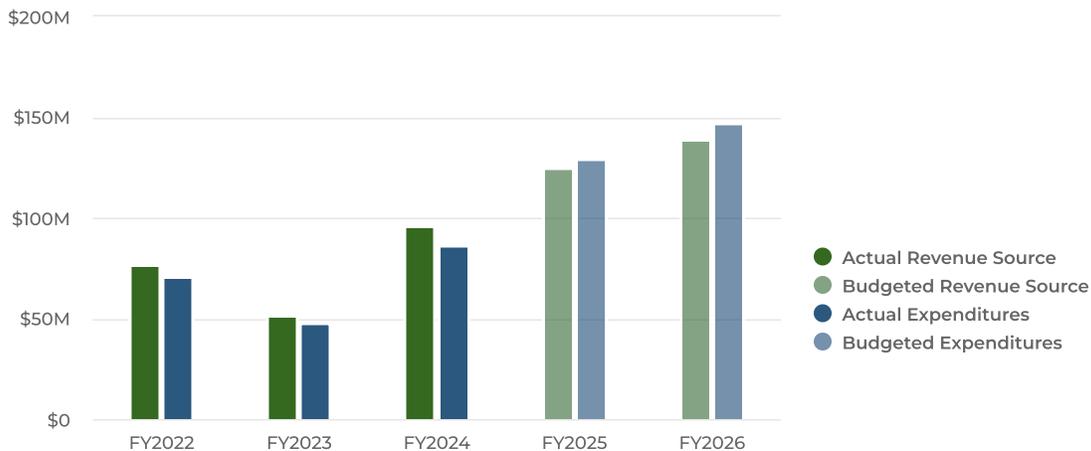
BUDGET AND FUND OVERVIEW





Summary

The council adopted the FY 2025-26 budget on June 25, 2025. City of San Luis budget is balanced with total resources equal to total expenditure appropriation within each fund, as well as in the aggregate. The City of San Luis is projecting \$139.1M of revenue in FY2026, which represents a 11.1% increase over the prior year. Budgeted expenditures are projected to increase by 13.76% or \$17.8M to \$147.3M in FY2026.



The proposed budget is a comprehensive financial plan that draws from multiple funding sources, such as fund balances, grants, and revenues. In order to ensure a balanced budget, we will also tap into reserves totaling \$8,207,910. It's important to note that we're carefully aligning these reserve funds with one-time expenditures while safeguarding the maintenance of minimum reserve levels. Our city's unwavering commitment remains focused on establishing and preserving a strong financial reserve position.

To provide a clear overview of the financial situation, the table below visually presents the estimated starting and ending fund balances for the upcoming budget year, as well as sources by major type and uses by spending component. It's worth noting that the fund balance has experienced an annual increase of 20.0%, mainly due to the carryover of capital projects into subsequent years.

However, looking ahead to FY 2025, we anticipate a 7% decrease in the fund balance. This projection aligns with the completion of many of the projects that were delayed in prior years.

Fund Balance Analysis

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget |
|--|---------------------|---------------------|-----------------------|----------------------|-----------------------|
| Beginning Fund Balance: | \$43,977,673 | \$47,848,697 | \$62,046,462 | \$62,046,462 | \$63,904,142 |
| Revenues | | | | | |
| Taxes | \$8,782,773 | \$16,675,276 | \$15,650,450 | \$17,192,110 | \$17,643,480 |
| Intergovernmental | \$10,370,624 | \$17,215,687 | \$15,436,490 | \$16,128,330 | \$15,953,490 |
| Licenses & Permits | \$526,097 | \$1,239,704 | \$893,160 | \$1,133,429 | \$981,760 |
| Other Revenue | \$17,021,992 | \$30,875,126 | \$45,355,480 | \$35,203,127 | \$52,235,170 |
| Charges For Services | \$9,812,273 | \$16,820,825 | \$17,551,650 | \$18,702,197 | \$19,722,800 |
| Impact Fees | \$840,178 | \$2,726,275 | \$1,720,000 | \$1,570,936 | \$1,780,000 |
| Rent | \$865,018 | \$711,892 | \$897,800 | \$715,167 | \$874,800 |
| Fines & Forfeits | \$221,088 | \$403,851 | \$354,900 | \$389,287 | \$362,000 |
| Special Assessments | \$339,744 | \$796,439 | \$973,200 | \$967,203 | \$1,121,070 |
| Interest Revenue | \$1,107,667 | \$3,858,546 | \$589,300 | \$4,016,459 | \$602,500 |
| HURF - Special Revenues | \$2,331,202 | \$3,667,609 | \$3,628,630 | \$3,780,259 | \$3,993,520 |
| Other Financing Sources | \$0 | \$3,056,282 | \$22,156,400 | \$3,824,085 | \$23,834,810 |
| Total Revenues: | \$52,218,657 | \$98,047,511 | \$125,207,460 | \$103,622,589 | \$139,105,400 |
| Expenditures | | | | | |
| Salaries & Related Expenses | \$16,520,624 | \$26,688,270 | \$31,775,275 | \$29,445,555 | \$37,260,730 |
| Supplies | \$1,109,895 | \$1,984,872 | \$2,355,496 | \$2,138,023 | \$2,748,980 |
| Maintenance | \$3,003,258 | \$7,383,049 | \$5,341,005 | \$5,262,056 | \$5,714,790 |
| Special Services | \$16,040,360 | \$31,704,075 | \$33,843,524 | \$28,084,755 | \$38,633,650 |
| Contingencies | \$0 | \$7,665 | \$374,000 | \$0 | \$381,000 |
| Other Financing Sources - Uses | \$0 | \$3,320,254 | \$7,156,400 | \$3,824,085 | \$4,134,810 |
| Long Term Debt Service | \$3,569,716 | \$5,508,344 | \$10,491,460 | \$4,660,023 | \$9,023,300 |
| Non-Departmental | \$0 | \$0 | \$0 | -\$521 | \$0 |
| Capital Items | \$8,103,781 | \$7,253,217 | \$38,153,600 | \$28,350,933 | \$49,416,050 |
| Total Expenditures: | \$48,347,634 | \$83,849,746 | \$129,490,760 | \$101,764,909 | \$147,313,310 |
| Total Revenues Less Expenditures: | \$3,871,024 | \$14,197,765 | -\$4,283,300 | \$1,857,680 | -\$8,207,910 |
| Ending Fund Balance: | \$47,848,697 | \$62,046,462 | \$57,763,162 | \$63,904,142 | \$55,696,232 |

Summary of Changes Revenue - Proposed FY 2026 vs Adopted FY 2026

The table below provides a summary of changes from the proposed FY 2026 budget and the adopted FY 2026 budget.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2026 Proposed Continuation Budget vs. FY2026 Adopted Budget (% Change) | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|--------------|----------------|----------------|-----------------------|------------------|-----------------------|--|--|
| All Funds | | | | | | | |
| General Fund | | | | | | | |

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2026 Proposed Continuation Budget vs. FY2026 Adopted Budget (% Change) | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|---|---------------------|---------------------|-----------------------------|---------------------|-----------------------------|---|--|
| Taxes | \$8,782,773 | \$16,675,276 | \$15,650,450 | \$17,192,110 | \$17,643,480 | 0.9% | 12.7% |
| Intergovernmental | \$10,262,290 | \$16,908,872 | \$15,216,490 | \$15,817,721 | \$15,623,490 | 7.2% | 2.7% |
| Licenses & Permits | \$526,097 | \$1,239,704 | \$893,160 | \$1,133,429 | \$981,760 | 0% | 9.9% |
| Other Revenue | \$41,413 | \$120,986 | \$106,000 | \$193,437 | \$115,000 | 9.5% | 8.5% |
| Charges For Services | \$37,572 | \$67,601 | \$44,650 | \$75,756 | \$46,840 | 0% | 4.9% |
| Rent | \$293,892 | \$21,321 | \$173,300 | \$250 | \$150,300 | 0% | -13.3% |
| Fines & Forfeits | \$164,925 | \$310,586 | \$277,400 | \$287,452 | \$277,000 | 0% | -0.1% |
| Interest Revenue | \$383,186 | \$1,116,328 | \$250,000 | \$1,148,932 | \$250,000 | 0% | 0% |
| Total General Fund: | \$20,492,148 | \$36,460,673 | \$32,611,450 | \$35,849,087 | \$35,087,870 | 3.6% | 7.6% |
| Highway User Fund | | | | | | | |
| Other Revenue | \$300 | \$10,251 | | \$0 | \$0 | N/A | N/A |
| Impact Fees | \$269,245 | \$909,502 | \$562,000 | \$506,777 | \$690,000 | 0% | 22.8% |
| Interest Revenue | \$120,911 | \$543,447 | \$75,000 | \$268,155 | \$75,000 | 0% | 0% |
| HURF - Special Revenues | \$2,331,202 | \$3,667,609 | \$3,628,630 | \$3,780,259 | \$3,993,520 | 10.1% | 10.1% |
| Other Financing Sources | \$0 | \$1,279,621 | \$3,214,430 | \$1,070,795 | \$1,668,320 | -20.5% | -48.1% |
| Total Highway User Fund: | \$2,721,659 | \$6,410,429 | \$7,480,060 | \$5,625,985 | \$6,426,840 | -1% | -14.1% |
| Grants | | | | | | | |
| Special Rev - Public Safety | | | | | | | |
| Intergovernmental | \$108,334 | \$306,815 | \$220,000 | \$310,609 | \$330,000 | 43.5% | 50% |
| Other Revenue | \$340,069 | \$1,076,222 | \$2,661,080 | \$2,948,364 | \$3,393,810 | 41.8% | 27.5% |
| Charges For Services | \$36,494 | \$93,813 | \$100,000 | \$115,900 | \$369,710 | 0% | 269.7% |
| Fines & Forfeits | \$4,145 | \$7,331 | | \$7,538 | \$0 | N/A | N/A |
| Total Special Rev - Public Safety: | \$489,041 | \$1,484,180 | \$2,981,080 | \$3,382,411 | \$4,093,520 | 36.7% | 37.3% |
| Special Rev - Comm Development | | | | | | | |
| Other Revenue | \$916,702 | \$2,062,019 | \$10,028,180 | \$6,888,751 | \$17,108,200 | 0.4% | 70.6% |
| Interest Revenue | | \$24,282 | | \$918,596 | \$0 | N/A | N/A |
| Other Financing Sources | \$0 | \$103,361 | \$1,407,090 | \$1,110,795 | \$685,490 | 1.5% | -51.3% |
| Total Special Rev - Comm Development: | \$916,702 | \$2,189,662 | \$11,435,270 | \$8,918,141 | \$17,793,690 | 0.5% | 55.6% |
| Judicial Collection Enhancement | | | | | | | |
| Charges For Services | | | | \$1,500 | \$0 | N/A | N/A |
| Fines & Forfeits | \$52,018 | \$85,935 | \$77,500 | \$94,297 | \$85,000 | 0% | 9.7% |
| Total Judicial Collection Enhancement: | \$52,018 | \$85,935 | \$77,500 | \$95,797 | \$85,000 | 0% | 9.7% |
| Total Grants: | \$1,457,761 | \$3,759,777 | \$14,493,850 | \$12,396,349 | \$21,972,210 | 5.7% | 51.6% |



| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2026 Proposed Continuation Budget vs. FY2026 Adopted Budget (% Change) | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|--|---------------------|---------------------|-----------------------------|---------------------|-----------------------------|---|--|
| Employee Benefit Trust | | | | | | | |
| Other Revenue | \$2,021,042 | \$3,170,355 | \$4,094,000 | \$2,606,847 | \$4,749,740 | 16% | 16% |
| Interest Revenue | \$2,123 | \$10,683 | \$4,300 | \$11,165 | \$4,300 | 0% | 0% |
| Total Employee Benefit Trust: | \$2,023,165 | \$3,181,038 | \$4,098,300 | \$2,618,011 | \$4,754,040 | 16% | 16% |
| Water | | | | | | | |
| Other Revenue | \$94,469 | \$1,748,290 | \$3,419,920 | \$2,126,924 | \$1,446,870 | 3.1% | -57.7% |
| Charges For Services | \$3,372,247 | \$5,617,614 | \$5,790,000 | \$6,248,618 | \$6,145,160 | 0% | 6.1% |
| Impact Fees | \$93,221 | \$277,670 | \$178,000 | \$166,562 | \$210,000 | 0% | 18% |
| Interest Revenue | \$250,875 | \$658,821 | \$165,000 | \$641,745 | \$165,000 | 0% | 0% |
| Total Water: | \$3,810,813 | \$8,302,395 | \$9,552,920 | \$9,183,849 | \$7,967,030 | 0.6% | -16.6% |
| Wastewater | | | | | | | |
| Other Revenue | \$0 | \$1,673,813 | \$1,000 | \$718 | \$1,000 | 0% | 0% |
| Charges For Services | \$3,575,409 | \$5,496,644 | \$5,904,000 | \$6,253,422 | \$6,989,230 | 0% | 18.4% |
| Impact Fees | \$143,183 | \$447,177 | \$300,000 | \$265,991 | \$300,000 | 0% | 0% |
| Interest Revenue | \$144,935 | \$379,513 | \$95,000 | \$369,365 | \$95,000 | 0% | 0% |
| Other Financing Sources | \$0 | \$0 | \$15,000,000 | \$0 | \$19,700,000 | 0% | 31.3% |
| Total Wastewater: | \$3,863,527 | \$7,997,146 | \$21,300,000 | \$6,889,496 | \$27,085,230 | 0% | 27.2% |
| Solid Waste | | | | | | | |
| Other Revenue | \$19,050 | \$59,127 | \$43,000 | \$67,635 | \$47,250 | 0% | 9.9% |
| Charges For Services | \$1,359,667 | \$2,144,247 | \$2,363,000 | \$2,479,764 | \$2,761,860 | 0% | 16.9% |
| Total Solid Waste: | \$1,378,717 | \$2,203,374 | \$2,406,000 | \$2,547,399 | \$2,809,110 | 0% | 16.8% |
| Ambulance Service | | | | | | | |
| Other Revenue | \$1,972 | \$256,749 | | \$900 | \$371,000 | 0% | N/A |
| Charges For Services | \$1,430,884 | \$3,400,907 | \$3,350,000 | \$3,527,237 | \$3,410,000 | 3.3% | 1.8% |
| Interest Revenue | | \$250 | | \$2,052 | \$0 | N/A | N/A |
| Total Ambulance Service: | \$1,432,856 | \$3,657,906 | \$3,350,000 | \$3,530,188 | \$3,781,000 | 3% | 12.9% |
| SLDF-Detention Facility Corp | | | | | | | |
| Other Revenue | \$13,578,746 | \$20,632,799 | \$25,000,000 | \$20,364,466 | \$25,000,000 | 0% | 0% |
| Interest Revenue | \$60,868 | \$491,465 | | \$385,506 | \$0 | N/A | N/A |
| Total SLDF-Detention Facility Corp: | \$13,639,614 | \$21,124,264 | \$25,000,000 | \$20,749,971 | \$25,000,000 | 0% | 0% |
| Debt Service Fund | | | | | | | |
| Other Revenue | \$6,329 | \$20,028 | | \$32 | \$0 | N/A | N/A |



| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2026 Proposed Continuation Budget vs. FY2026 Adopted Budget (% Change) | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|--|---------------------|---------------------|-----------------------|----------------------|-----------------------|--|--|
| Interest Revenue | \$81,777 | \$471,017 | | \$145,642 | \$0 | N/A | N/A |
| Other Financing Sources | \$0 | \$1,673,300 | \$1,978,880 | \$1,642,495 | \$1,781,000 | 0% | -10% |
| Total Debt Service Fund: | \$88,106 | \$2,164,346 | \$1,978,880 | \$1,788,168 | \$1,781,000 | 0% | -10% |
| Assessment Districts | | | | | | | |
| Special Assessments | \$339,744 | \$796,439 | \$973,200 | \$967,203 | \$1,121,070 | -3.3% | 15.2% |
| Total Assessment Districts: | \$339,744 | \$796,439 | \$973,200 | \$967,203 | \$1,121,070 | -3.3% | 15.2% |
| Component Units | | | | | | | |
| SL Community Facilities District | | | | | | | |
| Rent | \$0 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | 0% | 0% |
| Total SL Community Facilities District: | \$0 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | 0% | 0% |
| Business Incubator | | | | | | | |
| Other Revenue | \$1,900 | -\$12,768 | \$2,300 | \$5,050 | \$2,300 | 0% | 0% |
| Rent | \$71,126 | \$125,454 | \$122,000 | \$112,417 | \$122,000 | 0% | 0% |
| Total Business Incubator: | \$73,026 | \$112,686 | \$124,300 | \$117,467 | \$124,300 | 0% | 0% |
| Business Center | | | | | | | |
| Other Revenue | \$0 | \$57,249 | | \$0 | \$0 | N/A | N/A |
| Rent | \$500,000 | \$562,617 | \$600,000 | \$600,000 | \$600,000 | 0% | 0% |
| Interest Revenue | \$229 | \$896 | | \$21,949 | \$13,200 | 0% | N/A |
| Other Financing Sources | \$0 | \$0 | \$556,000 | \$0 | \$0 | N/A | -100% |
| Total Business Center: | \$500,229 | \$620,762 | \$1,156,000 | \$621,949 | \$613,200 | 0% | -47% |
| Total Component Units: | \$573,255 | \$735,948 | \$1,282,800 | \$741,916 | \$740,000 | 0% | -42.3% |
| Impact Fees | | | | | | | |
| Other Revenue | \$0 | \$6 | | \$4 | \$0 | N/A | N/A |
| Impact Fees | \$334,529 | \$1,091,926 | \$680,000 | \$631,607 | \$580,000 | 0% | -14.7% |
| Interest Revenue | \$62,762 | \$161,844 | | \$103,354 | \$0 | N/A | N/A |
| Total Impact Fees: | \$397,291 | \$1,253,776 | \$680,000 | \$734,965 | \$580,000 | 0% | -14.7% |
| Total All Funds: | \$52,218,657 | \$98,047,511 | \$125,207,460 | \$103,622,589 | \$139,105,400 | 2.3% | 11.1% |

Summary of Changes Expenditures - Proposed FY 2026 vs Adopted FY 2026

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2026 Proposed Continuation Budget vs. FY2026 Adopted Budget (% Change) | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|---|---------------------|---------------------|-----------------------|---------------------|-----------------------|--|--|
| All Funds | | | | | | | |
| General Fund | | | | | | | |
| Salaries & Related Expenses | \$12,753,435 | \$19,410,772 | \$23,279,130 | \$21,581,230 | \$26,794,610 | 3.4% | 15.1% |
| Supplies | \$633,576 | \$1,179,669 | \$1,516,796 | \$1,370,956 | \$1,754,810 | 0.5% | 15.7% |
| Maintenance | \$1,580,875 | \$1,874,764 | \$2,814,740 | \$2,718,511 | \$3,080,310 | 5.3% | 9.4% |
| Special Services | \$2,801,518 | \$4,672,569 | \$5,554,474 | \$4,740,567 | \$7,402,570 | 3.9% | 33.3% |
| Contingencies | \$0 | \$0 | \$300,000 | \$0 | \$300,000 | 0% | 0% |
| Other Financing Sources - Uses | \$0 | \$2,792,312 | \$5,499,310 | \$2,753,290 | \$3,180,230 | -11.7% | -42.2% |
| Long Term Debt Service | \$59,182 | \$116,010 | \$36,100 | \$49,126 | \$0 | N/A | -100% |
| Non-Departmental | -\$2,369,886 | -\$3,643,565 | -\$4,409,480 | -\$4,102,184 | -\$4,848,780 | 0.5% | 10% |
| Capital Items | \$1,592,650 | \$2,770,642 | \$697,370 | \$1,457,999 | \$2,090,500 | -6.4% | 199.8% |
| Total General Fund: | \$17,051,349 | \$29,173,173 | \$35,288,440 | \$30,569,496 | \$39,754,250 | 1.9% | 12.7% |
| Highway User Fund | | | | | | | |
| Salaries & Related Expenses | \$864,291 | \$1,167,709 | \$1,371,790 | \$1,219,853 | \$1,561,890 | 2.8% | 13.9% |
| Supplies | \$30,039 | \$71,518 | \$55,450 | \$65,410 | \$49,000 | 0% | -11.6% |
| Maintenance | \$204,616 | \$277,049 | \$326,980 | \$368,943 | \$310,080 | 0% | -5.2% |
| Special Services | \$514,098 | \$769,732 | \$696,580 | \$769,432 | \$894,480 | 0% | 28.4% |
| Other Financing Sources - Uses | \$0 | \$93,232 | \$1,407,090 | \$1,070,795 | \$655,070 | 0% | -53.4% |
| Non-Departmental | \$277,733 | \$467,745 | \$582,380 | \$524,273 | \$644,260 | 0.2% | 10.6% |
| Capital Items | \$469,821 | \$2,409,025 | \$4,002,790 | \$1,733,496 | \$3,549,540 | 6.4% | -11.3% |
| Total Highway User Fund: | \$2,360,599 | \$5,256,010 | \$8,443,060 | \$5,752,202 | \$7,664,320 | 3.5% | -9.2% |
| Grants | | | | | | | |
| Special Rev - Public Safety | | | | | | | |
| Salaries & Related Expenses | \$307,509 | \$1,176,629 | \$1,486,905 | \$1,359,497 | \$2,639,730 | 61% | 77.5% |
| Supplies | \$61,408 | \$5,657 | \$19,000 | \$57,406 | \$125,000 | 400% | 557.9% |
| Maintenance | \$11,930 | \$44,157 | \$34,375 | \$43,990 | \$38,900 | 0% | 13.2% |
| Special Services | \$26,287 | \$17,493 | \$71,000 | \$38,783 | \$75,000 | 0% | 5.6% |
| Capital Items | \$24,630 | \$34,962 | \$1,369,800 | \$1,235,160 | \$1,214,890 | 0% | -11.3% |
| Total Special Rev - Public Safety: | \$431,764 | \$1,278,898 | \$2,981,080 | \$2,734,836 | \$4,093,520 | 36.7% | 37.3% |
| Special Rev - Comm Development | | | | | | | |
| Salaries & Related Expenses | \$56,468 | \$72,690 | \$69,270 | \$71,843 | \$72,340 | -1.5% | 4.4% |
| Supplies | \$9,610 | \$28,217 | \$14,000 | \$24,589 | \$61,870 | 396.9% | 341.9% |

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2026 Proposed Continuation Budget vs. FY2026 Adopted Budget (% Change) | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|---|--------------------|--------------------|-----------------------|---------------------|-----------------------|--|--|
| Maintenance | \$573 | \$490 | | \$943 | \$0 | N/A | N/A |
| Special Services | \$13,905 | \$45,064 | \$40,360 | \$56,990 | \$1,523,510 | 0.1% | 3,674.8% |
| Non-Departmental | \$13,503 | \$24,892 | \$10,000 | \$16,522 | \$15,740 | 42.3% | 57.4% |
| Capital Items | \$4,035,370 | \$1,532,241 | \$11,301,640 | \$7,622,348 | \$16,116,350 | 0.1% | 42.6% |
| Total Special Rev – Comm Development: | \$4,129,430 | \$1,703,594 | \$11,435,270 | \$7,793,235 | \$17,789,810 | 0.4% | 55.6% |
| | | | | | | | |
| Judicial Collection Enhancement | | | | | | | |
| Supplies | \$0 | \$1,044 | | \$0 | \$0 | N/A | N/A |
| Special Services | \$40,780 | \$6,200 | \$3,500 | \$0 | \$4,000 | 0% | 14.3% |
| Contingencies | | \$0 | \$74,000 | \$0 | \$81,000 | 0% | 9.5% |
| Capital Items | \$0 | \$0 | | \$36,078 | \$0 | N/A | N/A |
| Total Judicial Collection Enhancement: | \$40,780 | \$7,244 | \$77,500 | \$36,078 | \$85,000 | 0% | 9.7% |
| Total Grants: | \$4,601,974 | \$2,989,736 | \$14,493,850 | \$10,564,150 | \$21,968,330 | 5.7% | 51.6% |
| | | | | | | | |
| Employee Benefit Trust | | | | | | | |
| Supplies | | \$2,584 | | \$945 | \$0 | N/A | N/A |
| Special Services | \$1,953,394 | \$2,640,306 | \$4,098,300 | \$2,546,707 | \$4,754,040 | 16% | 16% |
| Total Employee Benefit Trust: | \$1,953,394 | \$2,642,890 | \$4,098,300 | \$2,547,652 | \$4,754,040 | 16% | 16% |
| | | | | | | | |
| Water | | | | | | | |
| Salaries & Related Expenses | \$459,210 | \$829,566 | \$965,250 | \$899,756 | \$1,184,610 | 5.9% | 22.7% |
| Supplies | \$180,971 | \$325,624 | \$331,100 | \$257,527 | \$328,400 | 0% | -0.8% |
| Maintenance | \$334,687 | \$1,217,291 | \$558,880 | \$430,112 | \$577,780 | 0% | 3.4% |
| Special Services | \$369,457 | \$767,526 | \$776,550 | \$697,591 | \$829,140 | 0% | 6.8% |
| Contingencies | \$0 | \$3,532 | | \$0 | \$0 | N/A | N/A |
| Other Financing Sources – Uses | \$0 | \$129,584 | | \$0 | \$0 | N/A | N/A |
| Long Term Debt Service | \$610,884 | \$415,329 | \$1,523,790 | \$345,071 | \$769,300 | 0% | -49.5% |
| Non-Departmental | \$597,781 | \$951,652 | \$1,117,160 | \$1,041,964 | \$1,230,260 | 0.4% | 10.1% |
| Capital Items | \$419,023 | \$0 | \$12,866,400 | \$11,489,842 | \$4,896,000 | 1.2% | -61.9% |
| Total Water: | \$2,972,013 | \$4,640,103 | \$18,139,130 | \$15,161,862 | \$9,815,490 | 1.3% | -45.9% |
| | | | | | | | |
| Wastewater | | | | | | | |
| Salaries & Related Expenses | \$668,891 | \$1,149,757 | \$1,516,070 | \$1,316,672 | \$1,756,840 | 6.2% | 15.9% |
| Supplies | \$43,645 | \$89,281 | \$98,700 | \$98,874 | \$98,700 | 0% | 0% |
| Maintenance | \$470,792 | \$1,836,219 | \$700,280 | \$766,989 | \$725,280 | 0% | 3.6% |
| Special Services | \$454,460 | \$1,039,676 | \$997,560 | \$768,934 | \$1,137,630 | 0% | 14% |

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2026 Proposed Continuation Budget vs. FY2026 Adopted Budget (% Change) | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|--|--------------------|---------------------|-----------------------|---------------------|-----------------------|--|--|
| Contingencies | \$0 | \$2,679 | | \$0 | \$0 | N/A | N/A |
| Other Financing Sources - Uses | \$0 | \$137,834 | | \$0 | \$0 | N/A | N/A |
| Long Term Debt Service | \$742,730 | \$477,509 | \$1,021,090 | \$400,037 | \$932,200 | 0% | -8.7% |
| Non-Departmental | \$643,824 | \$1,024,233 | \$1,208,010 | \$1,125,427 | \$1,330,130 | 0.2% | 10.1% |
| Capital Items | \$372,260 | \$0 | \$7,064,000 | \$4,032,387 | \$19,818,000 | -0.5% | 180.5% |
| Total Wastewater: | \$3,396,602 | \$5,757,188 | \$12,605,710 | \$8,509,321 | \$25,798,780 | 0% | 104.7% |
| Solid Waste | | | | | | | |
| Salaries & Related Expenses | \$182,331 | \$512,999 | \$478,030 | \$312,890 | \$467,000 | 2% | -2.3% |
| Supplies | \$54,207 | \$74,951 | \$111,350 | \$63,878 | \$87,500 | 0% | -21.4% |
| Maintenance | \$244,483 | \$520,859 | \$300,480 | \$358,425 | \$294,480 | 0% | -2% |
| Special Services | \$358,127 | \$615,549 | \$613,370 | \$587,216 | \$562,730 | 0% | -8.3% |
| Contingencies | \$0 | \$1,454 | | \$0 | \$0 | N/A | N/A |
| Long Term Debt Service | \$41,477 | \$712 | | \$0 | \$0 | N/A | N/A |
| Non-Departmental | \$402,613 | \$575,965 | \$732,325 | \$697,398 | \$811,850 | 1.1% | 10.9% |
| Capital Items | \$538,563 | \$0 | \$378,600 | \$372,163 | \$0 | N/A | -100% |
| Total Solid Waste: | \$1,821,801 | \$2,302,490 | \$2,614,155 | \$2,391,969 | \$2,223,560 | 0.8% | -14.9% |
| Ambulance Service | | | | | | | |
| Salaries & Related Expenses | \$1,219,455 | \$2,352,405 | \$2,579,490 | \$2,653,241 | \$2,770,730 | 1.2% | 7.4% |
| Supplies | \$95,323 | \$205,121 | \$206,600 | \$197,824 | \$242,600 | 0% | 17.4% |
| Maintenance | \$85,676 | \$369,639 | \$177,300 | \$164,433 | \$176,730 | 0% | -0.3% |
| Special Services | \$79,894 | \$125,094 | \$188,440 | \$171,299 | \$208,700 | 0% | 10.8% |
| Long Term Debt Service | \$47,300 | \$20,864 | \$77,900 | \$20,386 | \$78,000 | 0% | 0.1% |
| Non-Departmental | \$242,461 | \$353,039 | \$470,825 | \$415,572 | \$513,670 | -0.6% | 9.1% |
| Capital Items | \$300,695 | | | \$0 | \$440,060 | 0% | N/A |
| Total Ambulance Service: | \$2,070,803 | \$3,426,162 | \$3,700,555 | \$3,622,756 | \$4,430,490 | 0.7% | 19.7% |
| SLDF-Detention Facility Corp | | | | | | | |
| Maintenance | \$0 | \$762,809 | | \$0 | \$0 | N/A | N/A |
| Special Services | \$9,184,016 | \$20,510,971 | \$20,291,300 | \$17,149,440 | \$20,632,000 | 0% | 1.7% |
| Long Term Debt Service | \$713,201 | \$2,053,679 | \$4,708,700 | \$1,757,608 | \$4,368,000 | 0% | -7.2% |
| Total SLDF-Detention Facility Corp: | \$9,897,217 | \$23,327,459 | \$25,000,000 | \$18,907,047 | \$25,000,000 | 0% | 0% |
| Debt Service Fund | | | | | | | |
| Special Services | \$3,508 | \$3,024 | \$8,000 | \$2,551 | \$8,000 | 0% | 0% |
| Other Financing Sources - Uses | \$0 | \$167,292 | | \$0 | \$0 | N/A | N/A |

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2026 Proposed Continuation Budget vs. FY2026 Adopted Budget (% Change) | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|------------------------------------|---------------------|---------------------|-----------------------|----------------------|-----------------------|--|--|
| Long Term Debt Service | \$354,564 | \$1,990,584 | \$1,970,880 | \$1,785,617 | \$1,773,000 | 0% | -10% |
| Total Debt Service Fund: | \$358,073 | \$2,160,900 | \$1,978,880 | \$1,788,168 | \$1,781,000 | 0% | -10% |
| Assessment Districts | | | | | | | |
| Salaries & Related Expenses | \$0 | \$3,114 | \$16,640 | \$16,939 | \$0 | -100% | -100% |
| Supplies | \$1,065 | | | \$0 | \$0 | N/A | N/A |
| Maintenance | \$22,428 | \$193,411 | \$366,770 | \$326,972 | \$451,030 | 23% | 23% |
| Special Services | \$211,045 | \$429,271 | \$421,700 | \$475,729 | \$495,310 | -13.8% | 17.5% |
| Non-Departmental | \$134,263 | \$151,370 | \$168,090 | \$168,090 | \$174,730 | 4% | 4% |
| Total Assessment Districts: | \$368,801 | \$777,166 | \$973,200 | \$987,730 | \$1,121,070 | -3.5% | 15.2% |
| Component Units | | | | | | | |
| Business Incubator | | | | | | | |
| Salaries & Related Expenses | \$9,035 | \$12,630 | \$12,700 | \$13,634 | \$12,980 | 1.8% | 2.2% |
| Supplies | \$50 | \$1,205 | \$2,500 | \$615 | \$1,100 | 0% | -56% |
| Maintenance | \$8,079 | \$58,037 | \$9,800 | \$7,974 | \$8,800 | 0% | -10.2% |
| Special Services | \$28,292 | \$25,251 | \$45,850 | \$41,194 | \$86,540 | 0% | 88.7% |
| Non-Departmental | \$36,652 | \$60,835 | \$78,530 | \$72,888 | \$83,670 | -3.8% | 6.5% |
| Total Business Incubator: | \$82,108 | \$157,959 | \$149,380 | \$136,305 | \$193,090 | -1.6% | 29.3% |
| Business Center | | | | | | | |
| Maintenance | \$39,118 | \$228,324 | \$51,400 | \$74,764 | \$51,400 | 0% | 0% |
| Special Services | \$1,579 | \$17,579 | \$21,540 | \$19,729 | \$20,000 | 0% | -7.1% |
| Long Term Debt Service | \$916,319 | \$321,576 | \$1,040,900 | \$199,438 | \$1,046,600 | 0% | 0.5% |
| Non-Departmental | \$21,056 | \$33,834 | \$42,160 | \$39,529 | \$44,470 | -0.5% | 5.5% |
| Total Business Center: | \$978,072 | \$601,314 | \$1,156,000 | \$333,459 | \$1,162,470 | 0% | 0.6% |
| Total Component Units: | \$1,060,181 | \$759,273 | \$1,305,380 | \$469,764 | \$1,355,560 | -0.2% | 3.8% |
| Impact Fees | | | | | | | |
| Special Services | \$0 | \$18,769 | \$15,000 | \$18,591 | \$0 | N/A | -100% |
| Other Financing Sources - Uses | \$0 | \$0 | \$250,000 | \$0 | \$299,510 | 0% | 19.8% |
| Long Term Debt Service | \$84,060 | \$112,080 | \$112,100 | \$102,740 | \$56,200 | 0% | -49.9% |
| Capital Items | \$350,768 | \$506,347 | \$473,000 | \$371,460 | \$1,290,710 | 37.2% | 172.9% |
| Total Impact Fees: | \$434,828 | \$637,196 | \$850,100 | \$492,791 | \$1,646,420 | 27% | 93.7% |
| Total All Funds: | \$48,347,634 | \$83,849,746 | \$129,490,760 | \$101,764,909 | \$147,313,310 | 2.3% | 13.8% |

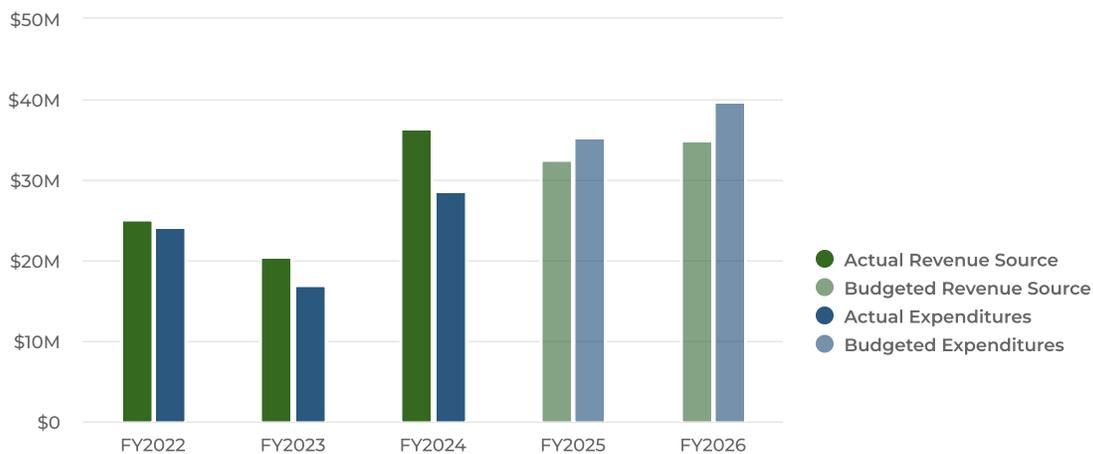


Summary

The General Fund is the City's main operating fund and accounts for all the activities that do not have a specific revenue source. It is reported in the Governmental Funds, and it is a major fund as its revenues and expenditures constitute the 25% of the total City's budget. The fund is supported by various revenue sources, including service charges, franchise fees, business licenses, and building permits. However, its main sources of revenue are sales taxes and intergovernmental taxes.

The General Fund is an unrestricted source of revenue and finances the government activities associated with providing services such as police, fire, parks, development services, and internal support functions.

The graph below shows the revenue and expenditure trends in the past five years, including the FY 2026 budget.



In FY 2026, the City of San Luis projects revenues of \$35.08 million, representing a 7.6% increase compared to the previous year's budget. This projection reflects anticipated growth in city sales tax revenues, driven by continued population increases, new commercial developments, and higher consumer spending within the City, offset in part by reduced state-shared income tax rates resulting from the statewide flat tax policy.

The main source of revenue for the General Fund is the local sales tax, comprising \$16.9 million of the total. Intergovernmental revenue is the second-largest source, accounting for \$15.6 million. The remaining sources come from fees charged by the city for permits, fines, rents, and miscellaneous

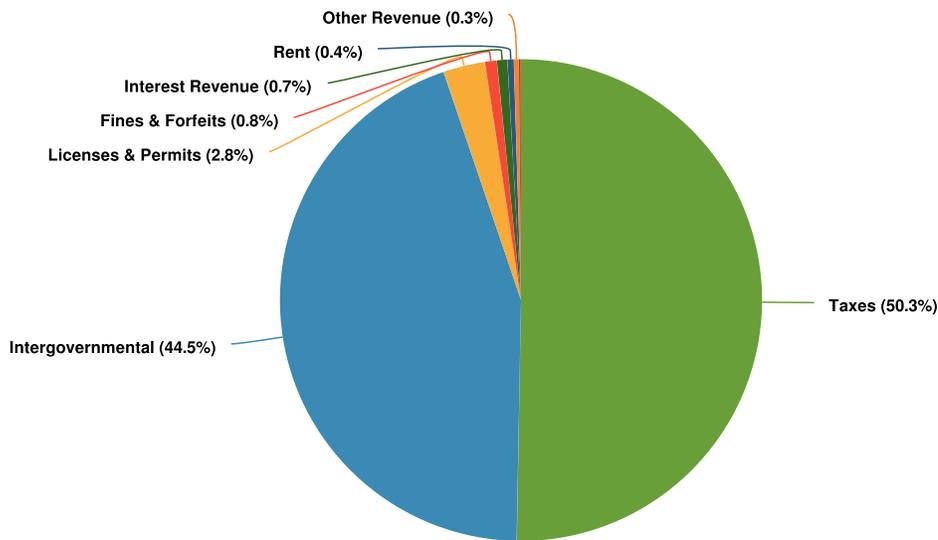
revenues.

The FY 2026 expenditure budget is \$39.7 million, marking a 12.7% increase from the prior year. The primary driver of this increase is salaries and special services.

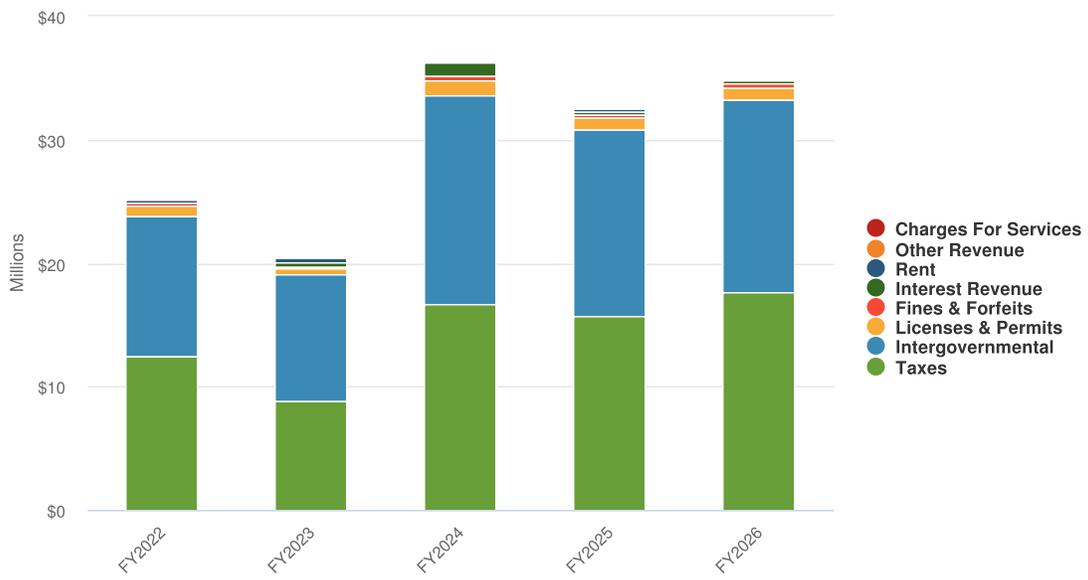
Revenues

The taxes make up the largest portion of the City's revenue budget at 50.3%. Within this category, local sales taxes alone represent 48.2% of the total revenue. Intergovernmental revenue, which accounts for 44.5% of the revenue budget, includes the shared funds the City receives from the state, such as state sales tax, urban revenue sharing, and vehicle license taxes. These two categories together make up the majority of the City's revenue, while the remaining sources consist of fees from permits, fines, rents, and miscellaneous income.

FY 2026 Budget Revenues \$35.08 M



Budgeted and Historical 2026 Revenues

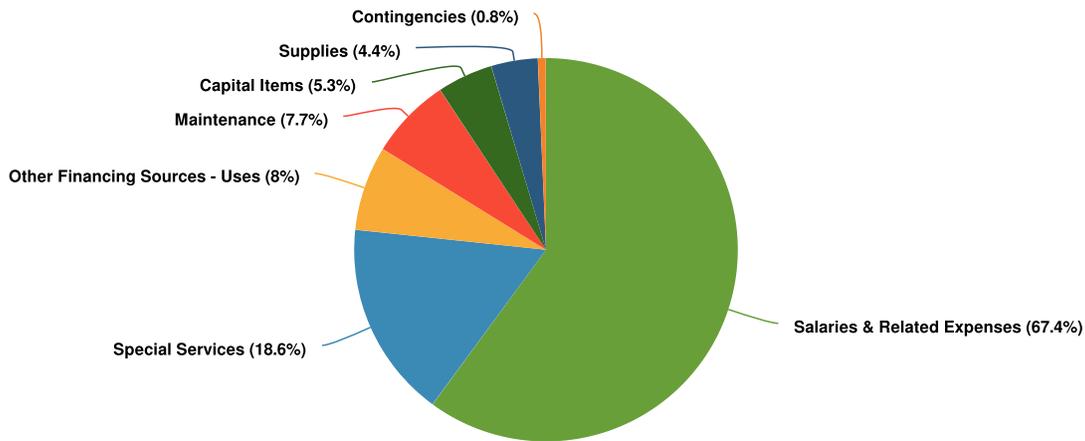


| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|------------------------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|--|
| Revenue Source | | | | | | |
| Taxes | \$8,782,773 | \$16,675,276 | \$15,650,450 | \$17,192,110 | \$17,643,480 | 12.7% |
| Intergovernmental | \$10,262,290 | \$16,908,872 | \$15,216,490 | \$15,817,721 | \$15,623,490 | 2.7% |
| Licenses & Permits | \$526,097 | \$1,239,704 | \$893,160 | \$1,133,429 | \$981,760 | 9.9% |
| Other Revenue | \$41,413 | \$120,986 | \$106,000 | \$193,437 | \$115,000 | 8.5% |
| Charges For Services | \$37,572 | \$67,601 | \$44,650 | \$75,756 | \$46,840 | 4.9% |
| Rent | \$293,892 | \$21,321 | \$173,300 | \$250 | \$150,300 | -13.3% |
| Fines & Forfeits | \$164,925 | \$310,586 | \$277,400 | \$287,452 | \$277,000 | -0.1% |
| Interest Revenue | \$383,186 | \$1,116,328 | \$250,000 | \$1,148,932 | \$250,000 | 0% |
| Total Revenue Source: | \$20,492,148 | \$36,460,673 | \$32,611,450 | \$35,849,087 | \$35,087,870 | 7.6% |

Expenditures

The chart below shows projections for each category as a percentage of the total General Fund expenditures for the FY 2026 budget. The largest expenditure in the General Fund is salaries, which comprise 67.4% of the total expenses. The City of San Luis has been growing, generating the need for additional personnel to maintain the level of service for the residents.

FY 2026 Budget Expenditures \$39.7



| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|--------------------------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$12,753,435 | \$19,410,772 | \$23,279,130 | \$21,581,230 | \$26,794,610 | 15.1% |
| Supplies | \$633,576 | \$1,179,669 | \$1,516,796 | \$1,370,956 | \$1,754,810 | 15.7% |
| Maintenance | \$1,580,875 | \$1,874,764 | \$2,814,740 | \$2,718,511 | \$3,080,310 | 9.4% |
| Special Services | \$2,801,518 | \$4,672,569 | \$5,554,474 | \$4,740,567 | \$7,402,570 | 33.3% |
| Contingencies | \$0 | \$0 | \$300,000 | \$0 | \$300,000 | 0% |
| Other Financing Sources - Uses | \$0 | \$2,792,312 | \$5,499,310 | \$2,753,290 | \$3,180,230 | -42.2% |
| Long Term Debt Service | \$59,182 | \$116,010 | \$36,100 | \$49,126 | \$0 | -100% |
| Non-Departmental | -\$2,369,886 | -\$3,643,565 | -\$4,409,480 | -\$4,102,184 | -\$4,848,780 | 10% |
| Capital Items | \$1,592,650 | \$2,770,642 | \$697,370 | \$1,457,999 | \$2,090,500 | 199.8% |
| Total Expense Objects: | \$17,051,349 | \$29,173,173 | \$35,288,440 | \$30,569,496 | \$39,754,250 | 12.7% |



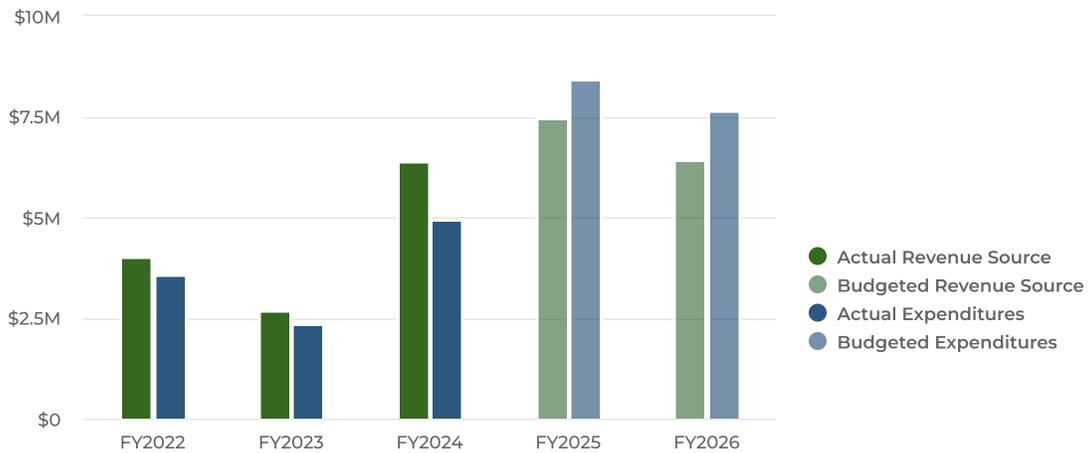
Highway User Fund

Summary

The Highway User Fund accounts for taxes collected by the state and shared with the cities. The Highway User revenue source is restricted to highway and street purposes, whether it be maintenance or construction. It also includes development fees for street infrastructure. Development fees are a one-time payment made to the City at the time of building permit issuance. A portion of these development fees helps to fund street infrastructure necessitated by growth. Development fees are also restricted to the use intended in the development fees documents adopted by the City.

The Highway User Revenues are sometimes referred to as the gas tax, but there are a number of additional transportation related fees included in the formula. Cities and towns receive 27.5% of the total collection. A portion is distributed based on population and the other portion is allocated on the basis of "county of origin" of gasoline sales and the relation of a municipality's population to the population of all incorporated cities and towns in their county.

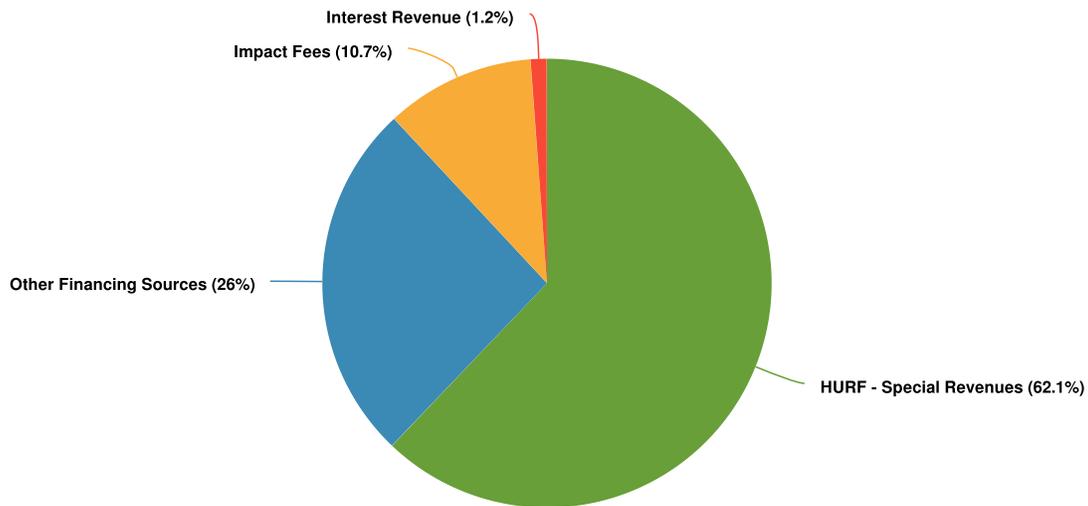
The graph below shows the revenue and expenditure trends over five years, and includes the FY 2026 budget.



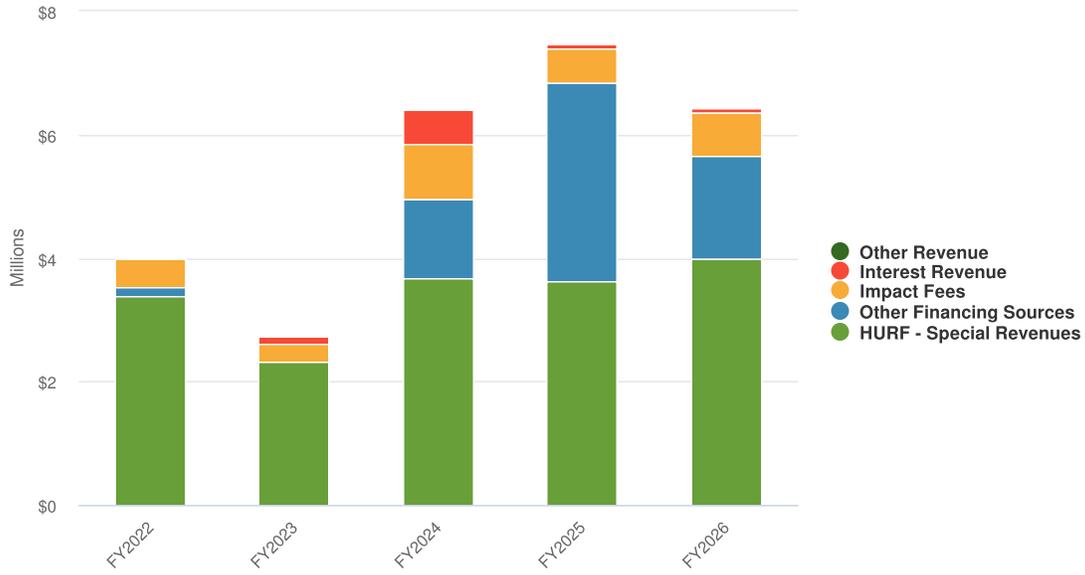
Revenues

The City of San Luis projects \$6.4 million in revenue for FY 2026, representing a 14.1% decrease from the prior year's budget. This includes \$3.9 million in HURF revenue, which will be dedicated to building critical street infrastructure to improve traffic flow and to installing street lighting along pedestrian sidewalks to enhance resident safety. The decrease is primarily due to lower transfers from the General Fund, reflecting the completion of capital projects funded in the prior year. Despite the \$1,546,110 reduction, the General Fund will continue to provide a subsidy to supplement HURF revenues, ensuring these projects can move forward.

FY 2026 Budget Revenue \$6.4 million



Budgeted and Historical 2026 Revenues



| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|------------------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Revenue Source | | | | | | |
| Other Revenue | \$300 | \$10,251 | | \$0 | \$0 | N/A |
| Impact Fees | \$269,245 | \$909,502 | \$562,000 | \$506,777 | \$690,000 | 22.8% |
| Interest Revenue | \$120,911 | \$543,447 | \$75,000 | \$268,155 | \$75,000 | 0% |
| HURF - Special Revenues | \$2,331,202 | \$3,667,609 | \$3,628,630 | \$3,780,259 | \$3,993,520 | 10.1% |
| Other Financing Sources | \$0 | \$1,279,621 | \$3,214,430 | \$1,070,795 | \$1,668,320 | -48.1% |
| Total Revenue Source: | \$2,721,659 | \$6,410,429 | \$7,480,060 | \$5,625,985 | \$6,426,840 | -14.1% |

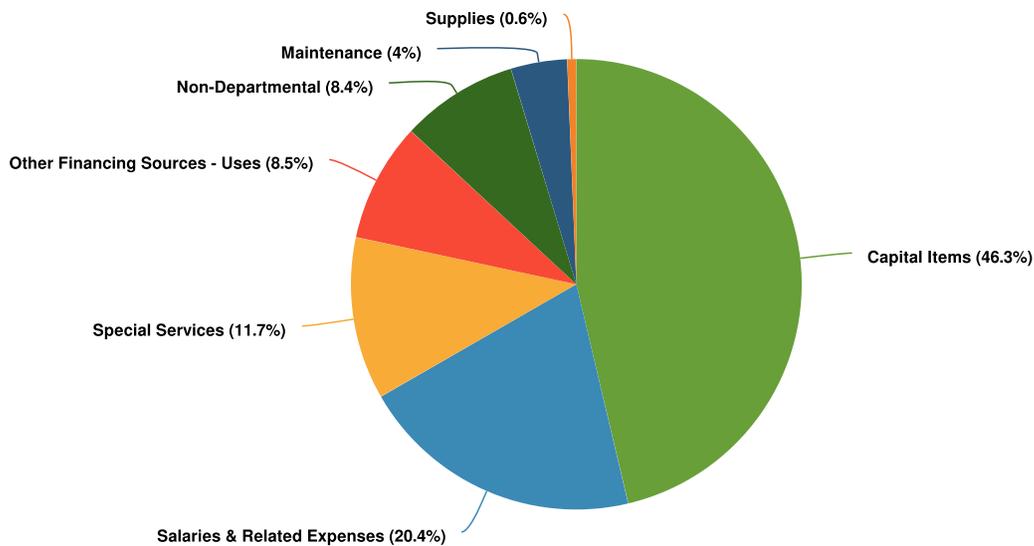
Expenditures

The Highway User Fund is actively engaged in projects to improve traffic flow, reduce congestion, and enhance street lighting across the city. For FY 2026, the HURF budget totals \$7.6 million for street-related expenditures, which is expected to remain stable throughout the year.

Capital Improvement projects include a planned budget reduction of \$806,782 to better align resources with project timelines, partially offset by \$655,070 in matching grant allocations. Other financing sources, representing 8.5% of the total budget, reflect transfers to special revenue accounts supporting grant-funded projects to be utilized during this fiscal year.

Capital items make up the largest share of the HURF budget at 46%, followed by salaries and related expenses at 20%.

FY 2026 Budget Expenditures \$7.6 million



| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|--------------------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$864,291 | \$1,167,709 | \$1,371,790 | \$1,219,853 | \$1,561,890 | 13.9% |
| Supplies | \$30,039 | \$71,518 | \$55,450 | \$65,410 | \$49,000 | -11.6% |
| Maintenance | \$204,616 | \$277,049 | \$326,980 | \$368,943 | \$310,080 | -5.2% |
| Special Services | \$514,098 | \$769,732 | \$696,580 | \$769,432 | \$894,480 | 28.4% |
| Other Financing Sources - Uses | \$0 | \$93,232 | \$1,407,090 | \$1,070,795 | \$655,070 | -53.4% |
| Non-Departmental | \$277,733 | \$467,745 | \$582,380 | \$524,273 | \$644,260 | 10.6% |
| Capital Items | \$469,821 | \$2,409,025 | \$4,002,790 | \$1,733,496 | \$3,549,540 | -11.3% |
| Total Expense Objects: | \$2,360,599 | \$5,256,010 | \$8,443,060 | \$5,752,202 | \$7,664,320 | -9.2% |

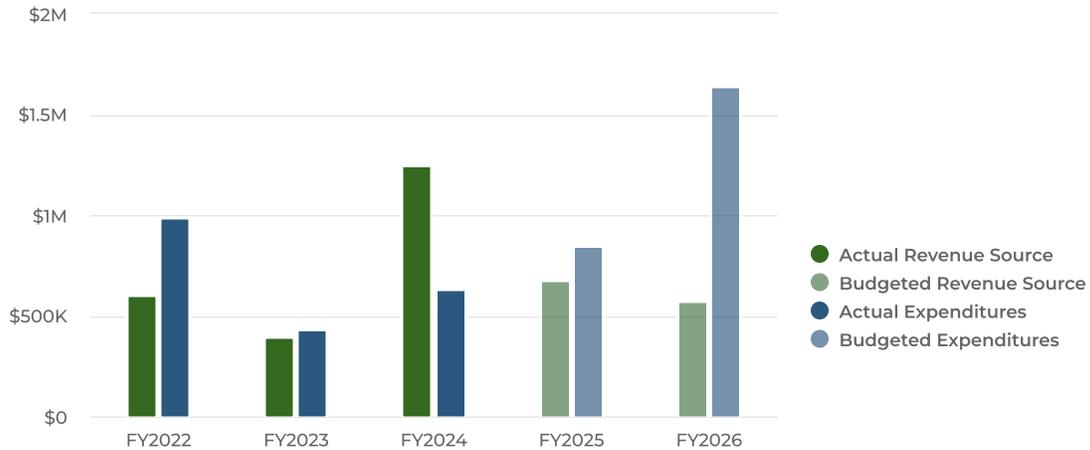


Summary

The Impact Fees Fund accounts for the revenues generated by fees charged for new development. The fees are collected to pay for the costs of providing public infrastructure for new development to ensure continuance of the same level of service to the existing community. The Impact Fees Fund accounts for the collection of fees for streets, parks, police, fire and general government (debt service only). The water and wastewater impact fees are accounted for within their own funds.

Development fees are restricted to qualifying expenditures as specified in the development fee documents adopted by the City. State statute requires the City to submit an annual report documenting development fees, as well as a biennial certified audit of land use assumptions, infrastructure improvement plans, and development impact fees. The City is currently in the process of updating these fees, with changes scheduled to take effect in Fiscal Year 2026.

The graph below shows the revenue and expenditure trends over five years, to include FY 2026 projections.



The City of San Luis anticipates generating \$580,000 in revenue for FY2026. Recent years have seen significant residential growth, resulting in a consistent uptick in revenue. However, as we cast our gaze towards FY2026, we are adopting a more cautious approach due to anticipated challenges, including shortages in construction materials and available land. Consequently, we are projecting a 14.7% decrease in impact fees revenue compared to the previous year.

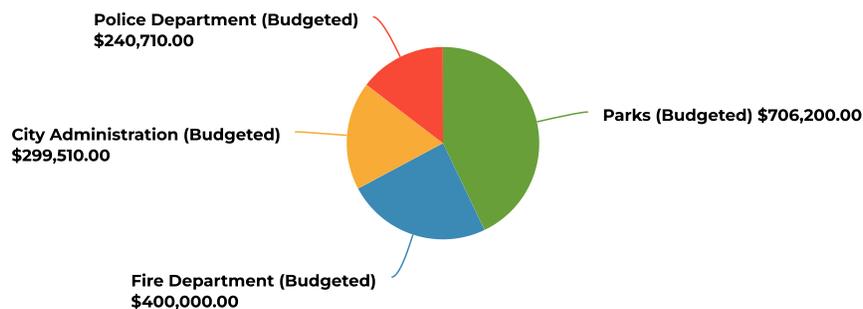
Budgeted expenditures are projected to increase by 94% in FY 2026, reflecting the City’s commitment to investing in projects that directly benefit the community. Key initiatives supported by impact fees include the East Community Park, a new fire engine to enhance emergency response (with funding spread across the current and next fiscal years), and a secure technology facility to support the Police Department’s growing data and IT needs. Once completed, these projects will strengthen public safety, expand recreational opportunities, and improve essential services for the community.

Revenues by Source

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|------------------------------|------------------|--------------------|-----------------------|------------------|-----------------------|--|
| Revenue Source | | | | | | |
| Other Revenue | \$0 | \$6 | | \$4 | \$0 | N/A |
| Impact Fees | \$334,529 | \$1,091,926 | \$680,000 | \$631,607 | \$580,000 | -14.7% |
| Interest Revenue | \$62,762 | \$161,844 | | \$103,354 | \$0 | N/A |
| Total Revenue Source: | \$397,291 | \$1,253,776 | \$680,000 | \$734,965 | \$580,000 | -14.7% |

Impact Fees Expenses by Department

FY 2026 Impact Fees Expenses by Department

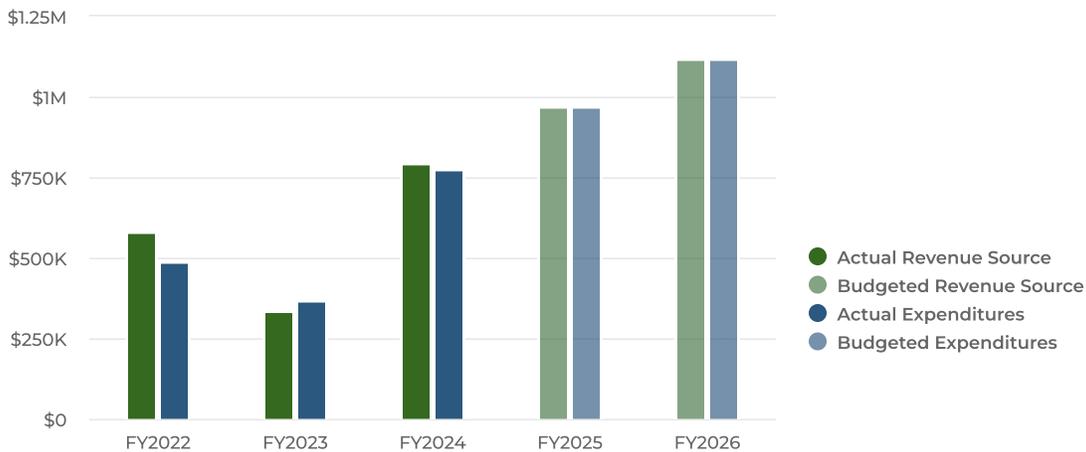




Summary

The Assessment Districts Fund is classified as a non-major fund with restricted sources of revenue. This fund accounts for proceeds collected from property owners who benefit from improvements, enhancements, landscaping, and street lighting. Under Arizona State Statute, Assessment Districts may be established by resolution. The primary purpose of the fund is to maintain designated areas within the subdivisions where the assessments were created.

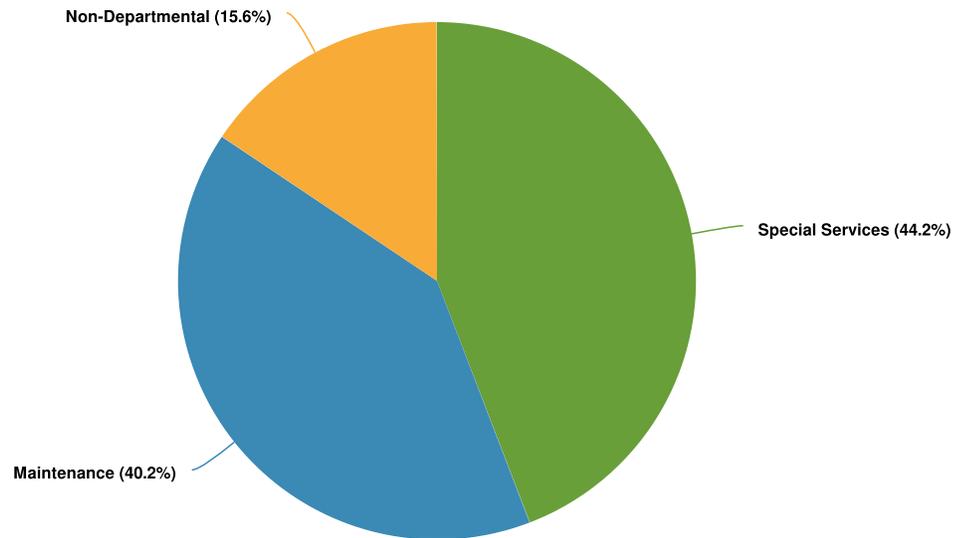
The graph below illustrates revenue and expenditure trends over the past five years, including projections for FY 2026.



The City of San Luis forecasts revenue of \$1,121,070 for FY 2026, reflecting a significant 16% increase compared to the previous year, primarily driven by the development of new subdivisions. Budgeted expenditures are expected to rise correspondingly, partly due to outsourcing landscaping services in response to personnel shortages, mirroring the revenue growth anticipated in the FY 2026 budget.

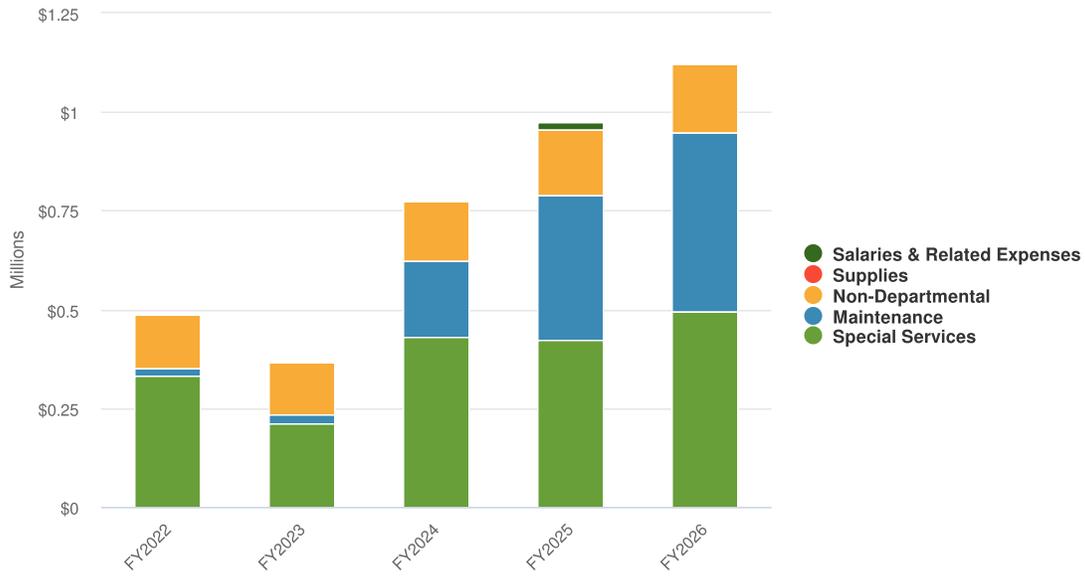
Expenditures by Expense Type

FY 2026 Budget Expenditures \$1,121,070



The FY 2026 expenditure budget for the City of San Luis highlights Special Services as the largest category, accounting for 44% of total spending, with the majority of costs related to water usage. Maintenance expenses follow closely, representing 40% of the budget, and are primarily dedicated to purchasing seeds, fertilizer, and repairing irrigation systems throughout the city.

Budgeted and Historical Expenditures by Expense Type



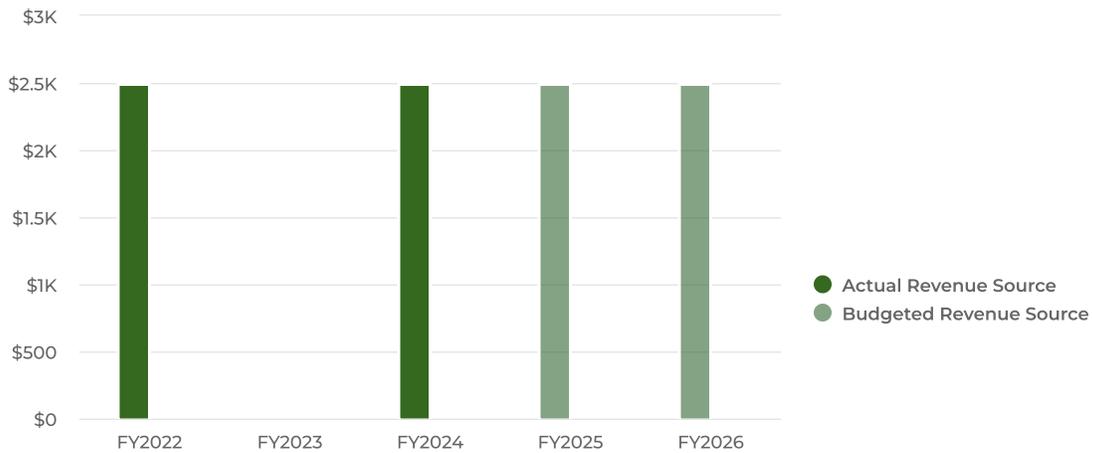
| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$0 | \$3,114 | \$16,640 | \$16,939 | \$0 | -100% |
| Supplies | \$1,065 | | | \$0 | \$0 | N/A |
| Maintenance | \$22,428 | \$193,411 | \$366,770 | \$326,972 | \$451,030 | 23% |
| Special Services | \$211,045 | \$429,271 | \$421,700 | \$475,729 | \$495,310 | 17.5% |
| Non-Departmental | \$134,263 | \$151,370 | \$168,090 | \$168,090 | \$174,730 | 4% |
| Total Expense Objects: | \$368,801 | \$777,166 | \$973,200 | \$987,730 | \$1,121,070 | 15.2% |



Summary

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.

The graph below shows the revenue trends over five years, and includes the FY 2026 projections.



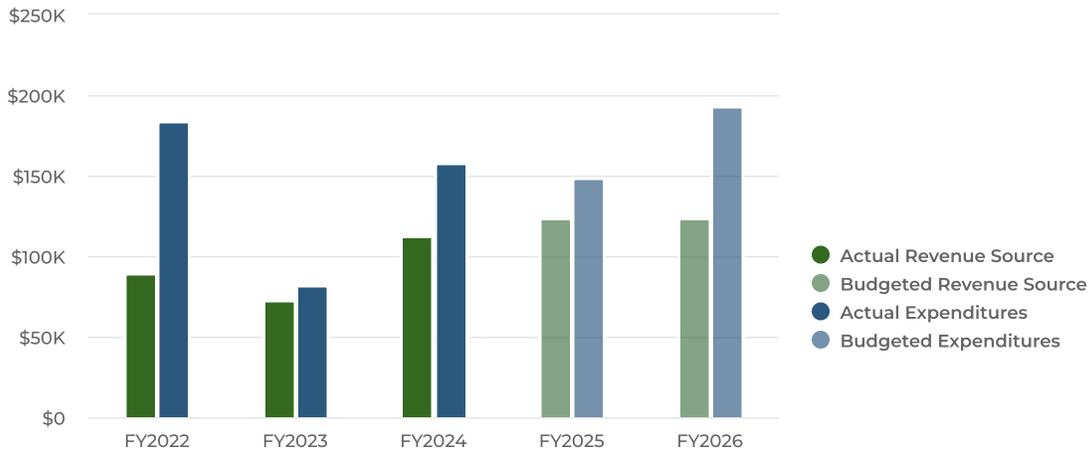
The City of San Luis is projecting \$2,500 in revenue for FY 2026, consistent with the prior year. This amount reflects the land lease payment under the 30-year agreement.



Summary

The Business incubator fund is a Proprietary Fund. It accounts for the City’s business incubator operations, which offer assistance to small businesses, encourage light manufacturing and help create job opportunities within the City. The incubator has seven suites for rent. Currently, only one is vacant.

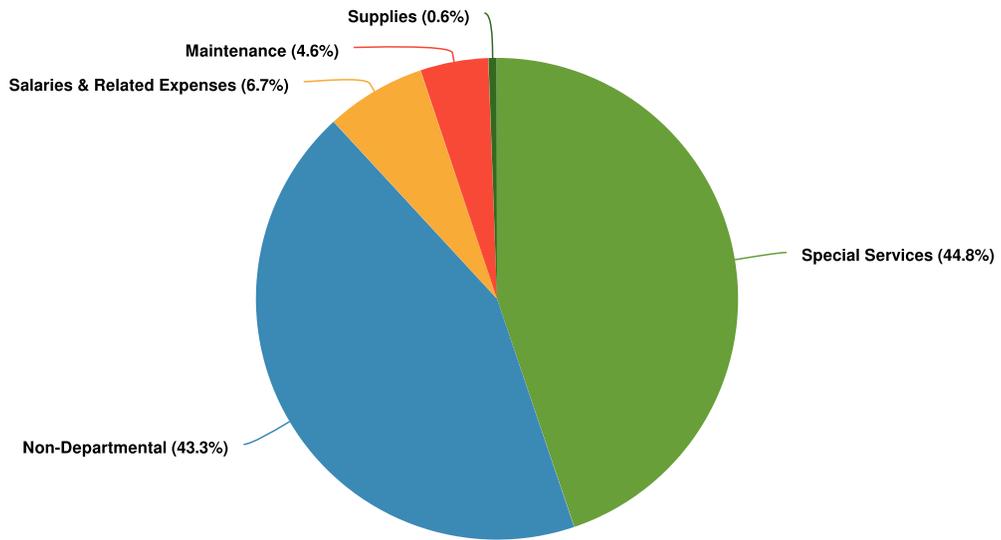
The graph below shows the revenue and expenditure trends over five years, and includes FY 2026 budget.



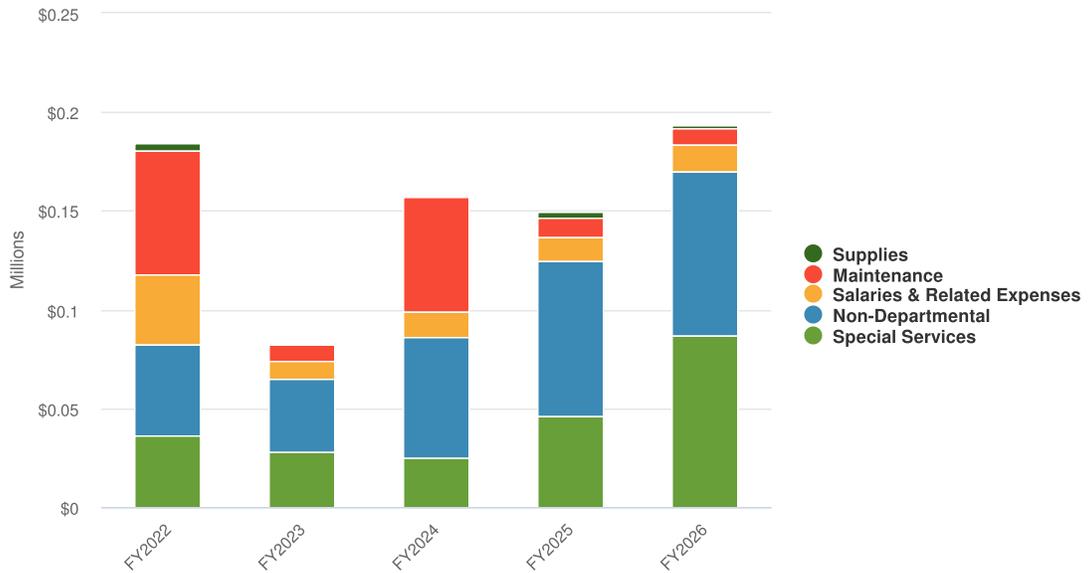
The Business Incubator anticipates generating \$124,300 in revenue for FY 2026, with a primary objective of achieving full occupancy across all seven suites to maximize operational capacity. Projected expenses for the year are expected to total \$193,090, representing a 29% increase over the previous fiscal year. The increase is primarily in the special services category, which includes expenses for evaluating the program, exploring alternatives to ensure the incubator’s sustainability, and a planned asphalt rehabilitation project in the incubator’s parking lot.

Expenditures

FY 2026 Budget Expenditures \$193,090.



Budgeted and Historical Expenditures by Expense Type



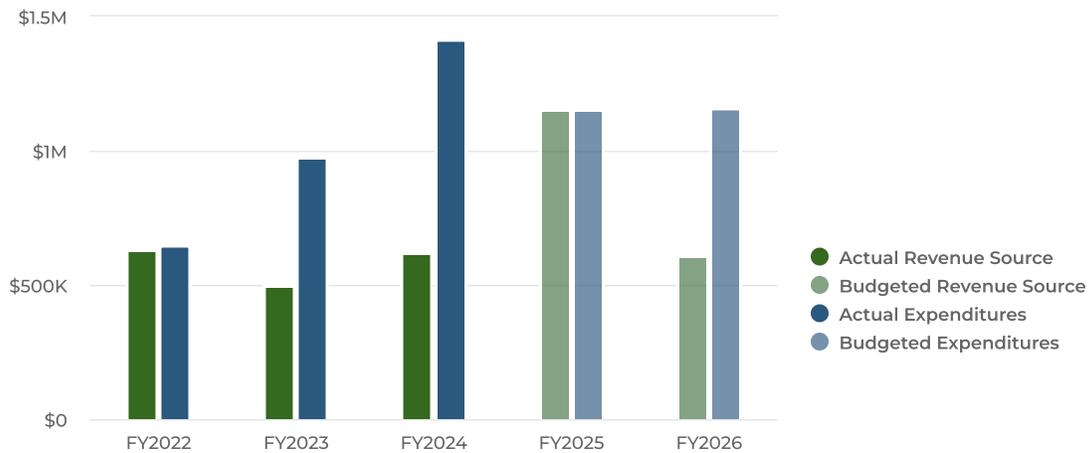
| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|-----------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$9,035 | \$12,630 | \$12,700 | \$13,634 | \$12,980 | 2.2% |
| Supplies | \$50 | \$1,205 | \$2,500 | \$615 | \$1,100 | -56% |
| Maintenance | \$8,079 | \$58,037 | \$9,800 | \$7,974 | \$8,800 | -10.2% |
| Special Services | \$28,292 | \$25,251 | \$45,850 | \$41,194 | \$86,540 | 88.7% |
| Non-Departmental | \$36,652 | \$60,835 | \$78,530 | \$72,888 | \$83,670 | 6.5% |
| Total Expense Objects: | \$82,108 | \$157,959 | \$149,380 | \$136,305 | \$193,090 | 29.3% |



Summary

The Business Center Fund accounts for revenues and expenditures related to the operations of the Call Center. The Entity was acquired by the City through the Industrial Development Authority to develop trade, encourage production, and assure job opportunities in the City residents. Currently, the space is leased to a call center, one of the top three major employers within the city. The Business Center Fund is a Proprietary Fund, and its goal is to be self-sustainable. Unfortunately, due to challenges in leasing the building in its totality, the budget reflects the deficit of revenue over the expenses.

The graph below shows the revenue and expenditure trends over five years, and includes the FY 2026 budget.

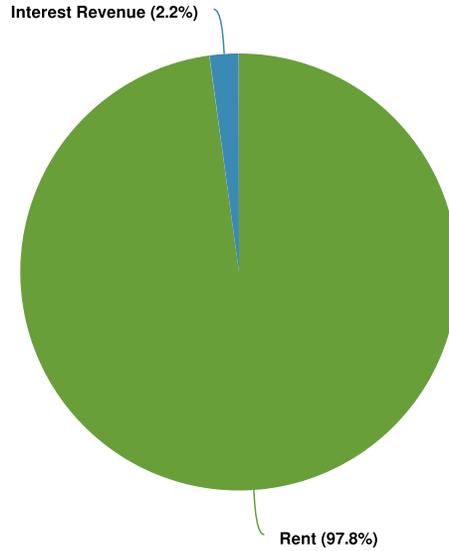


The City of San Luis anticipates \$613,200 in revenue for fiscal year 2026, reflecting a decrease of 47% compared to the previous year. The reduction reflects the fund activity without contributions from other funds. Budgeted expenditures are projected to increase by less than 1% due to the long-term debt payment increase.

Revenues

The Business Center’s revenue for FY 2026 is primarily generated from rental income, which accounts for 97.8% of the total revenue. The remaining 2.2% comes from interest earnings. This stable revenue mix reflects the Center’s continued reliance on lease agreements as its main source of funding, providing a consistent financial base to support ongoing operations.

FY 2026 Revenues by Source \$1.1 million



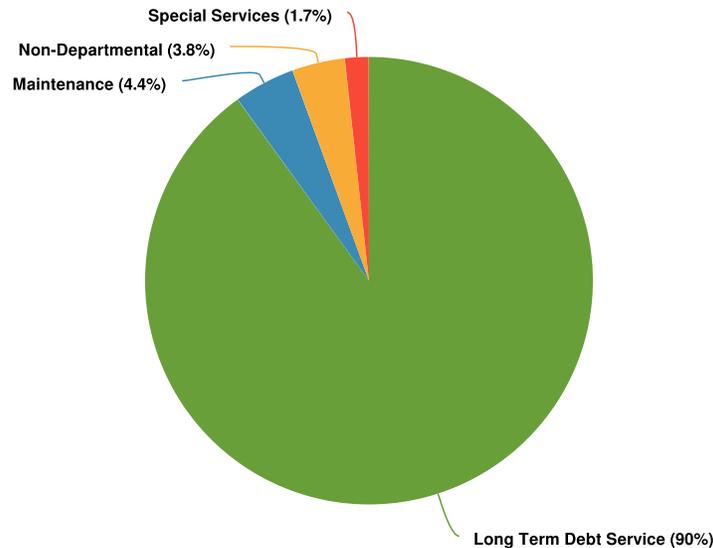
The table below shows the main variances for the FY 2026 Adopted Budget revenue vs the FY 2025 Adopted Budget.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Revenue Source | | | | | | |
| Other Revenue | \$0 | \$57,249 | | \$0 | \$0 | N/A |
| Rent | \$500,000 | \$562,617 | \$600,000 | \$600,000 | \$600,000 | 0% |
| Interest Revenue | \$229 | \$896 | | \$21,949 | \$13,200 | N/A |
| Other Financing Sources | \$0 | \$0 | \$556,000 | \$0 | \$0 | -100% |
| Total Revenue Source: | \$500,229 | \$620,762 | \$1,156,000 | \$621,949 | \$613,200 | -47% |

Expenditures

The Business Center expenditure budget for FY 2026 is primarily composed of long-term debt obligations, with principal payments representing 74% and interest expenses accounting for 16% of total expenditures. These significant commitments are essential to supporting ongoing operations and future development.

FY 2026 Budget Expenditures \$1.1 million



The table below shows the main variances for the FY 2026 Adopted Budget expenditures vs the FY 2025 Adopted budget.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2026 Proposed Continuation Budget vs. FY2026 Adopted Budget (% Change) | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|--|
| Expense Objects | | | | | | | |
| Maintenance | \$39,118 | \$228,324 | \$51,400 | \$74,764 | \$51,400 | 0% | 0% |
| Special Services | \$1,579 | \$17,579 | \$21,540 | \$19,729 | \$20,000 | 0% | -7.1% |
| Long Term Debt Service | \$916,319 | \$321,576 | \$1,040,900 | \$199,438 | \$1,046,600 | 0% | 0.5% |
| Non-Departmental | \$21,056 | \$33,834 | \$42,160 | \$39,529 | \$44,470 | -0.5% | 5.5% |
| Total Expense Objects: | \$978,072 | \$601,314 | \$1,156,000 | \$333,459 | \$1,162,470 | 0% | 0.6% |



Special Revenue Funds

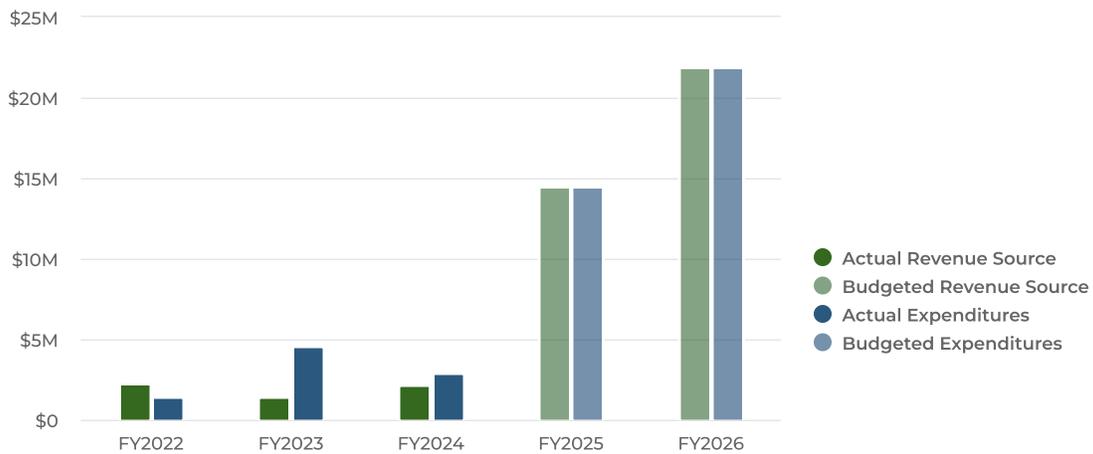
Summary

The City applies for various federal, state, and local grants to supplement funding for a range of programs. These grants are managed through the Special Revenue Funds, which are legally restricted and account for proceeds from grants and other restricted revenue sources.

The Special Revenue Funds include the Judicial Collection Enhancement, Public Safety, and Community Development funds.

FY 2026 reflects a significant increase of 51.6% compared to the prior year, primarily due to grant funding awarded under the Community Development fund.

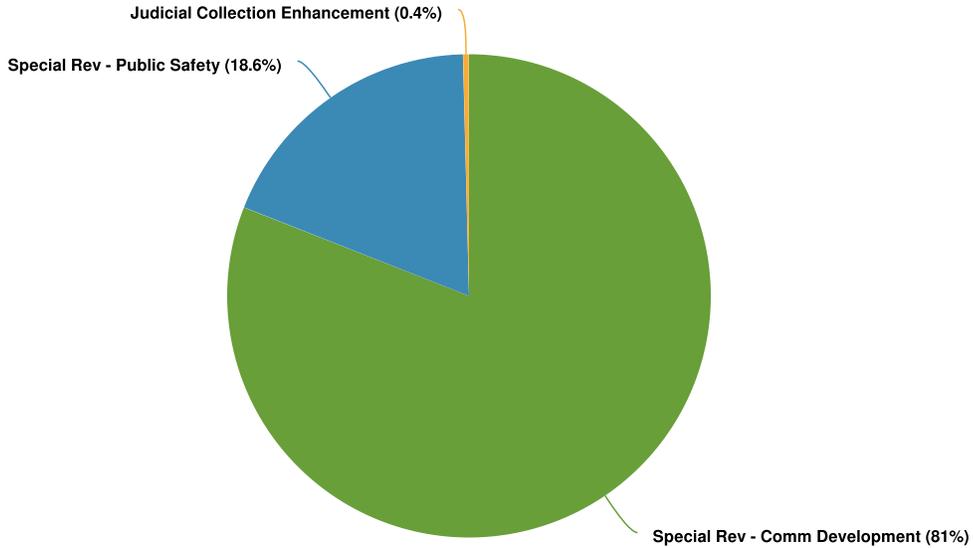
The graph below illustrates revenue and expenditure trends over the past five years, including the FY 2026 budget.



Revenue

The Special Revenue Funds are allocated with Community Development comprising 81%, Public Safety 18%, and Judicial Collection Enhancement less than 1%. This allocation reflects the City’s emphasis on economic development and public safety initiatives funded through restricted revenue sources.

2026 Revenue by Fund \$21.9 millions



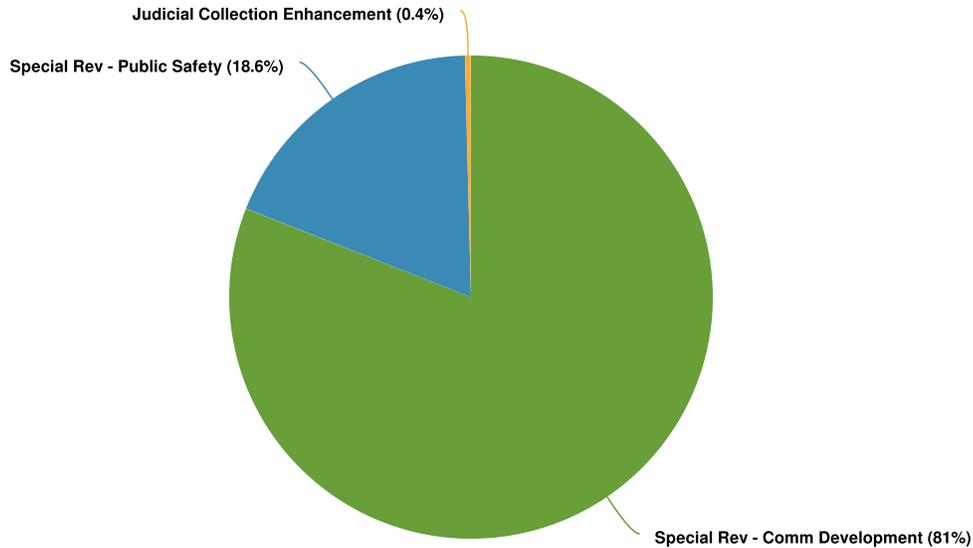
The table below shows the variance in the FY 2026 budget revenue vs the FY 2025 budget, which is primarily for the Community Development projects.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|---------------------------------|--------------------|--------------------|-----------------------|---------------------|-----------------------|--|
| Special Rev - Public Safety | \$489,041 | \$1,484,180 | \$2,981,080 | \$3,382,411 | \$4,093,520 | 37.3% |
| Special Rev - Comm Development | \$916,702 | \$2,189,662 | \$11,435,270 | \$8,918,141 | \$17,793,690 | 55.6% |
| Judicial Collection Enhancement | \$52,018 | \$85,935 | \$77,500 | \$95,797 | \$85,000 | 9.7% |
| Total: | \$1,457,761 | \$3,759,777 | \$14,493,850 | \$12,396,349 | \$21,972,210 | 51.6% |

Expenditures

The allocation of expenditures within the Special Revenue Funds mirrors the revenue distribution, with Community Development accounting for 81%, Public Safety 18%, and Judicial Collection Enhancement less than 1%. This alignment ensures that funding is effectively directed to support the City’s economic development and public safety priorities.

2026 Expenditures by Fund \$21.9 millions

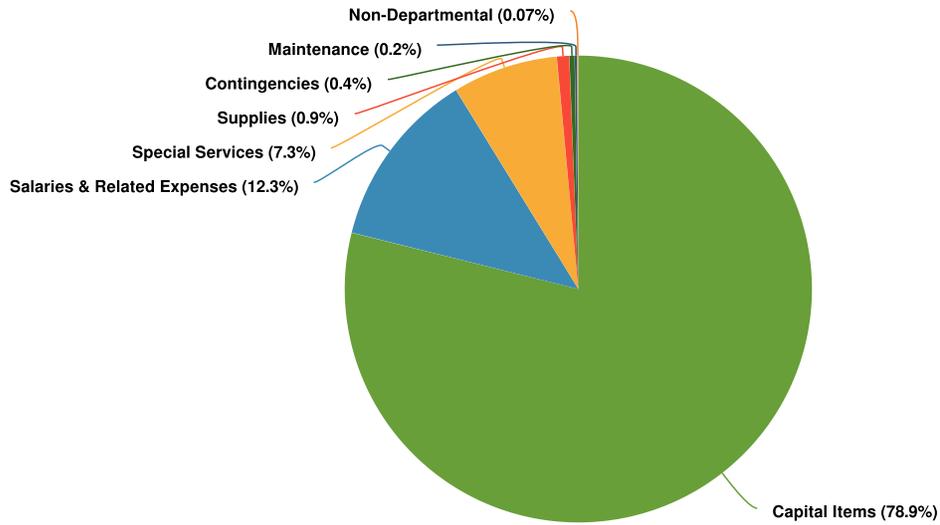


The table below highlights the key variances between the FY 2026 Adopted Budget revenue and the FY 2025 Adopted Budget. The primary driver for the decrease is The American Rescue Plan Act (ARPA) funds, while the Community Development Grants Funds continue exploring other grant opportunities.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|---------------------------------|--------------------|--------------------|-----------------------|---------------------|-----------------------|--|
| Special Rev - Public Safety | \$431,764 | \$1,278,898 | \$2,981,080 | \$2,734,836 | \$4,093,520 | 37.3% |
| Special Rev - Comm Development | \$4,129,430 | \$1,703,594 | \$11,435,270 | \$7,793,235 | \$17,789,810 | 55.6% |
| Judicial Collection Enhancement | \$40,780 | \$7,244 | \$77,500 | \$36,078 | \$85,000 | 9.7% |
| Total: | \$4,601,974 | \$2,989,736 | \$14,493,850 | \$10,564,150 | \$21,968,330 | 51.6% |

Expenditures By Expense Type

FY 2026 Budget Expenditures \$21.9 million



| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|--------------------|--------------------|-----------------------|---------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$363,976 | \$1,249,318 | \$1,556,175 | \$1,431,341 | \$2,712,070 | 74.3% |
| Supplies | \$71,019 | \$34,918 | \$33,000 | \$81,996 | \$186,870 | 466.3% |
| Maintenance | \$12,503 | \$44,647 | \$34,375 | \$44,932 | \$38,900 | 13.2% |
| Special Services | \$80,972 | \$68,757 | \$114,860 | \$95,774 | \$1,602,510 | 1,295.2% |
| Contingencies | | \$0 | \$74,000 | \$0 | \$81,000 | 9.5% |
| Non-Departmental | \$13,503 | \$24,892 | \$10,000 | \$16,522 | \$15,740 | 57.4% |
| Capital Items | \$4,060,000 | \$1,567,203 | \$12,671,440 | \$8,893,586 | \$17,331,240 | 36.8% |
| Total Expense Objects: | \$4,601,974 | \$2,989,736 | \$14,493,850 | \$10,564,150 | \$21,968,330 | 51.6% |

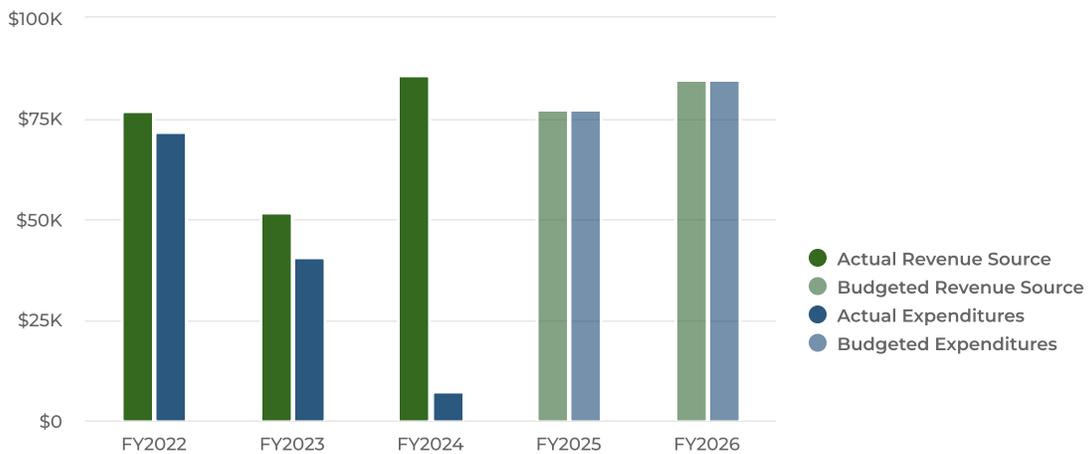


Judicial Collection Enhancement

Summary

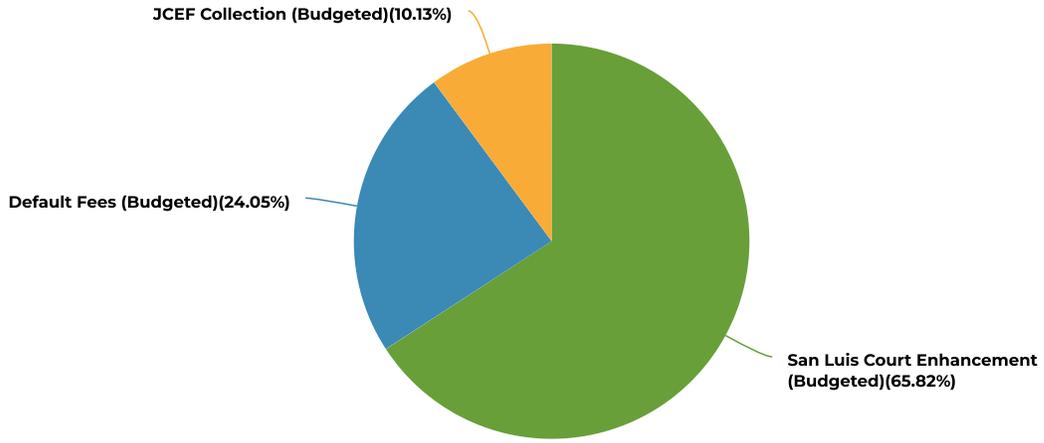
These funds account for the proceeds of specific revenue sources that are legally restricted to Municipal Court Revenues and Expenditures. The fund includes the JCEF Collections, San Luis Court Enhancement, Fill The Gap, Default Fees, Warrant Fees and the San Luis Municipal Court Fare as departments.

The graph below shows the revenue and expenditure trends over five years, to include FY 2026 budget.



The City of San Luis is projecting \$85,000 of revenue in FY2026, a small increase from last year. Budgeted expenditures are projected to remain flat as well in FY2026.

FY 2026 Court SFR Expenses by Department

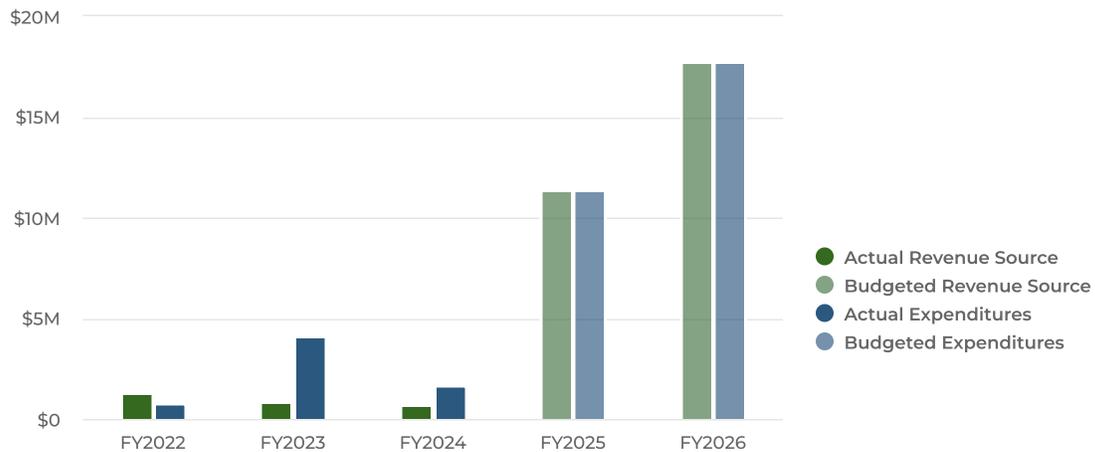




Summary

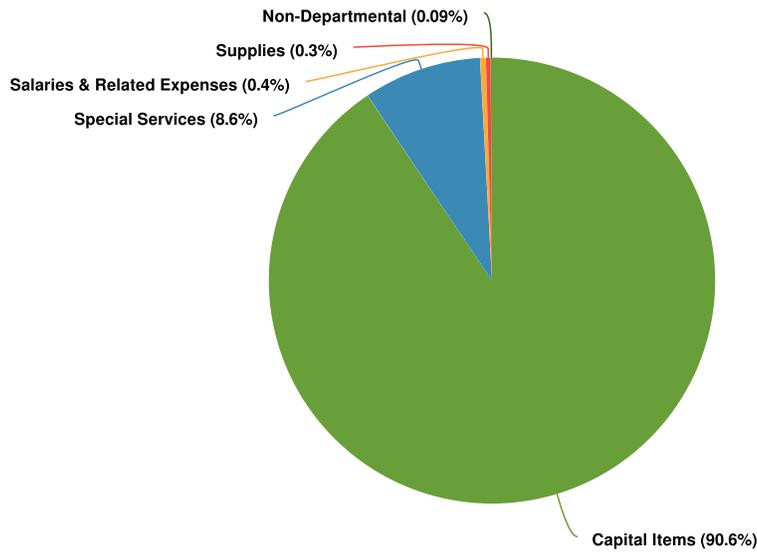
The Special Revenue Community Development Fund accounts for the proceeds of specific revenue sources that are legally restricted for Community Development. The EPA, CDBG, and non-public safety related grants are included in this fund.

The graph below shows the revenue and expenditure trends over five years, including FY2026 budget.



The City of San Luis is forecasting \$17.7 million in both revenue and expenditures for FY 2026. The primary impact included the use of the Community EPA Grant for Downtown Parking Lot Construction, Community Resilience Hub and Tech Prenurial Center.

FY 2026 BUDGET EXPENDITURES \$17.7 MILLION



The table below shows the main variance between the FY 2026 Adopted Budget expenditures vs the FY 2025 Adopted Budget. The Capital Projects are the items that capture the change due to the State of Arizona being the administrator of the Cesar Chavez Boulevard Widening Project.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$56,468 | \$72,690 | \$69,270 | \$71,843 | \$72,340 | 4.4% |
| Supplies | \$9,610 | \$28,217 | \$14,000 | \$24,589 | \$61,870 | 341.9% |
| Maintenance | \$573 | \$490 | | \$943 | \$0 | N/A |
| Special Services | \$13,905 | \$45,064 | \$40,360 | \$56,990 | \$1,523,510 | 3,674.8% |
| Non-Departmental | \$13,503 | \$24,892 | \$10,000 | \$16,522 | \$15,740 | 57.4% |
| Capital Items | \$4,035,370 | \$1,532,241 | \$11,301,640 | \$7,622,348 | \$16,116,350 | 42.6% |
| Total Expense Objects: | \$4,129,430 | \$1,703,594 | \$11,435,270 | \$7,793,235 | \$17,789,810 | 55.6% |

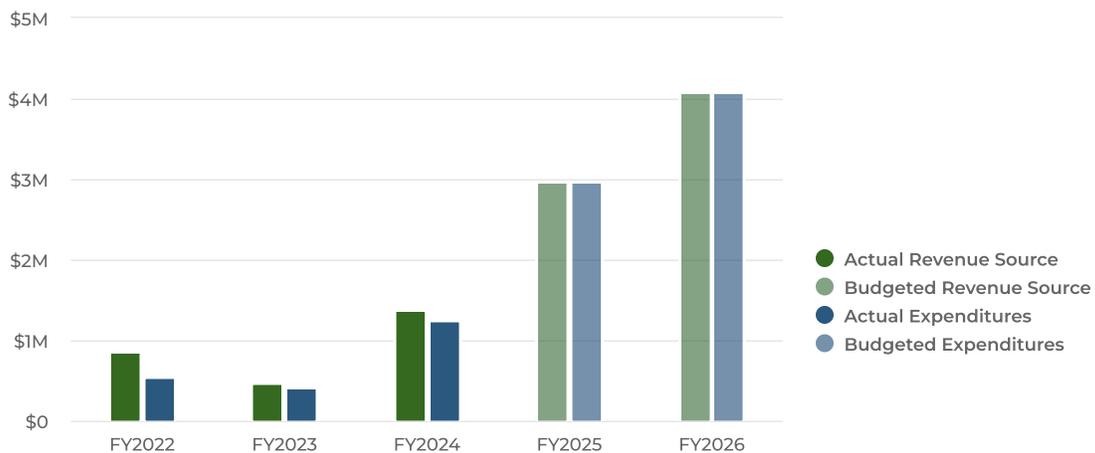


Special Revenue - Public Safety

Summary

The Public Safety Special Revenue Fund accounts for proceeds restricted to the use of Public Safety programs. Such as the Operation Stonegarden program (OPSG), Smart and Safe Arizona Act funds, Arizona Department of Emergency and Military Affairs Border Fencing and Technology (DEMA), School Resource Officers (SROs) grants, and other miscellaneous grants specific to Public Safety. It also accounts for monies and assets confiscated through criminal prosecution.

The graph below shows the revenue and expenditure trends over five years, and includes FY 2026 budget.

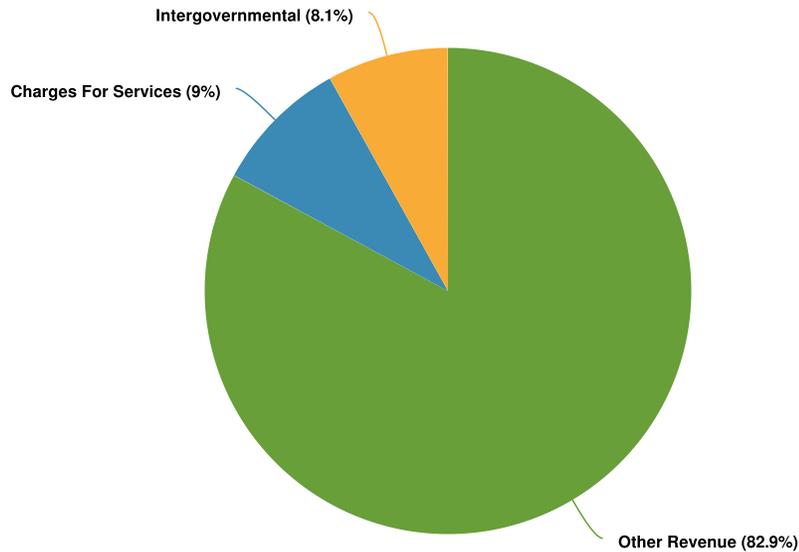


The City of San Luis is projecting \$4.09 million of revenue and expenditures in FY2026, which represents a 37.4% increase in comparison with the prior year.

Revenues

The chart below shows the projections of the FY 2026 revenue budget by category.

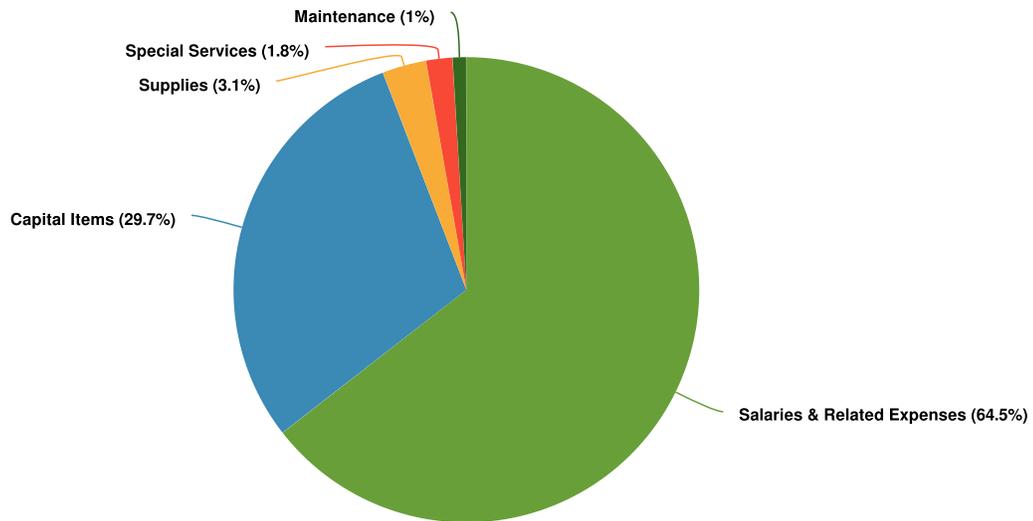
FY 2026 Budget Revenues \$4.09 millions



| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|------------------------------|------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Revenue Source | | | | | | |
| Intergovernmental | \$108,334 | \$306,815 | \$220,000 | \$310,609 | \$330,000 | 50% |
| Other Revenue | \$340,069 | \$1,076,222 | \$2,661,080 | \$2,948,364 | \$3,393,810 | 27.5% |
| Charges For Services | \$36,494 | \$93,813 | \$100,000 | \$115,900 | \$369,710 | 269.7% |
| Fines & Forfeits | \$4,145 | \$7,331 | | \$7,538 | \$0 | N/A |
| Total Revenue Source: | \$489,041 | \$1,484,180 | \$2,981,080 | \$3,382,411 | \$4,093,520 | 37.3% |

Expenditures

FY 2026 Budget Expenditures \$4.09 millions



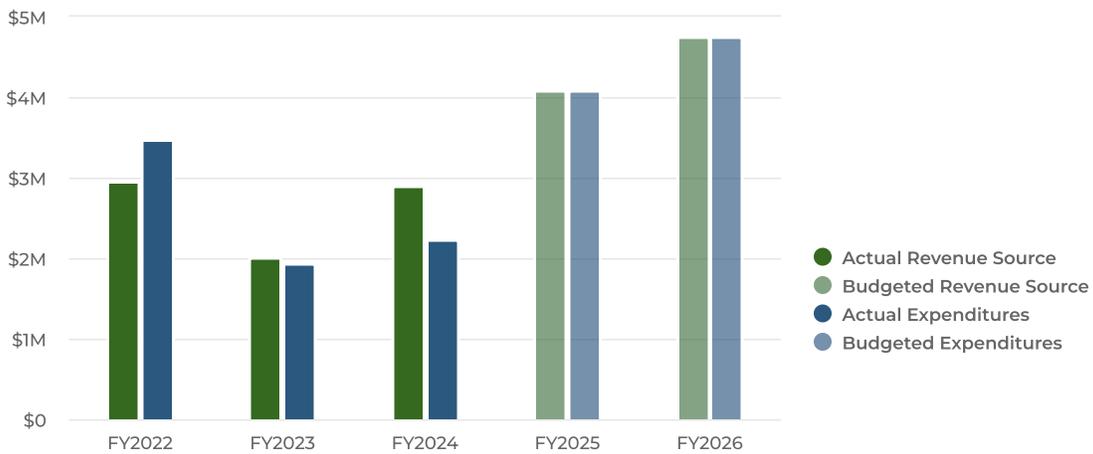
| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$307,509 | \$1,176,629 | \$1,486,905 | \$1,359,497 | \$2,639,730 | 77.5% |
| Supplies | \$61,408 | \$5,657 | \$19,000 | \$57,406 | \$125,000 | 557.9% |
| Maintenance | \$11,930 | \$44,157 | \$34,375 | \$43,990 | \$38,900 | 13.2% |
| Special Services | \$26,287 | \$17,493 | \$71,000 | \$38,783 | \$75,000 | 5.6% |
| Capital Items | \$24,630 | \$34,962 | \$1,369,800 | \$1,235,160 | \$1,214,890 | -11.3% |
| Total Expense Objects: | \$431,764 | \$1,278,898 | \$2,981,080 | \$2,734,836 | \$4,093,520 | 37.3% |



Summary

The Employee Benefit Trust Fund is an Internal Service Fund. It's main purpose is to account for the self-insured medical benefits the City offers to its employees under the direction of a trust board. Revenue for this fund is derived from premiums charged to both the City and employees. The claims paid are processed by a third party administrator.

The graph below shows the revenue and expenditure trends over five years, and includes the FY 2026 budget.



The City of San Luis is projecting \$4.75 million of revenue and expenditures in FY 2026, which represents a 16% increase over the prior year due to a rise in health costs.

Revenues by Source

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Projected | FY2026 Adopted Budget | FY2026 Budgeted | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-----------------------------|--------------------|--------------------|--------------------|-----------------------|--------------------|--|
| Revenue Source | | | | | | |
| Other Revenue | | | | | | |
| Employee Health Plan | \$2,011,136 | \$3,153,028 | \$2,591,995 | \$4,739,740 | \$4,739,740 | 16.1% |
| Miscellaneous Revenue | \$9,906 | \$17,327 | \$14,851 | \$10,000 | \$10,000 | 0% |
| Total Other Revenue: | \$2,021,042 | \$3,170,355 | \$2,606,847 | \$4,749,740 | \$4,749,740 | 16% |

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Projected | FY2026 Adopted Budget | FY2026 Budgeted | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|--------------------------------|--------------------|--------------------|--------------------|-----------------------|--------------------|--|
| Interest Revenue | | | | | | |
| Interest Earned | \$2,123 | \$10,683 | \$11,165 | \$4,300 | \$4,300 | 0% |
| Total Interest Revenue: | \$2,123 | \$10,683 | \$11,165 | \$4,300 | \$4,300 | 0% |
| Total Revenue Source: | \$2,023,165 | \$3,181,038 | \$2,618,011 | \$4,754,040 | \$4,754,040 | 16% |

Expenditures by Expense Type

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Projected | FY2026 Adopted Budget | FY2026 Budgeted | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|--------------------------------|--------------------|--------------------|--------------------|-----------------------|--------------------|--|
| Expense Objects | | | | | | |
| Supplies | | | | | | |
| Miscellaneous | | \$2,584 | \$945 | \$0 | \$0 | N/A |
| Total Supplies: | | \$2,584 | \$945 | \$0 | \$0 | N/A |
| Special Services | | | | | | |
| Contractual Services | \$767,731 | \$1,181,284 | \$864,075 | \$1,000,000 | \$1,000,000 | -33.3% |
| Claims | \$1,185,664 | \$1,459,022 | \$1,682,632 | \$3,754,040 | \$3,754,040 | 44.4% |
| Total Special Services: | \$1,953,394 | \$2,640,306 | \$2,546,707 | \$4,754,040 | \$4,754,040 | 16% |
| Total Expense Objects: | \$1,953,394 | \$2,642,890 | \$2,547,652 | \$4,754,040 | \$4,754,040 | 16% |

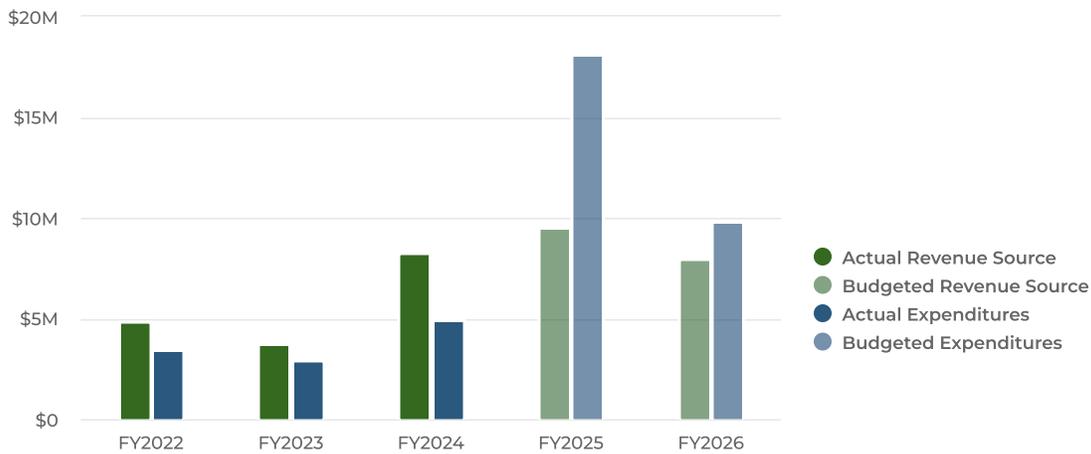


Summary

The Water Fund is a Proprietary Fund, and its main purpose is to account for the City’s water treatment and distribution system business activities. Its main sources of revenue are charges for services based on a "cost of service" methodology.

Water infrastructure is essential to sustaining operations and maintaining a high level of service for residents. It is primarily funded through user fees, development fees, and, in some cases, grants and revenue bonds. In the FY 2026 budget, funding is lower than the prior year, likely reflecting the completion of a major project. Capital projects for the Water Fund are recorded within the fund itself, except for those financed by special water grants, which are accounted for in the Special Revenue Funds.

The graph below shows the revenue and expenditure trends over five years, to include FY 2026 budget.



The City of San Luis is forecasting \$7.95 million in revenue for FY 2026, representing a notable decrease from the prior year, primarily due to the completion of major projects.

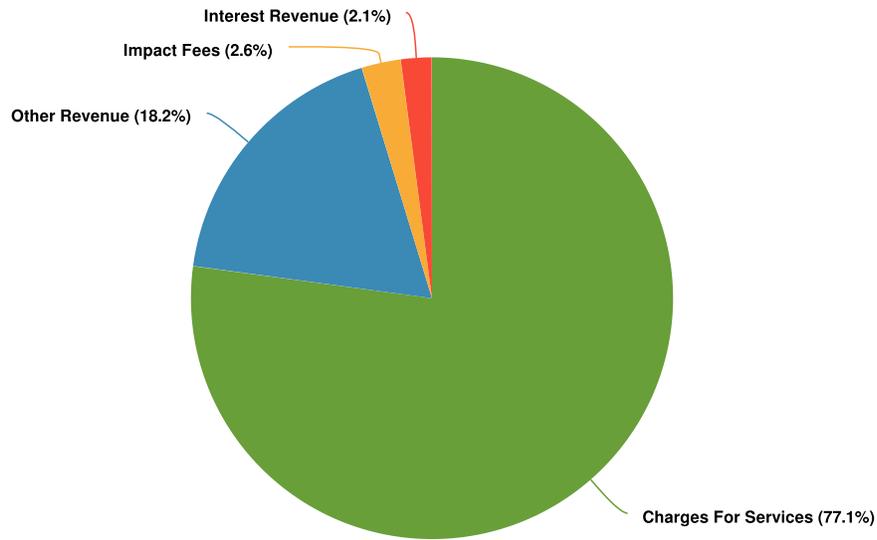
The revenue decreased due to grant funds received and used last year for 1.4 million, the charge for service category reflect a 6% increase.

On the expenditure side, a 45.9% reduction is anticipated, while still ensuring the City maintains a high level of service to residents. This strategic allocation of resources focuses on strengthening vital infrastructure and supporting the continued well-being of the community.

The expenses on capital projects continue from last year but reflect a reduction from 12.8 million to 4.9 million, ensuring that projects will be completed in FY 2026.

Revenues

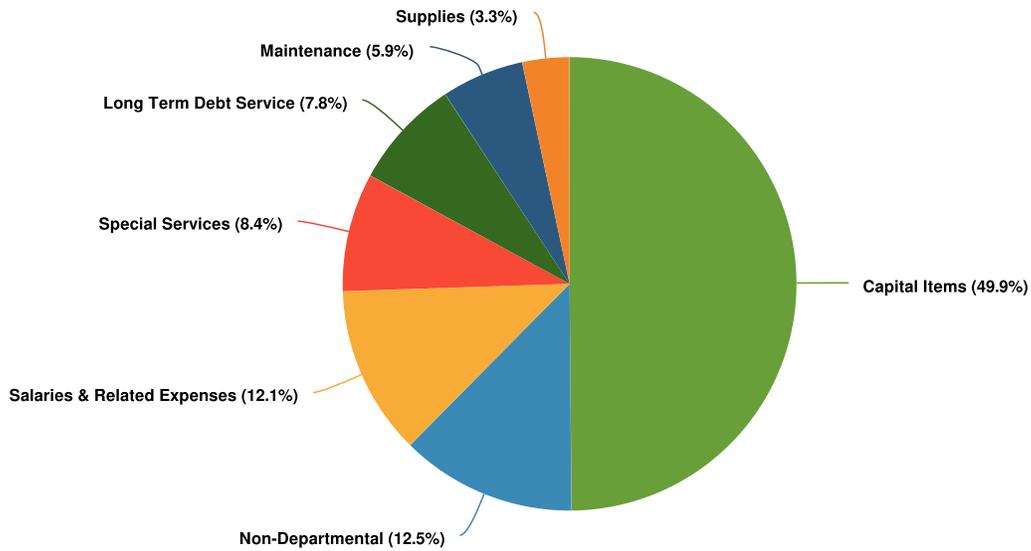
FY 2026 Budget Revenues \$7.95 million



| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|------------------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Revenue Source | | | | | | |
| Other Revenue | \$94,469 | \$1,748,290 | \$3,419,920 | \$2,126,924 | \$1,446,870 | -57.7% |
| Charges For Services | \$3,372,247 | \$5,617,614 | \$5,790,000 | \$6,248,618 | \$6,145,160 | 6.1% |
| Impact Fees | \$93,221 | \$277,670 | \$178,000 | \$166,562 | \$210,000 | 18% |
| Interest Revenue | \$250,875 | \$658,821 | \$165,000 | \$641,745 | \$165,000 | 0% |
| Total Revenue Source: | \$3,810,813 | \$8,302,395 | \$9,552,920 | \$9,183,849 | \$7,967,030 | -16.6% |

Expenditures

FY 2026 Budget Expenditures \$9.81 million



| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|--------------------------------|--------------------|--------------------|-----------------------|---------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$459,210 | \$829,566 | \$965,250 | \$899,756 | \$1,184,610 | 22.7% |
| Supplies | \$180,971 | \$325,624 | \$331,100 | \$257,527 | \$328,400 | -0.8% |
| Maintenance | \$334,687 | \$1,217,291 | \$558,880 | \$430,112 | \$577,780 | 3.4% |
| Special Services | \$369,457 | \$767,526 | \$776,550 | \$697,591 | \$829,140 | 6.8% |
| Contingencies | \$0 | \$3,532 | | \$0 | \$0 | N/A |
| Other Financing Sources - Uses | \$0 | \$129,584 | | \$0 | \$0 | N/A |
| Long Term Debt Service | \$610,884 | \$415,329 | \$1,523,790 | \$345,071 | \$769,300 | -49.5% |
| Non-Departmental | \$597,781 | \$951,652 | \$1,117,160 | \$1,041,964 | \$1,230,260 | 10.1% |
| Capital Items | \$419,023 | \$0 | \$12,866,400 | \$11,489,842 | \$4,896,000 | -61.9% |
| Total Expense Objects: | \$2,972,013 | \$4,640,103 | \$18,139,130 | \$15,161,862 | \$9,815,490 | -45.9% |

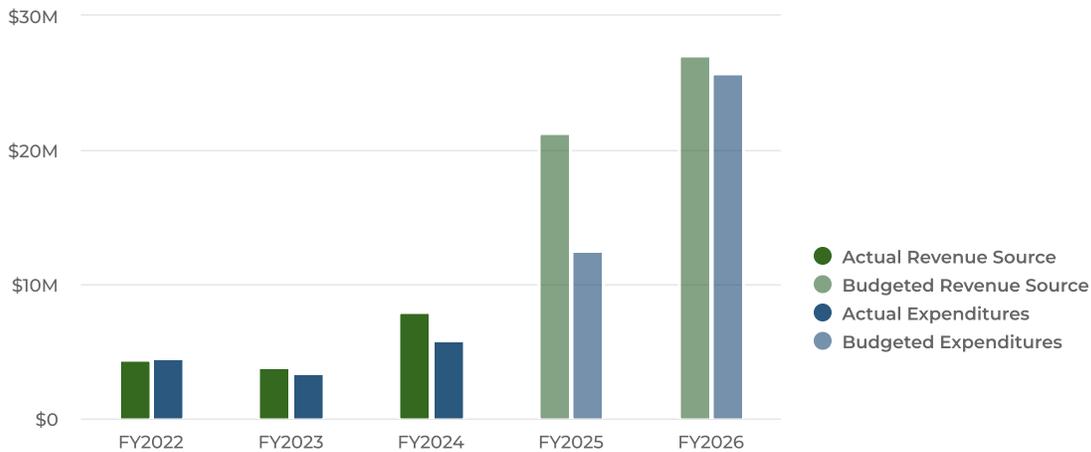


Summary

The Wastewater Fund accounts for the city’s wastewater collection, transportation, treatment and disposal of wastewater. Wastewater fees are the major source of revenue supporting waste water operations. Utility bonds have been issued in the past to finance construction of water and wastewater infrastructure. Development fees are also a restricted source of revenue for the Wastewater Fund to build qualifying infrastructure for new development to ensure continuance of the same level of service to the community.

Capital infrastructure is accounted for within the Wastewater Fund, with the exception of capital infrastructure funded by grants, which are accounted for in the Special Revenue Funds. For the FY 2026 budget, we are planning for the expansion of the west wastewater plant with a completion timeline of three years. There are other projects in the CIP wastewater plan including safety and capacity improvements for the east wastewater plant.

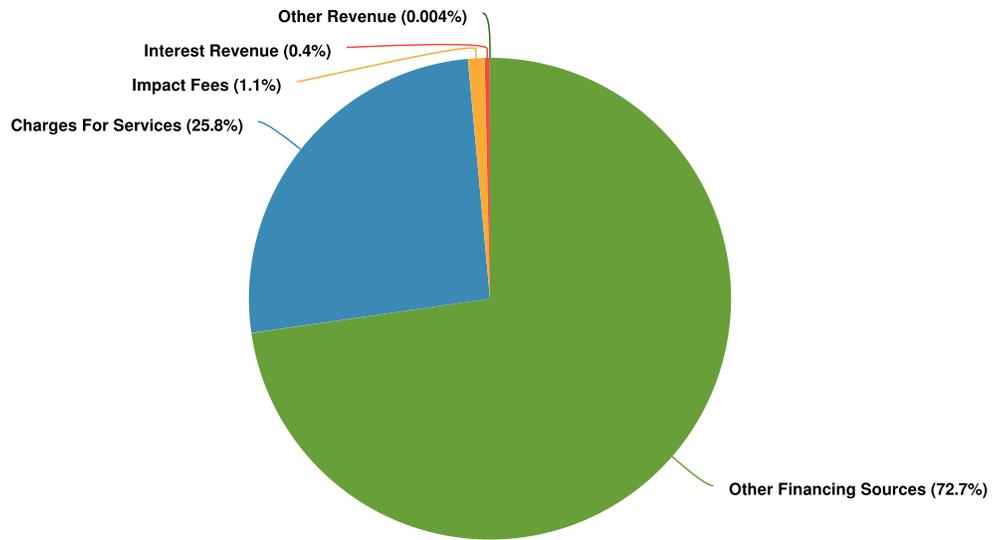
The graph below shows the revenue and expenditure trends over five years, to include FY 2026 budget.



The City of San Luis anticipates \$27.08 million in revenue for FY 2026, due to a loan or bond issuance for the expansion project of the west wastewater treatment plan, and the remaining of the increment is tied to the new utility rate increases. On the expenditure front, the continuation of the treatment plant's improvement and expansion reflects heightened investments in capital infrastructure. These strategic expenditures are geared towards advancing our community's critical infrastructure and ensuring a sustainable future for our residents.

Revenues

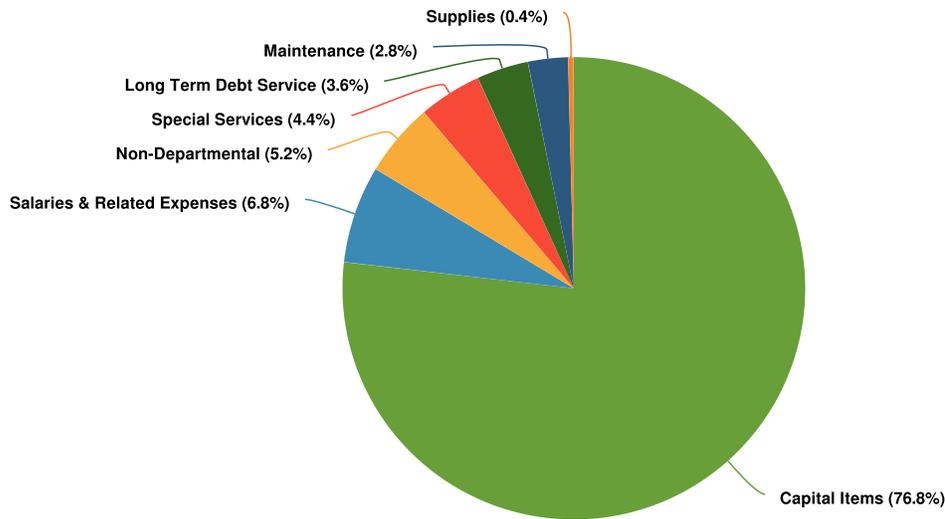
FY 2026 Budget Revenue \$27.08 million



| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|------------------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Revenue Source | | | | | | |
| Other Revenue | \$0 | \$1,673,813 | \$1,000 | \$718 | \$1,000 | 0% |
| Charges For Services | \$3,575,409 | \$5,496,644 | \$5,904,000 | \$6,253,422 | \$6,989,230 | 18.4% |
| Impact Fees | \$143,183 | \$447,177 | \$300,000 | \$265,991 | \$300,000 | 0% |
| Interest Revenue | \$144,935 | \$379,513 | \$95,000 | \$369,365 | \$95,000 | 0% |
| Other Financing Sources | \$0 | \$0 | \$15,000,000 | \$0 | \$19,700,000 | 31.3% |
| Total Revenue Source: | \$3,863,527 | \$7,997,146 | \$21,300,000 | \$6,889,496 | \$27,085,230 | 27.2% |

Expenditures

FY 2026 Budget Expenditures \$25.79million



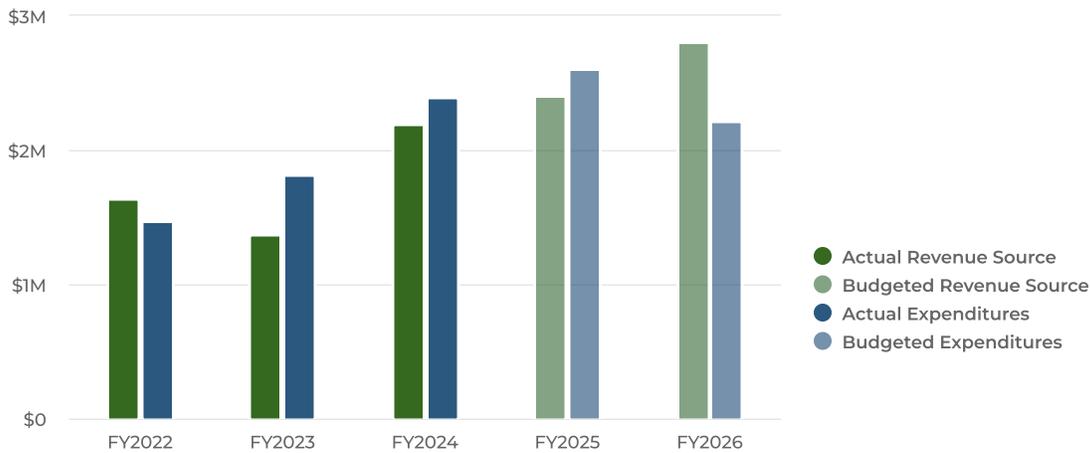
| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|--------------------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$668,891 | \$1,149,757 | \$1,516,070 | \$1,316,672 | \$1,756,840 | 15.9% |
| Supplies | \$43,645 | \$89,281 | \$98,700 | \$98,874 | \$98,700 | 0% |
| Maintenance | \$470,792 | \$1,836,219 | \$700,280 | \$766,989 | \$725,280 | 3.6% |
| Special Services | \$454,460 | \$1,039,676 | \$997,560 | \$768,934 | \$1,137,630 | 14% |
| Contingencies | \$0 | \$2,679 | | \$0 | \$0 | N/A |
| Other Financing Sources - Uses | \$0 | \$137,834 | | \$0 | \$0 | N/A |
| Long Term Debt Service | \$742,730 | \$477,509 | \$1,021,090 | \$400,037 | \$932,200 | -8.7% |
| Non-Departmental | \$643,824 | \$1,024,233 | \$1,208,010 | \$1,125,427 | \$1,330,130 | 10.1% |
| Capital Items | \$372,260 | \$0 | \$7,064,000 | \$4,032,387 | \$19,818,000 | 180.5% |
| Total Expense Objects: | \$3,396,602 | \$5,757,188 | \$12,605,710 | \$8,509,321 | \$25,798,780 | 104.7% |



Summary

The Solid Waste Fund is a Proprietary Fund and accounts for the collection and disposal of residential and city solid waste. User fees are the major revenue source of solid waste operations. The revenue proceeds are utilized to support the solid waste operations and to maintain and acquire the capital infrastructure necessary to provide the service to its customers.

The graph below shows the revenue and expenditure trends over five years, to include FY2026 budget.

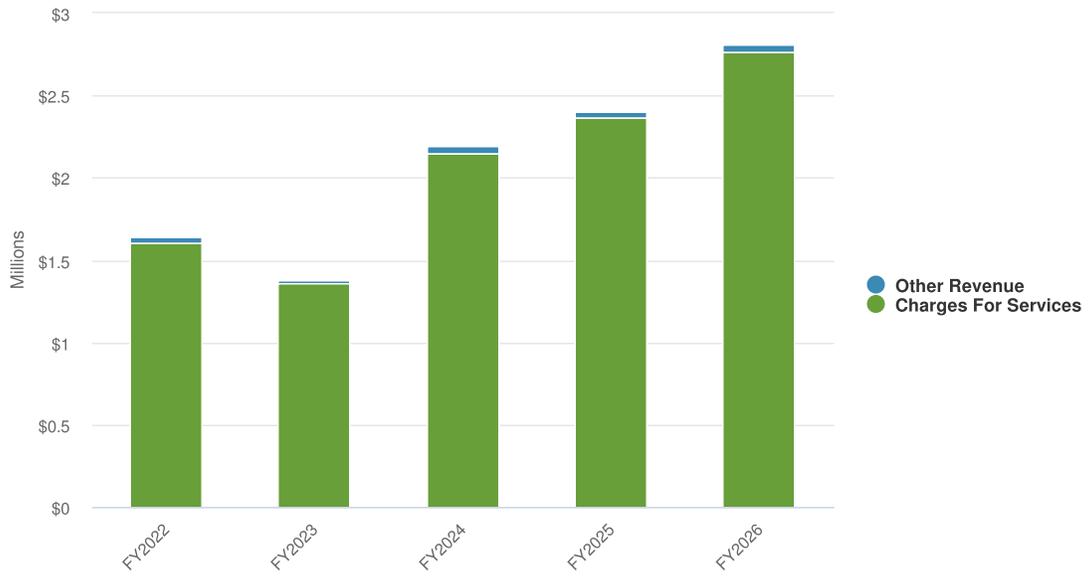


The City of San Luis is projecting \$2.8 million in revenue for FY2026, representing a substantial 16.8% increase over the previous year. This boost in revenue is primarily driven by the utility rate increase that was recently adopted. Budgeted expenditures are expected to be reduced by 15% due to a cost-reduction strategic plan. These budgetary adjustments are designed to maintain the current level of service for residents.

Revenues

The main source of the revenue for the Solid Waste Fund is the residential collection service fees. The table below gives you the historical revenues for the past 5 years.

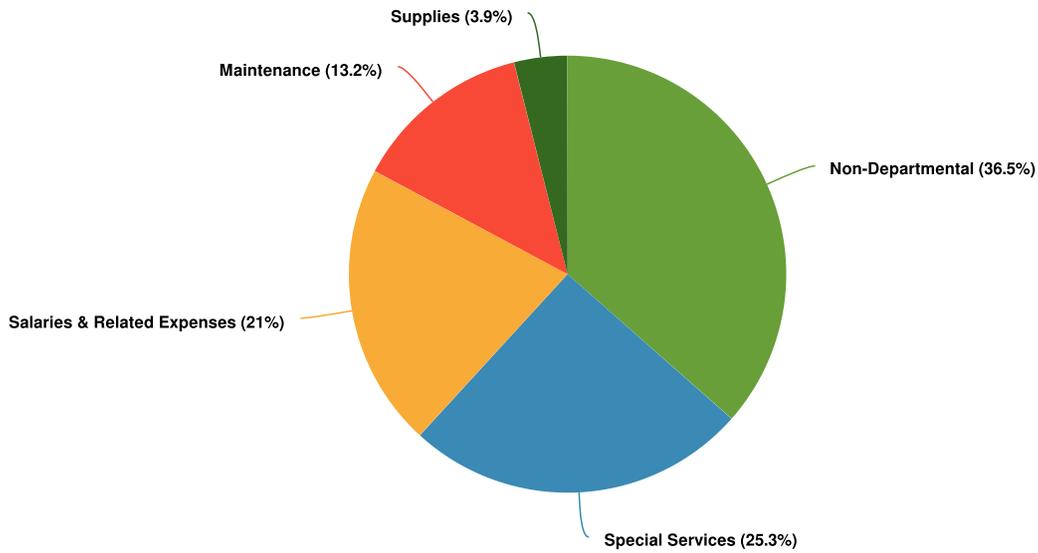
Solid Waste Historical Revenues



| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|------------------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Revenue Source | | | | | | |
| Other Revenue | \$19,050 | \$59,127 | \$43,000 | \$67,635 | \$47,250 | 9.9% |
| Charges For Services | \$1,359,667 | \$2,144,247 | \$2,363,000 | \$2,479,764 | \$2,761,860 | 16.9% |
| Total Revenue Source: | \$1,378,717 | \$2,203,374 | \$2,406,000 | \$2,547,399 | \$2,809,110 | 16.8% |

Expenditures

FY 2026 Budget Expenditures \$2.2 millions



The chart below illustrates the variances between the FY 2026 Adopted Budget and the FY 2025 Adopted Budget. The most significant decrease is in Capital Items, as no funding was budgeted for this category in FY 2026.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$182,331 | \$512,999 | \$478,030 | \$312,890 | \$467,000 | -2.3% |
| Supplies | \$54,207 | \$74,951 | \$111,350 | \$63,878 | \$87,500 | -21.4% |
| Maintenance | \$244,483 | \$520,859 | \$300,480 | \$358,425 | \$294,480 | -2% |
| Special Services | \$358,127 | \$615,549 | \$613,370 | \$587,216 | \$562,730 | -8.3% |
| Contingencies | \$0 | \$1,454 | | \$0 | \$0 | N/A |
| Long Term Debt Service | \$41,477 | \$712 | | \$0 | \$0 | N/A |
| Non-Departmental | \$402,613 | \$575,965 | \$732,325 | \$697,398 | \$811,850 | 10.9% |
| Capital Items | \$538,563 | \$0 | \$378,600 | \$372,163 | \$0 | -100% |
| Total Expense Objects: | \$1,821,801 | \$2,302,490 | \$2,614,155 | \$2,391,969 | \$2,223,560 | -14.9% |

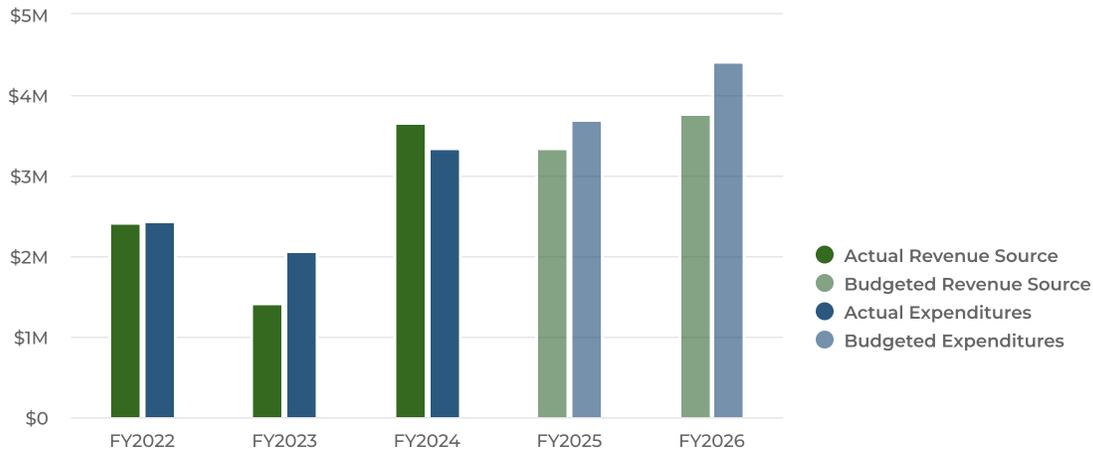


Ambulance Service

Summary

The Ambulance Service Fund is a Proprietary Fund and accounts for the revenues and expenditures associated with the provision of emergency medical transportation services for the residents and visitors of the City of San Luis. The ambulance division operations are administered by the City of San Luis Fire Department, and is responsible for the operations of three full-time emergency response ambulances. The City is completing construction of a second station which will allow the operation of an additional ambulance to serve the east area of the City. Capital infrastructure is budgeted within the fund.

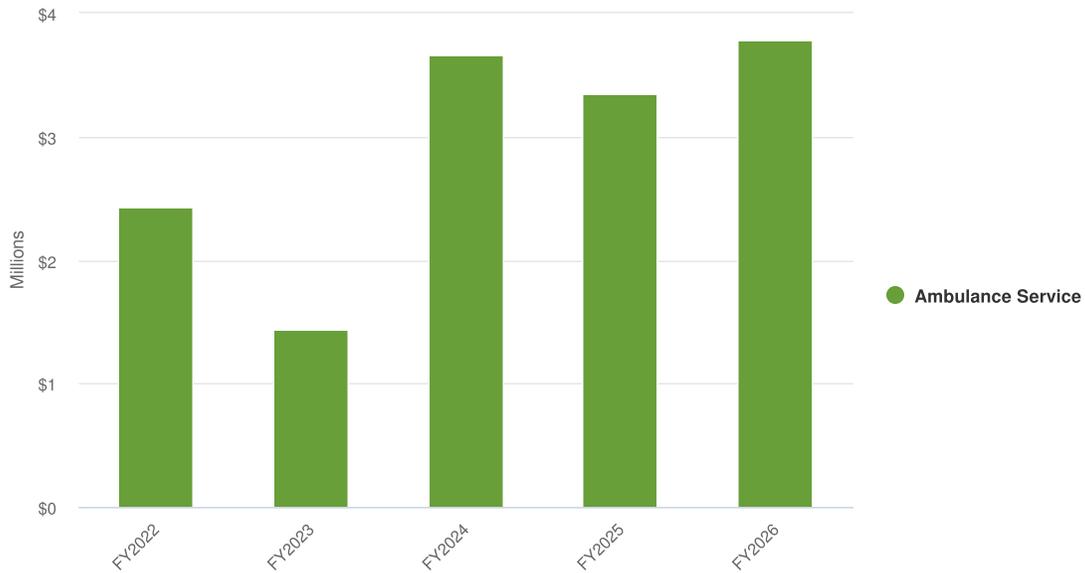
The graph below shows the revenue and expenditure trends over five years, to include FY 2026 budget.



The City of San Luis is projecting \$3.78 million in revenue for FY 2026, reflecting a 12.9% increase over the previous year. Expenditures are expected to rise by 19.7%, driven primarily by the inclusion of capital improvements in this year’s budget, with salaries representing the second-largest increase. It remains important to closely monitor operating costs and make adjustments as needed in response to anticipated increases in operational expenses.

Revenues

Ambulance Historical Revenue

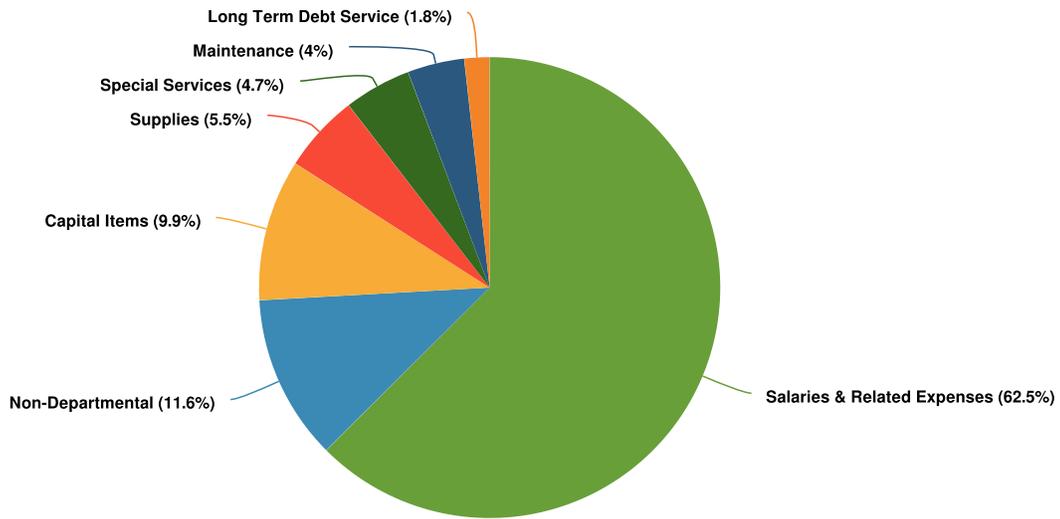


The chart below provides a visual representation of the variances between the FY 2026 Adopted Budget and the FY 2025 Adopted Budget. Notably, the "Contra Ambulance Revenues" category adjusts our revenues by factoring in the average amount of bad debt. An encouraging trend emerges from historical data, indicating an improvement in the uncollectable ratio, which has decreased from 50% to 38%.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|---------------------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Ambulance Service | | | | | | |
| Ambulance Revenues | \$1,430,884 | \$6,187,459 | \$5,550,000 | \$3,527,237 | \$6,200,000 | 11.7% |
| Contra Ambulance Revenues | \$0 | -\$2,786,552 | -\$2,200,000 | \$0 | -\$2,790,000 | 26.8% |
| Grants | \$0 | \$254,252 | \$0 | \$0 | \$371,000 | N/A |
| Miscellaneous Revenue | \$1,972 | \$2,497 | \$0 | \$900 | \$0 | 0% |
| Interest Earned | \$0 | \$250 | \$0 | \$2,052 | \$0 | 0% |
| Total Ambulance Service: | \$1,432,856 | \$3,657,906 | \$3,350,000 | \$3,530,188 | \$3,781,000 | 12.9% |

Expenditures

FY 2026 Budget Expenditures \$4.43 million



| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$1,219,455 | \$2,352,405 | \$2,579,490 | \$2,653,241 | \$2,770,730 | 7.4% |
| Supplies | \$95,323 | \$205,121 | \$206,600 | \$197,824 | \$242,600 | 17.4% |
| Maintenance | \$85,676 | \$369,639 | \$177,300 | \$164,433 | \$176,730 | -0.3% |
| Special Services | \$79,894 | \$125,094 | \$188,440 | \$171,299 | \$208,700 | 10.8% |
| Long Term Debt Service | \$47,300 | \$20,864 | \$77,900 | \$20,386 | \$78,000 | 0.1% |
| Non-Departmental | \$242,461 | \$353,039 | \$470,825 | \$415,572 | \$513,670 | 9.1% |
| Capital Items | \$300,695 | | | \$0 | \$440,060 | N/A |
| Total Expense Objects: | \$2,070,803 | \$3,426,162 | \$3,700,555 | \$3,622,756 | \$4,430,490 | 19.7% |

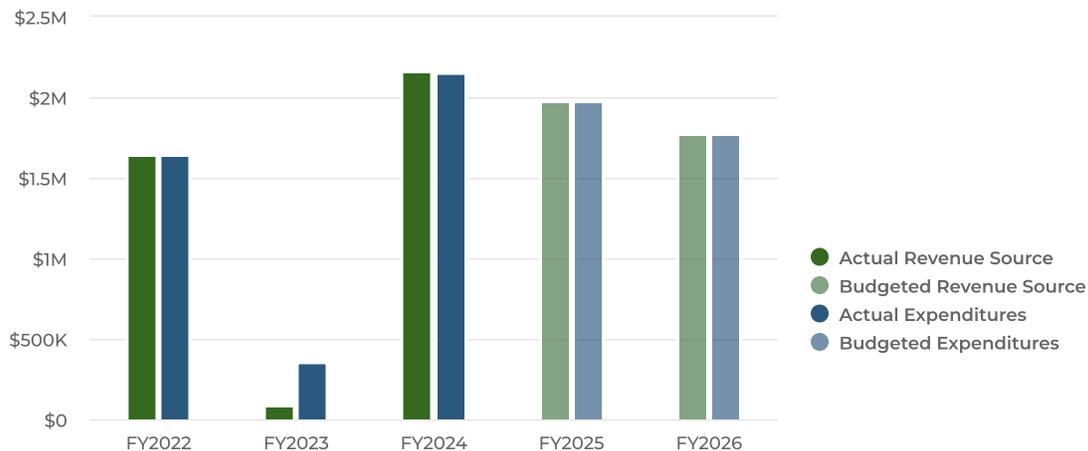


Debt Service Fund

Summary

The Debt Service fund accounts for the short and long term payments of principal and interest on the borrowed funds, to the extent permitted by applicable law, revenues from excise taxes and state shared revenues will be retained and maintained so that the amounts received from revenues from excise taxes and state shared revenues will be equal to at least two times the total interest and principal requirements. The debt service required to fulfill obligations and fund capital projects for the Proprietary Funds is effectively accounted for within the Enterprise funds. This comprehensive approach enables us to responsibly manage our financial commitments and ensure the continued stability and growth of our city's infrastructure and services.

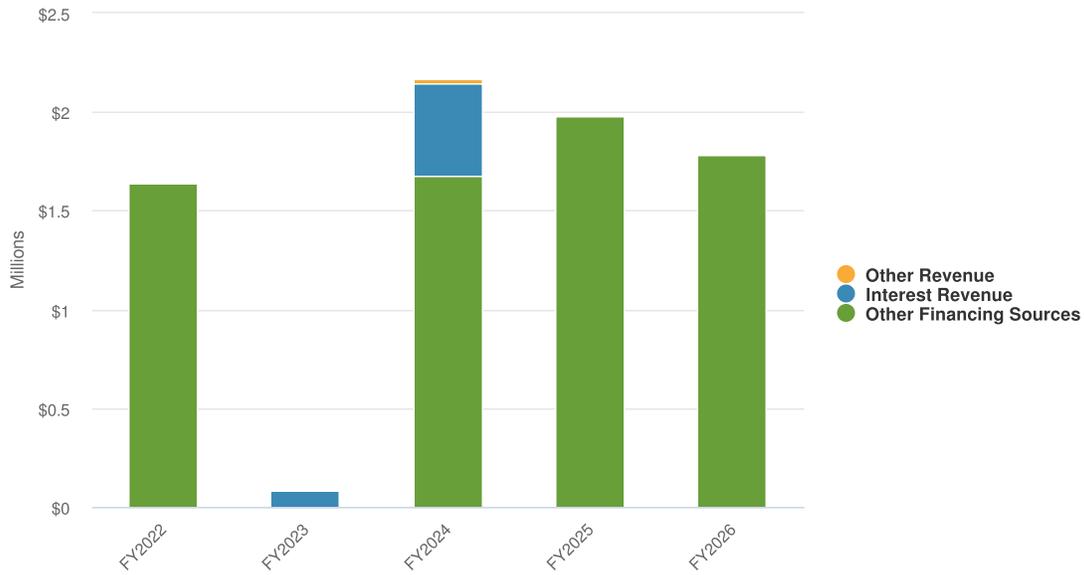
The graph below shows the debt service expenditure trend over five years, and includes the FY 2026 budget.



The City of San Luis is projecting \$1.78 million in debt service payments for FY2026, representing a 10% decrease from the prior year. The table below provides expenditure details for the past three years, reflecting a stable trend due to the debt benefiting from historically low interest rates of 2.99%. These favorable terms, resulting from prior adjustments to the debt structure, are expected to generate savings of \$6.5 million for the City over the next 15 years.

Revenue by Source

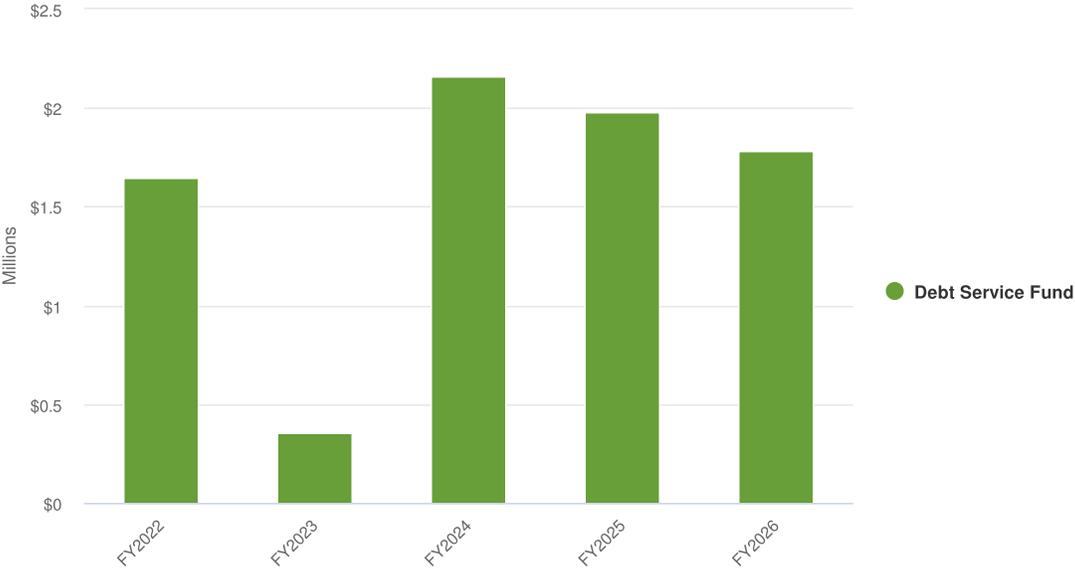
Budgeted and Historical 2026 Revenues by Source



This Fund is funded by the General Fund to cover the short and long-term debt payments of previously developed infrastructure and the recent bond issue to fund the PSPRS liability. The chart below shows the variance between the FY 2026 Adopted budget and the FY 2025 Adopted revenue budget by category.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|------------------------------|-----------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Revenue Source | | | | | | |
| Other Revenue | \$6,329 | \$20,028 | | \$32 | \$0 | N/A |
| Interest Revenue | \$81,777 | \$471,017 | | \$145,642 | \$0 | N/A |
| Other Financing Sources | \$0 | \$1,673,300 | \$1,978,880 | \$1,642,495 | \$1,781,000 | -10% |
| Total Revenue Source: | \$88,106 | \$2,164,346 | \$1,978,880 | \$1,788,168 | \$1,781,000 | -10% |

Historical Debt Service Expenditures by Fund



| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|---------------------------------|------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Debt Service Fund | | | | | | |
| Contractual Services | \$3,508 | \$3,024 | \$8,000 | \$2,551 | \$8,000 | 0% |
| Bond Cost of Issuance | \$0 | \$167,292 | | \$0 | \$0 | N/A |
| Interest | \$354,564 | \$767,682 | \$748,000 | \$601,700 | \$589,100 | -21.2% |
| Principal | \$0 | \$1,222,901 | \$1,222,880 | \$1,183,916 | \$1,183,900 | -3.2% |
| Total Debt Service Fund: | \$358,073 | \$2,160,900 | \$1,978,880 | \$1,788,168 | \$1,781,000 | -10% |

DEBT

Summary

Bond financing is the primary source to finance long-term capital projects. On July 1st, 2025, the City's total outstanding debt is \$63,185,000. The Debt Service fund accounts for the short and long-term payments of principal and interest on the borrowed funds. To the extent permitted by applicable law, revenues from excise taxes and state shared revenues will be retained and maintained so that the amounts received from excise taxes and state shared payments will equal at least two times the total interest and principal requirements. Our debt coverage from our last audit reports an estimated coverage of 7 times or higher. In April 2024, the City successfully refinanced its Bond Series 2014A, taking advantage of favorable market conditions to reduce interest rates and achieve substantial savings. The 2014A Bond Series, secured by Pledged Revenue derived from Excise Taxes, was identified as a prime candidate for refunding due to its callable feature. The refinancing has resulted in significant savings over the life of the bonds, which will enhance the City's fiscal flexibility and allow for the allocation of resources to other critical projects. This strategic action has improved the City's debt management and reduced future interest payments, contributing to long-term financial stability.

MUNICIPAL PROPERTY CORPORATION BONDS (MPC BONDS)

MPC Bonds are a financing mechanism to fund the construction or acquisition of capital improvement projects. The City may issue MPC Bonds without voter approval by creating a non-profit corporation. A board of directors consisting of citizens from the community appointed by the Council governs the Municipal Property Corporation. The City issued Municipal property corporation bonds totaling \$27,795,000 to finance the construction of a regional detention facility. Subsequently, the City issued \$20,165,000 in 2011 to finance the expansion of the existing regional detention facility. In 2014, the City refunded both bond issues to secure better interest rates.

REVENUE BOND

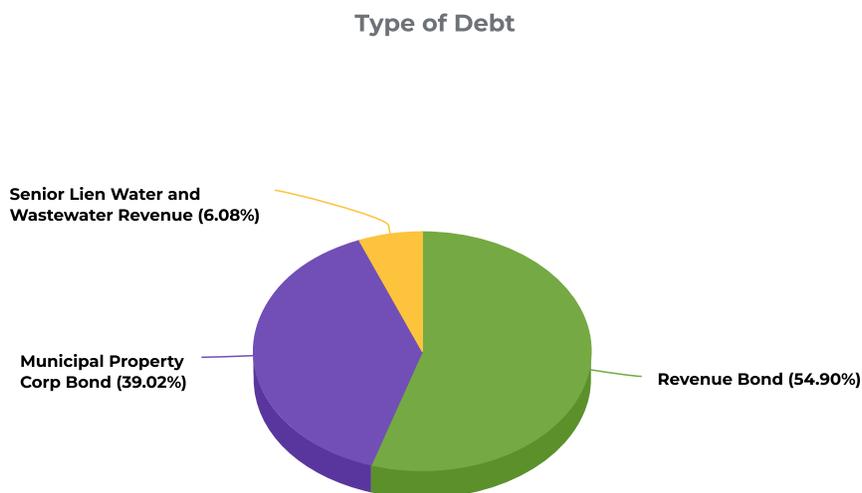
Revenue (RV) bonds are secured by a specific, identified revenue source, typically non-property tax revenue. These sources include excise taxes, rents or fees (including tuition), or other payments, in some instances paid by the project's users being funded by the bonds. These bonds may not require voter approval and are not subject to constitutional debt limits. The City has pledged to repay \$43,490,000 in revenue bonds. The City utilized proceeds from the bond issuances for constructing the City Hall, Police Station, and Fire Stations and constructing a Business Center to develop trade, encourage production, and assure job opportunities. The most recent issuance to pay off the unfunded pension liability for the public safety pension is also included in this total.

SENIOR LIEN WATER AND WASTEWATER REVENUE BOND

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 2024, the net revenue pledged amounted to \$4.9 million.

The following table indicates the total outstanding bond debt of the three main categories for the City of San Luis as of July 1, 2025:

| TYPE OF BOND | PRINCIPAL AMOUNT OUTSTANDING |
|--|---|
| Municipal Property Corp Bond | \$ 24,655,000 |
| Revenue Bond | 34,690,000 |
| Senior Lien Water and Wastewater Revenue | 3,840,000 |
| Total Bonds Outstanding | \$ 63,185,000 |



LEASE PURCHASES AND THIRD PARTY FINANCING CONTRACTS

Lease Purchases (LP) and Third Party (3P) financing contracts represent debt of the political subdivision if issued with a term in excess of one year. They are used to acquiring equipment, constructing a building or purchase land. The land, building or equipment serve as collateral for the lender. A lease purchase would include a transfer of ownership at the end of the lease. The City has financed the purchase of Turf Tank Lite Single, and the land for the East Community Park.

The table below shows the outstanding balance for this category.

| OTHER TYPE OF DEBT | PRINCIPAL AMOUNT OUTSTANDING |
|-------------------------------|---|
| Lease Purchase | \$ - |
| 3rd Party Financing Contract | 71,256 |
| Total Debt Outstanding | \$ 71,256 |

Bond Ratings

Fitch has assigned the city a 'AA' Issuer Default Rating (IDR) for the most recent bond issuance. San Luis's 'AA' IDR reflects superior financial resilience and budget management practices, as well as strong revenue growth prospects. The rating also considers solid expenditure flexibility and a moderate long-term liability burden. While recent population and revenue gains point to continued positive post-pandemic performance, the city's location along the U.S.-Mexico border presents an inherent susceptibility to cross-border security and trade disruptions that may periodically emerge.

See below a table displaying the bond ratings for the city's other bond issues:

| Issue Name | Fund | Agency | Rating |
|--------------------------------|---------------------------|-----------|--------|
| CIC Series 2014 A | General Fund Non Taxable | S&P | AA |
| 2024 Pledge Excise Tax Revenue | General Fund Non Taxable | S&P | A+ |
| GADA Series 2017 AB-SMD | General Fund Non Taxable | S&P | AA |
| | BC Fund - Taxable | S&P | AA |
| Utility Series 2013 | Water and WW Fund-Taxable | NA | NA |
| SLDF Series 2014 A | Taxable | NA | NA |
| | Taxable | NA | NA |
| PSPRS Series 2021 | General Fund-Taxable | Fitch/S&P | AA |

Description of Debt Types

MUNICIPAL PROPERTY CORPORATION BONDS

They are issued by non-profit corporations created by the City of San Luis as a financing mechanism for the purpose of funding the construction or acquisition of capital improvement projects. The Municipal Property Corporation is governed by a board of directors consisting of citizens from the community appointed by the Council. These bonds may be issued without voter approval.

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 of 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 the time of issuance. The refunding amounts were \$26,090,000 and \$20,835,000 respectively.

| Purpose | Original Amount Issued | Interest Rates | Remaining Maturities | Outstanding Principal June 30, 2025 |
|--------------------|------------------------|----------------|----------------------|-------------------------------------|
| Detention Facility | \$ 26,090,000 | 7.00-7.25% | 5/1/26-30 | \$ 16,870,000 |
| Detention Facility | 20,835,000 | 6.95% | 5/1/2027 | 7,785,000 |
| | | | | \$ 24,655,000 |

Debt service requirements for the SLFDC revenue bonds are as follows:

| Year Ending June 30: | Principal | | Interest | |
|----------------------|-----------------------|-------------------------|----------------------|------------------------|
| | 2014 Series Principal | 2014 Series A Principal | 2014 Series Interest | 2014 Series A Interest |
| 2026 | \$ 2,610,000 | | 1,216,550 | \$ 541,058 |
| 2027 | | 7,785,000 | 7,785,000 | 541,058 |
| 2028 | | | 1,033,850 | |
| 2029 | | | 1,033,850 | |
| 2030 | 14,260,000 | | 1,033,850 | |
| Total | \$ 16,870,000 | \$ 7,785,000 | \$ 12,103,100 | \$ 1,082,116 |

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 2024, the revenue pledged amounted to \$21.1 million.

REVENUE BOND

Revenue (RV) bonds are secured by a specific, identified revenue source, typically non-property tax revenue. These sources include excise taxes, rents or fees (including tuition) or other revenues, in some instances paid by the users of the project being funded by the bonds. These bonds may not require voter approval and are not subject to constitutional debt limits.

The City has pledged to repay \$43,490,000 in Excise Tax Revenue Refunding Bonds issued in 2018, 2021, and 2024 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.

The City has a history of refinancing its long-term obligations to achieve savings. In 2014, the City issued Excise Tax Revenue Refunding Obligations to refinance the 2005 San Luis Civic Improvement Corporation (SLCIC) bonds. Continuing this practice, in 2024 the City undertook another refinancing initiative through the issuance of Pledged Excise Tax Revenue Refunding Obligations, Series 2024, in the amount of \$19,735,000. This action was undertaken to refinance the City’s outstanding Pledged Excise Tax Revenue Refunding Obligations, Series 2014A. The refunding bonds were issued with an effective interest rate of 5.00 percent to retire \$21,535,000 of the 2014A obligations, which carried an average interest rate of 4.99 percent.

This refinancing is projected to reduce total debt service payments over the next 15 years by \$2,867,019 and result in an economic gain of \$2,316,994. The new Series 2024 obligations are scheduled to mature no later than July 1, 2038, with provisions for prepayment and refinancing flexibility.

This refinancing reflects the City’s continued commitment to fiscal responsibility, aiming to reduce interest expenses and improve the City’s overall financial health, leading to reduced debt service costs and enhanced budgetary flexibility in future fiscal years.

| Purpose | Original Amount Issued | Interest Rate | Maturity | Outstanding Principal June 30, 2025 |
|--------------------------|------------------------|---------------|-----------|-------------------------------------|
| Governmental activities | \$ 7,690,191 | 4.00-5.00% | 7/1/25-38 | \$ 7,651,224 |
| Business-type activities | 12,044,809 | 4.00-5.00% | 7/1/25-38 | 11,983,776 |
| | | | | <u>\$ 19,635,000</u> |

| Year ending June 30: | Governmental Activities | | Business-Type Activities | |
|----------------------|-------------------------|---------------------|--------------------------|---------------------|
| | Principal | Interest | Principal | Interest |
| 2026 | 391,621 | 372,771 | 613,379 | 583,854 |
| 2027 | 411,105 | 352,703 | 643,895 | 552,422 |
| 2028 | 430,588 | 331,660 | 674,412 | 519,465 |
| 2029 | 452,020 | 309,595 | 707,980 | 484,905 |
| 2030 | 475,401 | 286,409 | 744,599 | 448,591 |
| 2031-35 | 2,754,986 | 1,041,887 | 4,315,014 | 1,631,863 |
| 2036-39 | 2,735,502 | 281,831 | 4,284,498 | 441,419 |
| | <u>\$ 7,651,224</u> | <u>\$ 2,976,856</u> | <u>\$ 11,983,776</u> | <u>\$ 4,662,519</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 an 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, 2025 |
|--------------------------|------------------------|---------------|-----------|-------------------------------------|
| Governmental activities | \$ 2,825,000 | 5.00% | 7/1/25-27 | \$ 975,000 |
| Business-type activities | 11,715,000 | 2.75-3.50% | 7/1/25-31 | 6,145,000 |
| | | | | <u>\$ 7,120,000</u> |

Debt service requirements for GADA bonds are as follows:

| Year ending June 30: | Governmental Activities | | Business-Type Activities | |
|----------------------|-------------------------|------------------|--------------------------|-------------------|
| | Principal | Interest | Principal | Interest |
| 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 | - | - | 935,000 | 103,763 |
| 2030-32 | - | - | 2,565,000 | 121,284 |
| | <u>\$ 975,000</u> | <u>\$ 74,625</u> | <u>\$ 6,145,000</u> | <u>\$ 705,119</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, 2025 |
|--------------------------|------------------------|---------------|-----------|-------------------------------------|
| Governmental activities | \$ 8,230,172 | 0.49-2.92% | 7/1/25-38 | \$7,086,954 |
| Business-type activities | 984,828 | 0.49-2.92% | 7/1/25-38 | 848,046 |
| Total | | | | <u>\$ 7,935,000</u> |

Debt service requirements for PSPRS bonds are as follows:

| Year ending June 30: | Governmental Activities | | Business-Type Activities | |
|----------------------|-------------------------|---------------------|--------------------------|-------------------|
| | Principal | Interest | Principal | Interest |
| 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 | 504,624 | 144,050 | 60,376 | 17,235 |
| 2030 | 513,555 | 133,114 | 61,445 | 15,927 |
| 2031-35 | 2,755,334 | 462,378 | 329,666 | 55,322 |
| 2036-38 | 1,848,694 | 82,105 | 221,306 | 9,824 |
| | <u>\$ 7,086,954</u> | <u>\$ 1,304,833</u> | <u>\$ 848,046</u> | <u>\$ 156,119</u> |

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 | Interest Rate | Maturity | Outstanding |
|--------------------------|-----------------|---------------|-------------|---------------------|
| | Issued | | | Principal 30-Jun-25 |
| Business-type activities | \$ 6,580,000.00 | 3.80% | 7/1/25-2033 | \$ 3,840,000 |

Debt service requirements for the Utility Revenue Bond payable are as follows:

| Year ending June 30: | Business-Type Activities | |
|----------------------|--------------------------|-------------------|
| | Principal | Interest |
| 2026 | 365,000 | 138,985 |
| 2027 | 380,000 | 124,830 |
| 2028 | 395,000 | 110,105 |
| 2029 | 410,000 | 94,810 |
| 2030 | 425,000 | 78,945 |
| 2031-34 | 1,865,000 | 145,255 |
| | <u>\$ 3,840,000</u> | <u>\$ 692,930</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 2024, the net revenue pledged amounted to \$4.9 million.

LEASE PURCHASES AND THIRD PARTY FINANCING CONTRACTS

Lease Purchases (LP) and Third Party (3P) financing contracts represent debt of the political subdivision if issued with a term in excess of one year. They are used to acquire equipment, construct a building or purchase land. The land, building or equipment serve as collateral for the lender. A lease purchase would include a transfer of ownership at the end of the lease.

PERSONNEL

Staff Summary

| Department | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 | 2025-2026 |
|--------------------------------------|------------|------------|------------|------------|-----------|
| City Administration | 6 | 6.5 | 9 | 9 | 0 |
| City Clerk | 3 | 4 | 3 | 3 | 0 |
| City Attorney | 2.5 | 3.5 | 3.5 | 3.5 | 0 |
| City Prosecutor | 3 | 3 | 3 | 3 | 0 |
| Finance | 10 | 10.5 | 11.5 | 11.5 | 0 |
| Human Resources | 7 | 8 | 8 | 8 | 0 |
| Development Services | 5.5 | 6.0 | 7.0 | 7.0 | 0 |
| Building Safety | 7.5 | 5.0 | 5.0 | 5.0 | 0 |
| Economic Development | 3.4 | 3.8 | 3.8 | 4 | 0 |
| Cultural Center | 1.8 | 2.3 | 3.0 | 3 | 0 |
| Parks | 16 | 18 | 18 | 19 | 1 |
| Recreation | 2.8 | 3.3 | 5.0 | 5 | 0 |
| Youth Center | 2.8 | 3.3 | 3.0 | 4 | 1 |
| Municipal Pool | 1.8 | 2.3 | 0.0 | 0 | 0 |
| Parks & Rec. Administration | 4 | 4 | 4 | 4 | 0 |
| Senior Services | 4 | 5 | 5 | 5 | 0 |
| Municipal Court | 11 | 11 | 11 | 11 | 0 |
| Police Department | 66.4 | 70 | 75 | 86 | 11 |
| Fire Department | 30.7 | 24.3 | 27.3 | 33.3 | 6 |
| Fire Department East | 0 | 12 | 12 | 12 | 0 |
| Information Technology | 7.2 | 8.0 | 8 | 8 | 0 |
| Facilities | 10 | 13 | 15 | 15 | 0 |
| Fleet Services | 6.6 | 7 | 7 | 7 | 0 |
| Risk & Property Management | 1 | 2.5 | 3 | 3 | 0 |
| Billings & Collections | 10 | 11 | 11 | 11 | 0 |
| Engineering | 0 | 2 | 4 | 4 | 0 |
| Improvement Districts | 0 | 0 | 0 | 1 | 1 |
| Public Works Administration | 0 | 6 | 7 | 7 | 0 |
| Highway User | 21.0 | 22.8 | 22.5 | 23 | 0.0 |
| Senior Services Special Revenue Fund | 1 | 2 | 2 | 2 | 0 |
| Water | 13.0 | 12.3 | 13.0 | 15 | 2.0 |
| Wastewater | 20.0 | 20.3 | 21.0 | 23 | 2.0 |
| Solidwaste | 5.4 | 6.5 | 7.5 | 8 | 0 |
| Business Incubator | 0.6 | 0.2 | 0.2 | 0.2 | 0 |
| Ambulance Services | 22.2 | 26.2 | 29.2 | 29.2 | 0 |
| Total City Wide | 307 | 346 | 368 | 391 | 24 |

New Position Requests

| DEPARTMENT | JOB POSITION | Pay Grade | HOURLY RATE | Adopted Budget Amount |
|--------------------|----------------------------------|-----------|-------------|-----------------------|
| Senior Center | Driver PT | 7 | 17.27 | 20,434 |
| Fire | Fire Captain | 36 | 25.70 | 127,790 |
| Fire | Fire Captain | 36 | 25.70 | 127,790 |
| Fire | Fire Captain | 36 | 25.70 | 127,790 |
| Fire | Fire fighter | 22 | 18.19 | 82,020 |
| Fire | Fire fighter | 22 | 18.19 | 82,020 |
| Fire | Fire fighter | 22 | 18.19 | 82,020 |
| Police | Police Officer | 27 | 27.27 | 82,160 |
| Police | Police Officer | 27 | 27.27 | 82,160 |
| Police | Police Officer | 27 | 27.27 | 82,160 |
| Police | Police Officer | 27 | 27.27 | 82,160 |
| Police | Police Officer | 27 | 27.27 | 82,160 |
| Police | Police Officer | 27 | 27.27 | 82,160 |
| Police | Police Sergeant | 39 | 36.67 | 123,020 |
| Police | Police Sergeant | 39 | 36.67 | 123,020 |
| Police | Property And Evidence Technician | 14 | 20.52 | 62,370 |
| Police | Police Communication Officer | 18 | 21.84 | 65,780 |
| Police | Police Communication Officer | 18 | 21.84 | 65,780 |
| PW/Water | Water Operator Apprentice | 15 | 21.04 | 63,930 |
| PW/Water | Water Operator Apprentice | 15 | 21.04 | 63,930 |
| PW/Wastewater | WW Operator Apprentice | 15 | 21.04 | 63,920 |
| PW/Wastewater | WW Operator Apprentice | 15 | 21.04 | 63,920 |
| GRAND TOTAL | | | | \$ 1,838,494 |

Salary Adjustments and Reclassifications

| SALARY ADJUSTMENTS/RECLASSIFICATIONS FY2026 | | | | |
|---|--|---------------|-----------|-----------------------|
| DEPARTMENT | Employee | Hourly Rate | Pay Grade | Adopted Budget Amount |
| Finance | Reclassification From Accounting Specialist to Accounting Analyst | 21.30 - 24.70 | 23 | 8,690 |
| Finance | Reclassification From Accountant I to Accountant II | 26.52 - 28.65 | 29 | 5,470 |
| Billing & Collections | Reclassification from Administrative Coordinator to Billing & Collections Supervisor | | 21 | - |
| Court | Reclassification From Bailiff to Bailiff/Court Clerk II | | 13 | - |
| Parks Ground | Reclassification from Parks Supervisor to Parks Ground Manager | 26.64 - 31.62 | 33 | 12,877 |
| Parks Ground | Reclassification of Maintenance Technician from PT to FT | 16.03 | 4 | 32,260 |
| Youth Center | Reclassification of Recreation Assistant PT to Recreation Specialist FT | 15.64 - 20.02 | 13 | 42,610 |
| PW- Administration | Reclassification from Administrative Coordinator to Office Supervisor | 24.22 - 25.96 | 25 | 4,460 |
| Fire | Paramedic Stipend Increase (33) | 1.00 | | 125,494 |
| PW- W/WW | Reclassification from Electrician to Electrician II | | 29 | - |
| Ambulance Fund | Paramedic Stipend Increase (15) | 1.00 | | 57,430 |
| GRAND TOTAL | CITY WIDE | | | \$ 289,291 |

DEPARTMENT SUMMARY

City Council

The City Council serves as a legislative and policy making body of the municipal government and has responsibility for enacting city ordinances, appropriating funds to conduct city business, and providing policy direction to the city manager responsible for carrying out established policies and administering operations



Accomplishments FY 2025

- Continued to support long-term financial stability of the city by proposing the establishment of a primary property tax.
- The salary compensation study was completed, and 97.5% of the implementation has been carried out. Labor market wage adjustments are being applied based on budget availability.
- Infrastructure work has started for the widening of Cesar Chavez Boulevard.
- Supporting efforts continue by all POE 1 stakeholders in the construction of SL POE 1 in both the US and Mexico during fiscal year 2025-2029.
- Supported a financial investment of approximately \$637,600 for improvements to the East Wing of City Hall, the Municipal Pool, the B Street Building remodel, and East Community Park (excluding restrooms).
- In the third year of a five-year Utility Rate increase.
- The city received over \$3 million in grants for public safety.
- Supported the acquisition and initial development planning of up to 26 acres for future water infrastructure improvements, including Well Site #8, downtown drainage, and potential city building expansion.

Goals & Objectives FY 2026



Growth & Public Service:

Goal: "Promote smart growth and public service through strategic city planning, community engagement, and infrastructure improvements."

- Support smart growth development by reviewing and approving minor and major General Plan amendments by June 30, 2026.
- Assist staff with city expansion efforts through annexations, land swaps, and land acquisition, including state land, throughout FY 2026.
- Advocate for federal staffing support by working with stakeholders to secure a full-time entomologist at San Luis POE II and increase CBP officers at POE I by June 30, 2026.
- Continue supporting efforts with all POE I stakeholders to advance construction of San Luis POE I during FY 2025–2026.
- Collaborate with stakeholders to advance the feasibility study for allowing private vehicles at the San Luis II Port of Entry, with the goal of completing the study by FY 2027; progress is contingent upon Mexico securing funding for their portion of the required border infrastructure.



Economy:

Goal: "Foster economic growth by enhancing business opportunities, infrastructure, and key stakeholder partnerships."

- Collaborate with staff in the recruitment and successful hiring of key top-level positions, including City Manager, Assistant Director of Parks and secure funding for an Assistant City Attorney by the end of FY 2026.
- Continue to support Human Resources in filling vacancies citywide and maintaining staffing levels at or above 85% by the end of FY 2026.
- Support Human Resources in maintaining long-term salary equity and sustainability by monitoring internal salary structures, assisting with position reviews, and supporting step increases or adjustments as needed, following the completed city-wide salary market study.



Financial Sustainability:

Goal: "Ensure long-term financial stability through efficient resource management, strategic investments, and fiscal responsibility."

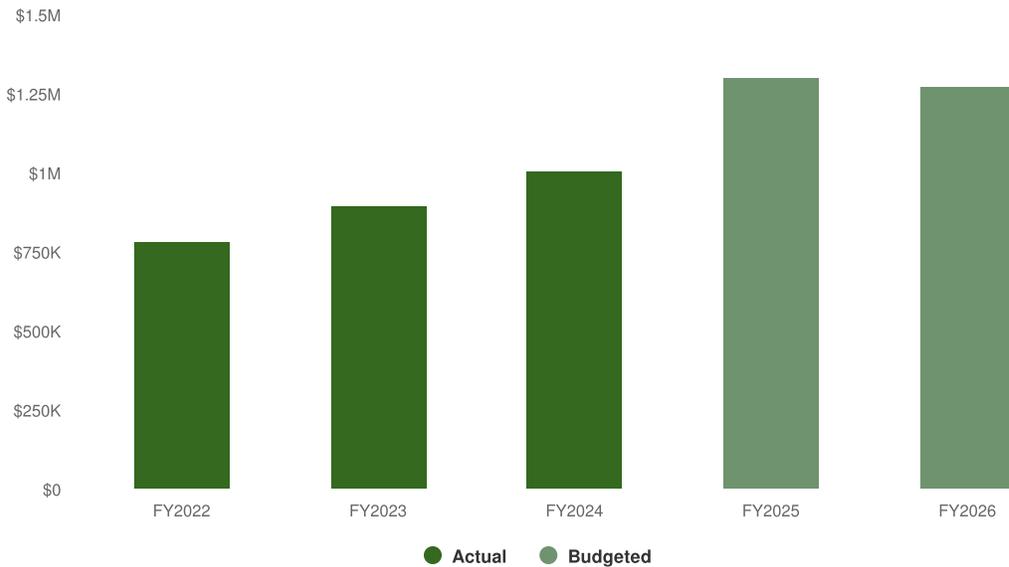
- Support staff in creating a lean FY 2025–2026 budget by May 2025, ensuring financial preparedness for possible revenue reductions.
- Advocate for the creation of a City Primary Tax Levy for all properties within city limits by FY 2026 to strengthen financial sustainability.
- Work with staff and Council to implement the City's 5-Year Capital Improvement Plan (CIP), beginning in Q1 FY 2026 and continuing through June 2026.
- Continue to secure additional funding for the César Chávez Boulevard widening project, ensuring funding commitments are in place by the end of FY 2026.

Expenditure Summary

The chart below provides a breakdown of the City Council's expenditures over the past four years. For FY 2026, the City Council has budgeted \$1,273,300, which is \$26,810 less than the previous fiscal year. The decrease is primarily due to reductions in special services, including the removal of sponsorship pledges, civic dues, and the Archibald Street billboard used to promote city events. A small but noticeable increase is reflected in salaries and related expenses due to the citywide salary adjustment implemented this fiscal year. The budget also maintains a contingency allocation of \$300,000 to support unforeseen expenses across city departments.

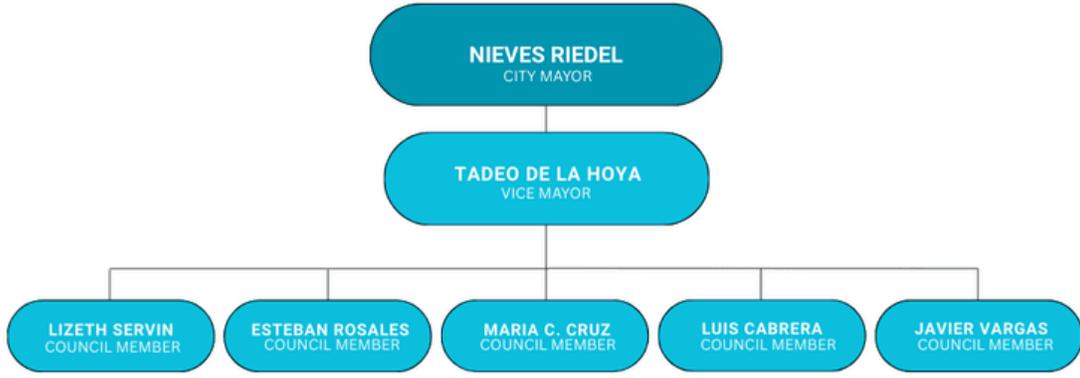
\$1,273,300 **-\$26,810**
(-2.06% vs. prior year)

City Council Proposed and Historical Budget vs. Actual

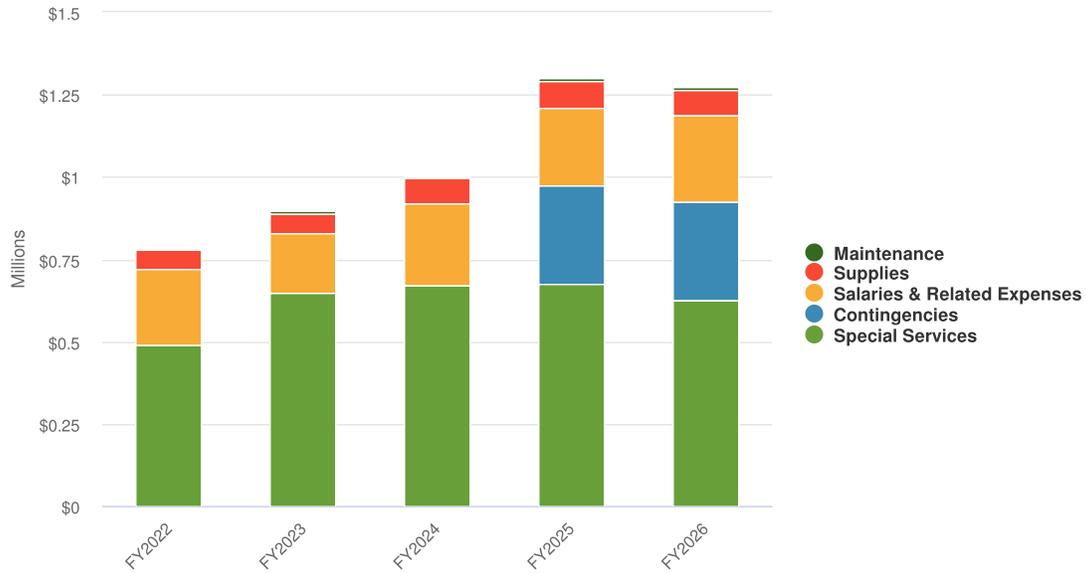


Organizational Chart

CITY COUNCIL



Budgeted and Historical Expenditures by Expense Type



The following table represents the City Council's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|--------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$180,008 | \$247,855 | \$237,910 | \$240,825 | \$260,330 | 9.4% |
| Supplies | \$60,863 | \$77,559 | \$78,300 | \$76,996 | \$76,510 | -2.3% |
| Maintenance | \$5,445 | \$6,272 | \$10,130 | \$8,794 | \$11,080 | 9.4% |
| Special Services | \$648,850 | \$671,307 | \$673,770 | \$544,038 | \$625,380 | -7.2% |
| Contingencies | \$0 | \$0 | \$300,000 | \$0 | \$300,000 | 0% |
| Total Expense Objects: | \$895,166 | \$1,002,994 | \$1,300,110 | \$870,652 | \$1,273,300 | -2.1% |

City Administration

Implements the policies, priorities, goals, and visions developed by the City Council and provides direction and leadership to the City of San Luis departments.

Along with department heads and staff, the City Administration Department is committed to advocating for a responsible and transparent city government, citizen engagement, and working in ensuring that the City of San Luis remains a community in which residents take great pride in.



ABOUT THE CITY ADMINISTRATION

The City Administration is a Manager, Assistant City Manager and support staff body that oversee various departments within the organization to ensure that the community is served, provides a safe environment, financial stability, beautiful and culturally enriched. It maintains intergovernmental relationships, continue to build and maintain a professional relationship with external partners and businesses to ensure that our City continues to grow and evolve; manage day to day operations and activities while adhering to the highest standards of conduct to inspire public confidence and trust in the City of San Luis.

Accomplishments FY 2025

- Ensured excellent medical and dental care benefits by working with new broker through the Employee Benefit Trust Board.
- Supported financial investment of over \$7 million investment in road infrastructure projects, including the Merrill Avenue widening, intersection improvements at County 22nd Street and 4th Avenue (city installation completed; traffic signal pending APS activation), improvements to Sidewinder Road, intersection design for Main Street, the completed design of the County 25th Street extension, and initiation of the 10th Avenue widening design in FY 2025.

- Supported the financial investment of \$13 million in water infrastructure investment.
- The city received over \$3 million in grants for public safety.
- Re-allocated funds to replace the municipal pool which re-opened its doors after a year.
- Collaborated with the Human Resources Department to fill key top-level positions, successfully securing the Assistant Director of Development Services, City Engineer, Finance Manager, and Paralegal roles.
- Supported the Mayor and Council members in proposing the Home Rule election, which was successfully passed.
- Repaired and remodeled the Fernando Padilla building to relocate Human Resources & Information Technology.
- City secured 18 acres of State Land
- Secured an additional \$25 million of funding for a total of \$62 million for the design and widening of Cesar Chavez Blvd.
- Created a Communications division within the Administration Department for city-wide social media communications.

Goals & Objectives FY 2026

Growth & Public Service

Goal: "Support smart city growth, enhanced public services, and effective communication to serve the community better."

- Continue supporting minor and major General Plan amendments for smart growth development, ensuring all proposals are reviewed and processed by the end of FY 2026.
- Support efforts by all POE 1 stakeholders for the construction of SL POE 1 during FYs 2024–2029, maintaining active participation in planning and coordination meetings on a monthly basis.
- Develop a strategy to increase City limits through annexation, land swaps, or land acquisition, including state land and land swap options by conducting feasibility reviews throughout FY 2026.
- Assist in securing the remaining \$200,000 in funding by the end of FY 2026 for the San Luis II Port Entry feasibility study, building on the \$300,000 already secured.

- Work with departments and Council to develop and implement the City's 5-Year Capital Improvement Plan (CIP), starting Q1 FY 2026 and completing adoption by June 30, 2026.
- Explore options to secure approval for San Luis U.S. Postal Service cluster mailbox service and delivery, with formal proposals submitted by the end of FY 2026.

Economy

Goal: "Foster economic development through strategic infrastructure improvements and financial planning for city expansion."

- Continue to evaluate and improve policies and procedures for more efficient and cost-effective city operations, with updated recommendations provided to staff throughout the fiscal year
- Review and, where appropriate, reorganize the City's organizational structure to improve efficiency and customer service, with a plan finalized by the end of FY 2026 to apply in FY 2027.
- Secure the City Manager and funding for an Assistant City Attorney position during FY 2026, completing leadership staffing and strengthening administrative capacity.

Financial Sustainability

Goal: "Promote long-term financial sustainability through strategic resource management, fee evaluations, and employee retention."

- Continue supporting and applying for federal and state funding throughout FY 2026 to assist with infrastructure projects, including street improvements, water and wastewater projects, recreational areas, and public safety.
- Structure and maintain a financial funding strategy policy plan for major infrastructure improvements, prioritizing roads, parks, and open space throughout FY 2026.
- Support departments in evaluating citywide user fees (e.g., business license fees, impact fees, subdivision regulations, parks, and fire inspection fees) and recommend adjustments to cover operational costs, with findings presented before June 30, 2026.

| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|---|----------------|-------------------|------------------|
| PUBLIC ENGAGEMENT SOCIAL MEDIA ENGAGEMENT (MEASURED BY REACH IN SOCIAL MEDIA PLATFORMS) | N/A | 6.4M | ≥10M |
| PUBLIC ENGAGEMENT TOTAL PARTICIPANTS IN PARKS, RECREATION, YOUTH, AND POOL PROGRAMS AND EVENTS (APPROX) | 2092 | 2385 | ≥2600 |
| TRANSPARENCY PUBLIC RECORDS REQUESTS FULFILLED (CITY CLERK, PD, COURT) | 1075 | 1306 | ≥ 1400 |
| SENIOR SUPPORT MEALS DELIVERED TO SENIORS THROUGH SENIOR CENTER PROGRAMS | 15842 | 17824 | 19000 |
| CITY LEADERSHIP & COORDINATION STRATEGIC & LEADERSHIP MEETINGS HELD (REGULAR, SPECIAL AND WORK SESSION MEETINGS) | 55 | 62 | ≥ 62 |
| PUBLIC SAFETY SUPPORT PD + FIRE TOTAL CALLS RESPONDED | 10523 | 13157 | ≥ 13000 |
| UTILITY ACCOUNT MANAGEMENT & CUSTOMER SERVICE TOTAL SERVICE DISCONNECTIONS PROCESSED | 885 | 960 | ≤ 900 |
| UTILITY ACCOUNT MANAGEMENT & CUSTOMER SERVICE TOTAL NEW UTILITY ACCOUNTS | 825 | 959 | ≥ 1000 |
| INFRASTRUCTURE TOTAL ANNUAL INVESTMENT IN INFRASTRUCTURE PROJECTS | \$6.9M | \$25.6M | ≥ \$29M |
| COMMUNITY DEVELOPMENT & PERMITTING TOTAL INSPECTIONS PROCESSED BY DEVELOPMENT SERVICES | 1344 | 860 | ≥ 900 |
| COMMUNITY DEVELOPMENT & PERMITTING TOTAL BUILDING AND RESIDENTIAL PERMITS PROCESSED | 8577 | 8863 | ≥ 9400 |
| ECONOMIC DEVELOPMENT NEW BUSINESSES SUPPORTED (ED & BUSINESS INCUBATOR) | N/A | 11 | 24 |
| DIGITAL SERVICES (IT) NUMBER OF IT SUPPORT TICKETS RESOLVED | 1979 | 2379 | 2500 |
| HR & RISK MANAGEMENT EMPLOYEE RETENTION RATE (%) | 86% | 81% | 85% |
| HR & RISK MANAGEMENT REPORTED WORKPLACE SAFETY INCIDENTS | 42 | 44 | ≤ 38 |

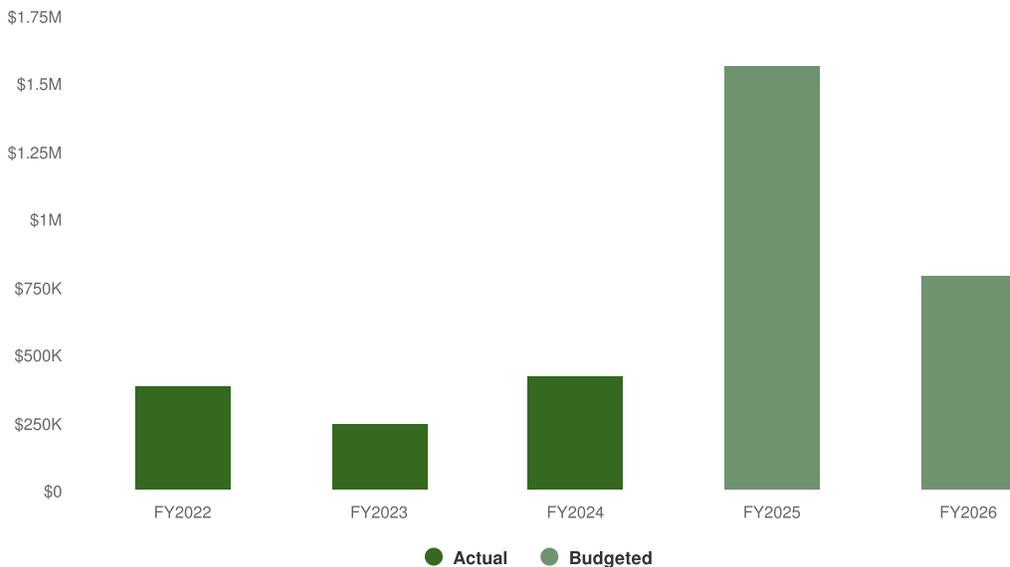


Expenditure Summary

The graph below shows the City Administration Department's expenditures over the past four years. For FY 2026, the City Administration has budgeted \$791,860, which is \$778,160 less than the previous fiscal year. This significant decrease is primarily due to the removal of the \$850,000 previously budgeted in FY 2025 for citywide salary classification adjustments under the General Fund. That funding was used to implement salary increases beginning June 1st, bringing 97.5% of employees to a market-based salary. For FY 2026, those adjustments have now been incorporated directly into each department's respective budget. Additionally, there is a slight decrease in special services. Last year, funding was included for a potential strategic planning program; however, for FY 2026, the City will instead move forward with a Capital Improvement Plan (CIP) project, which includes contracting a firm to develop the CIP and establish supporting procedures.

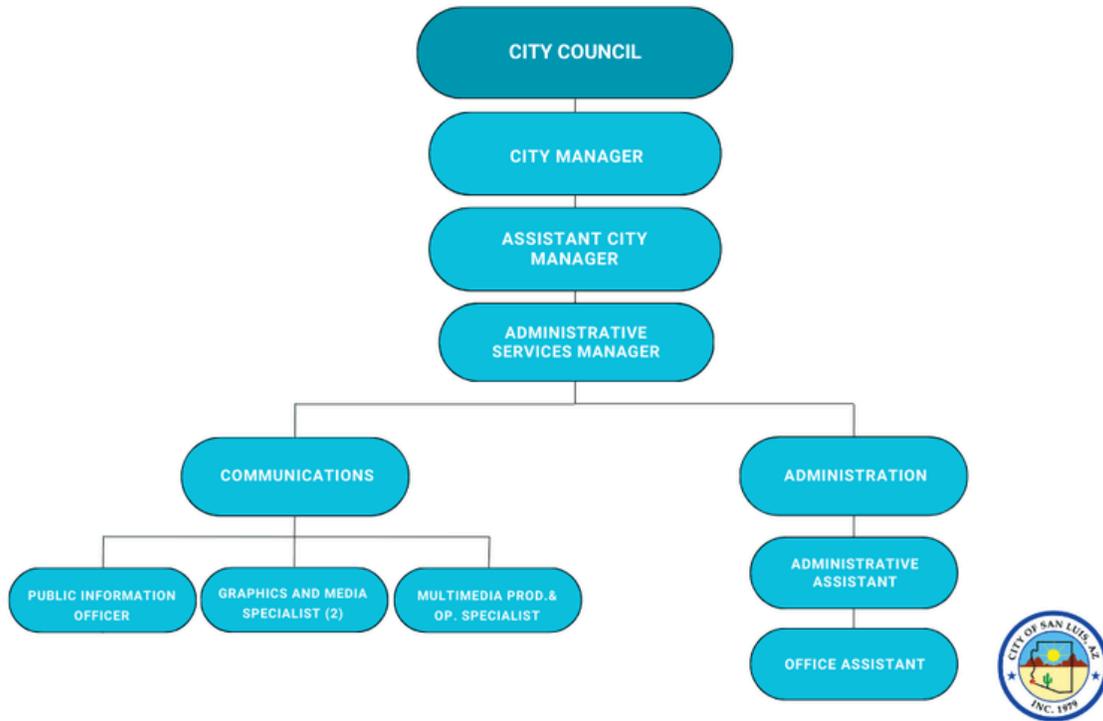
\$791,860 ~~-\$778,160~~
(-49.56% vs. prior year)

City Administration Proposed and Historical Budget vs. Actual



Organizational Chart

CITY ADMINISTRATION



Personnel Changes

The following graph presents a summary schedule of the City Administrator's staff over the past three fiscal years. In FY 2026, there will be no personnel changes within the City Administrator's Office. The current staffing structure will remain in place to continue providing effective administrative and operational support to the organization.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|---------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|
|---------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|

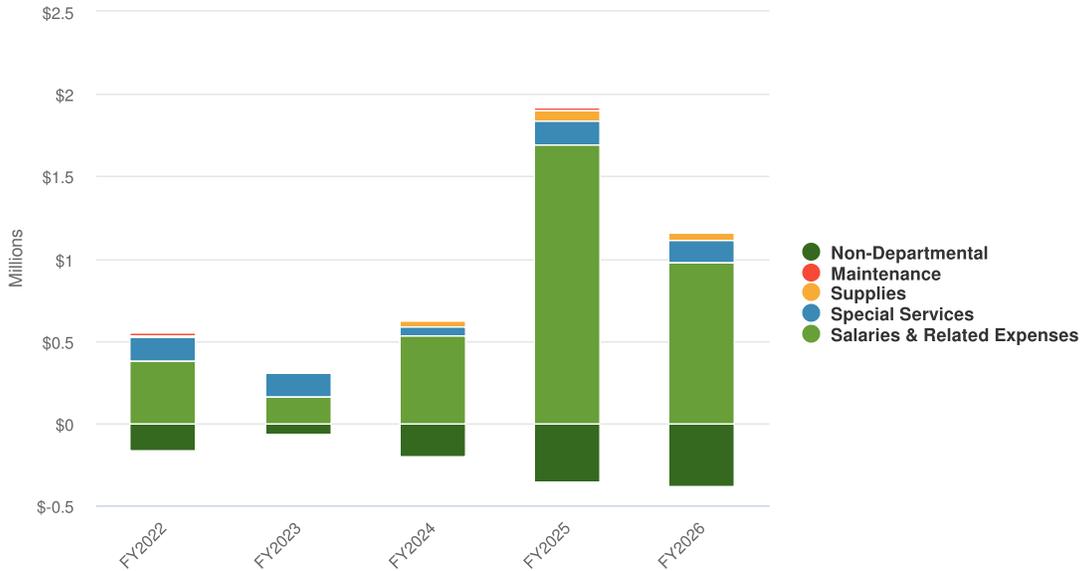
| | | | | | |
|-----------------------------|---|-----|---|-------|---|
| Full-time Equivalents (FTE) | 6 | 6.5 | 9 | 9 | 0 |
| % of city's FTEs | | | | 2.33% | |

Authorized Personnel/Positions:

| Title | <u>2022-2023</u> | <u>2023-2024</u> | <u>Current 2024-2025</u> | <u>Request 2025-2026</u> | <u>Changes 2025-2026</u> |
|---|------------------|------------------|------------------------------|------------------------------|------------------------------|
| Public Information Officer | 1 | 1 | 1 | 1 | 0 |
| Operations Coordinator | 0 | 1 | 0 | 0 | 0 |
| Administration Services Manager | 0 | 0 | 1 | 1 | 0 |
| Public & Foreign Affairs | 1 | 0 | 0 | 0 | 0 |
| Assistant City Manager | 1 | 1 | 1 | 1 | 0 |
| City Manager | 1 | 1 | 1 | 1 | 0 |
| Executive Assistant | 1 | 0 | 0 | 0 | 0 |
| Graphic and Media Specialist | 0 | 1.5 | 2 | 2 | 0 |
| Administrative Assistant | 0 | 0 | 1 | 1 | 0 |
| Video Production and Operation Specialist | 0 | 1 | 0 | 0 | 0 |
| Multimedia Production & Operations Specialist | 0 | 0 | 1 | 1 | 0 |
| Office Assistant | 1 | 0 | 1 | 1 | 0 |
| Total | <u>6</u> | <u>6.5</u> | <u>9</u> | <u>9</u> | <u>0</u> |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents City Administration expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$158,518 | \$536,809 | \$1,696,780 | \$672,490 | \$979,310 | -42.3% |
| Supplies | \$4,260 | \$30,044 | \$65,730 | \$44,187 | \$42,850 | -34.8% |
| Maintenance | \$7,258 | \$10,365 | \$17,280 | \$5,442 | \$14,280 | -17.4% |
| Special Services | \$146,919 | \$55,525 | \$141,640 | \$33,546 | \$133,550 | -5.7% |
| Non-Departmental | -\$67,478 | -\$204,516 | -\$351,410 | -\$252,696 | -\$378,130 | 7.6% |
| Total Expense Objects: | \$249,477 | \$428,227 | \$1,570,020 | \$502,969 | \$791,860 | -49.6% |

City Clerk

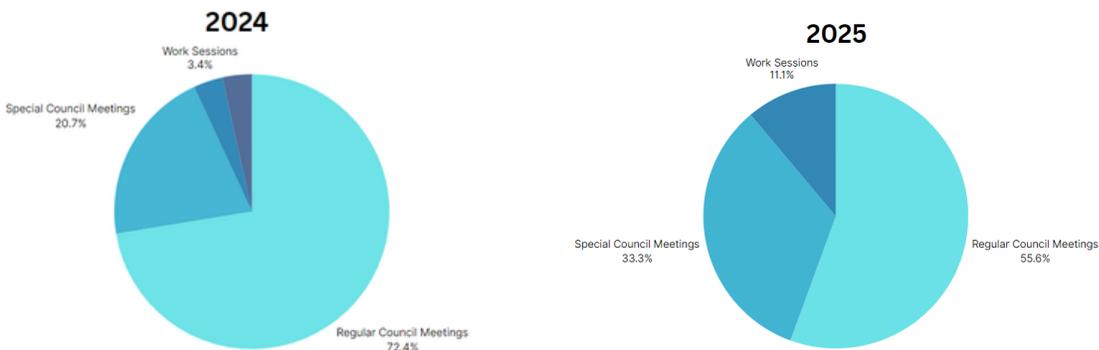
The City Clerk's Office is the primary link between Council, City staff and the public, where the City Clerk serves as the Chief Elections Official and Records Manager. The City Clerk's Office upholds public trust and protects local democracy by providing access to services and information on matters of public interest to all customers, including residents, elected officials and City departments.



The City Clerk's Office consists of three (3) full-time employees: Sonia Cornelio, City Clerk; Melissa Lopez, Deputy City Clerk and Jose I. Gomez, Records Management Specialist.

CITY COUNCIL MEETINGS

The City Clerk's Office is responsible for preparing notices, agendas and minutes for regular, special and work session meetings. In FY 2025 the City Council held 20 regular Council Meetings (55.6%); 12 Special Council meetings (33.3%), 4 Work Session Meetings (11.1%) and there was not a Budget Retreat Meeting held.



LEGISLATION AND POLICY/PROCEDURE UPDATES

◦ City Code

The City Clerk is responsible for updating the City of San Luis, Arizona, Code of Ordinances. The City Clerk is continuously working with Code Publishing to codify the City Code, which contains ordinances through Ordinance No. 466, passed on May 28, 2025.

◦ Records Management & Retention Policy

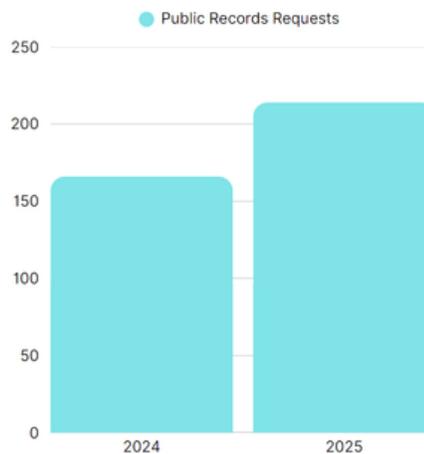
The City Clerk’s Office remains contracting with Iron Mountain Incorporated to store long-term and permanent records offsite. This allows the city to cost-effectively manage, safeguard and retrieve vital records and documents on time.

The Records Management Specialist (RMS) is working on updating and incorporating checklists, manuals and tools to assist the records' liaison for each department. The RMS continues to provide training to staff.

In FY 2025, 43 boxes were sent to Iron Mountain from the various city departments and 73 boxes were properly destroyed by the various departments.

◦ Public Records Requests

The City Clerk’s Office is the information hub for the city as the custodian of city records and responds promptly to requests for records from the public. The following chart outlines the comparison of public records requests received during the years 2024 and 2025.



Accomplishments FY 2025

- Awareness and Enforcement of Records Management
- 43 boxes of records sent to Iron Mountain (various departments)
- 73 boxes of records properly destroyed (various departments)
- Received and processed 214 Public Record Requests
- Prepared Notices, Agenda and Minutes for:
 - 20 Regular Council Meetings
 - 12 Special Council Meetings
 - 4 Work Sessions
- Implementation of E-Equal System for the August 2025 Elections
- Conducted the city's Special Election for Property Tax on May 21, 2024, Primary Election on August 6, 2024 as well as the General Election on November 5, 2024

Goals & Objectives FY 2026

Growth & Public Service

Goal: "Enhance operational efficiency and public services through effective succession planning and compliance with state regulations."

- Ensure compliance with legal mandates by reviewing and updating resource management practices quarterly, while strictly following the Arizona Revised Statutes, the Arizona Constitution, and the City Code, with transparent reporting available to the public by June 30, 2026.
- Promote positive employee morale by organizing at least two cross-departmental teamwork activities each fiscal year and tracking participation rates.
- Provide municipal employees and the public with accurate and timely information by publishing 100% of ordinances, resolutions, and meeting minutes online within 3 business days of approval through the city's website, posting at our four posting locations, and public notices as outlined in Resolution No. 2289.

- Ensure all City Clerk's Office staff maintain the highest standards of impartiality and integrity by completing annual ethics training and documenting 100% compliance.
- Deliver excellent customer service by establishing a feedback tool and achieving at least 90% satisfaction scores by the end of FY2026.
- Support professional development by ensuring Clerk's Office staff attends at least one Arizona Municipal Clerks Association or League of Cities training annually.
- Implement succession planning by cross-training all Clerk's Office staff in every functional area by the end of FY2026.

Economy

Goal: "Improve public access to city services and streamline operations through modern technological solutions."

- Fully implement the Laserfiche Records Management Module by the end of Q3 FY2026 to ensure compliance with Arizona State Library, Archives, and Public Records requirements.
- Efficiently process, maintain, and index minutes, ordinances, resolutions, city code, and contracts through Laserfiche, reaching 95% digital indexing accuracy by June 2026.
- Prepare all necessary documentation and processes in advance in case of potential recall elections, ensuring readiness within 30 days' notice.
- Successfully administer the November 2025 Special Election regarding the sale of San Luis Regional Detention & Support Center property, ensuring full compliance with election law.

Financial Sustainability

Goal: "Enhance the city's financial operations by leveraging technology to improve payment processing and compliance with retention policies."

- Utilize technology and best business practices to improve access to records, achieving a 30% reduction in paper-based processes by June 2026.
- Maintain continuous internal audits of Clerk's Office financial processes twice per fiscal year to ensure 100% compliance with budgetary and legal standard

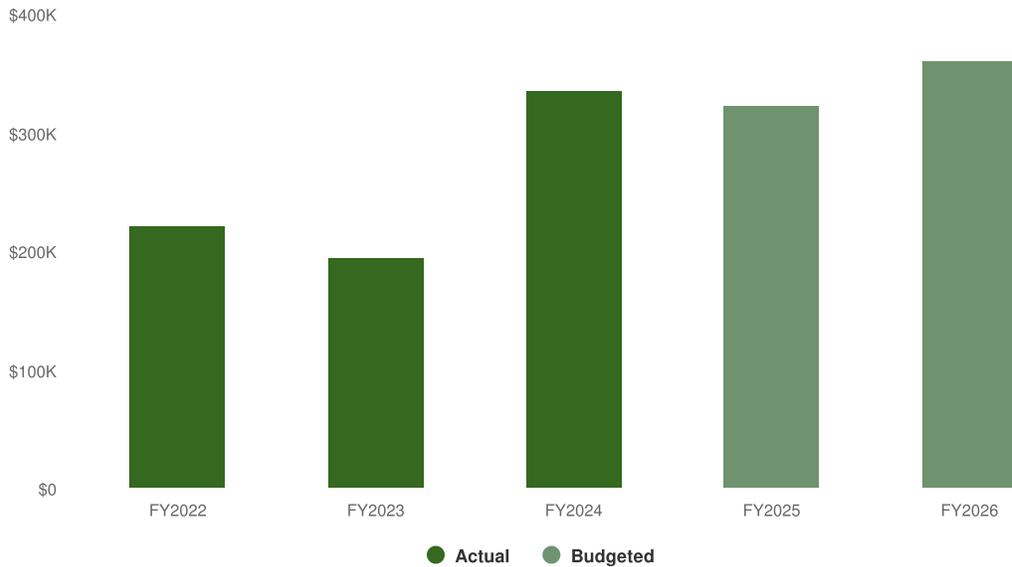
| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|---|-----------------------|--------------------------|-------------------------|
| RECORDS MANAGEMENT BOXES SENT TO IRON MOUNTAIN | 30 | 43 | 45 |
| REGULAR, SPECIAL AND WORK SESSION MEETINGS | 29 | 36 | 37 |
| PUBLIC RECORDS PROCESSED | 166 | 214 | 139 |

Expenditure Summary

The graph below shows the City Clerk's expenditures over the past four years. For FY 2026, the City Clerk has budgeted \$361,460, reflecting an increase of \$37,740 from the previous fiscal year. This increase is primarily due to supplies and special services, including \$18,000 budgeted for publicity pamphlets for election(s) and \$65,000 in special services budgeted for the special election on property tax and a possible recall election, as well as \$15,000 for City Code publishing. In addition, we can also see a slight increase in salaries due to the salary adjustment applied across all City departments.

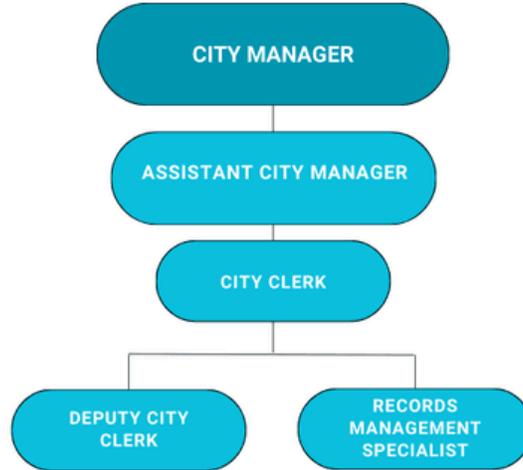
\$361,460 **\$37,740**
(11.66% vs. prior year)

City Clerk Proposed and Historical Budget vs. Actual



Organizational Chart

CITY CLERK



Personnel Changes

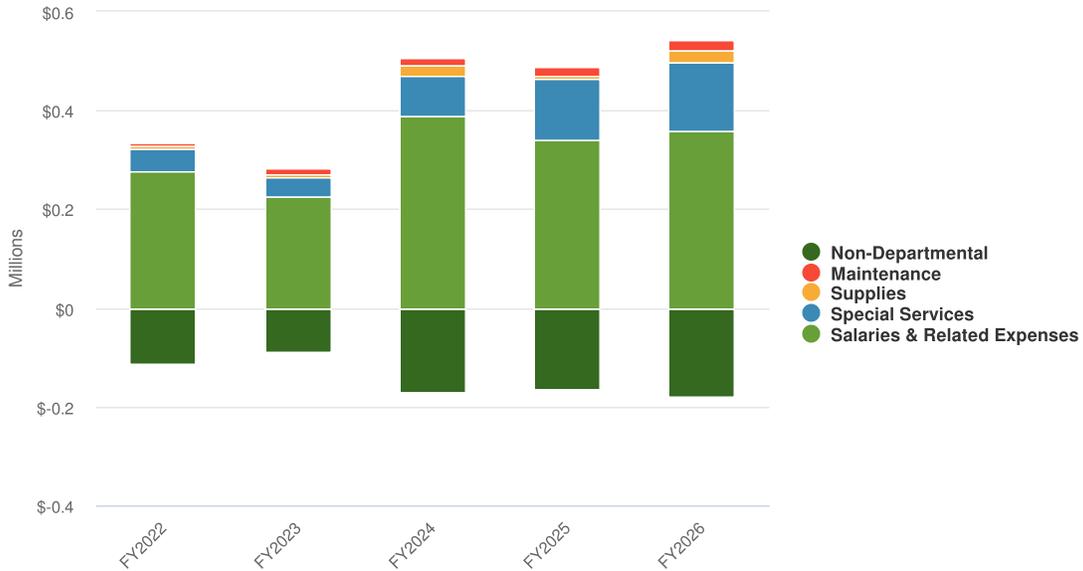
The chart below will display the City Clerk's Department summary schedule for the past three fiscal years. In FY 2026, there will be no personnel changes within the Municipal Clerk's Office. The current staffing structure will remain intact, ensuring the department continues to operate effectively and efficiently while meeting the needs of the organization and the public.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|--|-------------------|--------------------|------------------------------|------------------------------|---------------------------------|
| Full-time Equivalents (FTE) | 3 | 4 | 3 | 3 | 0 |
| % of city's FTEs | | | | 0.78% | |
| Authorized Personnel/Positions: | | | | | |
| <u>Title</u> | <u>2022-2023</u> | <u>2023-2024</u> | <u>Current 2024-2025</u> | <u>Request 2025-2026</u> | <u>Changes 2025-2026</u> |
| City Clerk | 1 | 1 | 1 | 1 | 0 |
| Deputy City Clerk | 1 | 1 | 1 | 1 | 0 |
| Administrative Assistant | 0 | 1 | 0 | 0 | 0 |
| Records Management Specialist | 1 | 1 | 1 | 1 | 0 |
| Total | 3 | 4 | 3 | 3 | 0 |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type

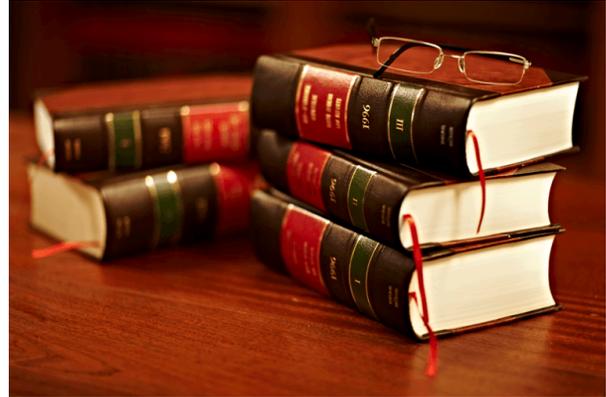


The following table presents the City Clerk's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$226,708 | \$387,657 | \$341,570 | \$331,608 | \$357,990 | 4.8% |
| Supplies | \$3,511 | \$22,327 | \$8,200 | \$22,364 | \$26,700 | 225.6% |
| Maintenance | \$14,519 | \$15,678 | \$17,730 | \$15,898 | \$19,630 | 10.7% |
| Special Services | \$39,358 | \$82,218 | \$121,110 | \$56,376 | \$138,020 | 14% |
| Non-Departmental | -\$88,740 | -\$171,210 | -\$164,890 | -\$143,842 | -\$180,880 | 9.7% |
| Total Expense Objects: | \$195,357 | \$336,669 | \$323,720 | \$282,403 | \$361,460 | 11.7% |

City Attorney

The City Attorney's Office provides quality legal services that are key to supporting the work of the City Council, staff, commissions, and boards in their endeavors to enhance the well-being, safety, and economic opportunity of San Luis residents and businesses.



Accomplishments FY 2025

- The City Attorney and the Legal Assistant completed advanced Microsoft Word training, as approved in last year's budget. This training is part of an ongoing initiative to maintain the consistency and quality of legal documents as their volume increases.
- The Assistant City Attorney position was reclassified to a Paralegal position, and a Paralegal has been successfully hired to support the office's workload.
- Staff will continue their professional development by attending legal seminars to stay updated on current laws, best practices, and municipal legal trends.

Goals & Objectives FY 2026

Growth & Public Service

Goal: "To bolster the City Attorney's Office's capacity to provide legal services with efficiency and excellence, thus advancing the city's growth and elevating the quality of public services for the well-being of residents."

- Implement case management software for both the Prosecutor's Office and City Attorney's Office throughout FY2026, to monitor the number of cases and matters completed, and establish a baseline for tracking efficiency and workload in future fiscal years.

- Enhance transparency and accountability in public records management by ensuring all public records requests are reviewed, processed, and completed within statutory timelines.
- Support policy standardization by conducting a legal review of at least 10 evolving processes and policies during FY2026, ensuring they align with the Arizona Constitution, state law, and city code.

 **Economy**

- Strengthen subdivision assurances and agreements by completing timely legal reviews for all new development projects in FY2026, ensuring proper planning for expanding infrastructure needs (roads, water, wastewater).
- Improve bid procedure oversight by providing legal support for all multi-million-dollar city expansion projects during FY2026, with the goal of 100% compliance with procurement and contract regulations.

 **Financial Sustainability**

- Secure funding for the part-time Assistant City Attorney position within the current fiscal year to enable recruitment and hiring by the end of Q3 FY2026. Onboarding will be completed within 30 days of hire to support the office in managing the City’s increasing legal workload.
- Increase organizational capacity by reallocating legal workload among staff once the Assistant City Attorney is hired, with the objective of reducing turnaround times for contract and policy reviews and improving overall responsiveness.

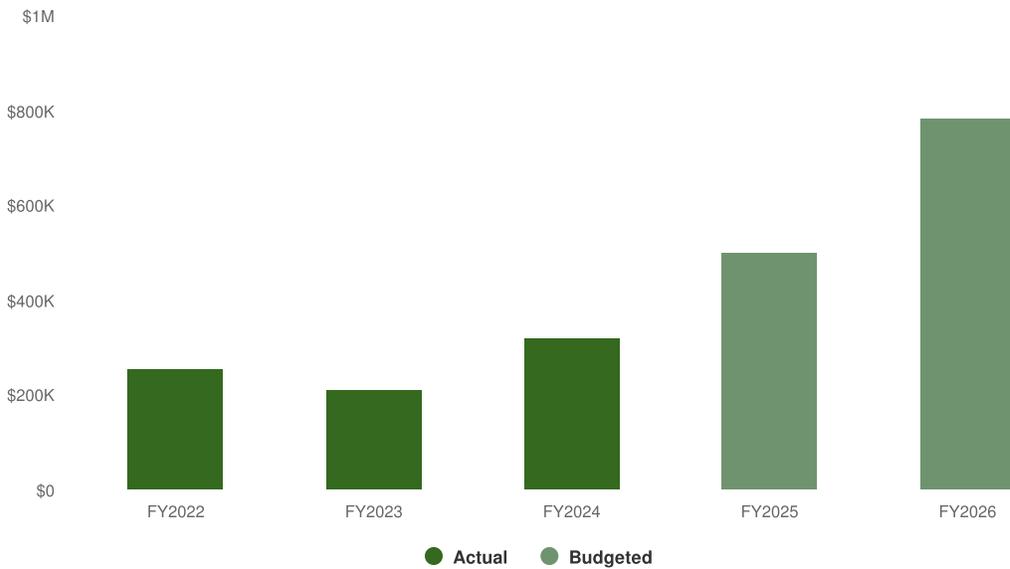
| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|--|----------------|-------------------|------------------|
| TIMELY TURN AROUND FOR CITY COUNCIL, MUNICIPAL CORPORATIONS, AND THE BENEFITS TRUST BOARD AGENDA ITEM REVIEW. | 100% | 100% | 100% |
| TIMELY TURN AROUND TO DRAFT OR REVIEW FOR LEGAL COMPLIANCE AND APPROPRIATENESS CITY COUNCIL ORDINANCES, RESOLUTIONS, AND ORDERS, AS WELL AS RESOLUTIONS BY THE MUNICIPAL CORPORATIONS. | 100% | 100% | 100% |

Expenditure Summary

The graph below shows the City Attorney's expenditures over the past four years. For FY 2026, the City Attorney has budgeted \$782,230, reflecting an increase of \$281,530 compared to the previous year. The primary driver of this increase is special services, which rose by 175.8%. This adjustment reflects the transfer of funding for attorneys who handle Municipal Court cases, moving these costs from the Court's budget to the City Attorney's Office. In addition, there is a slight increase in contractual services, as well as a significant increase of 100.5% in maintenance costs, primarily due to software support for the new NetDocuments case management system being implemented.

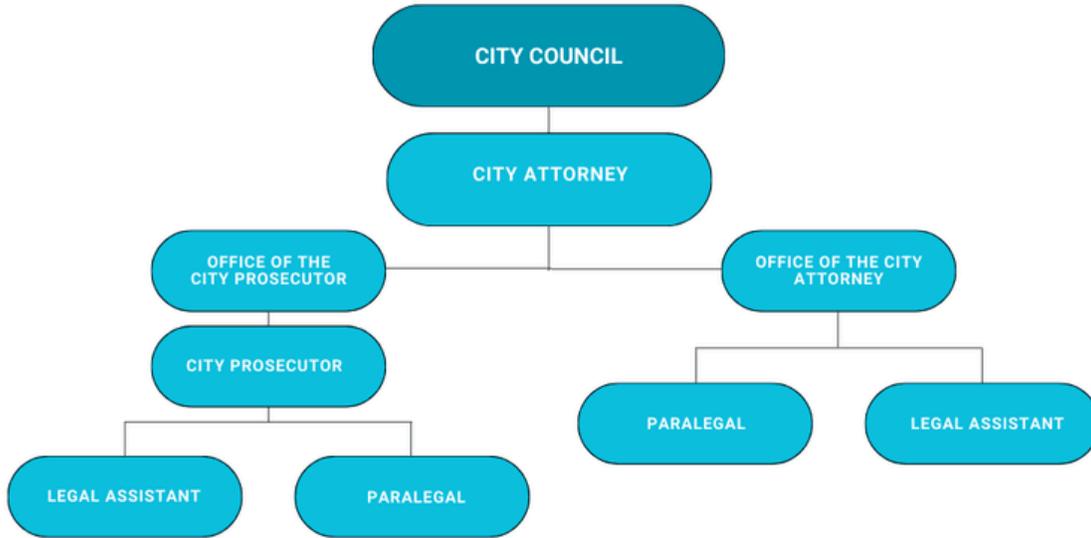
\$782,230 **\$281,530**
(56.23% vs. prior year)

City Attorney Proposed and Historical Budget vs. Actual



Organizational Chart

CITY ATTORNEY



Personnel Changes

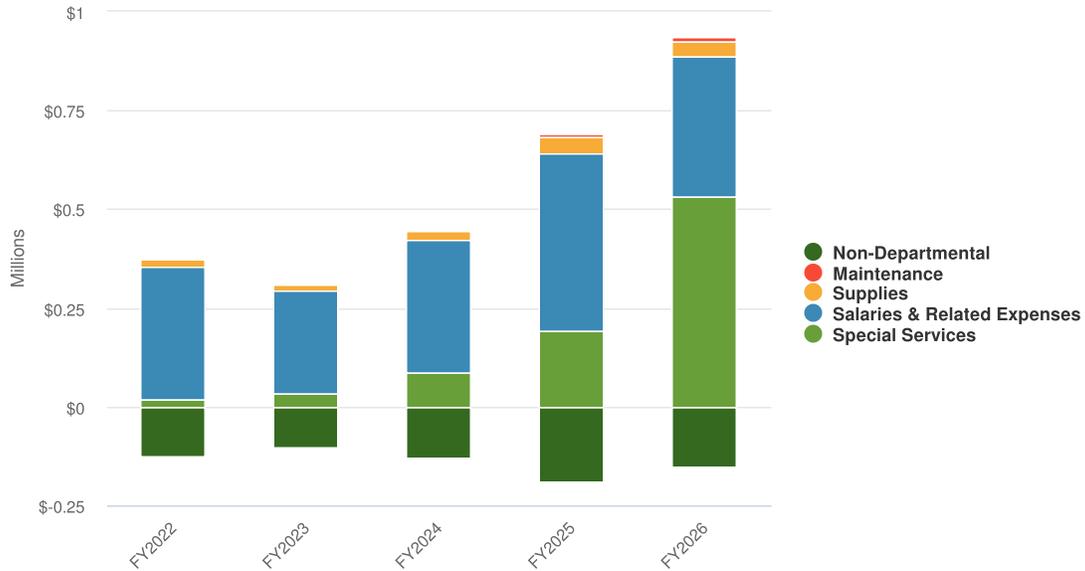
The chart below displays the City Attorney's staff summary schedule for the past three fiscal years. In FY 2026, there will be no personnel changes within the City Attorney's Office. However, during the prior fiscal year, adjustments were made to the department's staffing structure: the Assistant City Attorney position was reclassified to a Paralegal, and the Legal Secretary position was reclassified to a Legal Assistant. The office will continue to operate with one City Attorney, one Paralegal, and one Legal Assistant. Despite the city's ongoing growth and increasing demands, the current staffing structure will remain in place to effectively and efficiently meet the city's legal needs.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|--|-------------------|--------------------|------------------------------|------------------------------|---------------------------------|
| Full-time Equivalents (FTE) | 2.5 | 3.5 | 3.5 | 3 | -0.5 |
| % of city's FTEs | | | | 0.78% | |
| Authorized Personnel/Positions: | | | | | |
| <u>Title</u> | <u>2022-2023</u> | <u>2023-2024</u> | <u>Current 2024-2025</u> | <u>Request 2025-2026</u> | <u>Changes 2025-2026</u> |
| City Attorney | 1 | 1 | 1 | 1 | 0 |
| Assistant City Attorney | 0.5 | 1.5 | 0.5 | 0 | -0.5 |
| Paralegal | 0 | 0 | 1 | 1 | 0 |
| Legal Secretary | 1 | 1 | 0 | 0 | 0 |
| Legal Assistant | 0 | 0 | 1 | 1 | 0 |
| Total | <u>2.5</u> | <u>3.5</u> | <u>3.5</u> | <u>3</u> | <u>-0.5</u> |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type

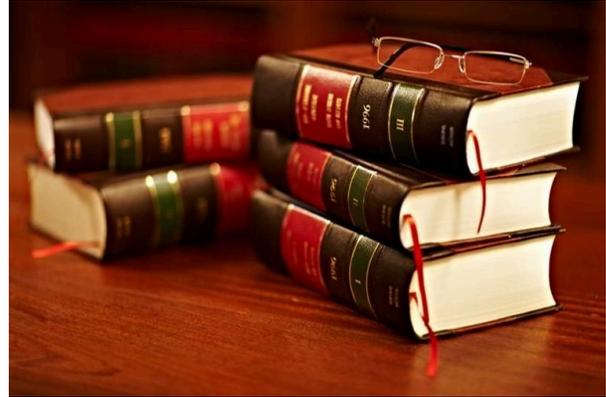


The following table presents the City Attorney's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$258,708 | \$335,819 | \$448,940 | \$377,613 | \$353,040 | -21.4% |
| Supplies | \$14,847 | \$22,805 | \$41,390 | \$22,801 | \$36,590 | -11.6% |
| Maintenance | \$4,627 | \$5,011 | \$5,970 | \$11,236 | \$11,970 | 100.5% |
| Special Services | \$34,774 | \$86,691 | \$193,220 | \$404,908 | \$532,980 | 175.8% |
| Non-Departmental | -\$102,443 | -\$128,667 | -\$188,820 | -\$164,074 | -\$152,350 | -19.3% |
| Total Expense Objects: | \$210,514 | \$321,659 | \$500,700 | \$652,485 | \$782,230 | 56.2% |

City Prosecutor

The City Prosecutor's Office is a division of the City Attorney's Office. The City Prosecutor provides the fair administration of justice to promote a safe and secure environment in San Luis.



Accomplishments FY 2025

- Successfully implemented the case management software program, aligning with the standard used across Arizona prosecutor offices to enhance efficiency and consistency
- The City Prosecutor's Office is now fully staffed, strengthening its capacity to manage the growing caseload effectively.
- Transition initiated to eliminate paper files, moving toward a fully digital system to improve accessibility, organization, and long-term record management.

Goals & Objectives for FY 2026

Growth & Public Service

Goal: "To strengthen the Prosecutor's Office's capacity to efficiently process cases, ensuring the well-being of residents through effective law enforcement and public service, thus fostering the city's growth and enhancing public services."

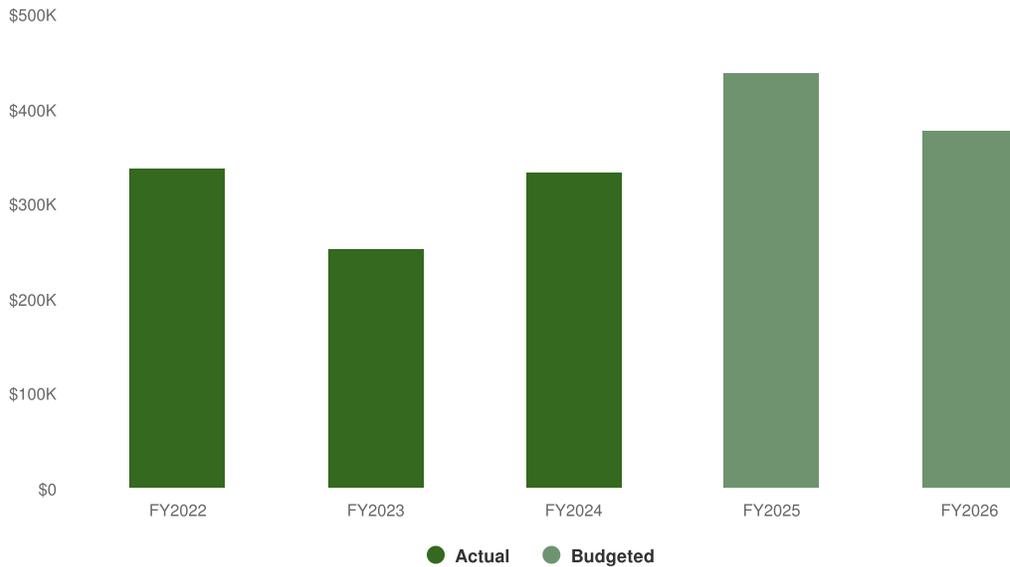
- By the end of the second quarter of FY2026, we will review all cases in warrant status and enter at least 50% of them into our new case management software. This will move us closer to our long-term goal of fully paperless case files.

Expenditure Summary

The graph below shows the City Prosecutor's Department's expenditures over the past four years. For FY 2026, the City Prosecutor's Department has budgeted \$376,970, representing a decrease of \$61,560 compared to the previous fiscal year. This decrease is primarily due to no longer budgeting for contractual services with consulting assistance, as the department is now fully staffed. In addition, we can also see a slight increase in salaries due to the salary adjustment applied across all City departments.

\$376,970 **-\$61,560**
(-14.04% vs. prior year)

City Prosecutor Proposed and Historical Budget vs. Actual



Personnel changes

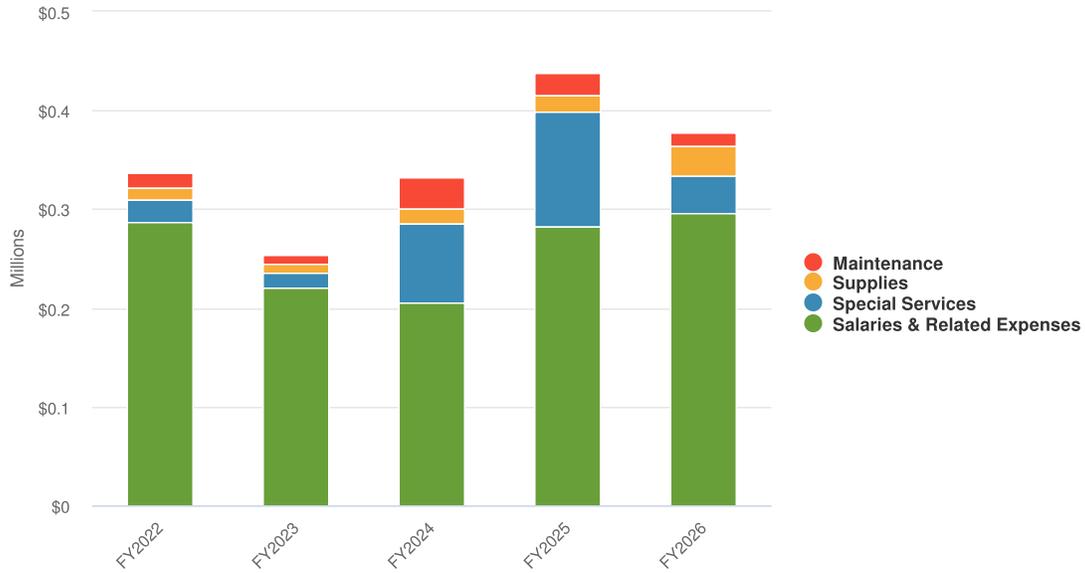
The chart below will display the City Prosecutor's Office summary schedule for the past three fiscal years. In FY 2026, there will be no personnel changes within the City Prosecutor's Office. The current staffing will remain as is, ensuring that the office can continue to effectively address the city's legal matters and uphold justice in the community. However, during the prior fiscal year, adjustments were made to the department's staffing structure, the Legal Secretary position was reclassified to a Legal Assistant.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|--|-------------------|--------------------|------------------------------|------------------------------|---------------------------------|
| Full-time Equivalents (FTE) | 3 | 3 | 3 | 3 | 0 |
| % of city's FTEs | | | | 0.77% | |
| Authorized Personnel/Positions: | | | | | |
| Title | <u>2022-2023</u> | <u>2023-2024</u> | <u>Current 2024-2025</u> | <u>Request 2025-2026</u> | <u>Changes 2025-2026</u> |
| City Prosecutor | 1 | 1 | 1 | 1 | 0 |
| Legal Secretary | 1 | 1 | 0 | 0 | 0 |
| Legal Assistant | 0 | 0 | 1 | 1 | 0 |
| Paralegal | 1 | 1 | 1 | 1 | 0 |
| Total | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>0</u> |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents the City Prosecutor's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$219,829 | \$205,423 | \$281,840 | \$253,297 | \$295,340 | 4.8% |
| Supplies | \$8,670 | \$15,269 | \$16,860 | \$17,713 | \$29,040 | 72.2% |
| Maintenance | \$9,045 | \$32,746 | \$23,480 | \$51,821 | \$13,380 | -43% |
| Special Services | \$15,535 | \$79,621 | \$116,350 | \$10,721 | \$39,210 | -66.3% |
| Total Expense Objects: | \$253,079 | \$333,059 | \$438,530 | \$333,551 | \$376,970 | -14% |

Finance

The Finance Department's primary purpose is to provide the highest quality financial services with integrity and excellence to the City of San Luis residents, City Council, and departments. We are committed to building public trust through delivering timely, accurate, and transparent

financial information, sound financial management, and innovative and effective decision-making while safeguarding the City's assets and ensuring compliance with laws and regulations. The Finance Department is responsible to oversee the Billing and Collections.



The Finance Department provides various financial services to the Council and City staff. Services include fiscal planning, developing and monitoring the annual operating and capital budgets, establishing and monitoring internal controls, preparing the Annual Comprehensive Financial Report, facilitating external audits and independent reviews, and federal grant financial reporting. Other responsibilities include payroll, accounts payable, cash receipts, financial analysis, financial record keeping, and purchasing.

Accomplishments FY 2025

- The City of San Luis Finance Department received the certificate of achievement for excellence reporting. It has been eleven consecutive years that the Finance Department has achieved this distinction.
- Led the successful passage of the City's annual budget in alignment with the City Council's strategic goals and objectives. Maintaining a Financially Sound City Government.
- Coordinated City-wide efforts to apply and administer ARPA grant ensuring compliance and meeting reporting deadlines.

- Spearheaded research of investment agencies and investment policy development, submitting a recommendation to the administration.
- Completing the annual audit for Fiscal Year 2024 with no findings was another major milestone. This accomplishment underscores our department's dedication to maintaining rigorous standards of financial accuracy and compliance. An audit without findings indicates that our financial statements are free of misstatements
- Achieved Procurement compliance by reducing after-the-fact purchase instances in the year. Auditors commended the team for the hard work of the Finance Department to reach this goal.
- Completed a long-term financial strategic plan to fund the growth of the City for the next ten years.
- Achieved full compliance with ARPA funds reporting and monitoring by Q4 FY 2025, ensuring adherence to all deadlines and guidelines.
- Received the GFOA Distinguished Budget Presentation Award by the end of FY 2025 for preparing a comprehensive budget that serves as a policy document, financial plan, operations guide, and communication tool.
- Completed the annual physical inventory of the City's assets ensuring 100% accuracy, with progress evaluated through inventory audits and updated records.
- Successfully submitted and passed the Home Rule Option through a public vote, securing continued local control over City revenues and expenditures. This initiative reinforces the City's commitment to fiscal autonomy and responsive governance.
- Implemented the Receipt of Goods (ROG) module within the New World System (NWS) and provided comprehensive training to end-users, improving purchasing efficiency and ensuring accurate financial tracking across departments.
- Coordinated and completed HIPAA training through PWW Advisory Group, enhancing staff awareness and compliance with federal health information privacy standards.

Goals & Objectives FY 2026



Growth & Public Service

Goal: "Enhance operational efficiency and ensure transparent, effective public service delivery through modernized financial management."

- Transition P-Card administration to a fully paperless process, enabling end-users to approve transactions directly within the Bank of America Works application. This initiative will ensure all transactions are posted within five business days in the New World System (NWS), promoting real-time financial reporting and increased accountability.
- Implement a comprehensive Procurement and Contract Management software system to modernize and streamline procurement operations across the City. This enhancement will support improved vendor management, contract oversight, and process transparency.



Economy

Goal: "Strengthen the City's economic foundation by enhancing financial transparency, compliance, and reporting accuracy."

- Achieve the GFOA Certification for Excellence in Financial Reporting by Q3 FY 2026, with success tracked through the accurate and transparent production of financial reports.
- Obtain the GFOA Distinguished Budget Presentation Award by the end of FY 2026, by preparing a comprehensive budget that serves as a policy document, financial plan, operations guide, and communication tool.



Financial Sustainability

Goal: "Promote long-term financial sustainability by implementing strategic financial policies and transitioning to modernized, paperless processes."

- Develop a comprehensive Debt Management Policy by Q3 FY 2026 to guide future debt issuance practices.
- Update the long-term financial strategic plan by Q4 FY 2026, aligning with growth priorities and securing funding for City expansion over the next 10 year.

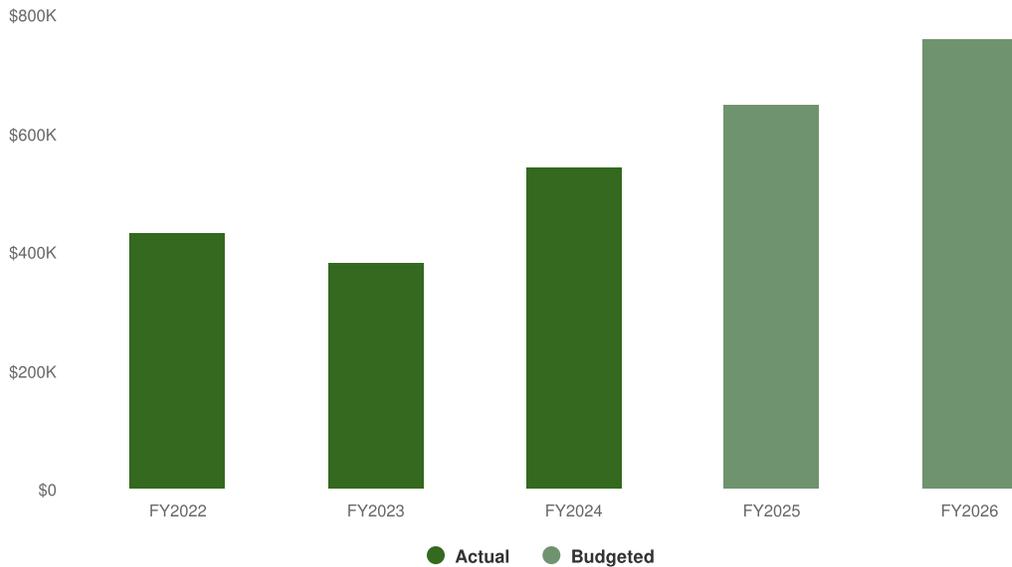
| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|--|----------------|-------------------|------------------|
| COMPLIANCE WITH PROCUREMENT CODE | COMPLIANT | COMPLIANT | COMPLIANT |
| COMPLIANCE WITH STATE BUDGET LAWS | COMPLIANT | COMPLIANT | COMPLIANT |
| RECEIVED "CLEAN" AUDIT OPINION FROM INDEPENDENT CPA FIRM | YES | YES | YES |

Expenditure Summary

The graph below illustrates the expenditures for the Finance Department over the past four years. For FY 2026, the Finance Department has budgeted \$759,280, reflecting an increase of \$109,860 compared to the previous fiscal year. This increase is primarily due to two position reclassifications, one Accounting Specialist to Accounting Analyst and one Accountant I to Accountant II, as well as the citywide salary adjustment applied across all departments. Additionally, there is a significant increase of 196.5% in maintenance costs, mainly attributed to software support and the purchase of OpenGov, a new procurement software designed to streamline contracts and bids.

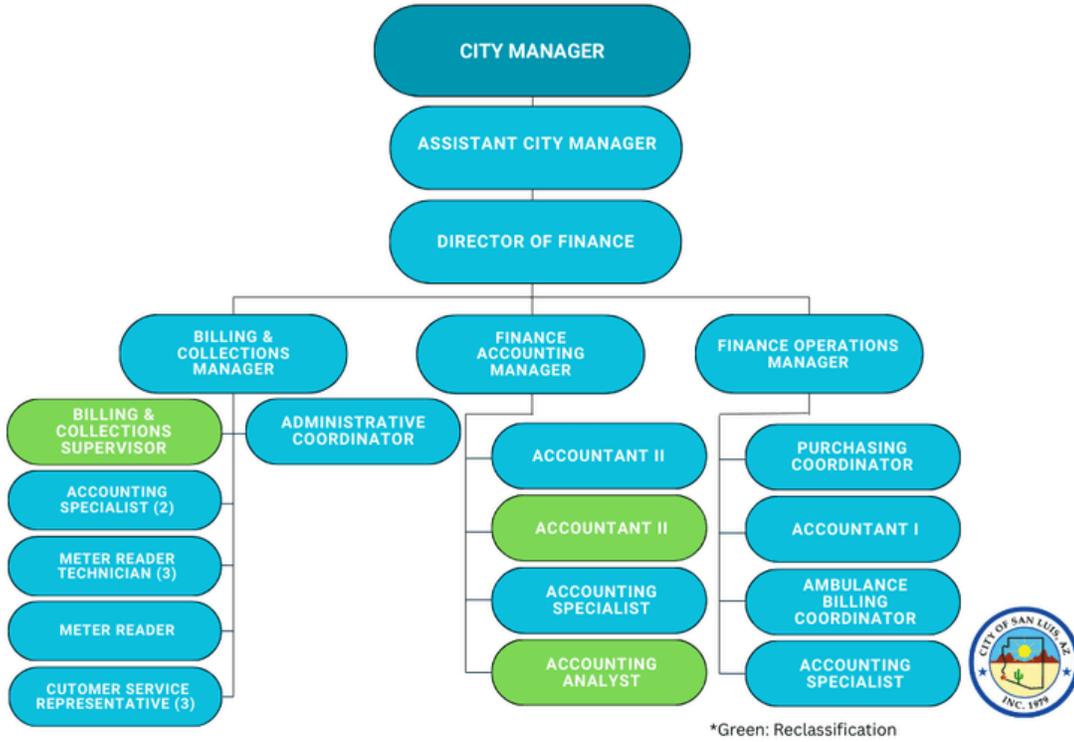
\$759,280 **\$109,860**
(16.92% vs. prior year)

Finance Proposed and Historical Budget vs. Actual



Organizational Chart

FINANCE



Personnel Changes

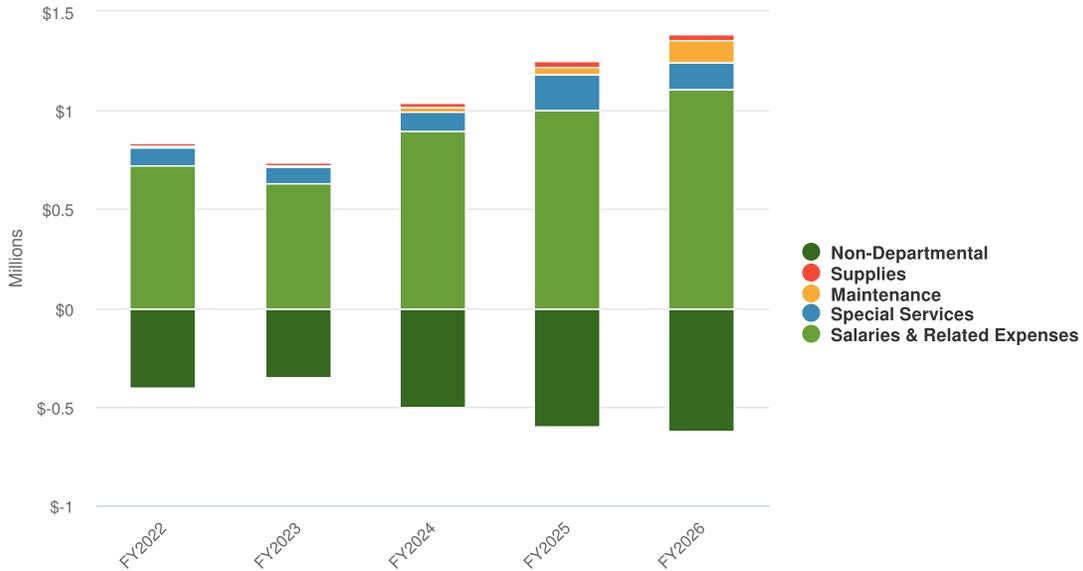
The chart below will display the Finance Department's summary schedule for the past three fiscal years. In FY 2026, the department will implement two reclassifications, one Accounting Specialist will be reclassified to Accounting Analyst, and one Accountant I will be reclassified to Accountant II. These adjustments are intended to align job responsibilities with current departmental needs and to strengthen the Finance Department's ability to support the city's growing financial operations.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|--|-------------------|--------------------|----------------------|----------------------|---------------------------------|
| Full-time Equivalents (FTE) | 10 | 10.5 | 11.5 | 11.5 | 0 |
| % of city's FTEs | | | | 2.97% | |
| Authorized Personnel/Positions: | | | | | |
| Title | 2022-2023 | 2023-2024 | Current 2024-2025 | Request 2025-2026 | Changes 2025-2026 |
| Purchasing Coordinator | 1 | 1 | 1 | 1 | 0 |
| Assistant Director of Finance | 1 | 0 | 0 | 0 | 0 |
| Accountant II | 1 | 1 | 1 | 2 | 1 |
| Finance Accounting Manager | 1 | 1 | 1 | 1 | 0 |
| Finance Operations Manager | 1 | 1 | 1 | 1 | 0 |
| Director of Finance | 1 | 1 | 1 | 1 | 0 |
| Accounting Specialist | 2 | 2 | 3 | 2 | -1 |
| Accounting Analyst | 0 | 0 | 0 | 1 | 1 |
| Ambulance Billing Coordinator | 0 | 0.5 | 0.5 | 0.5 | 0 |
| Administrative Coordinator | 1 | 1 | 1 | 1 | 0 |
| Accountant I | 1 | 2 | 2 | 1 | -1 |
| Total | 10 | 10.5 | 11.5 | 11.5 | 0 |

EXPENDITURES BY EXPENSE TYPE

Budgeted and Historical Expenditures by Expense Type



The following table presents Finance Department expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$630,529 | \$894,272 | \$1,003,020 | \$956,759 | \$1,104,170 | 10.1% |
| Supplies | \$13,773 | \$23,113 | \$24,050 | \$19,606 | \$26,020 | 8.2% |
| Maintenance | \$5,066 | \$22,795 | \$38,200 | \$24,701 | \$113,250 | 196.5% |
| Special Services | \$85,736 | \$103,656 | \$182,170 | \$120,612 | \$140,070 | -23.1% |
| Non-Departmental | -\$352,408 | -\$499,944 | -\$598,020 | -\$537,731 | -\$624,230 | 4.4% |
| Total Expense Objects: | \$382,696 | \$543,892 | \$649,420 | \$583,947 | \$759,280 | 16.9% |

Billing and Collections

The Billing & Collections Department's staff provides an exceptional and professional quality customer service to all San Luis residents and visitors.

The department makes every effort to provide and maintain professional practices, accounting standards, and accurate data entry for all city customers. The department endeavors to provide efficient office support to city departments and divisions acting as a centralized customer service center for most inquiries regarding the city services such as water, wastewater, and solid waste.



Accomplishments FY 2025

- As our old online payment portal was no longer supported by NWS, we created a new online payment portal using XpressBillPay.
- Incorporated a QR code on our license renewal notices. The QR code provides instant access and convenience for our customers.
- Created an online water utility service application form to improve customer service by providing more flexibility and accessibility to customers when establishing their services.
- Completed the meter and mxu replacement phase of our Advanced Metering Infrastructure (AMI) Implementation Program project.
- We created a total of 521 new construction utility accounts. This was an increase of 209 new accounts compared to last year.
- Implemented the third fee increase for our utilities.

Goals & Objectives FY 2026

Growth & Public Service

Goal: "Enhance the quality of life for residents by improving customer service, utility access, and business licensing processes."

- Continue providing timely and accurate customer service throughout FY 2026, ensuring that 98% of resident inquiries are addressed within 24 hours.
- By the beginning of Q3 FY 2026, our AMI customer portal should be accessible to residents to be able to monitor their water consumption.
- Integrate an online form for customers to be able to submit their business license application online by Q2 FY 2026.

Economy

Goal: "Support economic development by streamlining business licensing processes and infrastructure improvements."

- Collaborate with the Communications Division and Legal to evaluate the possibility of promoting new licensed businesses.
- Reduce manual reads to 2% by Q2 FY 2026, allowing more efficiency and faster billing process.

Financial Sustainability

Goal: "Ensure the financial health of the City by implementing cost-effective solutions in utilities and business licensing."

- Review the current business license process and study the possibility of incorporating an application fee by the end of Q3 FY 2026.
- Update the current business license renewal process by the end of Q1 FY 2026. This new renewal process will have the delinquent fee be applied by the beginning of Q3 FY 2026.

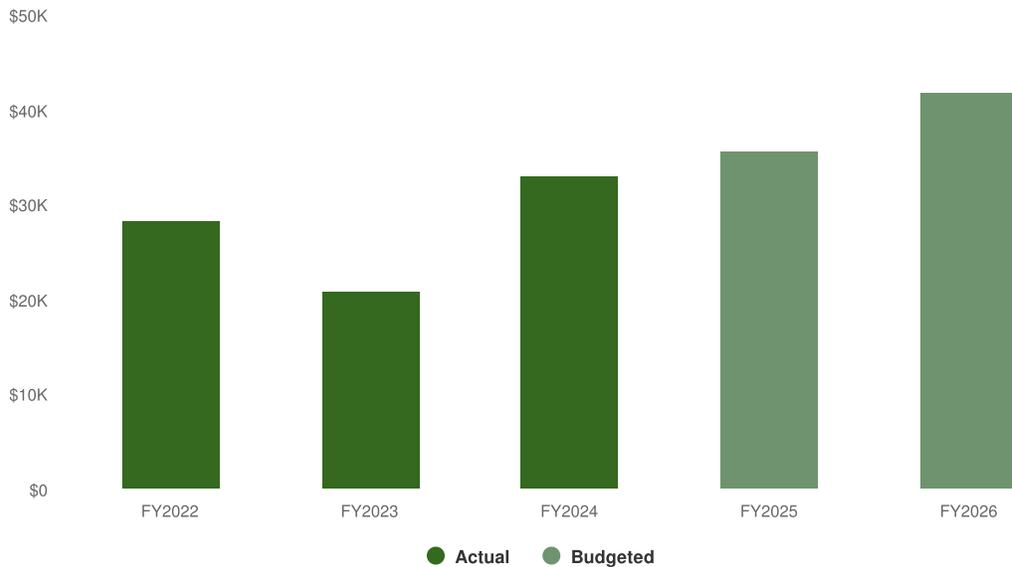
| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|---|----------------|-------------------|------------------|
| BILLING ACCURACY AND EFFICIENCY: PERCENTAGE OF ACCURATE WATER BILLS GENERATED, WITH ERRORS MINIMIZED | 100% | 100% | 100% |
| PERCENTAGE OF DELINQUENT ACCOUNTS RESOLVED | 81% | 81% | 83% |
| COMPLIANCE WITH REGULATORY REQUIREMENTS ENSURING THE DEPARTMENT COMPLIES WITH LOCAL, STATE AND FEDERAL REGULATIONS CONCERNING UTILITY BILLING AND COLLECTIONS | 100% | 100% | 100% |
| DEPARTMENT'S PROGRESS IN REDUCING MANUAL METER READINGS BY SHIFTING TO AMI SYSTEMS | 90% | 95% | 98% |
| PAYMENT PROFICIENCY: PERCENTAGE OF PAYMENTS MADE THROUGH ONLINE OR AUTOMATED PAYMENT SYSTEMS | 70% | 73% | 73% |

Expenditure Summary

The graph below depicts the expenditures for the Billings & Collections Department over the past four years. For the current fiscal year, the Billings & Collections Department has budgeted \$41,820, reflecting an increase of \$6,095 compared to the previous year. This increase is primarily due to the salary adjustment that applies across all City Departments, as well as contractual services and software support costs due to the new advanced metering infrastructure project, which required funding for the new software that will be used to collect, manage, and interpret data from its smart infrastructure.

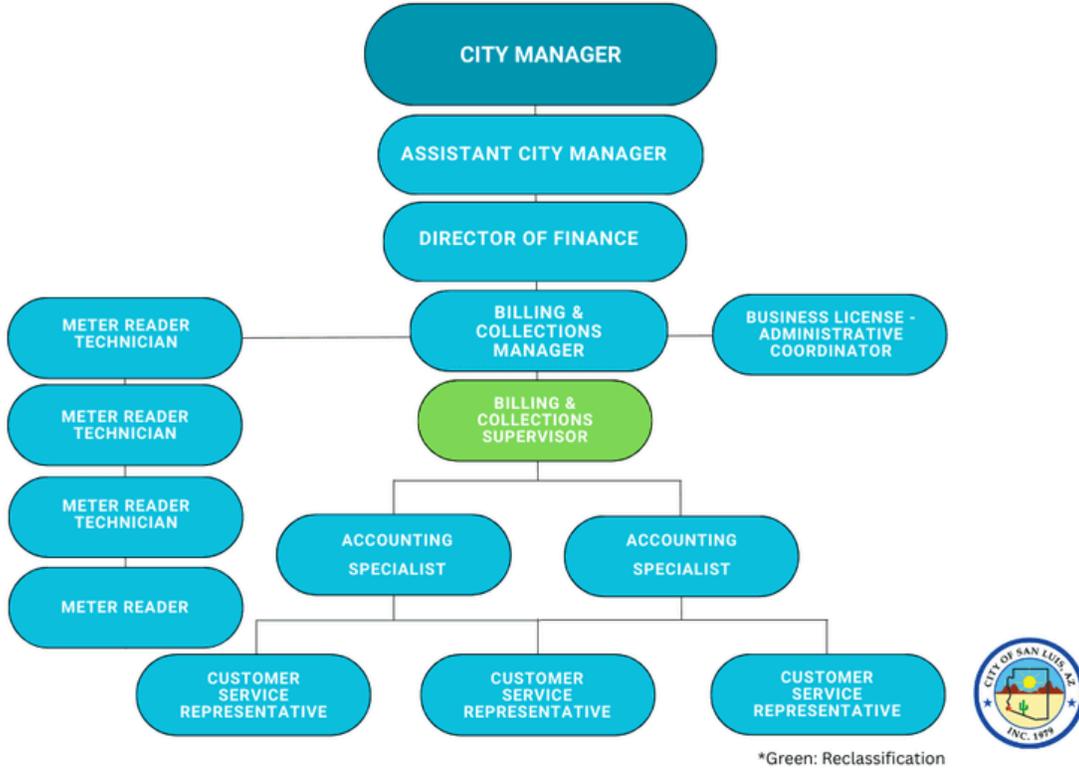
\$41,820 \$6,095
(17.06% vs. prior year)

Billings & Collections Proposed and Historical Budget vs. Actual



Organizational Chart

BILLING & COLLECTIONS



Personnel Changes

The chart below will display the Billing and Collections Department's staff summary schedule for the past three fiscal years. In FY 2026, the department will remain fully staffed, with one reclassification from Administrative Coordinator to Billing & Collections Supervisor. This change carries no fiscal impact and will strengthen oversight while continuing to ensure that the growing workload from the city's expanding utility accounts is managed effectively and efficiently.

Staff Summary Schedule

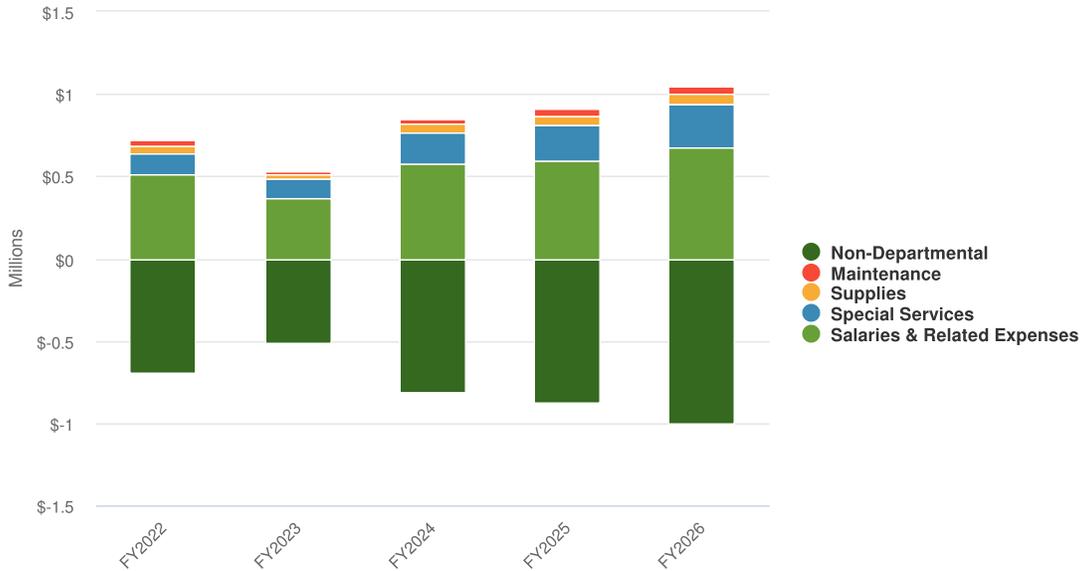
| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|---------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|
|---------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|

| | | | | | |
|-----------------------------|----|----|----|-------|---|
| Full-time Equivalents (FTE) | 10 | 11 | 11 | 11 | 0 |
| % of city's FTEs | | | | 2.84% | |

| Authorized Personnel/Positions: | | | Current | Request | Changes |
|--|-----------|-----------|-----------|-----------|-----------|
| Title | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 | 2025-2026 |
| Accounting Specialist | 2 | 2 | 2 | 2 | 0 |
| Meter Reader Technician | 1 | 3 | 3 | 3 | 0 |
| Meter Reader | 2 | 1 | 1 | 1 | 0 |
| Billing & Collection Manager | 1 | 1 | 1 | 1 | 0 |
| Customer Service Representative | 3 | 3 | 3 | 3 | 0 |
| Billing & Collection Supervisor | 0 | 0 | 0 | 1 | 1 |
| Administrative Coordinator | 1 | 1 | 1 | 0 | -1 |
| Total | 10 | 11 | 11 | 11 | 0 |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents Billings & Collections expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|-----------------|-----------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$369,482 | \$579,377 | \$597,180 | \$606,946 | \$672,290 | 12.6% |
| Supplies | \$32,505 | \$53,708 | \$58,250 | \$52,264 | \$66,450 | 14.1% |
| Maintenance | \$18,625 | \$21,194 | \$43,600 | \$25,839 | \$39,930 | -8.4% |
| Special Services | \$113,981 | \$190,234 | \$212,680 | \$203,603 | \$267,130 | 25.6% |
| Non-Departmental | -\$513,649 | -\$810,829 | -\$875,985 | -\$853,850 | -\$1,003,980 | 14.6% |
| Total Expense Objects: | \$20,945 | \$33,683 | \$35,725 | \$34,802 | \$41,820 | 17.1% |

Human Resources

The Human Resources department supports the City's goals by recruiting, developing and sustaining a diverse, talented and engaged workforce.

The City of San Luis Human Resources staff uses the best available values, theories, strategies, and techniques of behavioral and information science and organizational theory to provide integrated human services to the San Luis community.



The department strives to assist the City employees with the management of its work settings and organizational visions to improve its ability current and future work environments. The department assists the City staff with implementing the cognitive, emotional, and behavioral changes necessary to remain on the cutting edge of innovation.

The department also provides human services through education and training, counseling, career management, and consulting; utilizes cost effective strategies, works to enable the City to best utilize the knowledge, skills, and abilities of its diverse staff.

Accomplishments FY 2025

◦ Benefits Administration

- Researched emerging trends in Employee Health Benefits
 - Parental Leave – 70% completed
 - Adjusted Benefits Strategies to meet diverse needs
 - Conducted and evaluated Employee Wellness interests (survey).
 - Implemented In-house Wellness program.
 - Added Dental Implants Coverage.

In-house Processing of Annual Reporting previously done by TPA

- GAG Clause Attestation
- Medicare Part D Disclosure to CMS
- Prescription Drug Reporting
- **Training & Development**
 - Implemented Management Training Program
 - Implementation of Arizona State University off-campus work study program
 - Training Needs Assessment – 75% completed
 - Developed In-house Training including Management, Communication skills, Conflict resolutions, productivity & performance, bridging generation gap, Professional etiquette, Customer Services
- **Continuous Process Improvements**
 - HR Website design: 50% completed
 - Successfully applied and fully implemented the NEOGOV Perform Module
- **Compliance Adherence**
 - Human Resources Policy Manual: 15% completed
- **Talent Acquisition**
 - Developed Partnership with SLHS Career Technical Education Program
 - Implementation of strategic networking in Recruitment: 10% completed
 - Enhanced Talent Retention (reduced turnover by 0.27%)
- **Classification & Compensation**
 - Developed and successfully applied strategies for salary market adjustments and a longevity plan, implementing salary competitiveness at 97.5% of the market along with a longevity plan to recognize seniority for employees already at market rate.

Goals & Objectives FY 2026

Growth & Public Service

Goal: "Enhance workforce efficiency and employee engagement through training, development, and effective benefits administration."

- Complete a citywide succession plan that identifies potential leaders and critical roles by the end of FY2026.
- Complete a comprehensive training needs assessment for all City departments by June 30, 2026, reaching 100% completion
- Throughout FY2026, continue providing NEOGOV Perform Module training as needed and ensure all new employees receive this training.
- Develop new HR business process guides before the close of FY2026.
- Achieve 70% completion of the HR website by June 30, 2026, with continuous improvements planned beyond this milestone.
- Achieve 100% implementation of strategic networking in recruitment practices this fiscal year, while continuously enhancing employee retention efforts throughout the fiscal year.

Economy

Goal: "Improve employee retention and productivity through strategic recruitment, competitive compensation, and ongoing compliance."

- Review and report on the effectiveness of the Third-Party Claims Administrator by early FY2026.
- Strengthen U.S. and Mexico benefits networks by mid-2026 to improve access and reduce costs.
- Research and recommend a new benefits enrollment platform before the third quarter of FY2026.
- Expand the Benefits Position Desk Manual from 10% to 50% completion by year-end.

Goal: "Ensure financial stability by optimizing employee compensation and continuously improving HR processes."

- Finalize the Human Resources Policy Manual, 70% complete, and distribute the updated version in FY2027.
- Conduct internal HR audits twice per fiscal year, using the developed process, to ensure strict adherence to policies, procedures, and laws by the end of the fiscal year.
- Use annual reviews to ensure long-term equity and sustainability following the completed city-wide salary study, while continuously reviewing positions, making salary adjustments and step increases as needed, and researching salary adjustment studies by the end of the second quarter of this fiscal year.

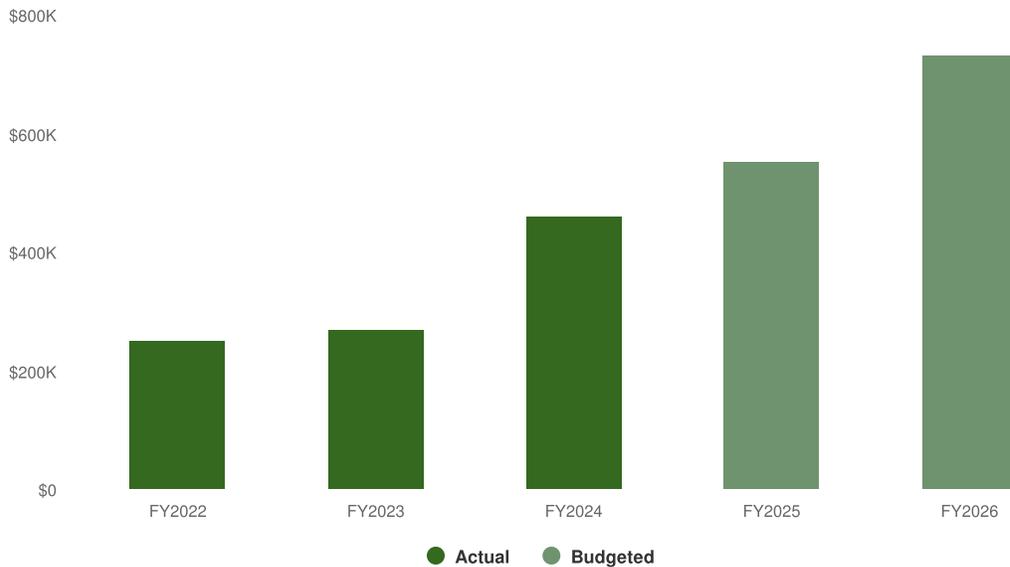
| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|---|----------------|-------------------|------------------|
| TALENT ACQUISITION ATTRACTION INDEX | 54.8 | 57.3 | 58.6 |
| WELLNESS ENGAGEMENT | 19% | 24% | 29% |
| EMPLOYEE RETENTION RATE | 86% | 81% | 85% |
| ACTUAL VS PLANNED HEADCOUNT | 91% | 92% | 89% |
| EMPLOYEE TRAINING HOURS | 481 | 1178.43 | 1400 |
| EMPLOYEE PERFORMANCE SCORE AVERAGE | 3.3 | 3.36 | 3.5 |
| PERFORMANCE EVALUATION COMPLIANCE RATE | 42% | 54% | 65% |
| EMPLOYEES AT THE BEGINNING OF MARKET PAY RATE | 70% | 97.5% | 100% |

Expenditure Summary

The graph below shows the Human Resources Department's expenditures for the past four years. For the current fiscal year, the Human Resources Department has budgeted \$733,140, an increase of \$179,190 compared to the previous year. This rise is mainly due to three position reclassifications to better support the department's growing needs. Additionally, there has been a significant increase in supplies, reflecting expenses related to office supplies and dues/subscriptions.

\$733,140 **\$179,190**
(32.35% vs. prior year)

Human Resources Proposed and Historical Budget vs. Actual



Organizational Chart

HUMAN RESOURCES



Personnel Changes

The following graph illustrates the summary schedule of the Human Resources staff over the past three fiscal years. In FY 2026, there will be no personnel changes within the Human Resources Department. The current staffing structure will remain in place to continue supporting HR programs, employee services, and departmental oversight effectively and efficiently. It is worth noting that during FY 2025, one HR Coordinator position was reclassified to an HR Generalist to better align with departmental needs.

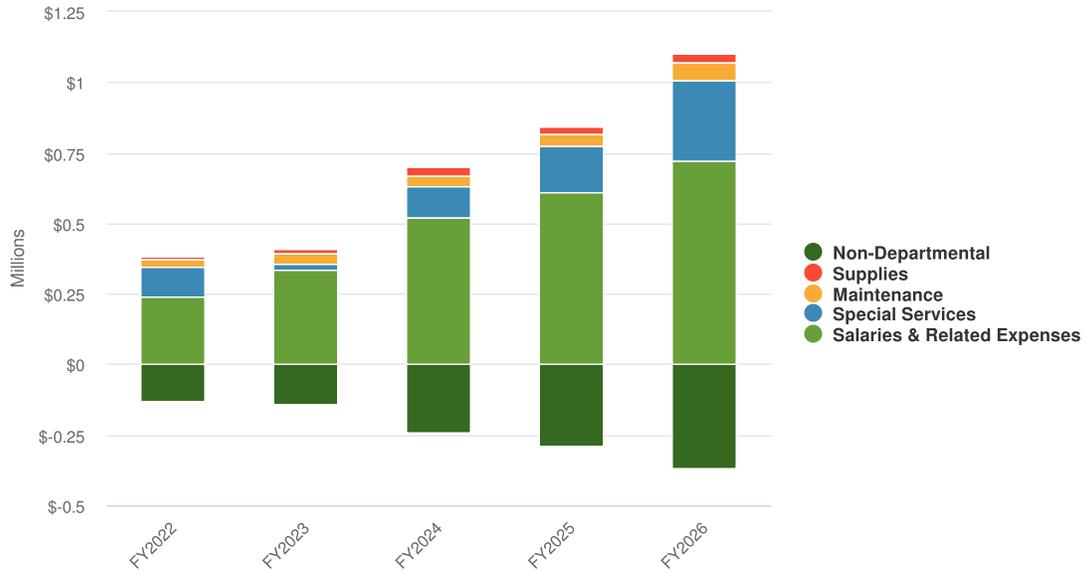
Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|-----------------------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|
| Full-time Equivalents (FTE) | 7 | 8 | 8 | 8 | 0 |
| % of city's FTEs | | | | 2.07% | |

| Authorized Personnel/Positions: | | | Current | Request | Changes |
|--|-----------|-----------|-----------|-----------|-----------|
| Title | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 | 2025-2026 |
| HR Technician | 1 | 1 | 0 | 0 | 0 |
| HR Assistant | 0 | 0 | 1 | 1 | 0 |
| Director of Human Resources | 1 | 1 | 1 | 1 | 0 |
| HR Analyst | 1 | 1 | 1 | 1 | 0 |
| Human Resources Manager | 0 | 1 | 1 | 1 | 0 |
| Human Resources Generalist | 0 | 0 | 1 | 1 | 0 |
| Human Resources Coordinator | 4 | 4 | 3 | 3 | 0 |
| Total | <u>7</u> | <u>8</u> | <u>8</u> | <u>8</u> | <u>0</u> |

Expenditures by Expense Types

Budgeted and Historical Expenditures by Expense Type



The following table presents Human Resources Department expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$332,773 | \$522,551 | \$608,950 | \$574,666 | \$721,780 | 18.5% |
| Supplies | \$17,106 | \$30,888 | \$25,550 | \$17,073 | \$30,210 | 18.2% |
| Maintenance | \$35,581 | \$39,071 | \$39,730 | \$35,978 | \$63,380 | 59.5% |
| Special Services | \$24,349 | \$106,963 | \$166,500 | \$82,531 | \$287,320 | 72.6% |
| Non-Departmental | -\$139,788 | -\$238,413 | -\$286,780 | -\$242,269 | -\$369,550 | 28.9% |
| Total Expense Objects: | \$270,020 | \$461,060 | \$553,950 | \$467,978 | \$733,140 | 32.3% |

Risk and Property Management

The Risk Management Department recognizes its role of stewardship over the resources of the City, both human and property. The department works to ensure the safety of its employees, staff, and the public while providing maximum protection to prevent financial loss of city property. Each department director of the City has a responsibility of reviewing his/her own activity with these risk management goals in mind.



Whenever a department may appear to be in jeopardy, the department director must report the concern to either management or the Risk Management Department. Specific focus areas include:

- Environmental health
- Occupational safety
- Property loss including personal and real property
- Safety policies and procedures

Risk Management supervises programs in the areas of employee safety, loss prevention, property and casualty. The department minimizes dollar losses through planning, organizing, directing, and controlling resources and activities in the city.

Risk Management also provides investigative services on claims arising out of automobile liability and general liability and monitors Workers' Compensation and related legal expenditures being handled by a third-party administrator.

The City of San Luis team has made it a goal to set up new working processes to be able to continue to provide high quality services to City of San Luis residents and organizations.

Accomplishments FY 2025

- The employer must maintain a record of serious work-related injuries and illnesses and report specific qualifying events. This data helps employers, employees, and OSHA assess workplace safety, identify industry hazards, and implement protective measures to minimize and eliminate risks.
- On an annual basis, Risk Management handles the renewal of insurance policies for: fireworks, home healthcare, general liability, auto, inland marine, workers' compensation, property, excess, transportation (senior center), K9 PD, Community Facilities Districts, Municipal Property Corporations, and the Industrial Development Authority.
- Completed 52 safety walkthroughs and 26 additional special inspections, including Parks Retention areas and AZ Smoke Free Act Inspections. Conducting safety inspections is crucial for identifying potential hazards, ensuring regulatory compliance, preventing accidents, and maintaining a safe work environment for employees.
- Quarterly health and safety inspections have been conducted with assistance from the OSHA PEPP Program Inspector. This partnership has helped ensure our compliance with safety standards throughout the organization while raising employee safety awareness. This year, in collaboration with OSHA representatives, we completed eight visits/inspections across various city buildings.
- In July 2024, Risk Management introduced a new hire safety orientation to enhance safety awareness and review key safety policies. The presentation includes detailed information on accident reporting and the procedures to follow in the event of a work-related injury. This orientation ensures new employees understand legal and regulatory safety requirements, while reinforcing the City's commitment to safety and encouraging employees to prioritize it in their daily tasks.
- Starting in April 2024, the New Monthly Safety Toolbox Talks were introduced. These talks are essential for employers to raise awareness of hazards, prevent accidents, ensure regulatory compliance, foster communication, promote a safety culture, and reinforce safety knowledge, ultimately leading to a safer work environment and enhanced productivity.
- In the current fiscal year, 31 in-person safety training sessions were conducted, either in-house or by external contractors, with an excellent turnout of 841 attendees. A total of 31 safety topics were covered throughout the year. Providing safety training is crucial to help employees understand workplace risks, prevent accidents, follow safety protocols, and effectively respond in emergencies, ultimately fostering a safer work environment and reducing injuries.

- A total of 63 hazard assessments have been completed across the City. Conducting these assessments is essential to identify potential risks, prioritize safety measures, and prevent accidents, ensuring the safety of the city, its employees, and the public, while also maintaining compliance with safety regulations.
- As of January 2025, Risk Management has reinstated the online safety training plan through the Safe Personnel Online Portal. This training plan is crucial for skill development, ensuring safety compliance, boosting productivity, improving performance, and supporting talent retention.
- In March 2025, we successfully filled the full-time Administrative Assistant position for the Risk Management Division. This addition will significantly improve efficiency and organization within the team, allowing management to concentrate on critical tasks such as identifying and mitigating risks, developing safety programs, and ensuring compliance.
- In collaboration with Facilities and Administration, we have conducted safety walkthroughs over the past two years, offering guidance and feedback to departments regarding their building safety conditions. During these walkthroughs, we identify potential hazards in the workplace, enabling proactive measures to mitigate risks before accidents happen. These inspections ensure compliance with safety regulations and standards, helping us avoid legal penalties or fines. By addressing safety concerns promptly, inspections greatly reduce the likelihood of accidents and injuries, while also fostering a culture of safety by raising employee awareness of potential risks and safe practices.
- Risk has implemented a heat awareness program across the organization to protect employees from heat-related illnesses during hot weather. This program raises awareness of the signs and symptoms of heat stress. By establishing and enforcing this initiative, it will help improve productivity, as the organization will be better equipped to manage work during the hotter months.
- **Goals & Objectives FY 2026**



Growth & Public Service

Goal: "Ensure a safe and compliant work environment by enhancing risk management strategies and safety programs to protect employees and reduce workplace hazards."

- Maintain a city-wide Safety Training Program on a continuous basis, ensuring all new employees complete the required safety training as part of onboarding, with the goal of reducing reported workplace incidents by 30%. The program is fully implemented and currently at 65% completion.

- Establish a Safety Inspection/Hazard Assessment Program by Q1 FY 2026, conducting quarterly assessments to identify and mitigate potential hazards, with a target of reducing workplace injuries by 30%. Risk Management has established a hazard assessment program and has placed it in practice.

Economy

Goal: "Enhance operational efficiency by improving compliance with federal and state safety regulations and optimizing the city's insurance and risk management processes."

- Standardize city contract insurance requirements throughout the fiscal year, simplifying processes across all departments and lowering administrative costs with the introduction of the Certificate of Insurance Online Program. The goal is to complete implementation by Q4 of FY26.
- Continue to address all OSHA PEPP Program inspection findings with full compliance throughout the fiscal year, ensuring a safer work environment and reducing potential liabilities. The city has been a member of the OSHA PEPP Program since 2019, and significant progress and compliance have been achieved across all city departments.
- Complete the implementation of written safety programs and policies throughout the fiscal year to ensure compliance with safety regulations and reduce workers' compensation costs. The project is currently 50% complete and remains ongoing, as new safety needs may arise, and continuous review is necessary.

Financial Sustainability

Goal: Strengthen organizational safety and risk management by implementing comprehensive safety protocols and regular training for all employees while maintaining thorough oversight of city insurance policies and property inventories. This integrated approach will reduce workplace incidents, minimize potential claims costs, and ensure assets are properly documented and safeguarded, supporting both employee well-being and financial stability.

- Oversee the city's insurance policies, including auto, property, and liability, by conducting annual reviews to ensure full compliance with Arizona Municipal Risk Retention Pool Insurance requirements by the end of the fiscal year. Additionally, provide ongoing annual reviews as part of the policy renewal process.
- In collaboration with Finance Personnel, to ensure proper management of the city's auto and asset inventory by implementing an annual audit process by the end of the fiscal year. This process is continuous and reviewed annually.
- Continue overseeing Workers' Compensation and other insurance policies to keep premium increases under 8% annually through continuous risk management practices.

Enhance risk identification processes, optimize risk mitigation strategies, increase risk management awareness, improve compliance with regulatory requirements, enhance reporting of near-miss incidents, improve safety training compliance, and reduce worker’s compensation claims. Key performance measures for these objectives are indicated in the chart below.

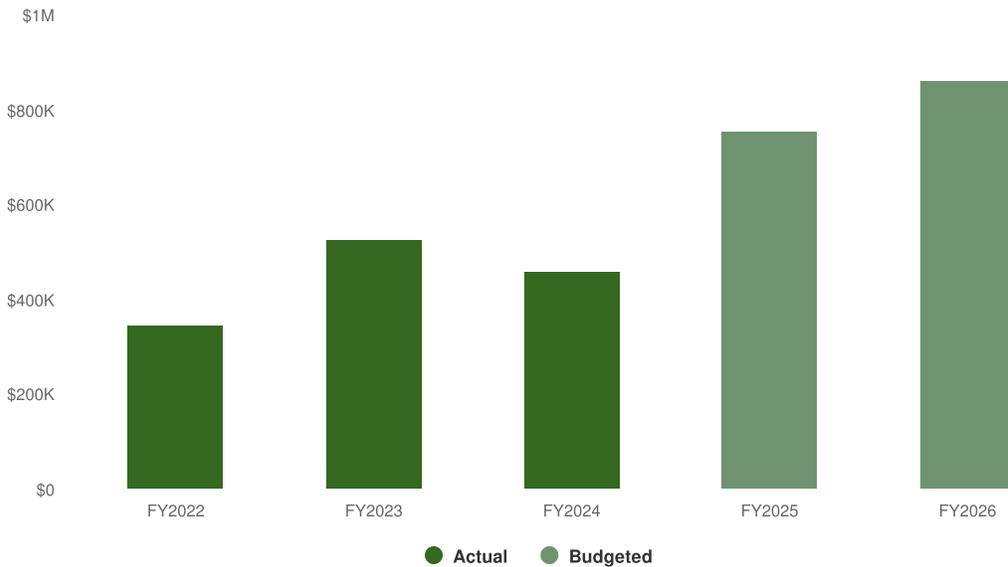
| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|---|----------------|-------------------|------------------|
| TOTAL NUMBER OF CASES | 21 | 23 | 20 |
| LOST TIME INJURIES | 11 | 13 | 8 |
| NUMBER OF CASES WITH JOB TRANSFER | 6 | 6 | 6 |
| NUMBER OF OTHER RECORDABLE CASES | 4 | 2 | 4 |
| TOTAL NUMBR DAYS AWAY FROM WORK | 330 | 260 | 287 |
| TOTAL NUMBER OF DAYS OF JOS TRANSFER OR RESTRICTION | 557 | 378 | 289 |

Expenditure Summary

The graph below shows the expenditures for the Risk & Property Management Division for the past four years. For FY 2026, the Risk & Property Management Division is budgeting \$862,670, which is \$106,955 higher than the previous year. This increase is primarily due to maintenance, where we allocated for liability insurance, as recommended by AMRRP, reflecting a 15.4% increase. We also see a significant rise of 13.4% in non-departmental services for HURF, Water, Waste Water, Solid Waste, Business Incubator, Ambulance Services, and Business Center cost allocation charges, as well as a slight increase in salaries due to the salary adjustment applied across all City departments.

\$862,670 **\$106,955**
(14.15% vs. prior year)

Risk & Property Management Proposed and Historical Budget vs. Actual



Personnel Changes

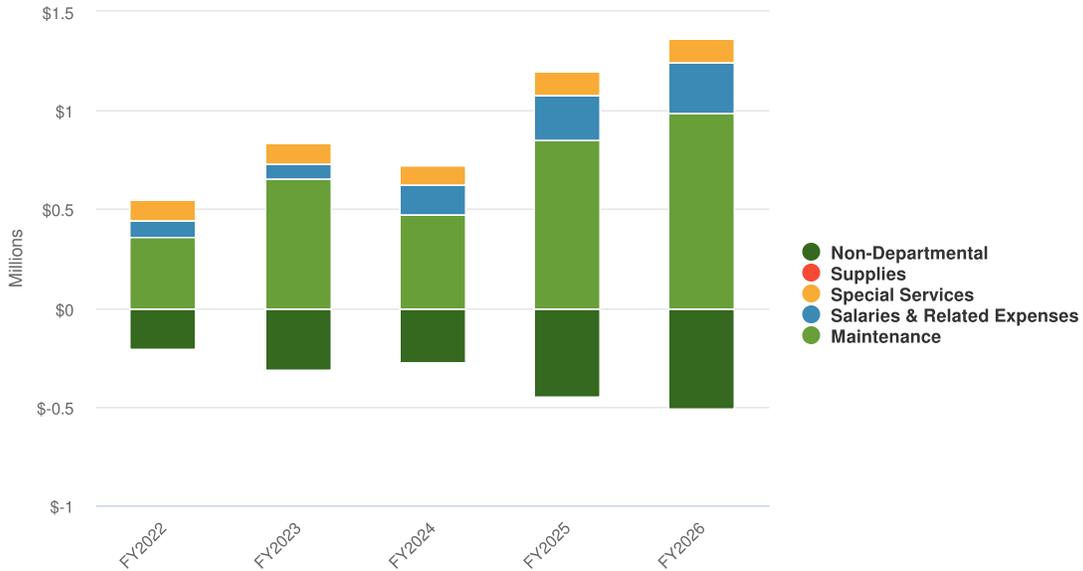
The chart below shows the Risk Management Department's Staff summary schedule for the past three fiscal years. In FY 2026, there will be no personnel changes within the Risk Management Department. The current staffing structure will remain in place, allowing the department to continue operating effectively while supporting compliance, implementing safety policies, managing insurance coverage, and coordinating training programs to meet the city's risk management needs.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|--|-------------------|--------------------|------------------------------|------------------------------|---------------------------------|
| Full-time Equivalents (FTE) | 1 | 2.5 | 3 | 3 | 0 |
| % of city's FTEs | | | | 0.77% | |
| Authorized Personnel/Positions: | | | | | |
| <u>Title</u> | <u>2022-2023</u> | <u>2023-2024</u> | <u>Current 2024-2025</u> | <u>Request 2025-2026</u> | <u>Changes 2025-2026</u> |
| Office Assistant | 0 | 0.5 | 0 | 0 | 0 |
| Administrative Assistant | 0 | 0 | 1 | 1 | 0 |
| Safety Officer | 0 | 1 | 1 | 1 | 0 |
| Risk Manager | 1 | 1 | 1 | 1 | 0 |
| Total | <u>1</u> | <u>2.5</u> | <u>3</u> | <u>3</u> | <u>0</u> |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents the Risk & Property Management Division's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$72,735 | \$150,515 | \$223,310 | \$212,639 | \$260,730 | 16.8% |
| Supplies | \$730 | \$6,523 | \$3,940 | \$3,778 | \$4,990 | 26.6% |
| Maintenance | \$653,899 | \$474,278 | \$852,080 | \$866,520 | \$983,480 | 15.4% |
| Special Services | \$106,182 | \$100,272 | \$122,190 | \$104,252 | \$119,050 | -2.6% |
| Non-Departmental | -\$309,273 | -\$271,383 | -\$445,805 | -\$440,485 | -\$505,580 | 13.4% |
| Total Expense Objects: | \$524,274 | \$460,205 | \$755,715 | \$746,703 | \$862,670 | 14.2% |

Development Services

As part of the Development Services Department, the Planning and Zoning Division oversees the implementation of the San Luis General Plan 2040, administration of both the subdivision and zoning regulations, including the processing of a variety of development requests. Additionally, the Division manages all geospatial data and geographic information system (GIS) duties for the city. The division also manages Code Enforcement activities within the city ensuring compliance with various city codes to preserve and promote the health, safety, and welfare of San Luis residents and visitors alike, as well as enhance the quality of life in the community.

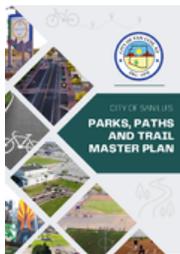


Accomplishments FY 2025

- Updated zoning regulations to incorporate modern development practices and new state legislative changes.
- Reviewing application timeframes to streamline development review processes, reducing application processing times, and improving efficiency.
- Final stages of the City of San Luis Subdivision Regulations update, including stakeholder meetings for feedback, and presented to the Planning and Zoning Commission for approval recommendation.



- Finalized the adoption of the San Luis Parks, Paths, and Trails Master Plan.



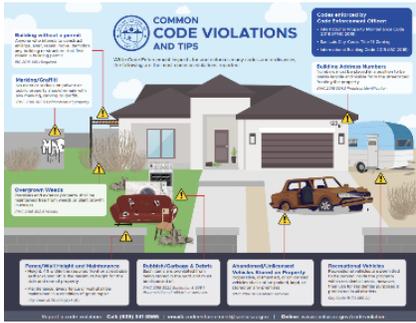
- Facilitate public hearings and community workshops to gather input on future growth and development priorities.
- Provided staff support to the Planning and Zoning Commission, Board of Adjustment, Board of Appeals, and City Council.
- Provided addressing services:
 - Created 505 New Addresses
 - Requested 505 New parcel IDs with Yuma County
 - Added 505 New addresses to our 911 database
 - Added 505 New Addresses to NWS
 - Added 505 New address points to our GIS Database.
- Actively updated the addresses for the 911 Emergency System.
- Created a new address distribution email list that includes 911, Schools, Businesses, Post office, and other municipalities.
- The Subdivision Map was redesigned to work with our document center. This is a PDF that integrates online with our website through smart links. When you interact with a subdivision, it opens the recorded plat, which we scan in-house and upload to our document center. The public/businesses have access to these recorded subdivision plats with just a click.
- Implemented the new Pre-Development Packet to improve development procedures.
- Actively working with the Licensing Division from the Billing and Collections Department on reviewing applications for the issuance of business licenses to ensure compatibility with city goals.
- Increased our mapping capabilities with Online maps.
- Participated and corrected data in various mapping programs such as Esri Community Maps, Google Maps, and Here Maps.
- Our high accuracy GPS Sewer Data collection project moved completed 90% the collection phase.

We are one step close to create a sewer system map that includes sewage flow direction.

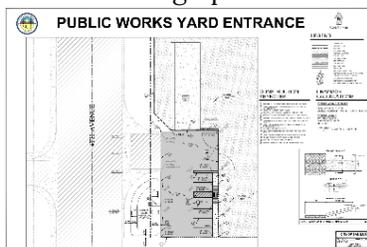
- Created the first interactive webmap for the Clean Up Campaign to better serve residents in finding dates for cleanup through a simple search.



- Processed 360 formal GIS requests and provided 18 address verification letters to residents.
- Hired a new Code Enforcement Officer.
- Code Enforcement Officer obtained the ICC Residential Building Inspector Certification to promote departmental cross-training.
- Proactive and reactive enforcement of violations of the International Property Maintenance Code, International Residential Code, and City Zoning Code.
- Actively worked together with Public Works and the Police Department to reach compliance on specific violations.
- We created a Code enforcement map of cases throughout the city. This map will help us create future projects with code enforcement.
- Opened 244 Code Enforcement Cases and successfully closed 218 cases due to compliance.
- Successfully demolished a burned house, declared unsafe, through the Abatement Process.
- Streamlined the complaint system by consolidating complaint submissions to a single point of contact on our website, making it easier for residents to report code enforcement issues.
- Presentation given to new homeowners regarding the Code Enforcement process in partnership with Building Safety.
- Participated in and helped organize informational booths at city events to educate the public about Code Enforcement.
- Completed a flyer with the most common violations to inform the general public about code violations and promote code enforcement.



- Issued 235 violation notices, 13 citations, 22 red tags, and 22 court appearances.
- Provided the preliminary floor plan design for the City Hall East Wing remodel project to coordinate with different departments, the designer, and the contractor.
- Coordinated with the Facilities Department to generate and provide a dimensional floor plan for the Arnaldo Cordoba Building and the B Street City Building.
- Permit Plan Review for commercial and residential projects has been completed on schedule.
- A total of 12 lot split-lot tie applications were reviewed, approved, and recorded in accordance with City Code.
- A total of 5 rezoning applications were reviewed and approved in accordance with City Code.
- A total of 5 subdivisions (residential and industrial) have been recorded, three approved and waiting for recordation.
- Created and presented 35 agenda items to the City Council, including land use cases and public hearings.
- Adoption of the Land Use Infrastructure Improvement Plan as part of the Development Fees update.
- Started the Annexation of County Islands Project by submitting the blank petition to annex 1,285 acres of federal land into the City.
- Provided support to administration and legal team on different legal cases and proceedings.
- Provided design plans for the Public Works Yard entrance and parking lot.



- Provided support and research to other departments for specific cases and public records requests.
- Participated in the 2025 Land Use Law Update Workshop to keep up to date on new legislative

changes.

- Provided support to the Engineering Department on Engineering Plan Review.
- Sent out over 450 notices to residents to participate in public meetings for entitlements cases.

Goals & Objectives FY 2026

Growth & Public Service

Goal: "Enhance urban planning and community engagement through the adoption and implementation of strategic plans and policies and improve responsiveness to code enforcement."

- Adopt the Downtown Mixed-Use Overlay District Project by Q3 FY 2026, supporting mixed-use development and revitalization efforts.
- Complete and adopt the comprehensive Subdivision Regulations Update by Q2 FY 2026 to streamline development processes and improve land use.
- Initiate the Annexation process for County islands by Q1 FY 2026 to expand city boundaries and services.
- Continue updating city-addressing data and integrating new developments with the 911 Emergency system by Q4 FY 2026 to ensure accurate emergency response.
- Grow mapping capabilities by implementing Online Maps by Q3 FY 2026 to improve accessibility and usability.
- Improve timely response to code enforcement complaints by reducing resolution time throughout the fiscal year.
- Enhance the complaint system by introducing an easier reporting method for residents by Q3 FY 2026.
- Provide proactive outreach and education on code enforcement by distributing a flyer on common violations to 100% of households by Q4 FY 2026.

 **Economy**

Goal: "Support sustainable economic growth through strategic urban planning, efficient development processes, and effective code enforcement."

- Continue administering the San Luis 2040 General Plan by ensuring 100% of its milestones are met on schedule throughout FY 2026.
- Finalize the development of a detailed workflow for the development process by Q2 FY 2026 to improve project efficiency and transparency.
- Improve the complaint system to simplify code issue reporting and increase resident engagement throughout the fiscal year.
- Enforce construction and zoning codes proactively and reactively by increasing compliance inspections throughout the fiscal year.

 **Financial Sustainability**

Goal: "Ensure efficient use of resources and optimize financial performance through streamlined processes and effective policy implementation."

- Adopt and implement the comprehensive Subdivision Regulations Update by Q1 FY 2026 to reduce development costs and streamline approvals.
- Finalize the paperless plan review system by Q4 FY 2026 to reduce administrative costs and enhance efficiency in development processes.
- Continue the Bicycle Lanes Retrofit Program by incorporating bicycle facilities into new projects within FY 2026 to enhance long-term infrastructure investments.

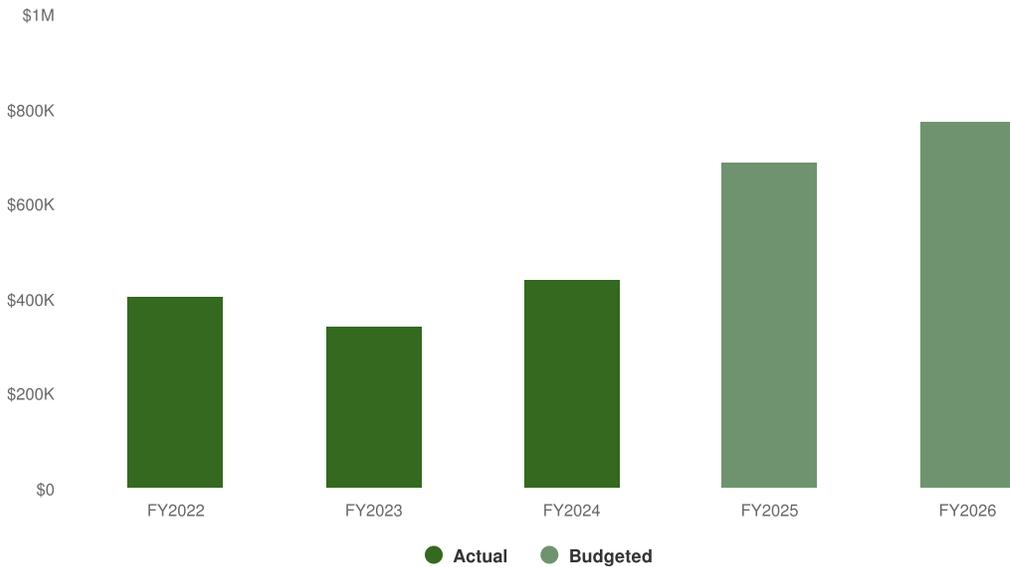
| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|---|----------------|-------------------|------------------|
| CODE ENFORCEMENT CASES CLOSED BY VOLUNTARY COMPLIANCE O COURT ORDER | 100% | 100% | 100% |
| CODE ENFORCEMENT CASES OPENED | 244 | 318 | 340 |
| LAND USE APPLICATIONS PROCESSED WITHIN THE ESTABLISHED TIMEFRAMES | 95% | 100% | 100% |
| PUBLIC OUTREACH EVENTS | 3 | 3 | 3 |
| AVERAGE DAYS FROM SUBDIVISION PLAT APPLICATION TO PLAT RECORDATION | 180 | 180 | 180 |

Expenditure Summary

The Development Services Division has budgeted \$774,030 for FY 2026, representing an increase of \$84,810 compared to the previous fiscal year. The increase is primarily due to higher allocations in special services, including contractual services for the abatement of properties under the Code Enforcement Program and GIS consultant services. Additionally, there is a notable increase in salaries and related expenses, resulting from the city-wide salary adjustment applied to all departments and employees.

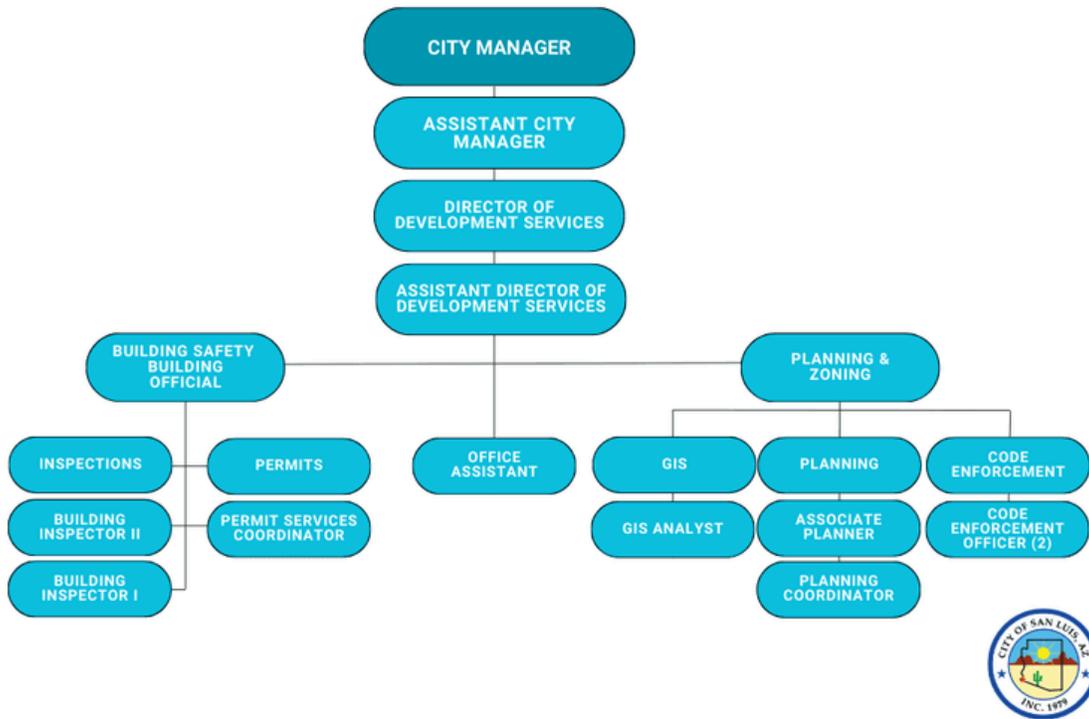
\$774,030 **\$84,810**
(12.31% vs. prior year)

Development Services Proposed and Historical Budget vs. Actual



Organizational Chart

DEVELOPMENT SERVICES



Personnel Changes

The chart below will show the Development Services Department's staff summary schedule for the past three fiscal years. In FY 2026, there will be no personnel changes within the Development Services Department. The current staffing structure will remain intact, allowing the department to continue meeting administrative demands while effectively processing applications, managing permits, and coordinating inspection schedules.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|---------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|
|---------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|

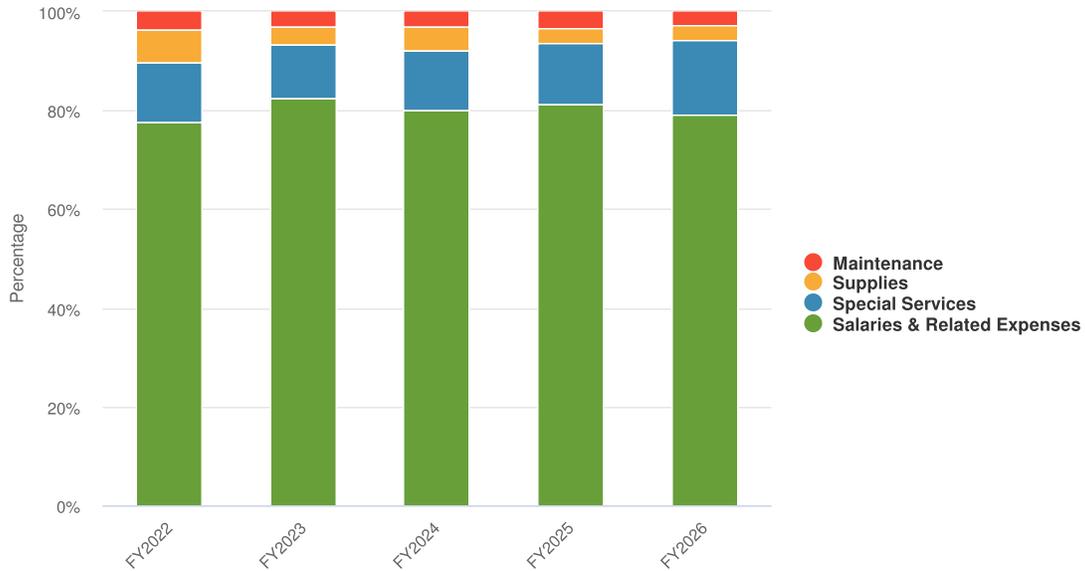
| | | | | | |
|-----------------------------|-----|---|---|-------|---|
| Full-time Equivalents (FTE) | 5.5 | 6 | 7 | 7 | 0 |
| % of city's FTEs | | | | 1.81% | |

Authorized Personnel/Positions:

| Title | 2022-2023 | 2023-2024 | Current 2024-2025 | Request 2025-2026 | Changes 2025-2026 |
|--|------------|-----------|----------------------|----------------------|----------------------|
| Director of Planning & Zoning | 0.5 | 0 | 0 | 0 | 0 |
| Director of Development Services | 0 | 0.5 | 0.5 | 0.5 | 0 |
| Assistant Director of Development Serv | 0 | 0.5 | 0.5 | 0.5 | 0 |
| GIS Analyst | 1 | 1 | 1 | 1 | 0 |
| Code Enforcement Officer | 0.5 | 2 | 2 | 2 | 0 |
| Office Assistant | 0 | 0 | 1 | 1 | 0 |
| Planning Technician | 1 | 0 | 0 | 0 | 0 |
| Planning Coordinator | 0 | 1 | 1 | 1 | 0 |
| Administrative Coordinator | 0.5 | 0 | 0 | 0 | 0 |
| Associate Planner | 1 | 1 | 1 | 1 | 0 |
| Principal Planner | 1 | 0 | 0 | 0 | 0 |
| Total | 5.5 | 6 | 7 | 7 | 0 |

Expenditure by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents the Development Services Division's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$282,621 | \$351,964 | \$560,980 | \$499,670 | \$613,390 | 9.3% |
| Supplies | \$12,547 | \$21,500 | \$21,890 | \$37,349 | \$22,920 | 4.7% |
| Maintenance | \$10,185 | \$12,802 | \$22,480 | \$17,355 | \$21,710 | -3.4% |
| Special Services | \$36,519 | \$53,695 | \$83,870 | \$50,068 | \$116,010 | 38.3% |
| Total Expense Objects: | \$341,873 | \$439,961 | \$689,220 | \$604,442 | \$774,030 | 12.3% |

Building Safety

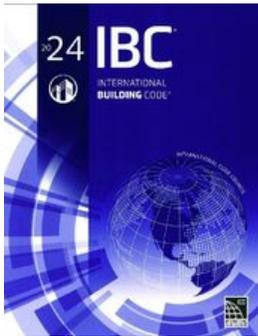
The purpose of the Building Safety Division is to ensure the built environment protects the public's health, safety, and general welfare. Building Safety does this by issuing proper permits for approved construction, ensuring construction plans comply with codes, and by inspecting construction for compliance with the applicable State and local construction codes.



Additionally, the Division works to ensure compliance with various city codes to preserve and promote the health, safety, and welfare of San Luis residents and visitors alike, as well as enhance the quality of life in the community.

Accomplishments FY 2025

- Actively administered the International Building Codes as adopted. Processed permits for a substantial increase in commercial buildings



- Participated in public meetings with the City of Yuma and other municipalities for the adoption of the 2024 International Building Codes.
- Consistent review of files for compliance with records retention requirements.
- Provided staff support to the Planning and Zoning Commission, Board of Adjustment, Board of Appeals, and City Council.
- For the last five years, new residential permits have been issued for an average of 300 per year.

- Finalized the process for the adoption of the Development Fees update as required every 5 years.
- Issued 574 Building permits, including 280 for new residential homes.
- Conducted 8863 inspections.
- Issued 455 Certificates of Occupancy and 71 Certificates of Completion.
- Collected over \$2.5 million in fees, including permit fees and impact fees.
- 100% of Building Permit Applications were processed within the established timeframes.
- Provided inspections and support to facilities and the contractor for the remodel of the east wing, ACT building improvements, and other city projects.
- Coordinated and/or participated in several Outreach Events:



- San Luis Safety Event.
- San Luis Career Fair.
- 2 Community Connection Forums.
- Provided a presentation at City Hall as part of the Building Safety Month.
- Presentation for Self-Help Group on Permitting and Code Enforcement Process.
- Provided a presentation to schools promoting Building Safety Month.
- Participated in the Food Vendors Workshop Community Event

Goals & Objectives FY 2026

Growth & Public Service

Goal: "Enhance community safety and development through consistent code adoption, efficient inspections, and effective communication."

- Continue participating in the review and adoption of updated International Commercial and Residential Codes with Yuma County communities to ensure consistency throughout the fiscal year.
- Update and adopt the 2024 International Building Code, 2024 International Residential Code, 2018 International Plumbing Code, 2018 International Mechanical Code, 2018 International Fuel Gas Code, and 2020 NFPA 70 National Electrical Code by Q3 FY 2026 to maintain consistency with other jurisdictions.
- Continue enforcing adopted construction codes by increasing proactive and reactive inspections by 10% by the end of FY 2026.
- Improve communication and engagement with the community by holding informational sessions on

building regulations to increase compliance throughout the fiscal year.

 **Economy**

Goal: "Support economic growth by ensuring efficient and consistent code enforcement and collaboration with city departments."

- Continue collaborating with other city departments to ensure Building Code compliance on City projects by conducting quarterly inter-departmental meetings throughout FY 2026.
- Update and adopt key International Building Codes to ensure consistency and support economic development by Q4 FY 2026.

 **Financial Sustainability**

Goal: "Optimize resource use and ensure regulatory compliance through streamlined code updates and efficient process management."

- Complete plan reviews and inspections as per Arizona Revised Statutes to ensure timely processing and resource efficiency throughout FY 2026.
- Finalize the update of the Land Use Assumptions and Infrastructure Improvement Plan and Development Fee Report study by Q1 FY 2026 to support financial planning and resource allocation.

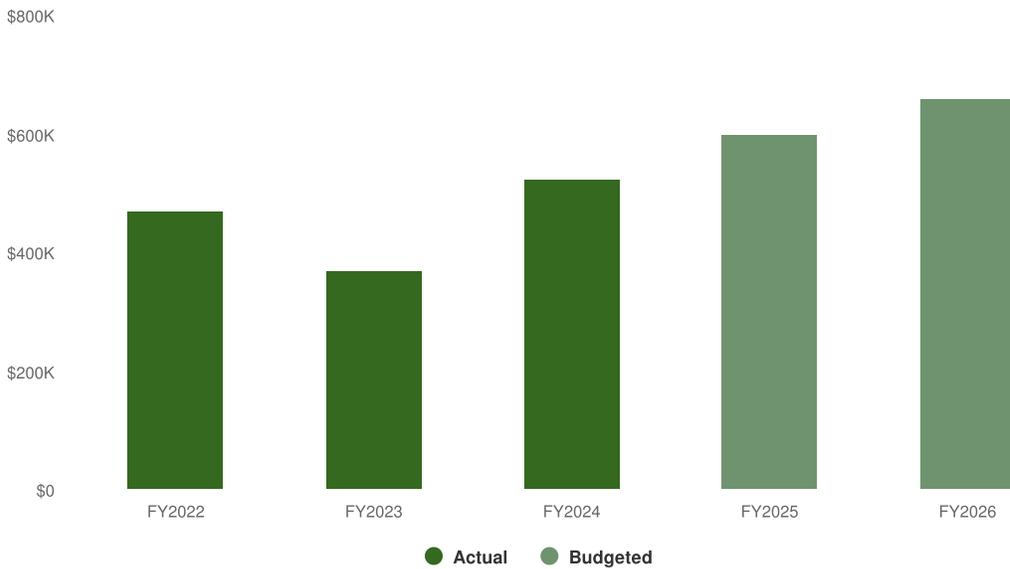
| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|--|----------------|-------------------|------------------|
| BUILDING PERMITS ISSUED | 869 | 579 | 600 |
| NEW RESIDENTIAL PERMITS | 475 | 281 | 300 |
| INSPECTIONS | 8577 | 8863 | 9400 |
| PUBLIC OUTREACH EVENTS | 3 | 3 | 3 |
| BUILDING PERMIT APPLICATIONS PROCESSED WITHIN THE ESTABLISHED TIMEFRAMES | 95% | 100% | 100% |

Expenditure Summary

The graph below shows the expenditures for the Building Safety Division for the past four years. For FY 2026, the Building Safety Division has budgeted \$658,530, which is an increase of \$58,990 compared to the previous fiscal year. Unlike prior years where increases were distributed across multiple categories, this year's change is primarily attributed to Salaries & Related Expenses, reflecting the city-wide salary adjustment applied to all departments and employees. Other expenditure categories remain relatively stable, with no significant changes in supplies, maintenance, or special services.

\$658,530 **\$58,990**
(9.84% vs. prior year)

Building Safety Proposed and Historical Budget vs. Actual



Personnel Changes

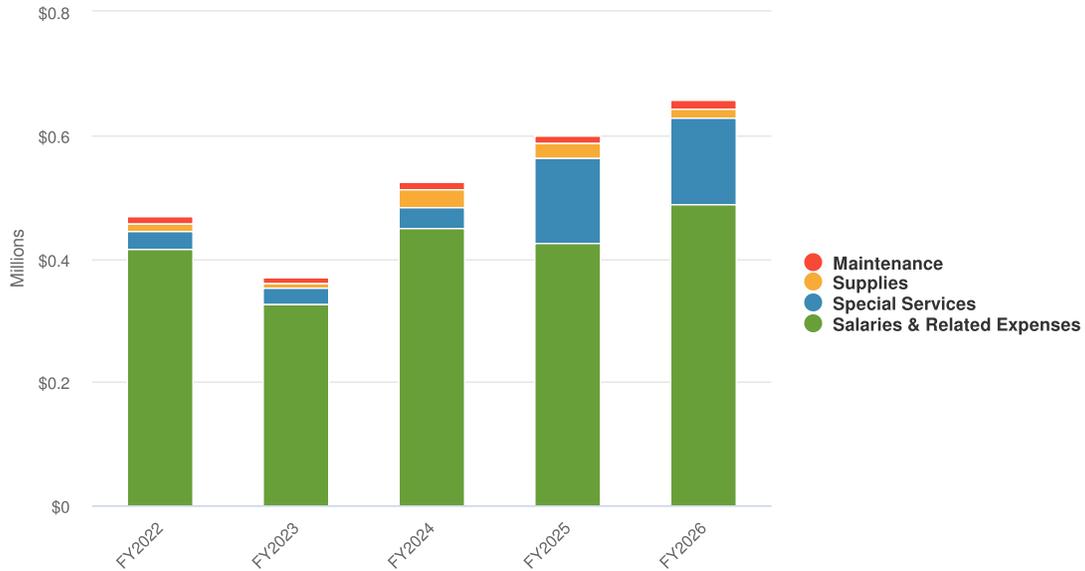
The chart below will show the Building Safety Department's staff summary schedule for the past three fiscal years. In FY 2026, there are no personnel changes. The department will continue to operate with its current staff, maintaining focus on ensuring building code compliance, conducting inspections, and reviewing construction plans.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|--|-------------------|--------------------|----------------------|----------------------|---------------------------------|
| Full-time Equivalents (FTE) | 7.5 | 5 | 5 | 5 | 0 |
| % of city's FTEs | | | | 1.29% | |
| Authorized Personnel/Positions: | | | | | |
| Title | 2022-2023 | 2023-2024 | Current 2024-2025 | Request 2025-2026 | Changes 2025-2026 |
| Director of Planning & Zoning | 0.5 | 0 | 0 | 0 | 0 |
| Director of Development Services | 0.0 | 0.5 | 0.5 | 0.5 | 0 |
| Assistant of Director of Dev Services | 0.0 | 0.5 | 0.5 | 0.5 | 0 |
| Administrative Coordinator | 0.5 | 0 | 0 | 0 | 0 |
| Building Official | 1 | 1 | 1 | 1 | 0 |
| Code Enforcement Office | 2.5 | 0 | 0 | 0 | 0 |
| Bulding Permit Technician | 1 | 0 | 0 | 0 | 0 |
| Permit Services Coordinator | 0 | 1 | 1 | 1 | 0 |
| Building Inspector I | 1 | 1 | 1 | 1 | 0 |
| Building Inspector II | 1 | 1 | 1 | 1 | 0 |
| Total | <u>7.5</u> | <u>5.0</u> | <u>5.0</u> | <u>5.0</u> | <u>0</u> |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents Building Safety expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$327,469 | \$449,408 | \$426,490 | \$421,089 | \$489,010 | 14.7% |
| Supplies | \$6,207 | \$27,883 | \$22,750 | \$10,633 | \$16,070 | -29.4% |
| Maintenance | \$10,068 | \$11,494 | \$12,940 | \$11,752 | \$14,940 | 15.5% |
| Special Services | \$26,072 | \$34,989 | \$137,360 | \$33,369 | \$138,510 | 0.8% |
| Total Expense Objects: | \$369,815 | \$523,774 | \$599,540 | \$476,843 | \$658,530 | 9.8% |

Economic Development

The Economic Development Department nurtures and enhances the economic vibrancy of the community with a competitive economy that increases prosperity for residents and businesses by promoting sustainable and economic growth through its economic development programs, partnerships and innovative opportunities to create quality jobs and enhance city revenues.



Accomplishments FY 2025

◦ Business Attraction & Development

- Completed three Project Information Forms (PIFs) for multiple business attraction projects, including industrial manufacturing, defense, and electric vehicle industries.
- Worked with Goodwill to finalize plans for their Main Street location.
- Participated in ICSC conferences in Las Vegas and Palm Springs to recruit retailers for San Luis.
- Promoted groundbreaking ceremonies for Wendy's, Colibri Supermarket, Skin & Body by Melisa, Comité de Bienestar EV Charging Stations, Super Juice, Frizz, Stick to the Art, Tropic Carwash, Rolls & Bowls, Rápido y Preciso Income Tax, and Eddie's Food & Drinks.

◦ Capital Projects & Infrastructure Development

- Led Merrill Avenue Phase I Improvement Project, hosting a groundbreaking ceremony in August and completing construction by January 2025.
- Submitted and secured a preconditional award for an \$1,200,000 EDA Public Works grant for the US HWY 95 water and sewer expansion

Goals & Objectives FY 2026

Growth & Public Service

Goal: Support community growth and quality of life by expanding programs, revitalizing downtown, and engaging stakeholders in citywide development efforts.

- Launch two *Fuerza Local* cohorts (Q2 and Q4) during FY2026 and graduate at least 20 small businesses to expand entrepreneurial support
- Community Engagement
 - Appointed seven new members to the San Luis Economic Development Commission (SLEDC).
 - Engaged in workforce development discussions with Arizona Western College (AWC) and Local First Arizona to support career training programs.
 - Participated in economic summits and forums including the League of Arizona Cities and Towns Showcase, AAED's Southern Summit on AZ/Mexico Relations, Select USA Summit and NADBank Board of Directors Public Meeting.
- Small Business & Entrepreneurship Support
 - Partnered with Local First Arizona to bring the Fuerza Local Business Accelerator Program to San Luis, with 38 applicants and 12 businesses selected.
 - Organized business development outreach efforts, including networking events, public meetings, and educational programs.
 - Host Small Business Week Fair in collaboration with local businesses and resource providers.
- Grants
 - Submitted and resubmitted EPA Community Change Grant applications totaling \$40 million for wastewater expansion, workforce development, and downtown revitalization projects.
 - Secured a \$60,000 USDA Rural Business Development Grant to support small business programs.
 - Awarded \$76,000 through the Energy Efficiency & Conservation Block Grant (EECBG) to replace LED lighting at Joe Orduno Park.
 - Secured Congressionally Directed Spending request for purchase of new Fire Truck.

- Organize at least one economic summit or forum to engage business leaders, residents, and policymakers by the end of Q4 FY2026.
- Secure funding for Downtown Redevelopment Phase 1 (Main Street) through grant applications submitted throughout FY2026 to support walkability, business growth, and public space improvements.
- Advocate for at least two major city priorities at the state and federal levels to secure legislative and funding support.
- Implement the City Public Art Policy in collaboration with the Economic Development Commission by Q4 FY2026 to enhance cultural engagement and community identity.

Economy

Goal: Strengthen San Luis' economy by attracting businesses, supporting development projects, and enhancing the city's competitiveness.

- Work with two manufacturers/distributors to showcase San Luis Industrial Park assets and collaborate with statewide developers to initiate industrial shell building projects at Magrino Industrial Park by the end of FY2026.
- Facilitate at least three commercial development projects through business recruitment and site assistance throughout the fiscal year.
- Launch a targeted email marketing campaign aimed at site selectors and industry leaders, increasing website visits and engagement.
- Recruit at least one major retailer to locate in Downtown San Luis to support mixed-use development goals by the end of the fiscal year.
- Implement BlueDot CRM by Q3 FY2026 to optimize business development efforts and strengthen departmental performance tracking.
- Attend at least four industry trade shows with the Arizona Commerce Authority team during FY2026 to strengthen business recruitment and attraction efforts.
- Launch three promotional shipping campaigns by the end of FY2026 to increase visibility and sales opportunities for local businesses.

Financial Sustainability

Goal: Ensure long-term financial stability by securing funding, strengthening infrastructure investment,

and optimizing city programs for sustainable impact.

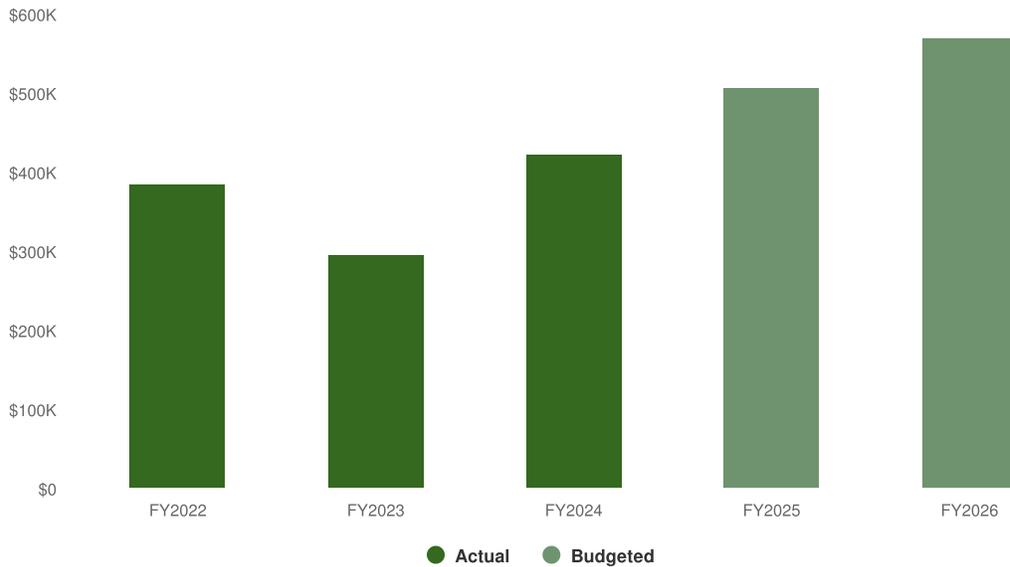
- Work with federal agencies to secure at least \$2 million in grant funding for all city projects throughout the fiscal year.
- Submit a minimum of five strategic grant applications throughout the fiscal year to support infrastructure, workforce development, and business incubation efforts.
- Develop an investment and marketing strategy for Cesar Chavez Boulevard commercial development and release 46 acres of state land to auction by the end of FY2026, securing purchase of parcels by two to three developers to attract private-sector partners.

Expenditure Summary

For FY 2026, the Economic Development Department is budgeting \$569,580, which is \$61,230 higher than the previous fiscal year. This increase is primarily due to additional funding for special services, including contractual services for the business marketing website, as well as a slight increase in salaries resulting from the city-wide salary adjustment. Despite these adjustments, there are no significant changes in the overall budget, and the department remains committed to managing its resources effectively to support ongoing initiatives.

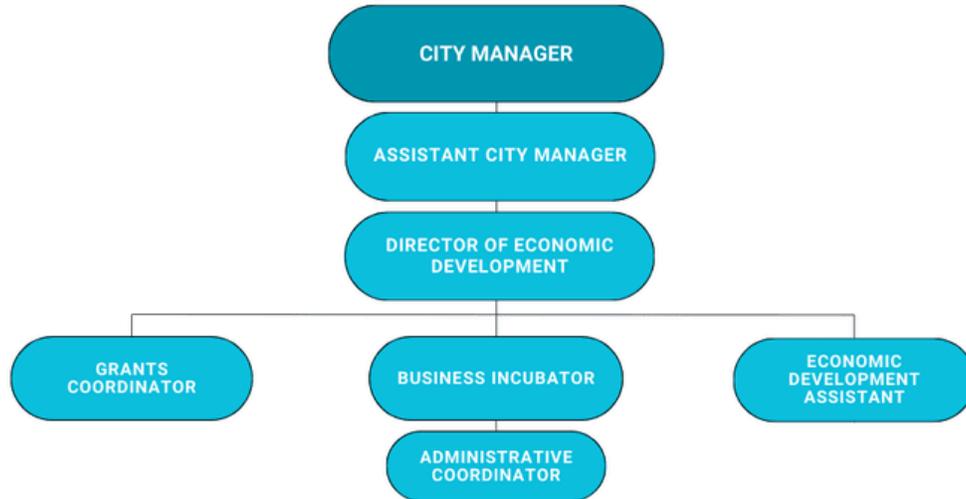
\$569,580 **\$61,230**
(12.04% vs. prior year)

Economic Development Proposed and Historical Budget vs. Actual



Organizational Chart

ECONOMIC DEVELOPMENT



Personnel Changes

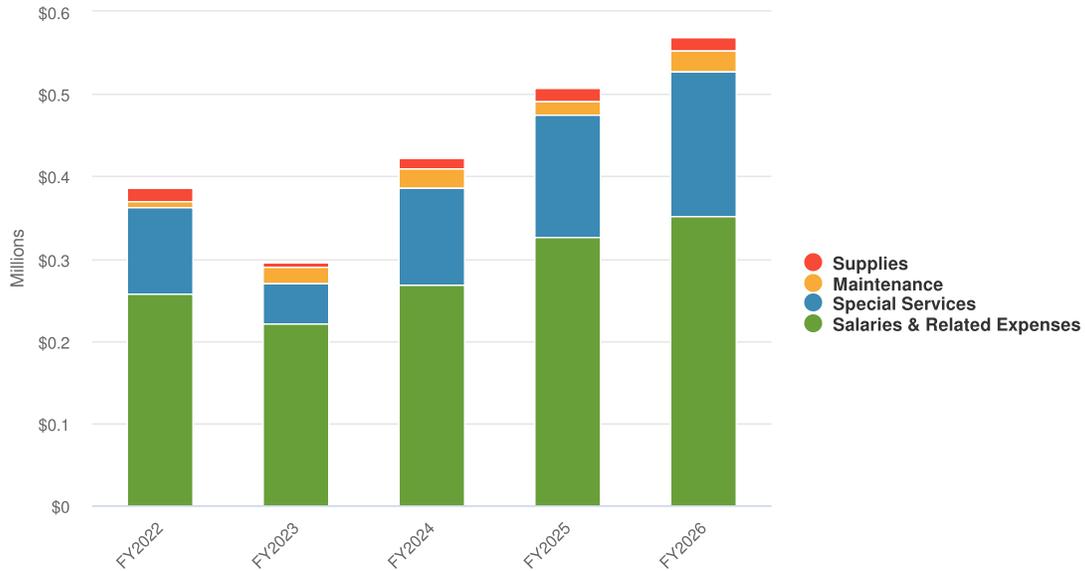
The chart below will show the Economic Development Department's staff summary schedule for the past three fiscal years. In FY 2026, there are no personnel changes. The department will continue with its existing team, focusing on fostering business growth, attracting new investments, and supporting community development initiatives.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|--|-------------------|--------------------|------------------------------|------------------------------|---------------------------------|
| Full-time Equivalents (FTE) | 3.4 | 3.8 | 3.8 | 3.8 | 0 |
| % of city's FTEs | | | | 0.98% | |
| Authorized Personnel/Positions: | | | | | |
| <u>Title</u> | <u>2022-2023</u> | <u>2023-2024</u> | <u>Current 2024-2025</u> | <u>Request 2025-2026</u> | <u>Changes 2025-2026</u> |
| Economic Development Assistant | 1 | 1 | 1 | 1 | 0 |
| Economic Development Manager | 1 | 0 | 0 | 0 | 0 |
| Director of Economic Development | 0 | 1 | 1 | 1 | 0 |
| Grants Writer | 1 | 0 | 0 | 0 | 0 |
| Grants Coordinator | 0 | 1 | 1 | 1 | 0 |
| Administrative Coordinator | 0.4 | 0.8 | 0.8 | 0.8 | 0 |
| Total | <u>3.4</u> | <u>3.8</u> | <u>3.8</u> | <u>3.8</u> | <u>0</u> |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents Economic Development expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$220,747 | \$268,948 | \$325,770 | \$328,733 | \$351,600 | 7.9% |
| Supplies | \$6,392 | \$11,508 | \$16,390 | \$10,689 | \$15,990 | -2.4% |
| Maintenance | \$19,580 | \$23,772 | \$17,180 | \$14,262 | \$26,530 | 54.4% |
| Special Services | \$49,314 | \$117,871 | \$149,010 | \$120,604 | \$175,460 | 17.8% |
| Total Expense Objects: | \$296,033 | \$422,099 | \$508,350 | \$474,289 | \$569,580 | 12% |

Business Incubator

Administered by the Economic Development Department, the Business Incubator program is a five-year business support program that nurtures and enhances both start-up and expanding businesses through collaboration with a broad network of agencies and resources that offer both assistance and mentorship on matters related to business development. The Business Incubator facility is currently able to lease seven suites that range from 1,400 square feet to 4,200 square feet to both start-up and expanding businesses focused in light industrial activities.



Accomplishments FY 2025

- Partnered with Local First Arizona to launch the Fuerza Local Business Accelerator Program, receiving 38 applicants and successfully graduating 11 businesses in its first cohort.
- Organized two business development outreach efforts, including networking events, public meetings, and educational programs, to support local entrepreneurs.
- Increased awareness and outreach efforts for the Business Incubator program, establishing three new strategic collaborations with business development partners.
- Achieved 100% occupancy rate for incubator spaces, ensuring full utilization of available resources.

Goals & Objectives FY 2026

Growth & Public Service

Goal: "Promote community-based business growth and development through outreach, education, and collaboration."

- Increase business development workshops and networking events by 50% compared to FY 2025 to provide expanded entrepreneurial education and engagement by Q4 FY 2026.

Economy

Goal: "Support entrepreneurship and foster economic growth by providing resources, funding, and business support infrastructure."

- Identify and establish two additional funding partnerships to increase financial assistance and grant opportunities for Business Incubator tenants by Q3 FY 2026.

Financial Sustainability

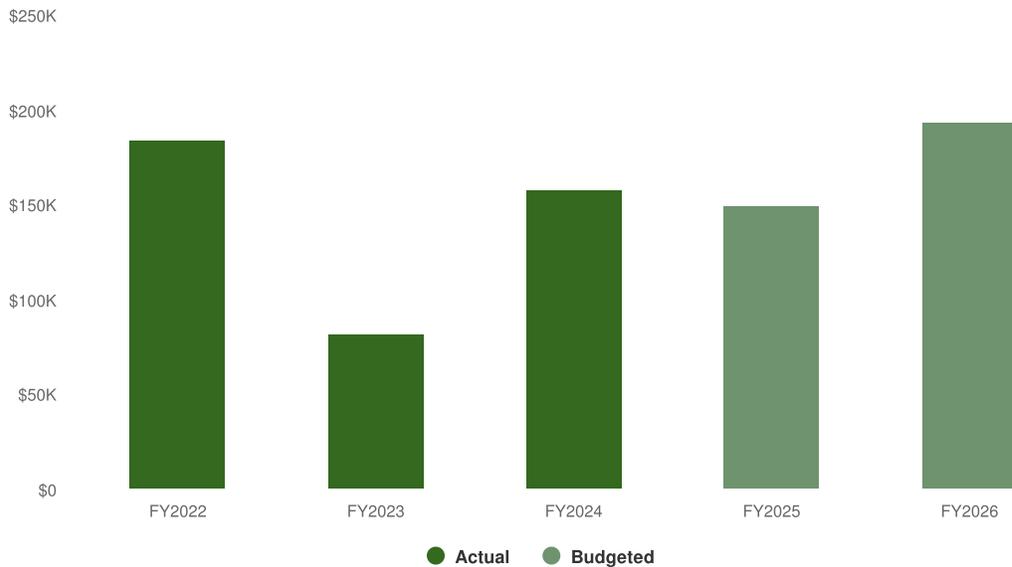
- Maintain a 100% lease occupancy rate through proactive tenant recruitment and retention strategies by Q4 FY 2026.
- Implement a financial sustainability strategy that incorporates diversified revenue streams (sponsorships, grants, service fees) by Q3 FY 2026.
- Engage a consultant to review and recommend rate, program, and service changes, and implement improvements for long-term sustainability by Q4 FY 2026.

Expenditure Summary

The Business Incubator has budgeted \$193,090 for FY 2026, which is \$43,710 higher than the previous fiscal year. This increase includes a slight rise in salaries due to the city-wide salary adjustment, but the majority of the increase is in special services, which rose 88.7% primarily to support a non-capital project rehabilitating the asphalt in the parking areas. While the budget continues to meet operational needs, it emphasizes efficient resource management to ensure that the Business Incubator can effectively serve its tenants and foster local entrepreneurship.

\$193,090 **\$43,710**
(29.26% vs. prior year)

Business Incubator Proposed and Historical Budget vs. Actual



Personnel Changes

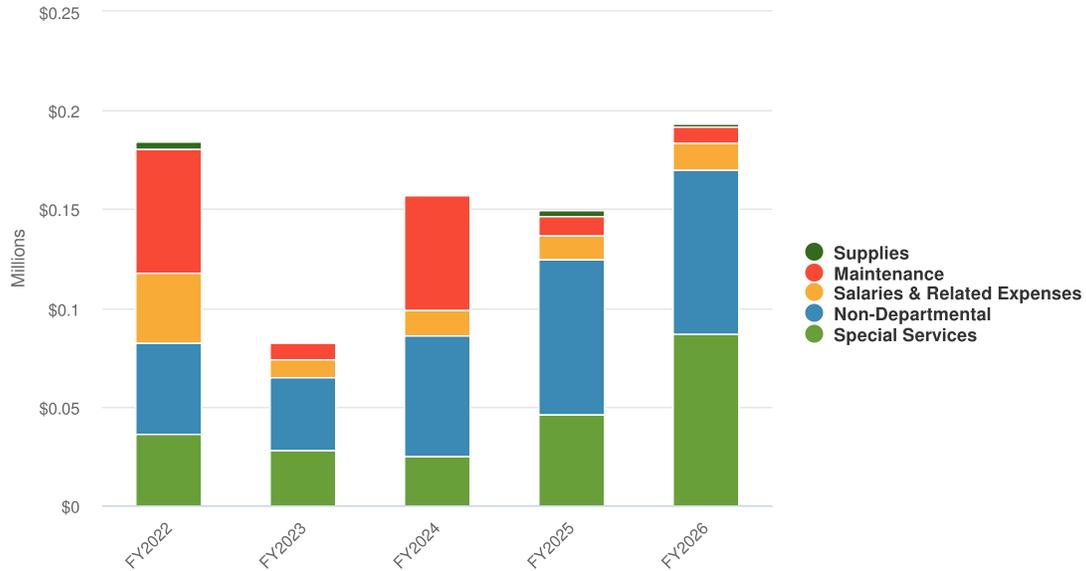
The chart below will show the Business Incubator's staff summary schedule for the past three fiscal years. In FY 2026, there are no personnel changes. The incubator will continue to operate with its current administrative coordinator, who plays a vital role in supporting the administration of programs, coordinating resources for startups, and facilitating mentorship opportunities.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|--|-------------------|--------------------|------------------------------|------------------------------|---------------------------------|
| Full-time Equivalents (FTE) | 0.6 | 0.2 | 0.2 | 0.2 | 0 |
| % of city's FTEs | | | | 0.05% | |
| Authorized Personnel/Positions: | | | | | |
| Title | <u>2022-2023</u> | <u>2023-2024</u> | <u>Current 2024-2025</u> | <u>Request 2025-2026</u> | <u>Changes 2025-2026</u> |
| Office Assistant | 0 | 0 | 0 | 0 | 0 |
| Administrative Coordinator | 0.6 | 0.2 | 0.2 | 0.2 | 0 |
| Total | 0.6 | 0.2 | 0.2 | 0.2 | 0 |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents Business Incubator expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|-----------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$9,035 | \$12,630 | \$12,700 | \$13,634 | \$12,980 | 2.2% |
| Supplies | \$50 | \$1,205 | \$2,500 | \$615 | \$1,100 | -56% |
| Maintenance | \$8,079 | \$58,037 | \$9,800 | \$7,974 | \$8,800 | -10.2% |
| Special Services | \$28,292 | \$25,251 | \$45,850 | \$41,194 | \$86,540 | 88.7% |
| Non-Departmental | \$36,652 | \$60,835 | \$78,530 | \$72,888 | \$83,670 | 6.5% |
| Total Expense Objects: | \$82,108 | \$157,959 | \$149,380 | \$136,305 | \$193,090 | 29.3% |

Parks and Recreation Department

The City San Luis of Parks and Recreation Department's purpose is to provide recreational opportunities to members of our community so they can engage in leisure activities, improve physical and mental health, and build social connections through fun and engaging programs, activities, and services.



Parks and Recreation is composed of seven (7) divisions which include: the Cesar Chavez Cultural Center, Parks Grounds, Recreation, Youth Center, Municipal Pool, Senior Center, and Parks Administration, all of which take pride in serving our residents and visitors.

The department oversees the planning and organizing of recreational programs and activities such as sports leagues, fitness classes, arts and crafts activities, and plans and carries out cultural and community events. We also offer programs, activities, and spaces designed specifically to support the development of our youth and provide a safe space where our senior residents can socialize. The department is also responsible for the maintenance and upkeep of parks, playgrounds, athletic fields, and other recreational facilities in the community.

At Parks and Recreation, we are proud of the important role we play in our community by enhancing the quality of life of our residents.

Accomplishments FY 2025

- The Parks and Recreation celebrated the Fourth of July Freedom Celebration with over 14,000 people. We continue to have the best fireworks show in South County and the best celebration in all Yuma County.

- This year, we celebrated the 4th of July at Joe Orduno Park with live performances by Mal Bicho Tribute to Los Fabulosos Cadillacs, Kings of Queen Tribute Band to Queen, and El Mexicano De Casimiro.
- This year, we celebrated the Asado and Brew Festival, celebrating Founders' Day, a long-anticipated event for the community. In attendance, we had over 11,000 people. We had live performances by Checkered Past, Rondalla Destellos from our sister city Magdalena de Kino, Sonora, Grupo Alazan, Los Caminates Por Siempre, La Internacional Sonora Denamita, and Los Cadetes De Linares. We incorporated the Asado Contest for the first time, and we had great feedback.
- Also, this year, the Parks and Recreation Administration Building updated the lobby area by adding speakers for background music.

Goals & Objectives FY 2026

Growth & Public Service

Goal: "To enhance community engagement and well-being by providing diverse recreational opportunities, improving parks and facilities, and increasing access to underserved populations."

- Promote community engagement by offering a wide range of programs and events that encourage participation from all community members. Establish a community advisory committee to gather input and feedback from community leaders throughout the fiscal year.
- Improve the overall condition and maintenance of parks and green areas by implementing regular maintenance and identifying areas needing repairs to enhance the user experience over the following years.
- Increase access to and participation in recreational activities for underserved populations by expanding programming and facilities in underserved areas and developing partnerships with community organizations and agencies within the next few years.
- To increase the fee schedule for rentals of ramadas, fields, usage of lights, cultural center rental, and work in the policies and procedures of the parks.

Economy

Goal: "To stimulate economic growth and community well-being by developing new recreational opportunities and improving the quality of programs and services."

- Develop new recreational opportunities by adding new playgrounds, sports fields, and other amenities, particularly at the East San Luis Community Park, within the next few years.
- Improve the quality of programs and services by providing staff with more training and educational opportunities within the following year.

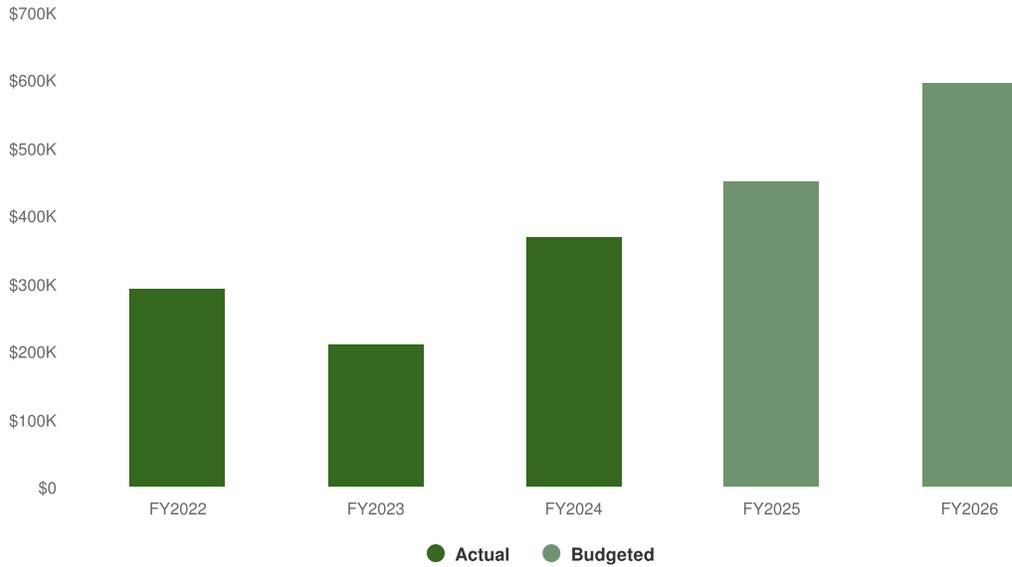
| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|---|-------------------|----------------------|---------------------|
| PROGRAM SATISFACTION: PROMOTE COMMUNITY ENGAGEMENT BY OFFERING A WIDE RANGE OF PROGRAMS AND EVENTS THAT ENCOURAGE PARTICIPATION FROM ALL MEMBERS OF THE COMMUNITY. MONITOR THE PROGRAM/EVENT SATISFACTION RATES VIA SURVEYS AFTER EVENTS AND PROGRAMS. | 95% | 95% | 99% |
| MAINTENANCE AND UPKEEP: IMPROVE THE OVERALL CONDITION AND MAINTENANCE OF PARKS AND FACILITIES BY IMPLEMENTING REGULAR MAINTENANCE AND IDENTIFYING AREAS NEEDING REPAIRS TO ENHANCE THE USER EXPERIENCE OVER THE NEXT FEW YEARS. | 85% | 90% | 95% |
| FACILITY USAGE: INCREASE FACILITY AND PARK USAGE BY DEVELOPING NEW RECREATIONAL OPPORTUNITIES BY ADDING NEW PLAYGROUNDS, SPORT FIELDS, AND OTHER AMENITIES, PARTICULARLY IN THE EAST SAN LUIS COMMUNITY PARK WITHIN THE NEXT FEW YEARS. | 80% | 85% | 90% |
| EMPLOYEE DEVELOPMENT: IMPROVE THE QUALITY OF PROGRAMS AND SERVICES BY PROVIDING STAFF WITH MORE TRAINING AND EDUCATIONAL OPPORTUNITIES WITHIN THE NEXT YEAR. | 80% | 85% | 90% |
| FINANCIAL PERFORMANCE: MONITOR THE APPROVED BUDGET GIVEN TO EACH DIVISION TO ENSURE CITY FUNDS ARE BEING USED PROPERLY AND TO THEIR MAXIMUM POTENTIAL TO PROVIDE THE COMMUNITY WITH SERVICES. LOOK INTO GRANTS AND SPONSORSHIPS TO HELP ALLEVIATE FACILITY AND EVENT COST. | 90% | 95% | 97% |
| EVENT SATISFACTION: CONTINUE TO PLAN, ORGANIZE AND COORDINATE SPECIAL EVENTS, SUCH AS THE 4TH OF JULY CELEBRATION AND FOUNDERS DAY CELEBRATION, THAT ATTRACT THE COMMUNITY AS WELL AS NEIGHBORING CITIES TO ATTEND. CONTINUE SEEKING GREAT ENTERTAINMENT AND SPONSORSHIPS TO HELP ALLEVIATE THE COST AND ALLOW US TO USE AVAILABLE BUDGET TO THE BEST OF OUR ABILITY. (THESE EVENTS WERE BUDGETED UNDER THE P&R ADMIN DEPARTEMENT STARTING FY26.) | 0% | 0% | 85% |

Expenditure Summary

The Parks and Recreation Administration has budgeted \$596,810 for FY 2026, representing an increase of \$145,130 from the previous fiscal year. This increase is mainly in Special Services, as funds previously distributed among other departments were consolidated under Parks & Recreation Administration, which will now oversee these events. For FY 2026, the department budgeted for the 4th of July Celebration, Asado and Brew (Founders Day event), and Parks & Recreation Appreciation Month, resulting in a 205.4% increase in Special Services. In addition, there is also a slight increase in Salaries and Related Expenses due to the citywide salary adjustment applied to all employees.

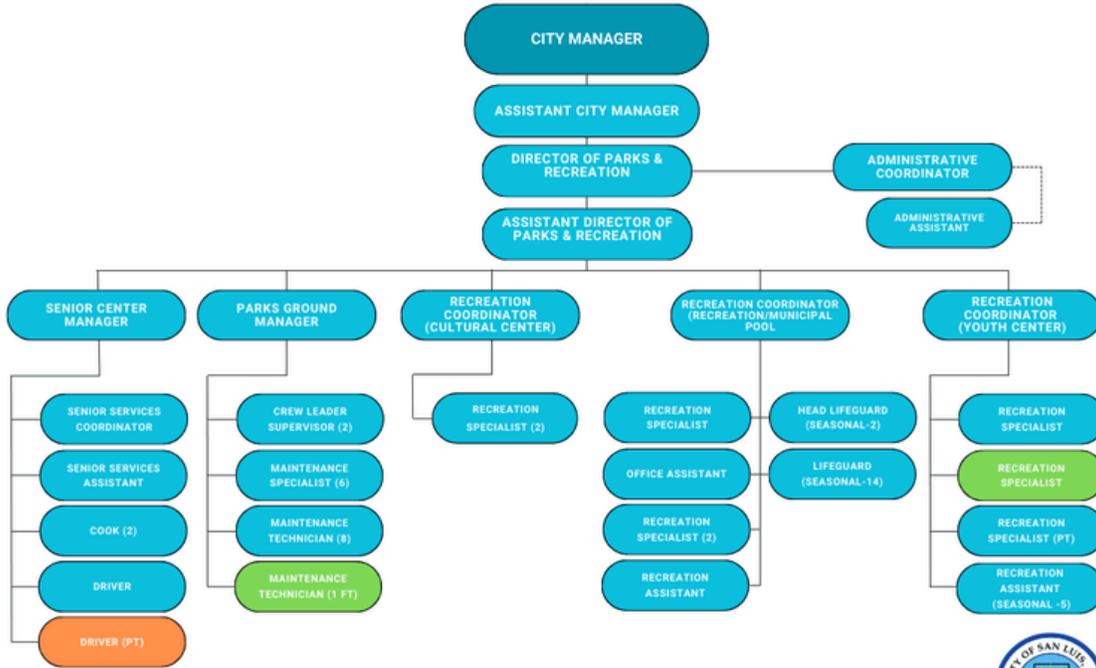
\$596,810 **\$145,130**
(32.13% vs. prior year)

Parks and Rec. Administration Proposed and Historical Budget vs. Actual



Organizational Chart

PARKS & RECREATION



*Orange: New Positions
*Green: Reclassification

Personnel Changes

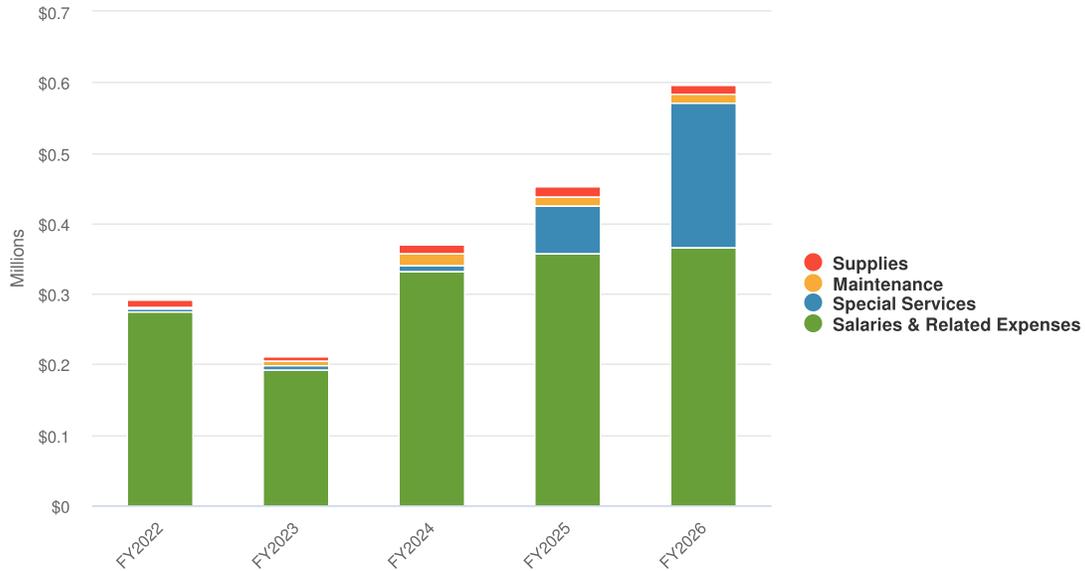
The chart below displays the Parks and Recreation Administration's staff summary schedule for the last three fiscal years. In FY 2026, the department will maintain its current staffing levels with no changes. Parks and Recreation Administration oversees several key areas, including Parks, Recreation, the Cultural Center, the Youth Center, the Municipal Pool, and Senior Services. The team remains dedicated to providing high-quality programs and facilities that enhance the community's quality of life and promote active, healthy lifestyles.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|---|-------------------|--------------------|----------------------|----------------------|---------------------------------|
| Full-time Equivalents (FTE) | 4 | 4 | 4 | 4 | 0 |
| % of city's FTEs | | | | 1.03% | |
| Authorized Personnel/Positions: | | | | | |
| Title | 2022-2023 | 2023-2024 | Current 2024-2025 | Request 2025-2026 | Changes 2025-2026 |
| Administrative Coordinator | 1 | 1 | 1 | 1 | 0 |
| Administrative Assistant | 1 | 1 | 1 | 1 | 0 |
| Assistant Director of Park & Rec Director | 1 | 1 | 1 | 1 | 0 |
| Director of Parks & Rec | 1 | 1 | 1 | 1 | 0 |
| Total | 4 | 4 | 4 | 4 | 0 |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents the Parks and Recreation Administration's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$192,693 | \$331,966 | \$357,390 | \$353,184 | \$365,810 | 2.4% |
| Supplies | \$5,721 | \$12,150 | \$13,825 | \$12,519 | \$12,320 | -10.9% |
| Maintenance | \$6,952 | \$16,636 | \$13,280 | \$6,764 | \$13,480 | 1.5% |
| Special Services | \$5,387 | \$8,656 | \$67,185 | \$55,432 | \$205,200 | 205.4% |
| Total Expense Objects: | \$210,752 | \$369,407 | \$451,680 | \$427,899 | \$596,810 | 32.1% |

Parks

The Parks Division is responsible for maintaining and ensuring that our green areas are safe and inviting for our community and visitors to use. The Parks Division maintains and upkeepes the parks and green areas which include landscaping, irrigation, playgrounds, trash and litter removal, facilities areas which consist of restrooms, ramadas and athletic fields. Parks is also responsible for conducting inspections to identify any hazardous issues that need to be addressed to keep our community safe.



Parks also assists in the planning, orchestration and department logistics of City events. The Park division plays an essential role in executing, assembling, and establishing the structures necessary to have a successful event.

Our mission is to ensure that parks, green areas, and recreational areas are well maintained, safe and inviting for our community.

Accomplishments FY 2025

This past year, the Parks Division completed the following projects:

- Installation of irrigation system for the East Community Park soccer fields.
- Installation of the City water meter and backflow as a second alternative water source for the East Community Park.
- Electrical power for lights of East Community Park soccer fields.
- Continuation of the development and planning of the East Community Park Phase.
- Recondition the landscaping area of the Fernando Padilla City Building.

- Continuation of the maintenance and upkeep of parks, green areas, and recreational facilities.
- Acquire three (3) new zero-turn John Deere lawn mowers.
- A new all-terrain forklift and a telescopic reach boom lift.
- Update of retentional walls at two retention basins per a Risk Assessment completed this year
- Update of playgrounds per a Risk Assessment completed this year
- Purchase and installation of retention lights for the Salomon & Kennedy Retention Basins per a Risk Assessment completed this year

Goals & Objectives FY 2026

Growth & Public Service

To continually improve existing recreational areas, prepare for future developments, and invest in staff professional development for the well-being of our community.

- Complete all phases of East Community Park development, including landscaping and infrastructure, in preparation for a ribbon-cutting ceremony planned for October 2025.
- Complete installation of plumbing and electrical systems and install two prefabricated restroom units at designated locations in East Community Park within the first quarter of the fiscal year.
- Develop and present a strategic improvement plan for three existing recreational areas throughout the fiscal year.
- Upgrade lighting in five athletic fields and two green areas using energy-efficient LED systems by the 3rd quarter of the fiscal year
- Replace the existing restrooms at Joe Orduño Park with prefabricated units by the end of the fiscal year.

Economy

Goal: To ensure reasonable management of resources and financial sustainability of our programs and facilities.

- Implement a professional development program throughout the fiscal year including at least three cost-effective workshops, certifications, or courses to enhance staff expertise and operational efficiency.
- Optimize resource allocation and adopt sustainable maintenance practices throughout the fiscal year to reduce operating costs by 15% across green areas, playgrounds, facilities, and parks, while

extending asset lifespan and minimizing long-term capital expenses.

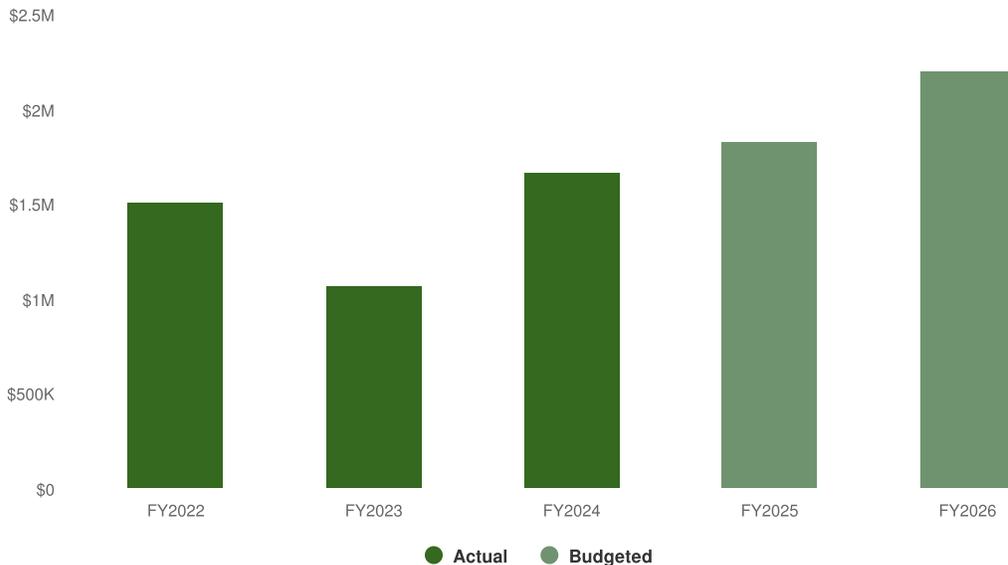
| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|---|----------------|-------------------|------------------|
| AREA OF PARK MAINTENANCE: CONTINUE DEVELOPING A STRATEGIC PLAN TO MAINTAIN EXISTING RECREATIONAL AREAS AND PREPARE FOR FUTURE DEVELOPMENT OVER THE NEXT FEW YEARS. | 80% | 85% | 90% |
| PARKS, GREEN AREAS CONDITION: COMPLETE AN ASSESSMENT OF THE JOE ORDUÑO PARK AND THE GREEN AREAS IN WEST SAN LUIS TO IDENTITY AREAS WHERE REPAIRS AND IMPROVEMENTS AER NEEDED WITHIN THE NEXT FEW YEARS. | 50% | 60% | 70% |
| BUDGET ADHERNCE FOR CIP PROJECTS (EAST COMMUNITY PARK): CONTINUE THE DEVELOPMENT OF THE EAST COMMUNITY PARK PHASE, INCLUDING REDESIGNING TO INCLUDE NECESSARY AMENITIES AND INSTALLING SPORT FIELDS. | 75% | 80% | 85% |
| CUSTOMER SATISFACTION: IMPROVE ILLUMINATION AND EQUIPMENT MAINTENANCE IN GREEN AREAS, SPORT FIELDS, AND OTHER FACILITIES WITHIN THE NEXT FEW YEARS TO ENSURE THAT COMMUNITY OR VISITOR SATISFACTION AND ATTENDANCE. | 65% | 75% | 80% |
| STAFF PRODUCTIVITY: ENCOURAGE PROFESSIONAL DEVELOPMENT FOR STAFF, INCLUDING CERTIFICATIONS, COURSES, AND WORKSHOPS, TO ENHANCE THEIR EXPERTISE AND EFFICIENCY WITHIN THE NEXT YEAR. | 70% | 75% | 80% |

Expenditure Summary

The Parks Department has budgeted \$2,200,910 for FY 2026, reflecting an increase of \$365,690 compared to the previous fiscal year. The majority of this increase is attributed to the Special Services category. A significant rise in utility costs has impacted the budget, particularly in water and sewer expenses due to the addition of new retention basins and higher municipal water rates. Electricity costs have also increased, primarily due to rate hikes. Additionally, the budget reflects an increase in salaries and related expenses, following the citywide salary adjustment implemented across all departments. This budget supports the continued commitment to maintaining high-quality parks and services for the community while adapting to rising operational costs.

\$2,200,910 **\$365,690**
(19.93% vs. prior year)

Parks Proposed and Historical Budget vs. Actual



Personnel Changes

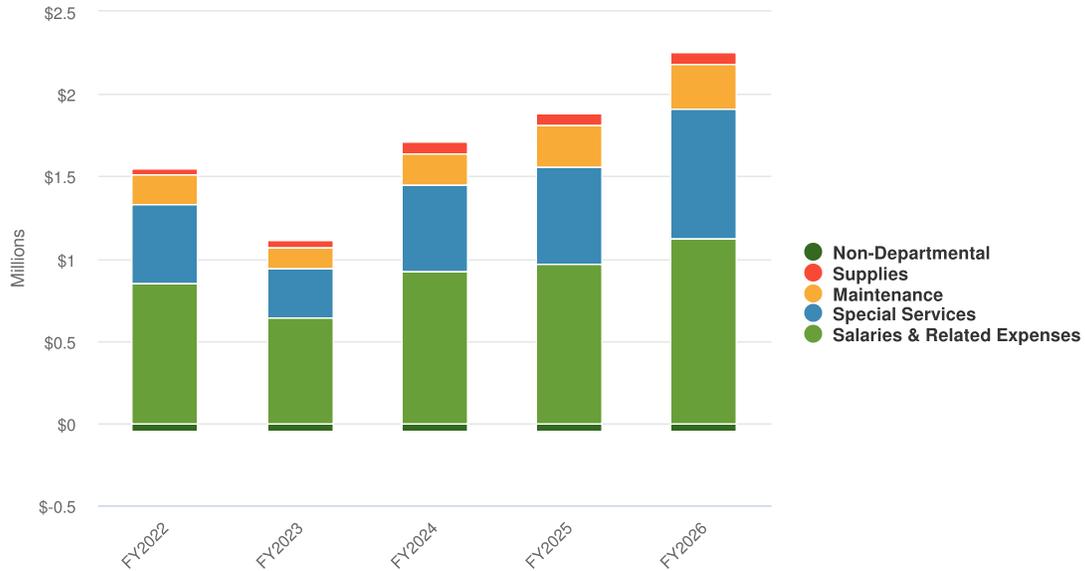
The chart below will show the Parks Department's staff summary schedule for the past three fiscal years. In FY 2026, there are no personnel changes. The department will maintain its current staffing levels, ensuring the continued upkeep of park facilities, landscape maintenance, and the delivery of recreational services to the community.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|--|-------------------|--------------------|------------------------------|------------------------------|---------------------------------|
| Full-time Equivalents (FTE) | 16 | 18 | 18 | 18 | 0 |
| % of city's FTEs | | | | 4.65% | |
| Authorized Personnel/Positions: | | | | | |
| <u>Title</u> | <u>2022-2023</u> | <u>2023-2024</u> | <u>Current 2024-2025</u> | <u>Request 2025-2026</u> | <u>Changes 2025-2026</u> |
| Maintenance Tech | 9 | 9 | 9 | 9 | 0 |
| Maintenance Specialist | 5 | 6 | 6 | 6 | 0 |
| Parks Ground Manager | 0 | 0 | 0 | 1 | 1 |
| Parks Supervisor | 1 | 1 | 1 | 0 | -1 |
| Crew Leader Supervisor | 1 | 2 | 2 | 2 | 0 |
| Total | <u>16</u> | <u>18</u> | <u>18</u> | <u>18</u> | <u>0</u> |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents the Parks Division's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$639,149 | \$920,207 | \$967,860 | \$1,003,428 | \$1,120,080 | 15.7% |
| Supplies | \$41,092 | \$70,659 | \$67,550 | \$61,517 | \$66,790 | -1.1% |
| Maintenance | \$130,719 | \$196,362 | \$252,780 | \$190,661 | \$271,210 | 7.3% |
| Special Services | \$298,713 | \$524,998 | \$592,640 | \$598,248 | \$793,640 | 33.9% |
| Non-Departmental | -\$42,585 | -\$45,620 | -\$45,610 | -\$45,610 | -\$50,810 | 11.4% |
| Total Expense Objects: | \$1,067,088 | \$1,666,606 | \$1,835,220 | \$1,808,245 | \$2,200,910 | 19.9% |

Recreation

The Recreation Division provides our community with fun activities and events. We are responsible for planning, organizing, and coordinating recreational activities, programs, events, and sports leagues for individuals of all ages and abilities. San Luis residents may choose from a wide variety of sports, leagues, tournaments, and clinics offered throughout the year for children and adults alike.



The Recreation Division offers a multitude of activities, including adult baseball, adult flag football, co-ed kickball, co-ed volleyball, girls' softball, men's basketball, men's softball, men's volleyball, women's softball, women's volleyball, youth baseball, youth basketball, youth kickball, pickleball and youth flag football..

We are proud of the important role our division plays in our community by providing our residents with recreational activities that promote physical and mental health, socialization, and the development of new skills, teamwork, and leadership, all while providing a fun and enjoyable way to spend free time.

This year, the Recreation Department was also given a new direct line and an on-call cell phone. The direct line was given to separate the main line currently used by the Parks and Recreation Administration. Having a new direct line provides the community with a new number to contact to ask about any leagues, activities, or reservation requests they may have. The on-call cell phone is a new addition to the Department to ensure that staff supervising leagues after 6:00 pm can answer any questions or concerns the community may have. This service also helps staff stay in direct contact with all league coaches, volunteers, and participants who may need immediate assistance before and during league tournaments, end-of-season games, and weekend tournaments.

Accomplishments FY 2025

The Recreation Department organized and launched new leagues and activities for different age groups. Some of those leagues and activities were:

- Sand Volleyball League
- Youth Basketball League
- PickleBall
- Baseball 5
- Rec-Mobile Program
- Football Clinic/Training

This program is created to bring recreational activities and games to parks and green areas so the community can enjoy them. This is to reach out to the community who cannot come to the park to enjoy the leagues or activities that go to them. The activities that will be displayed are giant Jenga, giant Connect 4, mobile tennis court, mobile volleyball court, soccer goal/court, corn hole, and mobile pickleball.

Goals & Objectives FY 2026



Growth & Public Service

Enhance quality of life through diverse, inclusive, and accessible recreational services for all community members.

- Introduce at least one new sport or recreational programs by Q3 of FY 2026 aimed at promoting physical and mental health across all age groups.
- Have 80% of recreation staff certified in youth sports administration by the end of FY 2026 to ensure program quality and safety.
- Develop and launch at least two new leagues or tournaments per age group (youth, adults, seniors) by Q4 FY 2026 to encourage family and community participation.
- Provide walking, biking, running and other activities with trails, paths and bikeways.
- Increase program participation by 25% by the end of FY 2026 through targeted outreach, accessibility improvements, and diversified offerings.

- Organize quarterly family-focused recreation events starting FY 2026 to strengthen community bonds and encourage multi-generational participation.



Economy

Strengthen the economic impact of parks and recreation by investing in tourism, infrastructure renewal, and community-centered development.

- Position Joe Orduño Park as a major city visitor destination throughout the fiscal year by beautifying amenities, hosting major annual tournaments, and implementing a targeted marketing plan.
- Beautify the pickleball court by Q4 FY 2026 to enhance user experience and attract recreational tourism.
- Replace the Musco lighting at Joe Orduño baseball field with energy-efficient LED lighting by Q4 FY 2026, to reduce long-term operational costs and improve field usability.
- Increase facility usage by 25% by FY 2026 through upgraded amenities, extended programming hours, and rental opportunities.
- Maintain an accurate inventory of 100% of parks and recreation assets by Q1 FY 2026 to support informed economic planning and capital investment.



Financial Sustainability

Ensure responsible financial management while maintaining and expanding high-quality recreational services.

- Implement skill-building clinics in at least three different disciplines (sports, arts, fitness) for all age groups by Q2 FY 2026.

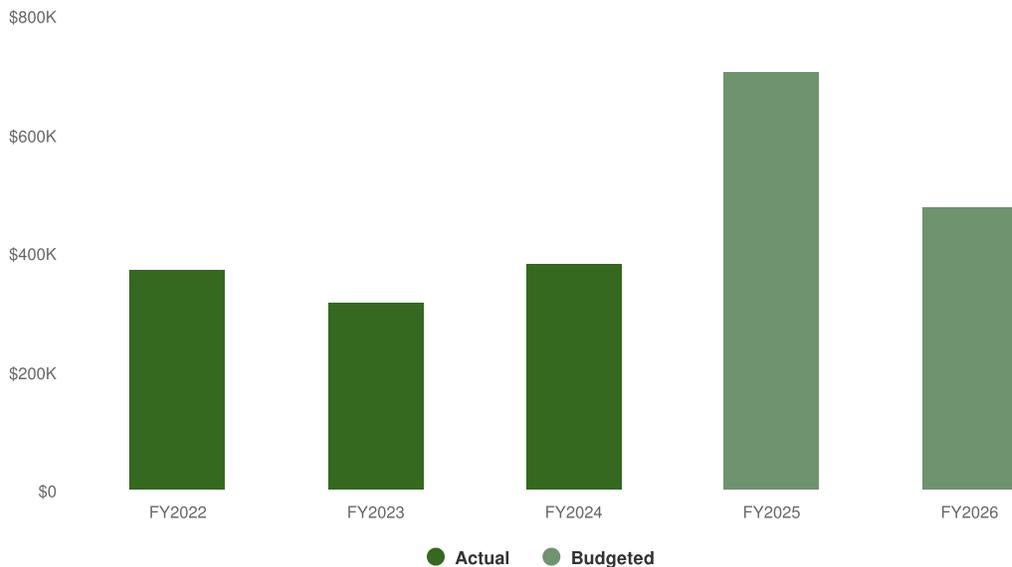
| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|---|-------------------|----------------------|---------------------|
| PARTICIPATION RATES:INCREASE PARTICIPATION IN PROGRAMS AND RECREATIONAL ACTIVITIES AND DEVELOP A SYSTEM TO MEASURE PARTICIPATION AND SATISFACTION WITHIN THE NEXT FEW YEARS. | 65% | 75% | 80% |
| PROGRAM IMPLEMENTATION:DEVELOP PROGRAMS, TOURNAMENTS, AND LEAGUES CATERING TO VARIOUS DEMOGRAPHICS, INCLUDING FAMILIES, CHILDREN, LADIES, MEN, AND SENIORS, SUCH AS YOUTH, WOMENS & SENIOR INDOOR SOCCER, REC MOBILE, AMONGST OTHER PROGRAMS. | 65% | 75% | 80% |
| FACILITY USAGE:CONTINUE WITH THE RECREATION GYM EXPANSION PROJECT WHILE MAINTAINING FISCAL RESPONSIBILITY AND SUSTAINABILITY THROUGHOUT THE FISCAL YEAR. THE EXPANSION WILL ALLOW STAFF TO INCORPORATE MORE INDOOR ACTIVITIES AS WELL AS HAVE AN UPDATED SPACE TO RENT OUT TO SCHOOL AND AGENCIES, BRINGING MORE REVENUE TO THE CITY. | 50% | 55% | 60% |
| EVENT SATISFACTION:CONTINUE TO PLAN, ORGANIZE AND COORDINATE SPECIAL EVENTS, SUCH AS THE 4TH OF JULY & FOUNDERS DAY CELEBRATION, BASEBALL EXHIBITION GAMES, THAT ATTRACT THE COMMUNITY AS WELL AS NEIGHBORING CITIES TO ATTEND. CONTINUE SEEKING GREAT ENTERTAINMENT AND SPONSORSHIPS TO HELP ALLEVIATE THE COST AND ALLOW US TO USE AVAILABLE BUDGET TO THE BEST OF OUR ABILITY. | 90% | 95% | 97% |
| STAFF PRODUCTIVITY:PROVIDE STAFF WITH TRAINING, CERTIFICATIONS, AND EDUCATIONAL OPPORTUNITIES TO ENHANCE THEIR EXPERTISE AND ENSURE THE DELIVERY OF HIGH -QUALITY PROGRAMS AND SERVICES WITHIN THE NEXT FEW YEARS. | 90% | 95% | 97% |

Expenditure Summary

For FY 2026, the Recreation Division has budgeted \$476,730, which reflects a decrease of \$231,050 compared to the previous fiscal year. This reduction is primarily due to the reallocation of funds for Founders Day and Fourth of July celebrations to the Parks & Recreation Administration budget. Additionally, in an effort to maintain a conservative and fiscally responsible approach, no funding has been allocated to Special Services this year. As a result, several events and initiatives will not be held, including the Gratitude Dinner for coaches, instructors, and volunteers, Baseball Exhibition Games, International Physical Activity Day, Summer Sports Clinic and Instructor Expenses, APS Jr. NBA programs, Pitch, Hit & Run Clinics, and the 3K/5K Color Run in partnership with the San Luis Rotary Club. This budget strategy aims to focus on essential services while ensuring operational stability amidst broader financial considerations.

\$476,730 **-\$231,050**
(-32.64% vs. prior year)

Recreation Proposed and Historical Budget vs. Actual



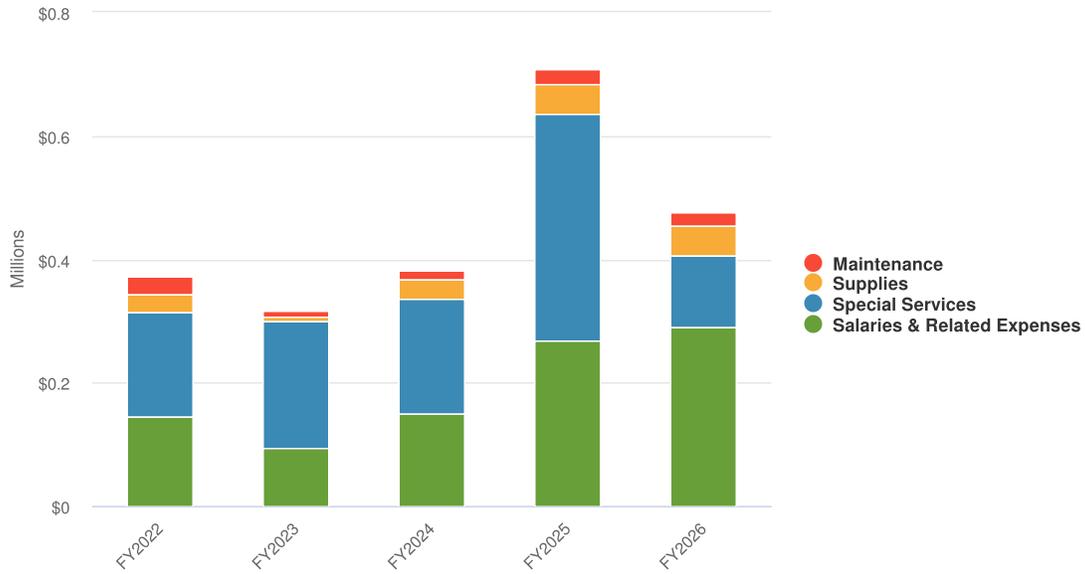
Personnel Changes

The chart below provides a summary of the Recreation Department’s staffing over the past three fiscal years. For FY 2026, the department will continue with the same staffing structure, which includes one Recreation Coordinator, one Office Assistant, and one Recreation Specialist. The salaries of the Recreation Coordinator and Office Assistant remain partially allocated to the Municipal Pool, as the Recreation Department continues to oversee its operations. Additionally, one intern position is maintained to support various recreational programs and initiatives. As in previous years, there will be no changes to staffing levels for FY 2026.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|--|-------------------|--------------------|------------------------------|------------------------------|---------------------------------|
| Full-time Equivalents (FTE) | 2.8 | 3.3 | 5.0 | 5.0 | 0.00 |
| % of city's FTEs | | | | 1.29% | |
| Authorized Personnel/Positions: | | | | | |
| <u>Title</u> | <u>2022-2023</u> | <u>2023-2024</u> | <u>Current 2024-2025</u> | <u>Request 2025-2026</u> | <u>Changes 2025-2026</u> |
| Recreation Specialist | 1.3 | 1.25 | 2 | 2 | 0 |
| Recreation Coordinator | 0.5 | 0.75 | 1 | 1 | 0 |
| Office Assistant | 0 | 0.25 | 1 | 1 | 0 |
| Recreation Assistant | 1 | 1 | 1 | 1 | 0 |
| Total | 2.8 | 3.3 | 5.00 | 5 | 0 |

Budgeted and Historical Expenditures by Expense Type



The following table presents the Recreation Division's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$94,323 | \$148,823 | \$267,290 | \$243,668 | \$289,010 | 8.1% |
| Supplies | \$7,261 | \$30,374 | \$47,760 | \$35,046 | \$50,170 | 5% |
| Maintenance | \$10,231 | \$15,469 | \$24,460 | \$17,414 | \$21,280 | -13% |
| Special Services | \$204,182 | \$187,304 | \$368,270 | \$271,346 | \$116,270 | -68.4% |
| Total Expense Objects: | \$315,998 | \$381,970 | \$707,780 | \$567,474 | \$476,730 | -32.6% |

Cultural Center

The Cultural Center provides a space for members of our community to engage and experience a wide range of activities and events that seek to promote a preserve the culture, heritage, and traditions of our community. Our facility offers a variety of classes in Art, Music and Dance, which are available to all ages and are designed to encourage and motivate our members to learn new talents, explore interests, and discover differing cultural perspectives.



We believe artistic and cultural activities are essential to healthy and active communities. By providing classes, activities, exhibitions, music and dance performances, theatre productions, workshops, and celebrations of cultural holidays and traditions, we allow our community to learn about and participate in diverse cultural experiences and help foster greater understanding, appreciation, and respect for different cultures and ways of life.

Our goal is to be the steppingstone for the future generation of artists, dancers, musicians, leaders, and art consumers.

Accomplishments FY 2025

The Cesar Chavez Cultural Center has been hosting many community events all year round, from which many agencies and local academies have benefited. Due to the facility's high demand from city, public, and private consumers, the entire flooring was renovated and received a wax polish service. This renovation made a massive difference to the whole facility, giving it a more professional image so the community could enjoy it. Also, the multipurpose room stage floor was replaced and polished, and the audio room equipment was relocated to the north side of the room to make it easier to control the lighting during reservations and presentations. The interior of the Cultural Center will also be painted to complete the beautification of the facility. The Cultural Center has been collaborating more with the Senior Center, encouraging intergenerational interaction and communication

Goals & Objectives FY 2026

Growth & Public Service

Goal: "To enrich community life and cultural experience by expanding class offerings, increasing community engagement, fostering local artistic talent, and promoting inclusivity through diverse activities and cultural events."

- Relocate the Activity Center to the Arnold Cordova building by Q3 FY 2026, ensuring the project stays within the allocated budget. Coordination is currently underway with the Facilities team and Project Coordinators. The relocation is scheduled to be completed between August and December 2026, with the scope limited to building maintenance only.
- Develop additional class offerings and programs, increasing class capacity by 15% by Q4 FY 2026 while maintaining cost-effective operations.
- As part of ongoing efforts to expand cultural experiences, the Eligio Ramirez mural project is scheduled for completion in July, during the first quarter of FY 2026.
- The Cultural Center is also proud to host an art gallery exhibit by Mexican artist Antonio Muñoz throughout the first quarter of FY 2026, marking his first showcase at the facility. Additional artist showcases are planned throughout the fiscal year to highlight diverse creative voices in the community.
- In response to growing community interest, three new adult classes will be added to the summer and fall schedules: Jiu-jitsu, Yoga, and Flamenco.

Economy

Goal: "To foster inclusive, economic and cultural development by creating opportunities for local artists and promoting community engagement through larger and more frequent cultural events."

- Increase event participation by 15% year-over-year through the promotion of larger and more diverse cultural events by FY 2026.

Financial Sustainability

Goal: "To ensure responsible management of resources while relocating and expanding the Cultural Center to meet the growing demand for space and programs."

- Maintain a balanced budget while increasing program offerings by 15% through cost-effective partnerships and sustainable funding sources by FY 2026.

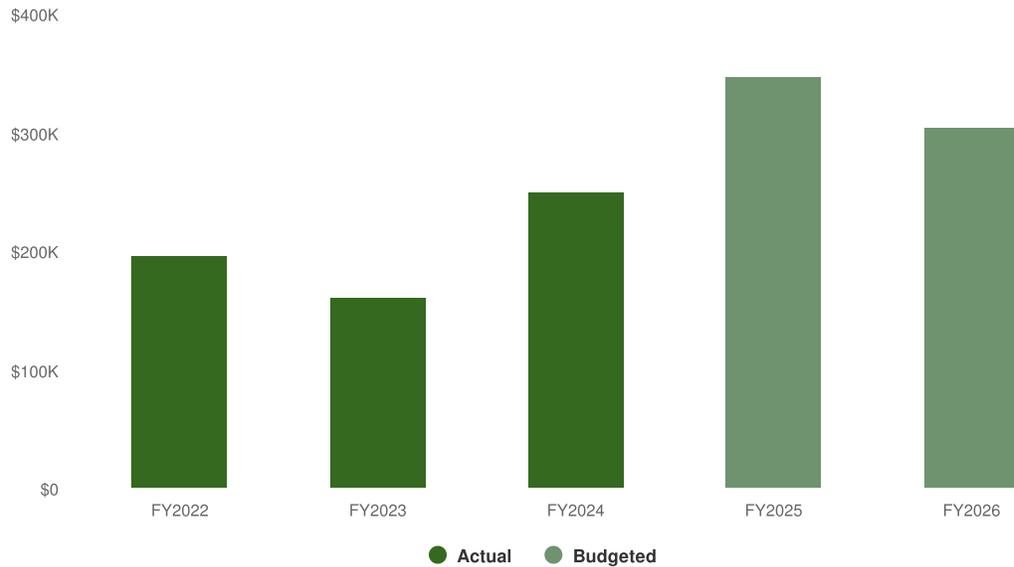
| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2024 PROJECTED | FY 2026 EXPECTED |
|---|----------------|-------------------|------------------|
| COMMUNITY ENGAGEMENT: CONTINUE SUPPORTING LOCAL AND COUNTY PARTNERSHIPS TO UTILIZE THE FACILITIES FOR EXHIBITS AND PERFORMANCES FOR THE COMMUNITY THROUGHOUT THE FISCAL YEAR. | 80% | 90% | 95% |
| EVENT PARTICIPATION: PROVIDE THE COMMUNITY WITH A WIDE RANGE OF ACTIVITIES AND EVENTS TO PROMOTE AND PRESERVE THE CULTURE, HERITAGE AND TRADITIONS OF OUR COMMUNITY. (EX: MISS SAN LUIS PAGEANT, ARTE EN LA CALLE, DIA DE MUERTOS, MENTAL HEALTH FORUMS, NOCHE MEXICANA, BE WELL, DANCE, MUSIC, ARTS & CRAFTS CLASSES.) | 90% | 95% | 98% |
| SOCIAL MEDIA ENGAGEMENT & VISITOR ATTENDANCE: PROMOTE THE CESAR CHAVEZ CULTURAL CENTER VIA SOCIAL MEDIA TO ATTRACT THE COMMUNITY AND VISITORS FROM AROUND THE THE STATE AND BORDER TO VISIT THE FACILITY AND PARTICIAPTE IN THE EVENTS. | 75% | 85% | 90% |
| FACILITY UTILIZATION: BEGIN THE PROCESS OF PLANNING FOR THE FUTURE EXPANSION OF THE CESAR CHAVEZ CULTURAL CENTER TO OFFER MORE CLASSES AND PROGRAMS TO OUR COMMUNITY WITHIN THE NEXT FEW YEARS. (EX. RELOCATING ACTIVITY CENTER CLASSES TO A SAFER AND BIGGER LOCATION) | 50% | 80% | 85% |
| FINANCIAL SUSTAINABILITY: CONTINUE USING APPROVED BUDGET TO CONTINUE WITH DAILY FACILITY OPERATIONS AS WELL AS AS MAINTENANCE OF THE FACILITY TO WELCOME NEW RESERVATIONS. CONTINUE LOOKING INTO SPONSORSHIPS AND POSSIBLE GRANTS TO ASSITN WITH THE FUNDING OF ACTIVITIES AND EVENTS. | 90% | 95% | 98% |

Expenditure Summary

The graph below shows the expenditures for the Cultural Center over the past four fiscal years. For FY 2026, the Cultural Center has budgeted \$304,150, which is \$43,240 less than the previous year. This decrease is primarily due to the removal of several annual events and programs in an effort to maintain a conservative and fiscally responsible budget. While programming has been scaled back, there is a slight increase in salary expenditures due to the citywide salary adjustment implemented this fiscal year.

\$304,150 **-\$43,240**
(-12.45% vs. prior year)

Cultural Center Proposed and Historical Budget vs. Actual



Personnel Changes

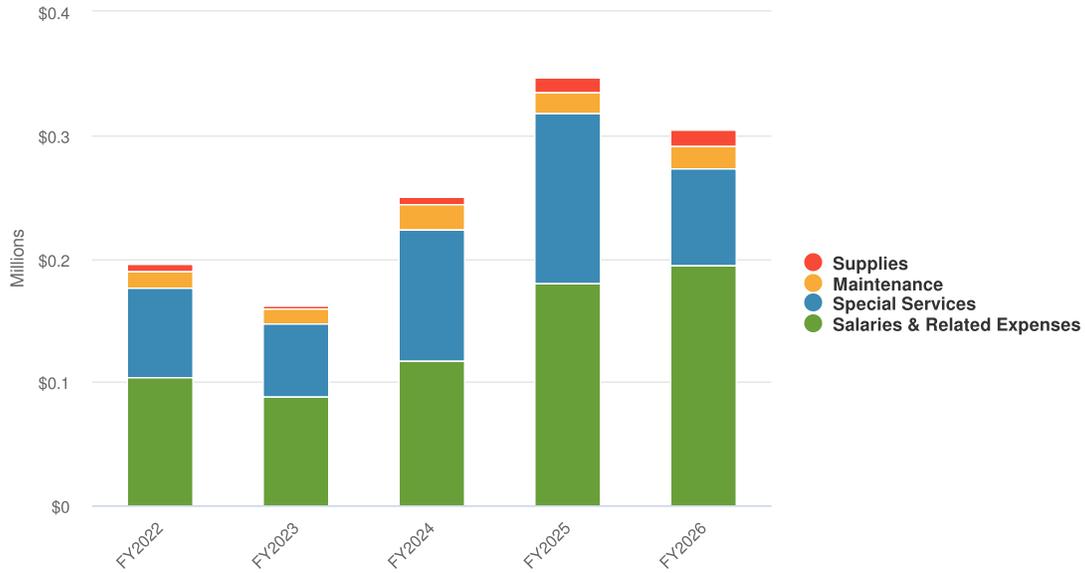
The chart below will show the Cultural Center's staff summary schedule for the past three fiscal years. In FY 2026, the Cultural Center will continue with its existing staff, which includes two Recreation Specialists and one Recreation Coordinator. There will be no staffing changes for this fiscal year.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|--|-------------------|--------------------|------------------------------|------------------------------|---------------------------------|
| Full-time Equivalents (FTE) | 1.8 | 2.3 | 3.0 | 3.0 | 0.00 |
| % of city's FTEs | | | | 0.78% | |
| Authorized Personnel/Positions: | | | | | |
| <u>Title</u> | <u>2022-2023</u> | <u>2023-2024</u> | <u>Current 2024-2025</u> | <u>Request 2025-2026</u> | <u>Changes 2025-2026</u> |
| Recreation Specialist | 1.3 | 1.25 | 2 | 2 | 0 |
| Recreation Coordinator | 0.5 | 0.8 | 1 | 1 | 0 |
| Office Assistant | 0 | 0.25 | 0 | 0 | 0 |
| Total | 1.8 | 2.3 | 3.0 | 3 | 0 |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents Cultural Center expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$87,849 | \$117,130 | \$179,890 | \$146,713 | \$194,310 | 8% |
| Supplies | \$1,666 | \$6,146 | \$13,208 | \$6,893 | \$12,720 | -3.7% |
| Maintenance | \$12,059 | \$20,354 | \$16,960 | \$11,066 | \$18,580 | 9.6% |
| Special Services | \$59,794 | \$106,786 | \$137,332 | \$106,770 | \$78,540 | -42.8% |
| Total Expense Objects: | \$161,368 | \$250,417 | \$347,390 | \$271,442 | \$304,150 | -12.4% |

Youth Center

The San Luis Youth Center (SLYC) is a state-of-the-art sports, recreational, and educational center where youth ages 7 to 21 can thrive in a dynamic and positive environment. The SLYC staff and volunteers work hard every day to support our young students and athletes.



Our goal is to provide every child with the essential tools needed for a successful and bright future. We provide confidence for the young by developing a sense of usefulness and belonging to one child at a time. Every day, the SLYC strives to improve each child's life by implementing self-esteem, courage, and positive values through athletics, cultural and educational programs.

We are proud to manage several sports and an academic excellence center, including boxing, a youth fitness program, arts and crafts, mommy and me program, summer camp, open gym, homework lab, and game center.

Accomplishments FY 2025

One of the major projects completed this fiscal year was remodeling our game room. In the past, our game room lacked comfortable seating and only had a projector for youth access. Now, our game room provides a pool table, an air hockey table, a comfortable couch, bean bags, and a mini arcade machine. This is all to attract more members to our facility with activities of interest. Another major project was upgrading our gym equipment to brand-new machines. Our old machines in our open gym were outdated and needed repairs. With this upgrade, the participants in our facility now have a more comfortable and effective workout. Our events this year have also been a massive success in our department. Events in the city of San Luis have progressively gotten larger with time. Our latest event, the Safety Event, was a success, with over 27 local agencies participating and over 1,000 people in attendance who had a good time and networked with local agencies. Lastly, we are working with SLHS to remodel our lobby area with murals created by their AP art classes. We believe this project will help us by creating a welcoming environment for our visitors/participants and a sense of association with the murals reflecting our culture at the San Luis Youth Center.

Goals & Objectives FY 2026

Growth & Public Service

Goal: "To enhance the Youth Center's appeal and effectiveness by providing engaging, enriching activities and a safe environment for the youth of our community."

- Increase participation in homework labs, game room, and arts & crafts classes by 15% by Q4 FY 2026.
- By fall, the Youth Center will introduce three new programs—ping pong, board games, and a newly enhanced game room to provide more diverse recreational options for youth.
- Maintain a safe and welcoming environment during all programs and open gym hours, targeting zero safety incidents by Q4 FY 2026.
- Increase social media presence and community outreach, posting at least 2 updates per week to promote programs and events throughout FY 2026.
- Expand outreach efforts to build stronger partnerships with local youth agencies and organizations for future collaborations and community support.

Economy

Goal: "To invest in youth development, fostering future community leaders and contributing to the long-term economic vitality of San Luis."

- Seek sponsorship for the Youth Center's boxing club to enhance equipment and gear, improving training quality and athletic performance.
- Produce a promotional video featuring boxing athletes and the volunteer instructor to raise awareness about the program's impact and how it is positively transforming the lives of local youth.

Financial Sustainability

Goal: "To ensure the Youth Center remains financially sustainable while expanding services and improving facilities."

- Monitor operational costs and program expenses, keeping all expenditures within FY 2026 budget allocations while maintaining at least 95% facility uptime and program availability.

| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|---|-------------------|----------------------|---------------------|
| YOUTH PARTICIPATION RATES: IMPROVE THE QUALITY OF THE YOUTH CENTER PROGRAMS AND ACTIVITIES TO ATTRACT MORE ATTENDANCE AND LONG TERM MEMBERSHIP. THIS WILL HELP IN MEETING THE NEEDS AND INTERST OF OUR YOUTH. | 80% | 85% | 90% |
| BEHAVIORAL OUTCOME & SKILLS DEVELOPMENT:DEVELOP PROGRAMS AND INITIATIVES THAT EMPOWER OUR YOUTH TO TAKE ON LEADERSHIP ROLES IN THE COMMUNITY IN THE FUTURE. | 75% | 80% | 85% |
| SPECIAL EVENTS ATTENDANCE:CONTINUE DEVELOPING OUR SPECIAL EVENTS SUCH AS THE SPOOKTACULAR FESTIVAL, EASTER EGG HUNT, DIA DEL NINO, SAFETY EVENT, AND SUMMER CAMPS TO STRENGTHEN THE COMMUNITY ENGAGEMENT AND ATTENDANCE. OUTSIDE AGENCIES PARTICIPATE IN THESE EVENTS, SO WE'D LIKE TO CONTINUE STRENGTHENING OUR COMMUNITY PARTNERSHIPS TO PROVIDE OUR YOUTH AND COMMUNITY WITH MORE RESOURCES TO BETTER THEIR HEALTH AND EDUCATION IN THE FUTURE. | 90% | 95% | 97% |
| PROGRAM SATISFACTION:IMPROVE THE QUALITY OF PROGRAMS SUCH AS THE BOXING CLASS TO PREPARE YOUTH ATHLETES WHO WOULD LIKE TO ENTER THE PROFESSIONAL WORLD OF BOXING. PREPARE THEM WITH THE SKILLS NECESSARY TO COMPETE AT A STATE LEVEL THROUGH USA BOXING. | 80% | 85% | 90% |

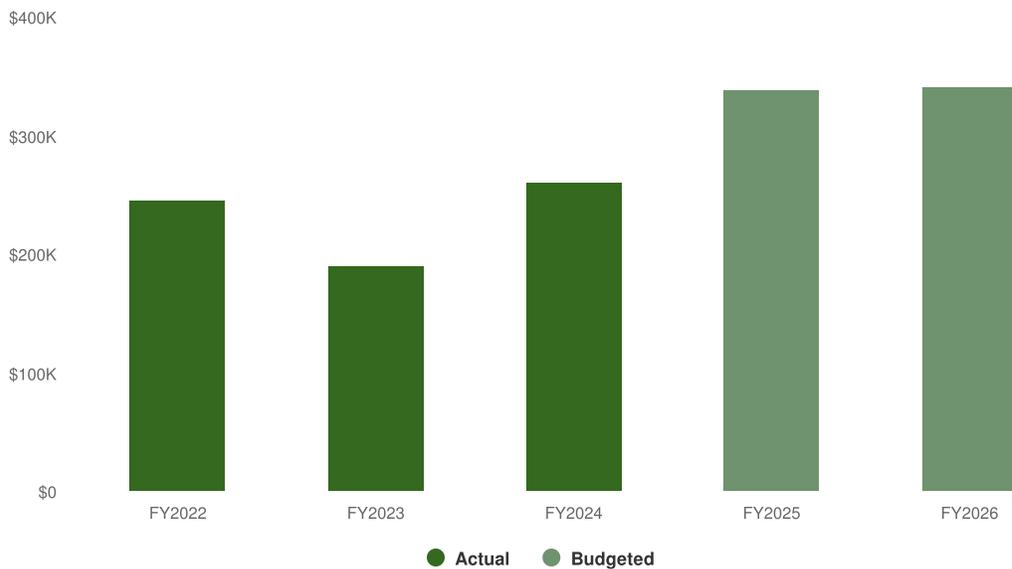
Expenditure Summary

The graph below shows the expenditures for the Youth Center over the past four fiscal years. For FY 2026, the Youth Center is budgeting \$340,880, which is only \$2,390 more than the previous year. While the overall increase is minimal, there is a notable shift in the budget structure. Special services experienced a significant decrease, as part of a conservative budgeting approach, with no allocations made for events such as movie nights, boxing exhibition shows, workshops, safety events, Happy Hoppy Easter Egg Hunt, Día del Niño, Spooktacular Festival, or the Christmas Posada for Youth Center participants.

On the other hand, there is a major increase in salaries and related expenses, which offsets reductions in other areas and contributes to the slight year-over-year increase. This change is largely due to staffing reclassification. Last year, the department had two part-time Recreation Interns, both of whom were reclassified as Recreation Assistants. In FY 2026, one of those assistants was further reclassified as a full-time Recreation Specialist, resulting in a higher salary allocation and associated benefits costs.

\$340,880 **\$2,390**
(0.71% vs. prior year)

Youth Center Proposed and Historical Budget vs. Actual



Personnel Changes

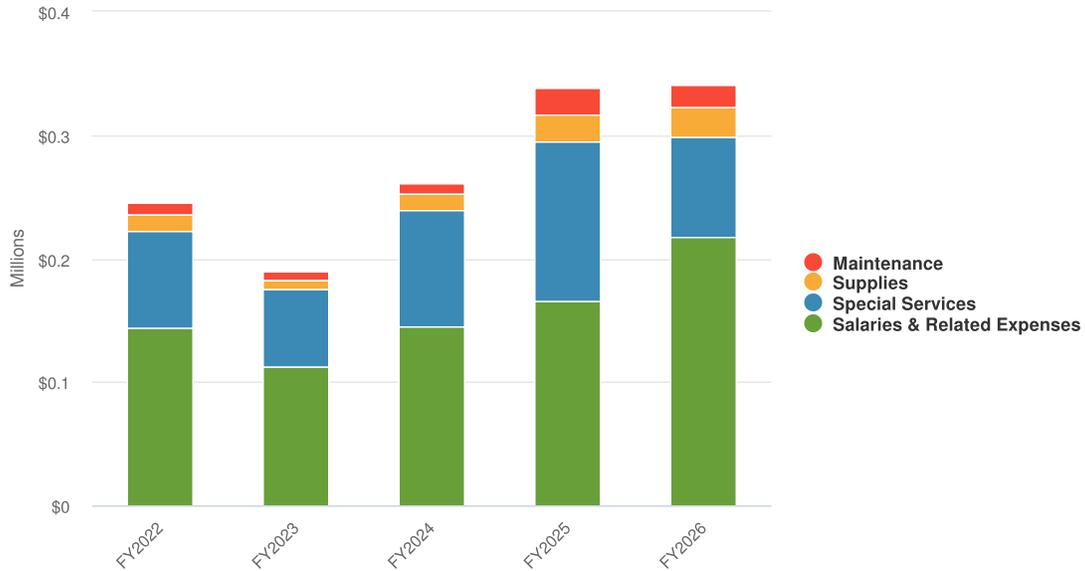
The chart below shows the Youth Center’s staff summary schedule for the past three fiscal years. In FY 2026, the center will operate with one full-time Recreation Specialist, one Recreation Coordinator, and one part-time Recreation Assistant. These roles reflect recent reclassifications. In FY 2025, the Youth Center had two part-time Recreation Interns, both of whom were reclassified as Recreation Assistants. In FY 2026, one of those assistants was further reclassified as a full-time Recreation Specialist to better support program development and service delivery. The Youth Center staff remains focused on providing high-quality, engaging programs for the youth in our community.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|--|-------------------|--------------------|------------------------------|------------------------------|---------------------------------|
| Full-time Equivalents (FTE) | 2.8 | 3.3 | 3.0 | 3.5 | 0.50 |
| % of city's FTEs | | | | 0.90% | |
| Authorized Personnel/Positions: | | | | | |
| Title | <u>2022-2023</u> | <u>2023-2024</u> | <u>Current 2024-2025</u> | <u>Request 2025-2026</u> | <u>Changes 2025-2026</u> |
| Recreation Specialist | 1.3 | 1.25 | 1 | 2 | 1 |
| Recreation Coordinator | 0.5 | 0.75 | 1 | 1 | 0 |
| Recreation Assistant | 0 | 0.25 | 0 | 0.5 | 0.5 |
| Recreation Intern | 1 | 1 | 1 | 0 | -1 |
| Total | <u>2.8</u> | <u>3.3</u> | <u>3</u> | <u>3.5</u> | <u>0.5</u> |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents the Youth Center's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$112,642 | \$144,981 | \$165,040 | \$167,843 | \$216,970 | 31.5% |
| Supplies | \$7,071 | \$12,645 | \$22,068 | \$7,547 | \$24,370 | 10.4% |
| Maintenance | \$7,399 | \$8,356 | \$22,060 | \$15,589 | \$18,080 | -18% |
| Special Services | \$62,395 | \$94,844 | \$129,322 | \$94,281 | \$81,460 | -37% |
| Total Expense Objects: | \$189,508 | \$260,825 | \$338,490 | \$285,260 | \$340,880 | 0.7% |

Municipal Pool

The San Luis Municipal Pool offers our residents a safe and accessible space for the community to engage in recreational swimming activities. Our pool provides a fun way to cool off during the summer months, practice physical activity, and a way to socialize and spend time with friends and family. A very important aspect of our pool is that it serves as a space where visitors can receive water safety education, promoting important lifesaving skills that may reduce the risk of drowning.



The Municipal Pool offers open swim opportunities, swimming lessons, and party reservations. Open swim season runs from late June through August. The San Luis Municipal Pool is open Monday through Friday from 3:00 p.m. to 8:00 p.m., and Saturday from 11:00 a.m. to 3:00 p.m., and remains closed on Sundays.

After being closed throughout FY 2024 for necessary repairs and renovations, the pool successfully reopened in FY 2025, offering the community a safer and updated facility. These improvements were made to enhance the overall experience for residents and address long-standing maintenance issues.

Accomplishments FY 2025

The Parks and Recreation Department celebrated the reopening of the San Luis Municipal Pool in June 2024. This much-needed renovation greatly benefited San Luis residents. In addition to upgrading the pool amenities, we beautified the surrounding green area by replacing the natural grass with durable artificial turf, enhancing both aesthetics and maintenance.

The summer 2025 swimming lessons saw strong participation across three sessions:

- Session 1: 107 children and 14 adults
- Session 2: 118 children and 15 adults
- Session 3: 68 children and 13 adults

This totals 293 children and 47 adults who took part in swimming lessons this summer. We also received swimming lesson scholarships sponsored by the Greater Yuma Water Safety Alliance, helping more community members access aquatic education.

On average, 60 people visited the Municipal Pool daily throughout the summer season. Additionally, we continue to invest in the safety and preparedness of our aquatic team by providing ongoing education and training, including water safety, CPR, and first aid certifications, to ensure high standards of service for upcoming seasons.

Goals & Objectives FY 2026

Growth & Public Service

Goal: "To provide a safe, functional, and attractive public pool facility that enhances community well-being and serves as a recreational hub for San Luis residents."

- Ensure pool safety during all general swimming hours and reservations, targeting zero safety incidents throughout the fiscal year.
- Promote community use of the pool, aiming for at least a 10% increase in public participation compared to FY 2025 by Q4 FY 2026.

Economy

Goal: "To enhance the economic viability of San Luis by offering a premier public pool facility that attracts visitors and supports local businesses."

- Maintain all pool operations, including general swimming hours and reservations, within FY 2026 budget allocations, while minimizing resource waste and operational costs.

Financial Sustainability

Goal: "To responsibly manage resources while maintaining a high-quality, sustainable public pool facility that provides value to residents."

- Monitor operational expenses and maintenance costs, ensuring all pool-related expenditures remain within budget while maintaining 95% facility uptime and safety compliance throughout FY 2026.

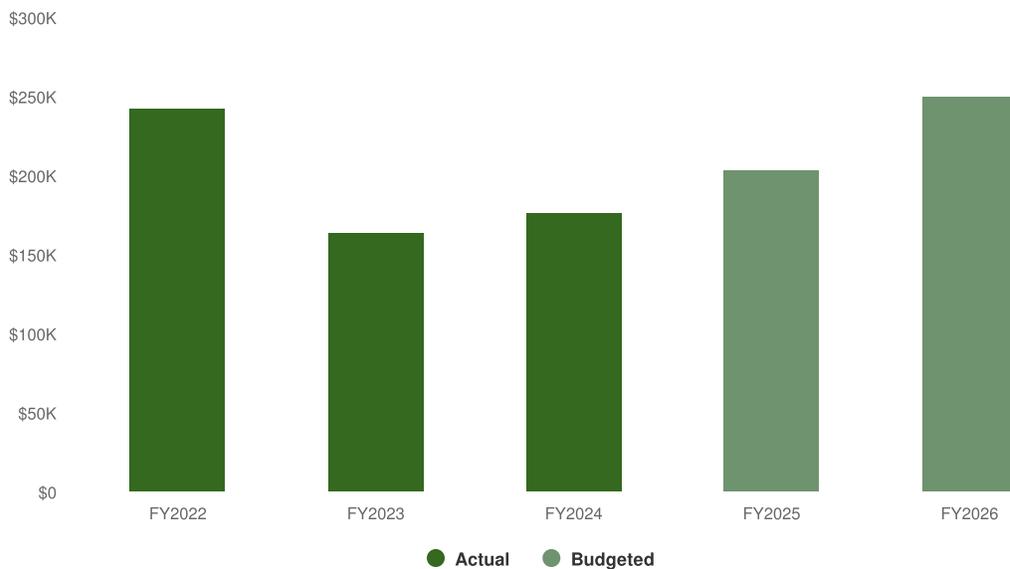
| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|---|-------------------|----------------------|---------------------|
| <p>ATTENDANCE NUMBERS: CONTINUE PROVIDING A SAFE AND FULLY FUNCTIONAL PUBLIC POOL FACILITY THAT SAN LUIS RESIDENTS CAN ENJOY AND BE PROUD OF. A FULLY FUNCTIONAL POOL WILL ALLOW US INCREASE POOL ATTENDANCE THROUGH TARGETED COMMUNITY OUTREACH, SPECIAL EVENTS, AND SEASONAL PROGRAMS TO PROMOTE THE POOLS AS A COMMUNITY ATTRACTION. AS WELL AS DAILY OPEN SWIM HOURS, SWIMMING LESSONS AND WEEKEND POOL PARTY RESERVATIONS. (POOL WAS CLOSED DUE TO MAINTENANCE IN FY23 AND RENOVATION BEGAN IN FY24)</p> | 50% | 75% | 80% |
| <p>FACILITY MAINTENANCE: COMPLETE THE POOL RENOVATIONS AND NECESSARY IMPROVEMENTS THROUGHOUT THE FISCAL YEARS TO ENSURE THAT THE FACILITY IS IN GOOD STANDING TO WELCOME THE COMMUNITY.</p> | 95% | 98% | 99% |
| <p>STAFF TRAINING AND CERTIFICATIONS: CONTINUE PROVIDING RETURING AND NEW LIFEGUARDS WITH LIFEGUARD CERTIFICATIONS AND WSI CERTIFICATIONS FOR SWIMMING LESSON INSTRUCTORS. PREPARE STAFF IN CHARGE OF MUNICIPA POOL WITH CPSI CERTIFICATIONS TO ENSURE THEY HAVE THE NECESSARY TOOLS TO SUPERVISE AND MANAGE THE MUNICIPAL POOL OPERATIONS.</p> | 0% | 80% | 85% |

Expenditure Summary

The graph below shows the expenditures for the Municipal Pool over the past four fiscal years. For FY 2026, the Municipal Pool is budgeting \$249,930, which is \$46,420 more than the previous year. This increase is primarily due to additional funds allocated for minor tools and improvements to beautify the surrounding areas, including the purchase of umbrellas, picnic tables, and other amenities to enhance the visitor experience. There is also a slight increase in salaries and related expenses reflecting the citywide salary adjustment, as well as an increase in special services to support ongoing staff training and development to ensure high-quality service and safety.

\$249,930 **\$46,420**
(22.81% vs. prior year)

Municipal Pool Proposed and Historical Budget vs. Actual



Personnel Changes

The chart below shows the Municipal Pool’s staff summary schedule for the past three fiscal years. For FY 2026, there are no full-time or part-time positions formally allocated to this department. However, the pool relies on seasonal staffing to operate during the summer months. This year, a total of 14 seasonal lifeguards were hired to support pool operations. Because these positions are temporary, typically working only three months they do not appear on the staff summary schedule, as their hours are not equivalent to part-time roles.

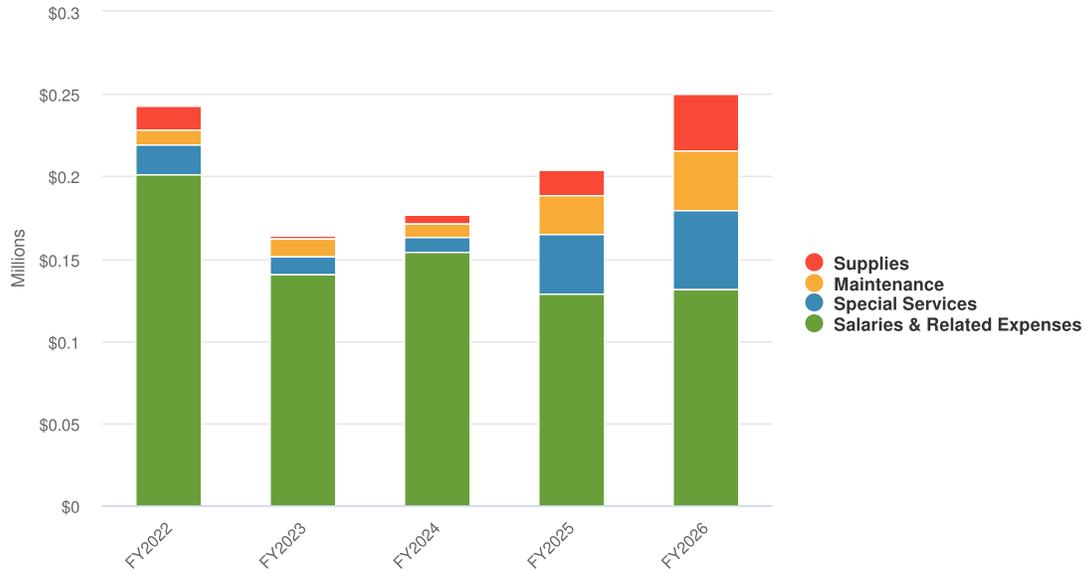
In addition, the Municipal Pool receives administrative and operational support from a Recreation Coordinator and an Office Assistant, both of whom are part of the Recreation Department. Their time is not formally budgeted under the pool, but they play a key role in overseeing facility operations during the swim season.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|--|-------------------|--------------------|----------------------|----------------------|---------------------------------|
| Full-time Equivalents (FTE) | 1.8 | 2.3 | 0.0 | 0.0 | 0.00 |
| % of city's FTEs | | | | 0.00% | |
| Authorized Personnel/Positions: | | | | | |
| Title | 2022-2023 | 2023-2024 | Current 2024-2025 | Request 2025-2026 | Changes 2025-2026 |
| Recreation Specialist | 1.3 | 1.25 | 0 | 0 | 0 |
| Assistant Director Park & Rec | 0 | 0 | 0 | 0 | 0 |
| Office Assistant | 0 | 0.25 | 0 | 0 | 0 |
| Recreation Coordinator | 0.5 | 0.75 | 0 | 0 | 0 |
| Administrative Assistant | 0 | 0 | 0 | 0 | 0 |
| Administrative Coordinator | 0 | 0 | 0 | 0 | 0 |
| Director of Parks & Rec | 0 | 0 | 0 | 0 | 0 |
| Total | 1.8 | 2.3 | 0 | 0 | 0 |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents Municipal Pool expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$140,862 | \$153,847 | \$129,020 | \$85,760 | \$131,030 | 1.6% |
| Supplies | \$1,404 | \$5,469 | \$15,105 | \$7,418 | \$33,900 | 124.4% |
| Maintenance | \$11,031 | \$7,732 | \$23,280 | \$31,515 | \$36,780 | 58% |
| Special Services | \$10,447 | \$9,307 | \$36,105 | \$25,391 | \$48,220 | 33.6% |
| Total Expense Objects: | \$163,742 | \$176,355 | \$203,510 | \$150,084 | \$249,930 | 22.8% |

Senior Services

The San Luis Senior Center provides a welcoming and supportive environment for our senior residents where they can socialize, learn new skills, stay active and access resources and services. We offer daily transportation, programs and activities, educational seminars, health screenings, and social events.



The Senior Center's activities include daily games of bingo, domino and pool, arts and crafts, sewing classes, fitness classes, and more. The center oversees the San Luis Senior Nutrition Program, where seniors are offered a healthy meal daily.

The Senior Center will continue to provide activities, nutritional meals, and programs for our residents in their golden years.

We continue working with the Yuma County Food Bank, distributing food twice a month to San Luis residents. We successfully relocated the food distribution to a larger area at the Cultural Center, which has greatly improved the process. The new space provides more room and ensures a safer environment for the community, making it a positive and successful change.

Accomplishments FY 2025

- Provided our seniors with 17,824 healthy meals daily through the nutrition program.
- Continued with regular center activities, such as field trips and outings
- Collaborated with local agencies to provide our members with important information to keep them safe, healthy, and independent.
- Celebrated holidays encourage socialization and physical and mental health.
- Submitted an RFP for the provision of congregate meals
- Continued working with the Yuma County Food Bank, distributing food twice a month to San Luis residents.

- Attendance and participation in programs and activities at the Senior Center increased significantly. The expanded offerings and more engaging events have encouraged greater involvement, fostering a stronger sense of community and support among the seniors.
- We also utilized social media to create engaging and attractive posts to inform the community about the Senior Center's daily activities and fun events. These posts raised awareness and encouraged more seniors to participate, enhancing their connection to the center and its vibrant offerings.
- We made our Senior Center a safe and welcoming space for our seniors, continually working to maintain a peaceful and pleasant environment where they can visit daily to socialize and enjoy healthy meals.

Goals & Objectives FY 2026

Growth & Public Service

Goal: "To provide a safe, positive, and supportive space for seniors, fostering community well-being and intergenerational connections."

- Continue to improve the quality of programs and activities to meet evolving senior needs, measuring success through program satisfaction surveys and participation rates, aiming for at least 10% increase in participation by Q4 FY 2026.
- Increase attendance and participation in Senior Center programs and activities by 10% compared to FY 2025 by Q4 FY 2026.
- Create and launch new intergenerational activities by Q3 FY 2026, tracking participation across all age groups.
- Establish a Senior Center Advisory Council by Q2 FY 2026 to gather member input and implement at least 3 new ideas or improvements by Q4 FY 2026.
- Continue strengthening community partnerships through at least 4 seminars or workshops during FY 2026.
- Promote the Senior Center to increase memberships and awareness, achieving a 10% growth in active membership by Q4 FY 2026.



Economy

Goal: "To enhance community involvement and support economic growth through partnerships and expanded services for seniors."

- Track program expenditures and operational costs, keeping all Senior Services programs within FY 2026 budget allocations while maintaining service quality.
- Continue serving approximately 19,000 congregate meals during FY 2026, ensuring cost-effective meal delivery without compromising quality.



Financial Sustainability

Goal: "To ensure the long-term financial sustainability of senior services while improving and expanding program offerings."

- Monitor program and operational costs, ensuring expenditures remain within budget while achieving 95% or greater participation and satisfaction rates in all programs and activities.

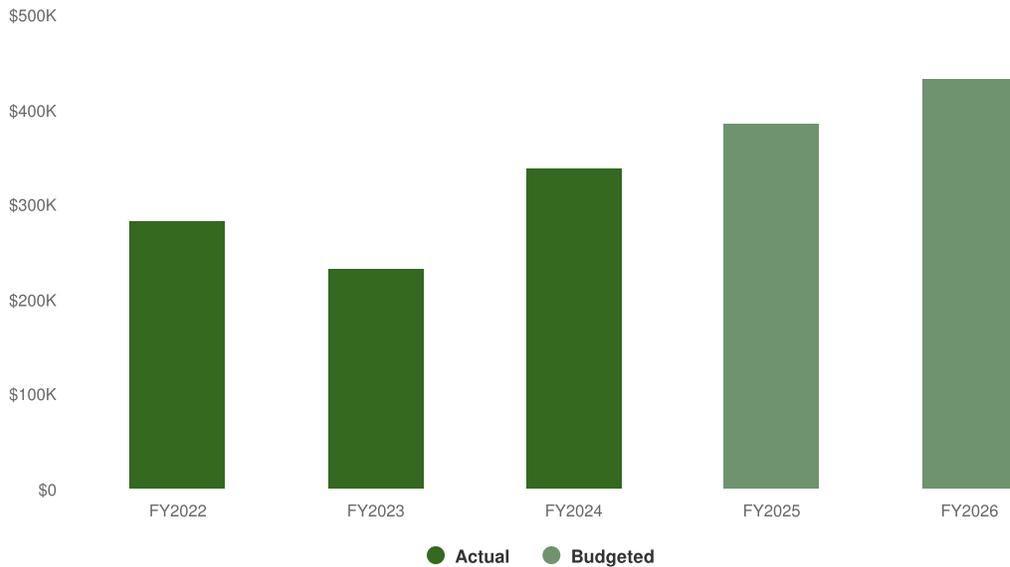
| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|---|-------------------|----------------------|---------------------|
| PROGRAM VARIETY AND SATISFACTION: CONTINUE TO IMPROVE THE QUALITY OF PROGRAMS AND ACTIVITIES TO MEET THE EVOLVING NEEDS AND INTERESTS OF OUR SENIOR MEMBERS. MEASURING SUCCESS BY ASSESSING AND ENHANCING THE QUALITY OF SENIOR PROGRAMS, TRACKING INCREASED SENIOR PARTICIPATION, AND MONITORING PROGRAM SATISFACTION. | 80% | 85% | 90% |
| COMMUNITY OUTREACH: CONTINUE PROMOTING THE SENIOR CENTER TO INCREASE MEMBERSHIP AND AWARENESS OF OUR SERVICES UTILIZING SOCIAL MEDIA A BIT MORE. | 80% | 85% | 90% |
| OUTREACH PROGRAM PARTICIPATION: CONTINUE STRENGTHENING COMMUNITY PARTNERSHIPS WITH LOCAL AGENCIES TO KEEP OUR SENIOR INFORMED THROUGH SEMINARS AND WORKSHOPS. | 90% | 95% | 98% |
| FINANCIAL SUSTAINABILITY: INCREASE EXTERNAL FUNDING AND SPONSORSHIPS TO SUPPORT EXPANDED PROGRAMMING, SUCH AS THE GRANT FUNDED WACOG NUTRITION PROGRAM, AND MAINTAIN FINANCIAL SUSTAINABILITY. | 90% | 95% | 98% |

Expenditure Summary

The graph below shows the expenditures for the Senior Center over the past four years. For FY 2026, the Senior Center is budgeting \$432,260, which is \$47,500 more than the previous year. This increase is mainly due to the approved part-time driver position and the citywide salary adjustment. Additionally, there are noticeable increases in maintenance and special services, as funds were allocated for new cabinets in the main offices, main room, and activity room. Improvements also include the installation of two new gate doors, a panic device, and a chain-link fence with a double swing gate for the outdoor fridge area.

\$432,260 **\$47,500**
(12.35% vs. prior year)

Senior Services Proposed and Historical Budget vs. Actual



Personnel Changes

The chart below shows the Senior Center’s staff summary schedule for the past three fiscal years. In FY 2026, the center will maintain its existing staff, which includes one Manager, one Driver, one Service Coordinator, one Office Assistant, and one Senior Services Assistant. This year, a part-time driver position was approved to further support the center’s transportation services. Additionally, there are two Cooks funded under the Special Revenue Fund as part of the Western Arizona Council of Governments (WACOG) program, which provides various services to help people in La Paz, Mohave, and Yuma Counties achieve self-sufficiency.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|-----------------------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|
| Full-time Equivalents (FTE) | 4 | 5 | 5 | 5.5 | 0.5 |
| % of city's FTEs | | | | 1.42% | |

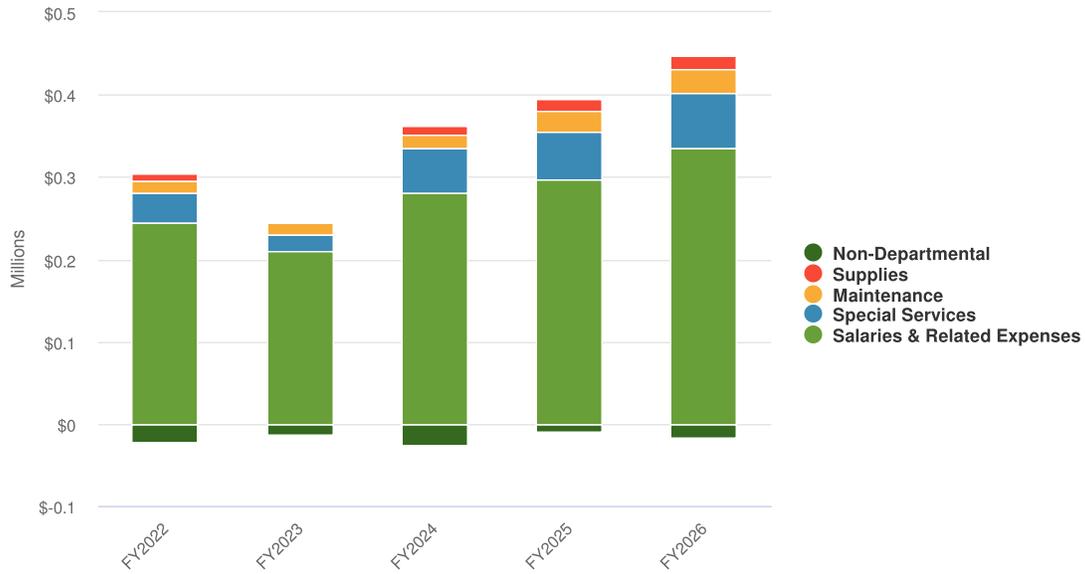
| Authorized Personnel/Positions: | | | Current | Request | Changes |
|----------------------------------|-----------|-----------|-----------|------------|------------|
| Title | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 | 2025-2026 |
| Senior Services Manager | 1 | 1 | 1 | 1 | 0 |
| Driver | 1 | 1 | 1 | 1.5 | 0.5 |
| Senior Services Assistant/Driver | 1 | 0 | 0 | 0 | 0 |
| Senior Services Coordinator | 0 | 1 | 1 | 1 | 0 |
| Office Assistant | 0 | 1 | 1 | 1 | 0 |
| Senior Services Assistant | 1 | 1 | 1 | 1 | 0 |
| Total | 4 | 5 | 5 | 5.5 | 0.5 |

SENIOR SERVICES SPECIAL REVENUE FUND

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|-----------------------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|
| Full-time Equivalents (FTE) | 1 | 2 | 2 | 2 | 0 |
| % of city's FTEs | | | | 0.52% | |

| Authorized Personnel/Positions: | | | Current | Request | Changes |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|
| Title | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 | 2025-2026 |
| Cook | 1 | 2 | 2 | 2 | 0 |
| Total | 1 | 2 | 2 | 2 | 0 |

Budgeted and Historical Expenditures by Expense Type



The following table presents the Senior Center's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$209,840 | \$281,964 | \$297,390 | \$247,390 | \$335,840 | 12.9% |
| Supplies | \$2,331 | \$10,979 | \$15,270 | \$10,680 | \$16,310 | 6.8% |
| Maintenance | \$13,811 | \$16,610 | \$23,960 | \$18,068 | \$29,980 | 25.1% |
| Special Services | \$20,655 | \$53,187 | \$58,140 | \$33,408 | \$65,870 | 13.3% |
| Non-Departmental | -\$13,503 | -\$24,892 | -\$10,000 | -\$16,522 | -\$15,740 | 57.4% |
| Total Expense Objects: | \$233,133 | \$337,847 | \$384,760 | \$293,024 | \$432,260 | 12.3% |

Municipal Court

The San Luis Municipal Court's mission is to ensure that individuals appearing before the court or are seeking services from the court are treated equally, impartially, fairly, with compassion and integrity; to timely and efficiently resolve all matters, protect individuals' rights and liberties, uphold and interpret the law.



Accomplishments FY 2025

- Established a Weapon Surrender Program in partnership with SLPD and Tucson City Court.
- Updated warrant and quash procedures to ensure same day processing and quicker communication with dispatch.
- Implemented new jail procedures and standardized forms to reduce confusion and align with detention center operations.
- Adopted a FARE policy to improve collection rates and enhance compliance.
- Developed purge, case processing, and financial policies to meet retention schedules, MAS requirements, and the Judiciary Code of Conduct.
- Secured an indigent defense counsel contract with the City Attorney to better serve the community.
- Removed the outdated 2011 Unified Bond Schedule in coordination with Superior Court and LJ Courts.
- Clarified staff roles and responsibilities for receipting, reporting, and daily operations.

- Transitioned warrant validations from SLPD dispatch back to SLMC for improved accuracy.
- Adopted Administrative Order 2025-02 allowing clerks to dismiss or reduce certain civil fines in collaboration with the Prosecutor's Office.
- Implemented HR Policy 2025-02 and Administrative Order 2025-01 to strengthen internal personnel regulations.
- Restructured the court layout to improve functionality and customer flow.
- Hired and promoted several Court Clerks and brought on two interns through AZ at Work.
- Updated job descriptions and attire policies to reflect current duties and maintain professionalism.
- Launched a court website with forms and payment information, meeting MAS requirements.
- Completed an asbestos reassessment, installed a new security system, and upgraded microphones and AV equipment.
- Improved first responder access with master key entry and installed a payment kiosk for easier transactions.
- Established a Criminal Justice Coordination Committee to improve inter-agency collaboration.
- Repealed outdated probation fees and updated local fines and fees that had not been revised since 1999.
- Corrected financial allocations and assumed full responsibility for managing the court's budget through New World.
- Expanded staff training with the Arizona Court Supervisor program and specialized sessions on receipting, contracts, DPS reporting, expungements, warrant/jury trial procedures, protection orders, FARE, and COJET.
- Successfully completed the MAS Audit and Triennial Security Assessment.

Goals & Objectives FY 2026

Growth & Public Service

Goal: "To enhance the efficiency and effectiveness of court operations through technology upgrades and essential staffing."

- Ensure ADA compliance by adopting either a court-specific ADA policy or adapting the City's policy by June 30, 2026, installing bathroom handrails, evaluating signage needs (Braille), and addressing courtroom accessibility issues.
- Audit and improve accessibility of the Court's website with the City Graphics and Media Specialist by the end of FY 2026.
- Implement the Digital Dispositions system (DPS) by securing ACJIS access, completing fingerprint clearance and staff training, and transitioning to full electronic reporting by Q4 FY 2026.
- Establish community service in lieu of fines procedures by March 2026, including new forms, coordination with Adult Probation, and juvenile service programming.
- Prepare for the operational audit by FY 2026 through quarterly reviews of bonds, time standards, manual receipts, and overpayments, and by updating protective order forms and reconciling procedures.
- Update and maintain the new bond schedule in AJACS by December 2025, working with AOC staff.
- Install a new fire alarm system in the courthouse by October 2025, in coordination with Facilities, Risk, and the Fire Inspector.
- Coordinate facilities upgrades by obtaining quotes for a manual crank gate opener and generator by June 2026.

Economy

Goal: "To optimize court operations through essential staffing and collaboration with external agencies."

- Support city-wide technology improvements by collaborating on the replacement of network switches, access points, and firewall by the end of FY 2026, ensuring courtroom Wi-Fi is restored for pro se litigant use.
- Procure compatible court technology by Q2 FY 2026 through quotes from Superior Court IT, ensuring alignment with AOC systems, and submit an IT ticket for installation immediately after approval.

- Leverage interns and support positions during FY 2026 to meet administrative and case-processing needs cost-effectively while providing training opportunities.



Financial Sustainability

Goal: "To ensure sustainable and responsible management of court resources and services."

- Strengthen accountability for Deferred Prosecution Funds by reconciling unrecorded revenues from 1999–2006, maintaining the newly created GL account, and ensuring accurate reporting in FY 2026 and future fiscal years.
- Secure final approval and implement grant-funded projects by FY 2026, including:
 - A replacement for the detention center’s Cisco VOIP unit within 12–18 months to ensure due process.
 - An internet circuit upgrade from 5MB to 30MB to reduce outages and delays in remote hearings.
- Submit and follow up on salary adjustment study for Court Administrator and Chief Court Clerk by January 2026, with reclassification decisions finalized before FY 2027 budget adoption.

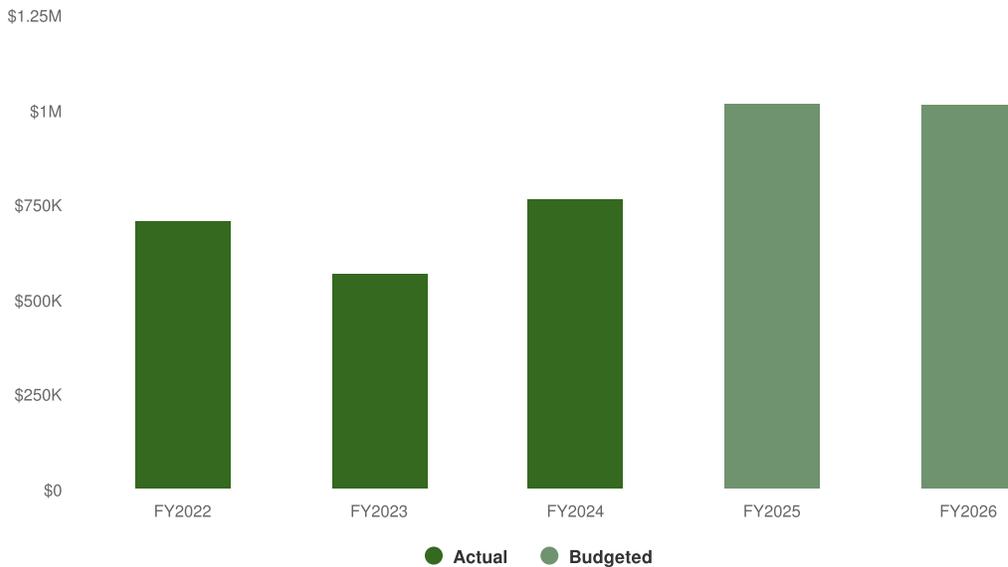
| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|---|----------------|--|---|
| QUALIFIED CASES RECEIVING INTERPRETER SERVICES | 100% | 100% | 100% |
| PERCENTAGE OF ESSENTIAL STAFF | 80% | 95% | 100% |
| QUALIFIED CASES RECEIVING COURT APPOINTED COUNSEL | 100% | 100% | 100% |
| TIME TO DISPOSITION DUI MISDEMEANOR | N/A | 82.19% within 180 days; 89.04% within 240 days | 85% within 180 days; 93% within 240 days |
| TIME TO DISPOSITION MISDEMEANOR (NOT DUI) | N/A | 35.69% within 60 days; 49.55% within 90 days; 76.40% within 180 days | 75% within 60 days; 90% within 90 days; 98% within 180 days |
| TIME TO DISPOSITION EX PARTE OOP | N/A | 98.70% within 24 hours | 100% within 24 hours |
| TIME TO DISPOSITION CONTESTED OOP | N/A | 100% within 10 days | 100% within 10 days |
| TIME TO DISPOSITION CIVIL TRAFFIC | N/A | 73.14% within 60 days; 96.67% within 90 days | 80% within 60 days; 98% within 90 days |
| TIME TO DISPOSITION CIVIL LOCAL ORDINANCE | N/A | 57.89% within 60 days; 84.21% within 90 days; 84.21% within 180 days | 75% within 60 days; 90% within 90 days; 98% within 180 days |

Expenditure Summary

The graph below shows the expenditures for the Municipal Court over the past four years. For FY 2026, the Municipal Court has budgeted \$1,014,890, reflecting a decrease of \$2,550 compared to the previous fiscal year. This minor decrease is due to the reallocation of salaries and related expenses for two positions to contractual services. However, the overall impact on contractual services is balanced by the reallocation of court defendant fees to the City Attorney's budget, since those legal services will now be managed under that office.

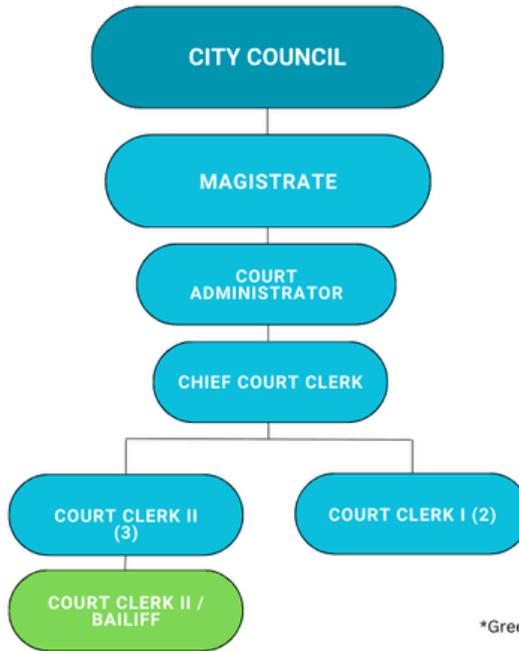
\$1,014,890 **-\$2,550**
(-0.25% vs. prior year)

Municipal Court Proposed and Historical Budget vs. Actual



Organizational Chart

MUNICIPAL COURT



*Green: Reclassification



Personnel Changes

The chart below will display the Municipal Court's Staff summary schedule for the past three fiscal years. In FY 2026, funds previously allocated for salaries and related expenses for the Court Interpreter and Court Security Officer were moved to contractual services, which is why a position change is reflected in the staff summary schedule. Additionally, one Bailiff position was reclassified to a Court Clerk II/Bailiff to better align with operational needs.

Staff Summary Schedule

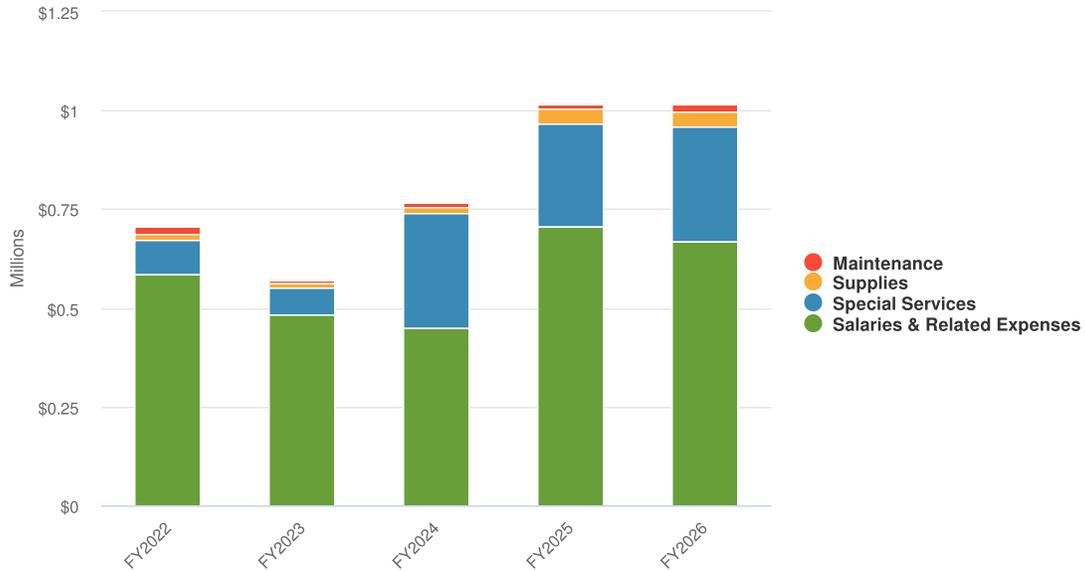
| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|---------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|
|---------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|

| | | | | | |
|-----------------------------|----|----|----|-------|----|
| Full-time Equivalents (FTE) | 11 | 11 | 11 | 9 | -2 |
| % of city's FTEs | | | | 2.32% | |

| Authorized Personnel/Positions: | | | | | |
|---------------------------------|-----------|-----------|----------------------|----------------------|----------------------|
| Title | 2022-2023 | 2023-2024 | Current 2024-2025 | Request 2025-2026 | Changes 2025-2026 |
| Bailiff | 1 | 1 | 1 | 0 | -1 |
| Court Clerk II/Bailiff | 0 | 0 | 0 | 1 | 1 |
| Court Clerk I | 2 | 2 | 2 | 2 | 0 |
| Court Clerk II | 3 | 3 | 3 | 3 | 0 |
| Court Security Officer | 1 | 1 | 1 | 0 | -1 |
| Court Interpreter | 1 | 1 | 1 | 0 | -1 |
| Court Administration | 1 | 1 | 1 | 1 | 0 |
| Chief Court Clerk | 1 | 1 | 1 | 1 | 0 |
| Magistrate | 1 | 1 | 1 | 1 | 0 |
| Total | 11 | 11 | 11 | 9 | -2 |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents the Municipal Court's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$482,777 | \$449,768 | \$706,770 | \$523,388 | \$670,200 | -5.2% |
| Supplies | \$10,833 | \$17,331 | \$37,500 | \$15,892 | \$39,350 | 4.9% |
| Maintenance | \$8,974 | \$10,340 | \$13,030 | \$6,847 | \$16,530 | 26.9% |
| Special Services | \$68,042 | \$290,637 | \$260,140 | \$242,984 | \$288,810 | 11% |
| Total Expense Objects: | \$570,625 | \$768,076 | \$1,017,440 | \$789,111 | \$1,014,890 | -0.3% |

Police Department

It is the mission of the San Luis Police Department to work in partnership with our community to enforce the law, enhance the quality of life, provide a safe environment and reduce the fear of crime while affording dignity and respect to every individual in the City of San Luis. We will accomplish this mission by practicing community-oriented policing and problem-solving philosophy.



Accomplishments FY 2025

- Successfully secured approval for additional personnel, including three Police Officers, two Transit Enforcement Officers, and the reclassification of an Administrative Coordinator/Accreditation Specialist.
- Increased department outreach programs and events, launching new initiatives to strengthen community engagement and trust.
- Grant for Less-Lethal Equipment: Secured a \$38,000 grant in August 2024 for pepper ball equipment, with purchases already in progress to enhance public safety while minimizing the use of lethal force.
- Competitive Salaries for Retention: Continued collaboration with Human Resources to maintain competitive salaries. The communications section received a salary adjustment, though further market alignment is needed.

- Arizona Border Security Fund Utilization: Successfully secured funding and responsibly utilized \$1,001,416 of the \$2,014,300 requested to purchase critical equipment, including patrol vehicles, surveillance cameras, a communication tower, in-car video/audio systems, surveillance drones, and vehicle cellular antenna boosters, while ensuring cost-effectiveness and compliance with financial guidelines.
- Homeland Security & ADPS Grants: Obtained funding in January 2025 for seven fully marked vehicles to support new positions, ensuring the department can meet increasing service demands.
- Arizona Law Enforcement Accreditation Program (ALEAP): Achieved accreditation in March 2025, reinforcing adherence to best practices, efficiency, and accountability.
- Opioid Settlement Fund Utilization: Successfully leveraged settlement funds to provide specialized training for officers to combat opioid-related challenges.

Goals & Objectives FY 2026

Growth & Public Service

Goal: "Enhance public safety and police department efficiency through strategic staffing, community engagement, and infrastructure development."

- Request and secure approval for additional personnel, including two (2) Police Sergeants, six (6) Police Officers, two (2) Communications Officers, and one (1) Property and Evidence Technician by the beginning of FY 2026 to address community growth and service demands.
- Increase the Department's community outreach program and events by 10% by the end of FY 2026, including launching additional Neighborhood Watch Programs, to enhance community engagement and trust.

Economy

Goal: "Support the police department's efficiency and competitiveness through effective staffing, resource allocation, and accreditation."

- Work with the Human Resources Department to maintain competitive market salaries and a step salary program for police and communications officers throughout the fiscal year to improve retention and appeal for key positions.

- Utilize funding allocated from the Arizona Border Security Fund for the purchase of one (1) communication tower, fifteen (15) surveillance cameras, and seven (7) surveillance drones by June 30, 2027.
- Utilize funding allocated from the Arizona Department of Public Safety Local Border Support for the purchase of six (6) police explorer vehicles and fifty-two (52) mobile data computers and accessories by June 30, 2026.
- Pursued grants to secure additional funding from the Edward Byrne Memorial Justice Assistance Grant (JAG) Program for additional surveillance cameras.



Financial Sustainability

Goal: "Ensure responsible financial management while expanding department capabilities and resources."

- Implement and maintain certification through the Arizona Law Enforcement Accreditation Program (ALEAP) by providing proof of compliance with standards by March 2025, ensuring adherence to best practices and efficient use of resources. Following this, police officers will be required to obtain a 4-year certification, reinforcing long-term adherence to ALEAP Standards and enhancing office accountability and performance.
- Utilize the requested \$2,014,300 from the Arizona Border Security Fund responsibly for purchasing new equipment and technology, ensuring cost-effectiveness and adherence to financial guidelines before the end of FY 2027.
- Utilize the requested \$956,478.50 from the Arizona Department of Public Safety Local Border Support Fund responsibly for purchasing new equipment and technology, ensuring cost-effectiveness and adherence to financial guidelines by FY 2026.

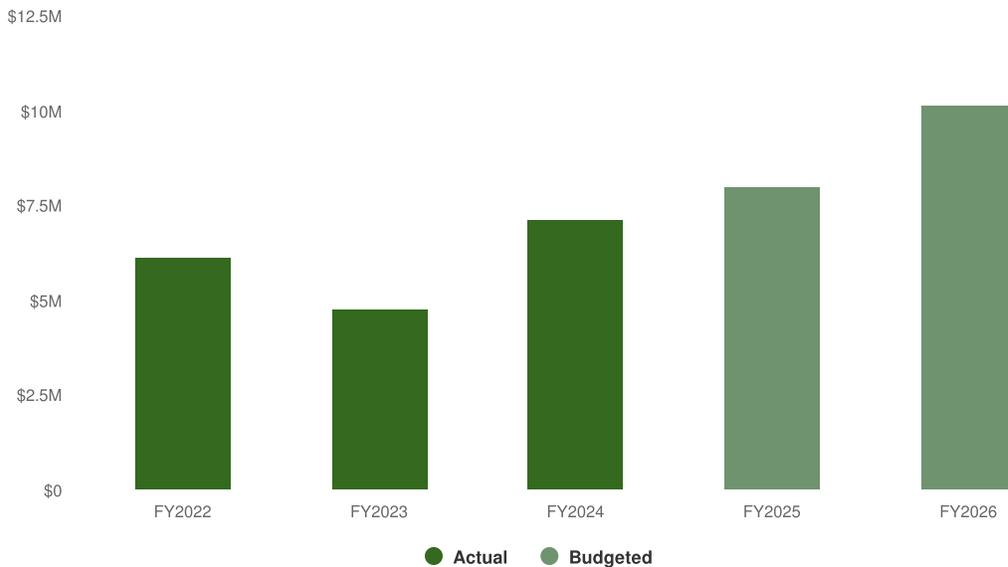
| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|---|----------------|-------------------|------------------|
| GROWTH & PUBLIC SAFETY (STAFF, ENGAGEMENT, & EQUIPMENT) | 10% | 60% | 80% |
| ECONOMY GOAL (COMPETITIVE SALARIES, GRANT FUNDING USE & APPLICATION) | 20% | 45% | 70% |
| FINANCIAL SUSTAINABILITY GOAL (UPGRADE & MAINTAIN EQUIPMENT) | 10% | 65% | 100% |
| OPIOID SETTLEMENT FUNDS FOR EDUCATION, TRAINING AND ASSISTANCE | 25% | 50% | 75% |
| ALEAP REACCREDITATION | 85% | 100% | 100% |

Expenditure Summary

The graph below shows the expenditures for the Police Department over the past four years. For FY 2026, the Police Department has budgeted \$10,137,270, which is \$2,144,840 higher than the previous fiscal year. The primary increase is in salaries and related expenses, reflecting both the addition of new positions and the citywide salary adjustment applied to all departments. Additionally, there is a notable increase in Special Services, where funds were budgeted for contractual traffic control services to manage long traffic lines heading to Mexico, as well as anticipated support needs related to upcoming projects that may impact border crossings.

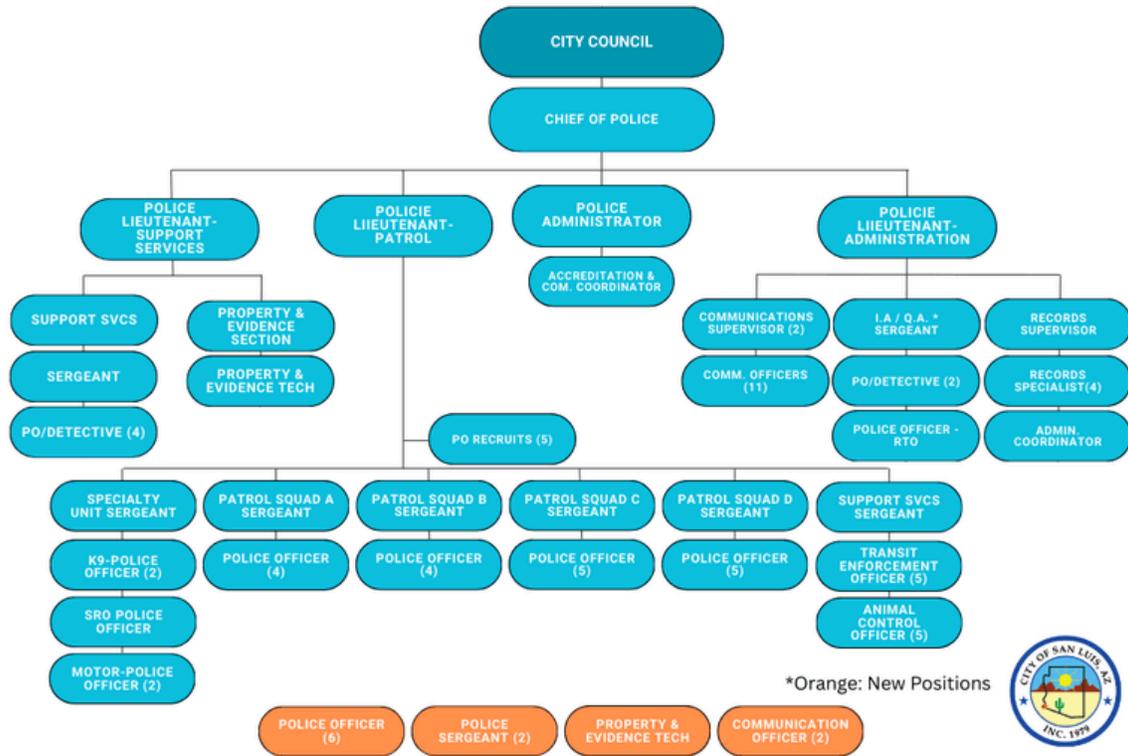
\$10,137,270 **\$2,144,840**
(26.84% vs. prior year)

Police Proposed and Historical Budget vs. Actual



Organizational Chart

POLICE



Personnel Changes

The chart below displays the Police Department's staff summary schedule for the last three fiscal years. In FY 2026, the department expanded its staffing with the addition of six new Police Officers, two Police Sergeants, one Property and Evidence Technician, and two Police Communications Officers. These additions strengthen the department's operational capacity, enhance public safety, and improve overall support services for the community.

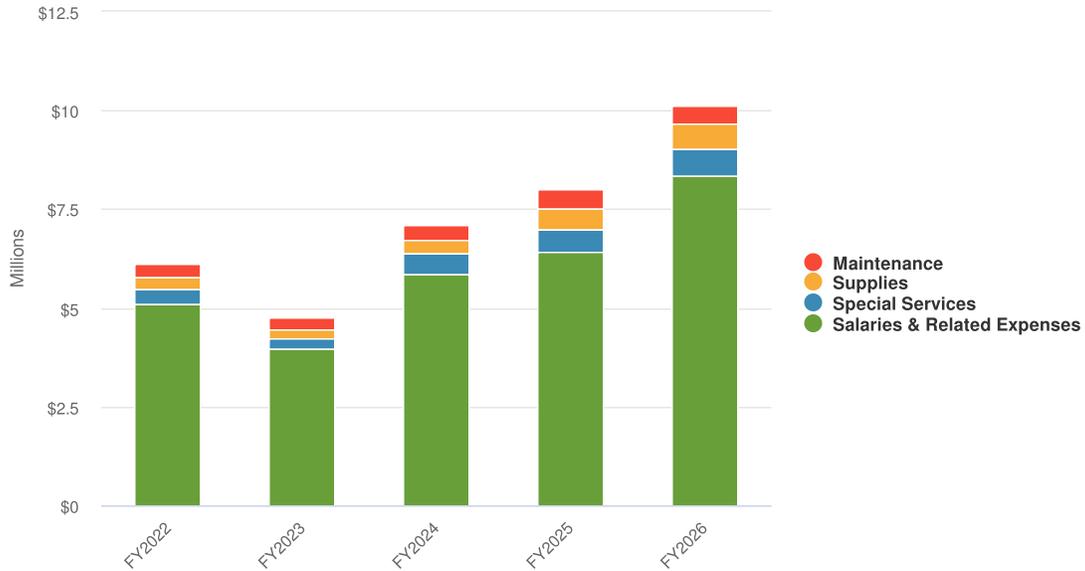
Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|-----------------------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|
| Full-time Equivalents (FTE) | 67.4 | 67 | 75 | 86 | 11 |
| % of city's FTEs | | | | 22.19% | |

| Authorized Personnel/Positions: | | | Current | Request | Changes |
|--|-------------|-----------|-----------|-----------|-----------|
| Title | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 | 2025-2026 |
| Transit Enforcement Officer | 3 | 3 | 5 | 5 | 0 |
| Police Record Clerk | 2 | -4 | 0 | 0 | 0 |
| Police Records Specialist | 0 | 4 | 4 | 4 | 0 |
| Administrative Coordinator | 3 | 2 | 1 | 1 | 0 |
| Accreditation Specialist | 1 | 1 | 0 | 0 | 0 |
| Accreditation & Compliance Coordinator | 0 | 0 | 1 | 1 | 0 |
| Police Administrator | 0 | 1 | 1 | 1 | 0 |
| Police Record Supervisor | 0 | 1 | 1 | 1 | 0 |
| Animal Control Officer | 2 | 2 | 2 | 2 | 0 |
| Property and Evidence Technician | 1 | 1 | 1 | 2 | 1 |
| IT Specialist Public Safety | 0.4 | 0 | 0 | 0 | 0 |
| Communication Officer | 10 | 10 | 10 | 12 | 2 |
| Communication Supervisor | 2 | 2 | 2 | 2 | 0 |
| Police Officer | 31 | 32 | 35 | 41 | 6 |
| Police Sergeant | 8 | 8 | 8 | 10 | 2 |
| Police Lutenant | 3 | 3 | 3 | 3 | 0 |
| Police Chief | 1 | 1 | 1 | 1 | 0 |
| Total | <u>67.4</u> | <u>67</u> | <u>75</u> | <u>86</u> | <u>11</u> |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents Police Department expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$3,968,926 | \$5,840,274 | \$6,417,250 | \$6,531,335 | \$8,345,230 | 30% |
| Supplies | \$211,440 | \$337,505 | \$528,350 | \$528,577 | \$650,250 | 23.1% |
| Maintenance | \$317,500 | \$388,623 | \$477,710 | \$449,183 | \$451,210 | -5.5% |
| Special Services | \$273,783 | \$535,528 | \$569,120 | \$572,929 | \$690,580 | 21.3% |
| Total Expense Objects: | \$4,771,649 | \$7,101,929 | \$7,992,430 | \$8,082,024 | \$10,137,270 | 26.8% |

Fire Department

The San Luis Fire Department's (SLFD) mission is to provide safety and security for the lives and property in the San Luis community. The goal of the San Luis Fire Department is to provide high quality, timely, and compassionate services to the residents it serves; fire protection services, emergency medical services, and hazardous materials protection. The values that guide Fire staff interaction among themselves and those they serve are honesty, integrity, respect, compassion, trust, and pride.



Accomplishments FY 2025

- Continued Emergency Services for San Luis Residents: The department successfully maintained EMS, fire suppression, and emergency response capabilities, ensuring public safety and well-being.
- Enhanced Fire Personnel Training: Fire personnel participated in ongoing training and educational opportunities, fostering continuous growth and knowledge enhancement.
- Strategic Growth Planning: A comprehensive growth plan for San Luis was developed and implemented, ensuring preparedness for increased service demands as the city expands.
- Improved Service Delivery: The department identified and implemented key enhancements to service efficiency and effectiveness, improving emergency response for San Luis residents.
- Maintained Regional Collaboration: Mutual aid agreements and collaborations with Yuma County fire departments, especially the City of Somerton, were successfully upheld, enhancing regional emergency response efforts.

- Re-Establishment of a HazMat Team: The department made significant progress in re-establishing a 24/7 HazMat response team, improving the ability to handle hazardous materials incidents.
- Cross-Border Emergency Support: Fire departments along the Mexican border received continued support, strengthening international cooperation in emergency response efforts.
- Advancement in Regional Communication Systems: The department actively contributed as a stakeholder in the Yuma Regional Communications System, implementing new software, hardware, and mobile data computers for better information sharing.
- Professional Development and Industry Engagement: Active participation in professional organizations, including the Yuma County Fire Officers Association and Arizona Fire Chiefs Association, ensured that the department stayed informed about industry best practices.
- Successful Fire Prevention Week Initiative: The department continued its annual Fire Prevention Week efforts, educating approximately 1,800 students across seven schools, reinforcing fire safety awareness in the community.

Goals & Objectives FY 2026

Growth & Public Service

Goal: “Enhance fire response capabilities and community safety through improved response times, training, and public education.”

- Support public safety by reducing emergency response times from 8 minutes to 6 minutes through new dispatch protocols and monthly drills, with the goal of achieving this improvement within 12 months.
- Expand fire prevention efforts by conducting at least five community fire safety workshops and reaching 100 residents through outreach with schools, senior centers, and local businesses throughout the fiscal year.

Economy

Goal: “Support operational efficiency and effectiveness through upgraded equipment, enhanced interagency collaboration, and proficient incident command.”

- Improve firefighter training by ensuring 60% of personnel complete hazardous materials certification through quarterly training sessions and partnerships with regional academies by the end of the fiscal year.
- Strengthen workforce capacity by reducing firefighter turnover by 10% and recruiting at least six new firefighters through mentorship programs and competitive benefits by the end of the next recruitment cycle.

Financial Sustainability

Goal: “Ensure long-term financial sustainability while maintaining compliance with safety standards and promoting firefighter health and wellness.”

- Modernize firefighting operations by replacing 50% of outdated equipment and enhancing station infrastructure using grant funding and allocated resources, with completion expected in the 2nd QFY26.

TO ENHANCE FIRE RESPONSE CAPABILITIES AND COMMUNITY SAFETY THROUGH IMPROVED RESPONSE TIMES, TRAINING, AND PUBLIC EDUCATION.

| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|---|----------------|-------------------|------------------|
| MEASURE IS OUR RESPONSE TIMES TO ALL CALLS FOR SERVICE IN UNDER 10 MINUTES. | 98.85% | 99% | 99.05% |

MANAGE THE OPERATING BUDGET IN A FISCALLY SOUND MANNER.

| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|---|----------------|-------------------|------------------|
| MEASURE FIRE/EMS SERVICE COST PER CALL. | \$1,476 | \$1,482 | \$1,505 |

PROVIDE FIRE SAFETY AND EMERGENCY MEDICAL SERVICES IN AN EFFECTIVE AND EFFICIENT MANNER.

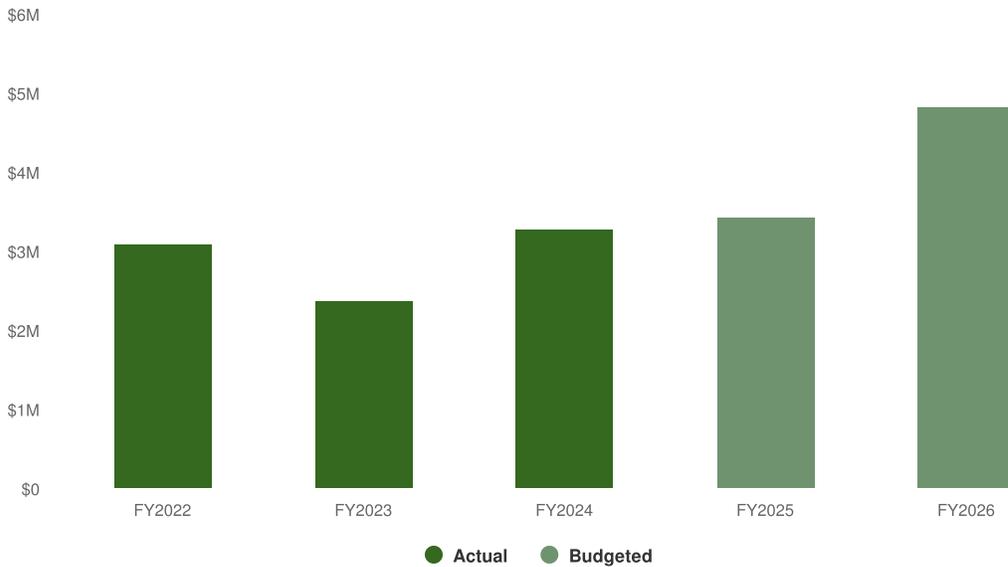
| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|---|----------------|-------------------|------------------|
| MEASURES ARE FOR FIREFIGHTERS PER 1,000 POPULATION WITHIN THE CITY OF SAN LUIS. | 0.824 | 1.52 | 2 |

Expenditure Summary

The graph below shows the expenditures for the Fire Department over the past four years. For FY 2026, the Fire Department has budgeted \$4,830,520, which is \$1,402,160 more than the previous fiscal year. This significant increase is primarily due to higher salaries and related expenses following the approval of three new Fire Captain positions and three new Firefighters, as well as the implementation of the citywide salary reclassification study. Additional increases include a slight rise in supplies, as the department has budgeted for new LDH hoses for fire trucks, SCBAs, and other minor equipment needs throughout the year. Special services also saw an increase, primarily due to contractual services, including the addition of LEXIPOL, which provides policy development, training, and consulting services tailored to fire departments and other public safety agencies.

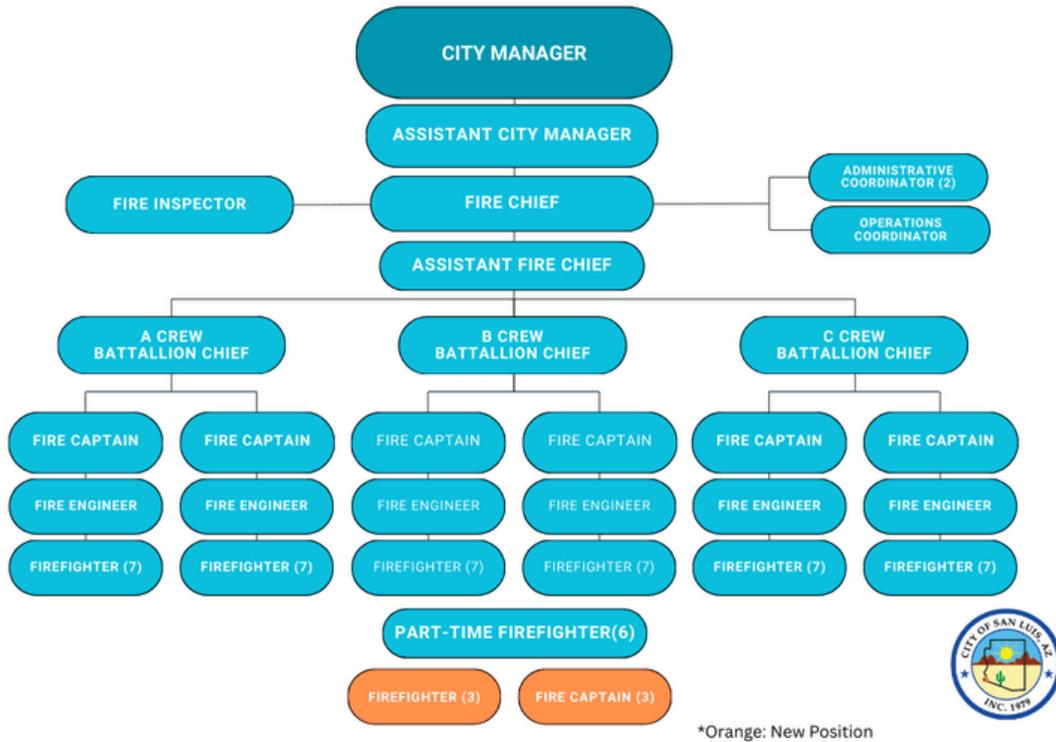
\$4,830,520 **\$1,402,160**
(40.90% vs. prior year)

Fire Proposed and Historical Budget vs. Actual



Organizational Chart

FIRE DEPARTMENT



Personnel Changes

The chart below displays the Fire Department's staff summary schedule for the last three fiscal years. In FY 2026, the Fire Department has enhanced its operational capacity by adding six full-time positions, three Firefighters and three Fire Captains. These additions aim to strengthen emergency response, improve supervision on critical incidents, and support the department's ability to meet the growing needs of the community while continuing to provide high-quality fire protection and emergency services.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|---------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|
|---------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|

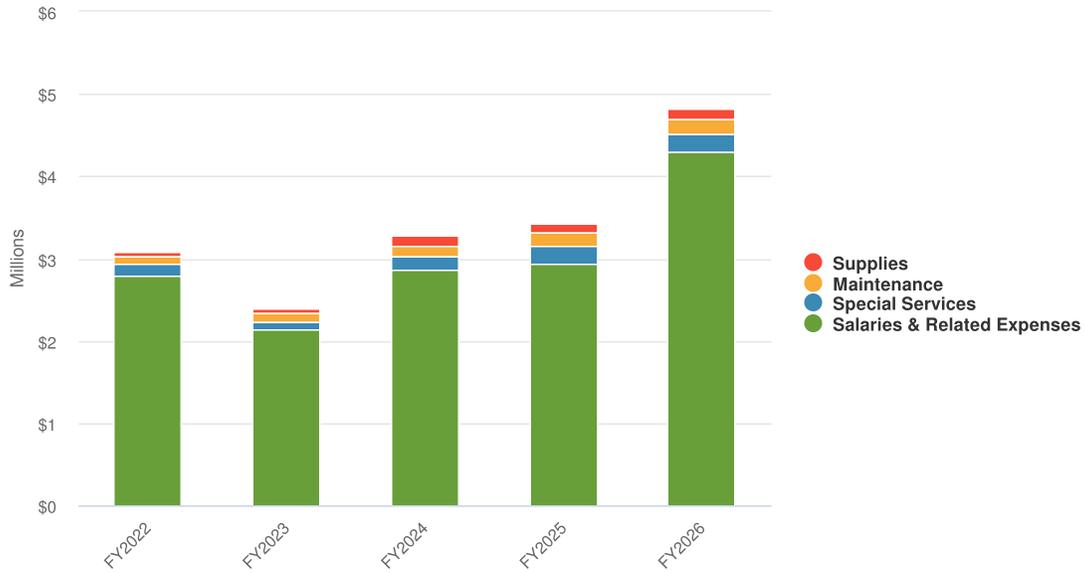
| | | | | | |
|-----------------------------|------|------|------|-------|---|
| Full-time Equivalents (FTE) | 30.7 | 24.3 | 27.3 | 33.3 | 6 |
| % of city's FTEs | | | | 8.52% | |

Authorized Personnel/Positions:

| Title | 2022-2023 | 2023-2024 | Current 2024-2025 | Request 2025-2026 | Changes 2025-2026 |
|-----------------------------|-------------|-------------|----------------------|----------------------|----------------------|
| Office Assistant | 1 | 0 | 0 | 0 | 0 |
| Administrative Coordinator | 0.5 | 2 | 2 | 2 | 0 |
| Operations Coordinator | 0 | 0.5 | 0.5 | 0.5 | 0 |
| Fire Inspector | 1 | 1 | 1 | 1 | 0 |
| Assistant Fire Chief | 0.5 | 0.8 | 0.8 | 0.8 | 0 |
| Fire Chief | 0.5 | 0.8 | 0.8 | 0.8 | 0 |
| Fire Capitan | 3 | 4.8 | 4.8 | 7.8 | 3 |
| Firefigther | 18 | 9 | 12 | 15 | 3 |
| Fire Engineer | 6 | 3 | 3 | 3 | 0 |
| Fire Battalion Chief | 0 | 2.4 | 2.4 | 2.4 | 0 |
| IT Specialist Public Safety | 0.2 | 0 | 0 | 0 | 0 |
| Total | 30.7 | 24.3 | 27.3 | 33.3 | 6 |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents the Fire Department's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$2,137,020 | \$2,818,608 | \$2,943,890 | \$3,044,197 | \$4,299,450 | 46% |
| Supplies | \$53,605 | \$117,014 | \$114,750 | \$100,865 | \$137,250 | 19.6% |
| Maintenance | \$105,250 | \$126,344 | \$167,100 | \$214,504 | \$178,750 | 7% |
| Special Services | \$88,785 | \$180,798 | \$202,620 | \$190,064 | \$215,070 | 6.1% |
| Total Expense Objects: | \$2,384,660 | \$3,242,763 | \$3,428,360 | \$3,549,630 | \$4,830,520 | 40.9% |

Fire Department East

The East Side Fire Station will provide faster response times to the east side of town.

With the way San Luis is growing we need a presence out east.

We will have an ambulance, a response vehicle and a Fire Truck to meet the demands of calls for service.

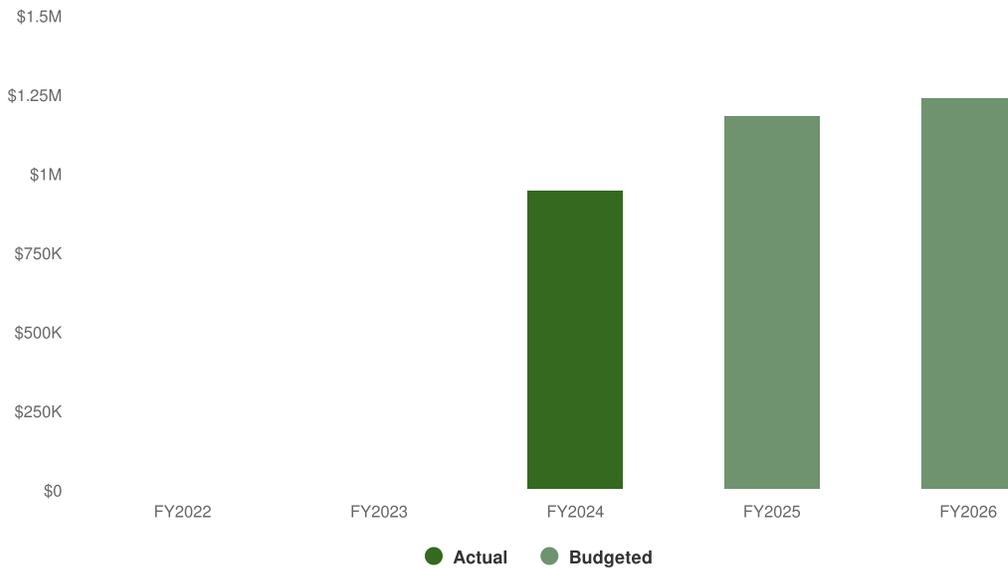


Expenditures Summary

The graph below shows the expenditures for the Fire Department East for the last two fiscal years. For FY 2026, the Fire Department East is budgeting \$1,240,150, which is \$54,390 more than the previous fiscal year. This increase is primarily reflected in salaries and related expenses due to the citywide salary adjustment study. Additionally, there is a notable increase in special services, largely driven by rising utility costs. A slight increase in the supplies category was also budgeted to cover ongoing needs such as vehicle equipment and janitorial supplies for the facility.

\$1,240,150 **\$54,390**
(4.59% vs. prior year)

Fire Department East Proposed and Historical Budget vs. Actual



Personnel Changes

The chart below displays the Fire Department East's staff summary schedule for the last three fiscal years. In FY 2026, the department will maintain its current staffing levels with no changes. The team remains focused on providing reliable fire protection and emergency services to the community, ensuring the safety and well-being of residents in its service area.

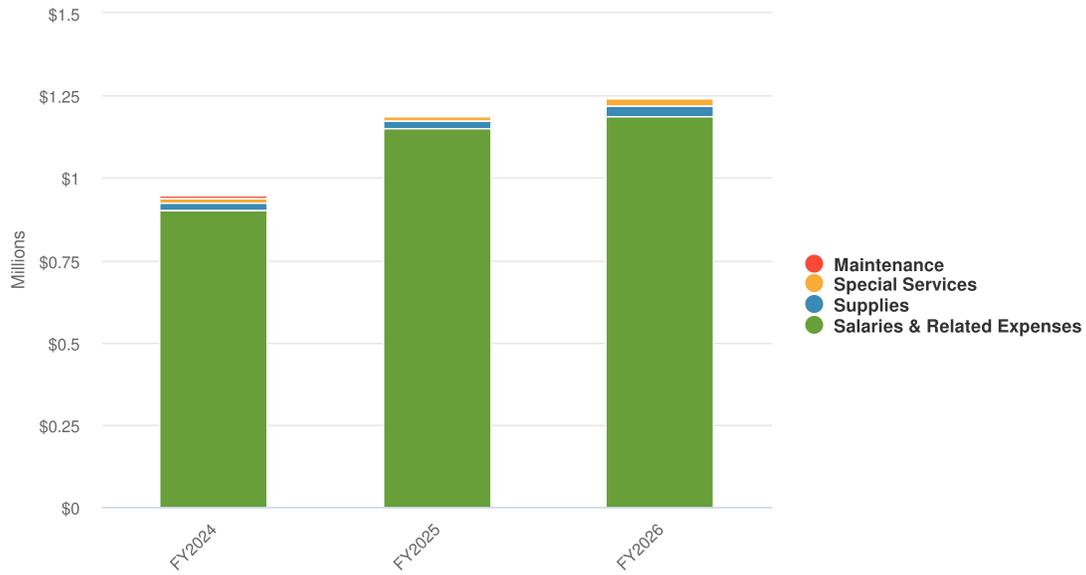
Staff Summary Schedule

| | Actual | Adopted | Adopted | Request | Change |
|-----------------------------|---------|---------|---------|---------|-----------------------|
| Staff Summary | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2024/25 to 2025/26 |
| Full-time Equivalents (FTE) | 0 | 12 | 12 | 12 | 0 |
| % of city's FTEs | | | | 3.07% | |

| Authorized Personnel/Positions: | | | | | |
|--|-----------|-----------|----------------------|----------------------|----------------------|
| Title | 2022-2023 | 2023-2024 | Current 2024-2025 | Request 2025-2026 | Changes 2025-2026 |
| Office Assistant | 0 | 0 | 0 | 0 | 0 |
| Administrative Coordinator | 0 | 0 | 0 | 0 | 0 |
| Fire Inspector | 0 | 0 | 0 | 0 | 0 |
| Assistant Fire Chief | 0 | 0 | 0 | 0 | 0 |
| Fire Chief | 0 | 0 | 0 | 0 | 0 |
| Fire Capitan | 0 | 0 | 0 | 0 | 0 |
| Firefigther | 0 | 9 | 9 | 9 | 0 |
| Fire Engineer | 0 | 3 | 3 | 3 | 0 |
| Fire Battalion Chief | 0 | 0 | 0 | 0 | 0 |
| IT Specialist Public Safety | 0 | 0 | 0 | 0 | 0 |
| Total | <u>0</u> | <u>12</u> | <u>12</u> | <u>12</u> | <u>0</u> |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents the Fire Department East Estation budget expenditures for FY 2024

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|----------------|------------------|-----------------------|--------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$0 | \$901,560 | \$1,149,420 | \$1,146,822 | \$1,187,530 | 3.3% |
| Supplies | \$0 | \$22,695 | \$25,000 | \$25,174 | \$32,000 | 28% |
| Maintenance | \$0 | \$10,334 | | \$0 | \$0 | N/A |
| Special Services | \$0 | \$12,500 | \$11,340 | \$15,110 | \$20,620 | 81.8% |
| Total Expense Objects: | \$0 | \$947,090 | \$1,185,760 | \$1,187,106 | \$1,240,150 | 4.6% |

Ambulance Services

The Ambulance Services Division is administered by the San Luis Fire Department, whose mission is to provide safety and security for the lives in the San Luis community. The goal of the Ambulance Services Division is to provide high quality, timely, and compassionate emergency medical services to the residents it serves. The values that guide Ambulance staff interaction among themselves and those they serve are honesty, integrity, respect, compassion, trust, and pride.



Accomplishments FY 2025

- Expanded EMS Coverage: Successfully acquired a fourth full-time ALS ambulance, improving emergency medical service (EMS) coverage and ensuring a timely response to emergencies.
- Enhanced Staffing and Patient Care: Hired six additional paramedics to staff the new ambulance, increasing the level of care provided to San Luis residents.
- Maintained High EMS Retention Rates: Achieved a 99% retention rate for emergency transportation services within the San Luis area, ensuring continued local access to critical medical care.
- Continued Community Safety Education: Provided ongoing CPR and First Aid classes to the community, enhancing public safety awareness and improving emergency response capabilities.
- Strengthened EMS Personnel Training: Ensured continuous growth and knowledge development for all ambulance personnel, maintaining a high level of readiness for various emergency situations.
- Improved Regional Emergency Communications: Became an active stakeholder in the Yuma Regional Communications System, enhancing communication, data sharing, and resource coordination among emergency service providers in Yuma County.
- Supported Cross-Border and Statewide Emergency Response: Continued assisting fire departments along the Mexican border and serving as a resource for the Arizona State Mutual Aid System, promoting collaboration in emergency response efforts.

Goals & Objectives FY 2026

Growth & Public Service

Goal: “Enhance emergency response capabilities and patient care quality through improved response times, communication systems, and community education.”

- The department aims to reduce ambulance response times from 8 minutes to 5 minutes by optimizing dispatch procedures, conducting regular route training, and improving GPS tracking. This will enhance public safety and patient outcomes, throughout the fiscal year.
- The department will train at least 100 community members in CPR and first aid through monthly training sessions and partnerships with schools and businesses. This initiative will increase community preparedness and is expected to be completed within 12 months.

Economy

Goal: “Increase operational efficiency and effectiveness through improved fleet management and data security.”

- The department plans to have 90% of EMT staff complete at least one advanced life support (ALS) course by partnering with local training institutions and holding quarterly sessions. Improving skills and readiness will ensure higher quality care, with a target completion of 18 months.

Financial Sustainability

Goal: “Ensure long-term financial sustainability while enhancing employee satisfaction and regulatory compliance.”

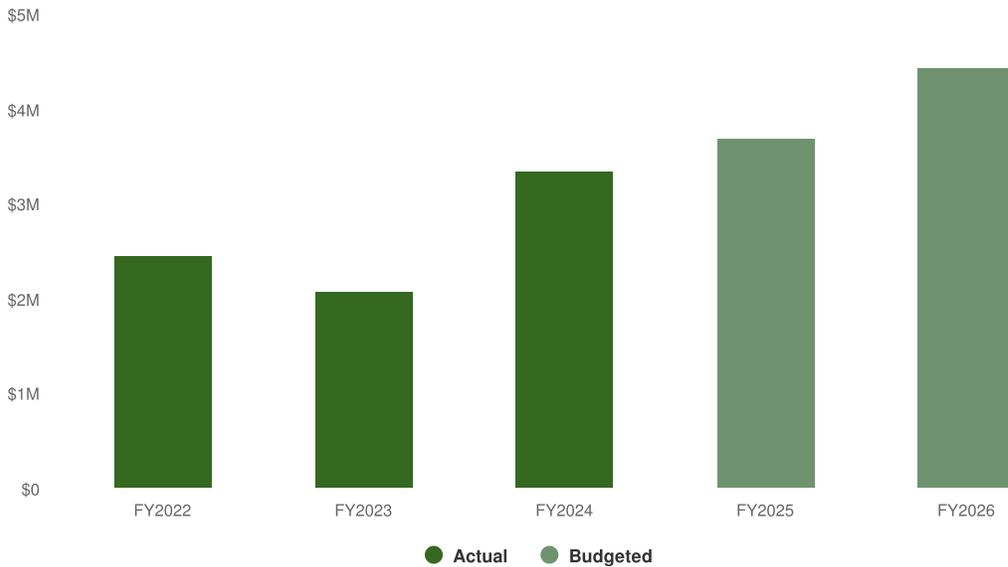
- The department will modernize at least 30% of outdated medical equipment and install new communication systems by applying for grants and budgeting for these improvements. This will improve care quality and efficiency, with completion planned within 24 months.
- To reduce downtime by 30%, the department will implement a proactive maintenance schedule and acquire one additional ambulance. This ensures continuous EMS service and will be completed within 24 months.

Expenditure Summary

The graph below shows the expenditures for the Ambulance Services Division over the past four years. For FY 2026, the Ambulance Services Division is budgeting \$4,430,490, which is \$729,935 more than the previous fiscal year. This increase is primarily driven by capital investments, including \$371,000 budgeted through a CDS grant for the purchase of a new ambulance, \$55,000 for a new cardiac monitor, and funding for the ICAPIT software. Additionally, there is a noticeable increase in salaries and related expenses due to the citywide salary adjustment applied this fiscal year.

\$4,430,490 **\$729,935**
(19.73% vs. prior year)

Ambulance Services Proposed and Historical Budget vs. Actual



Personnel Changes

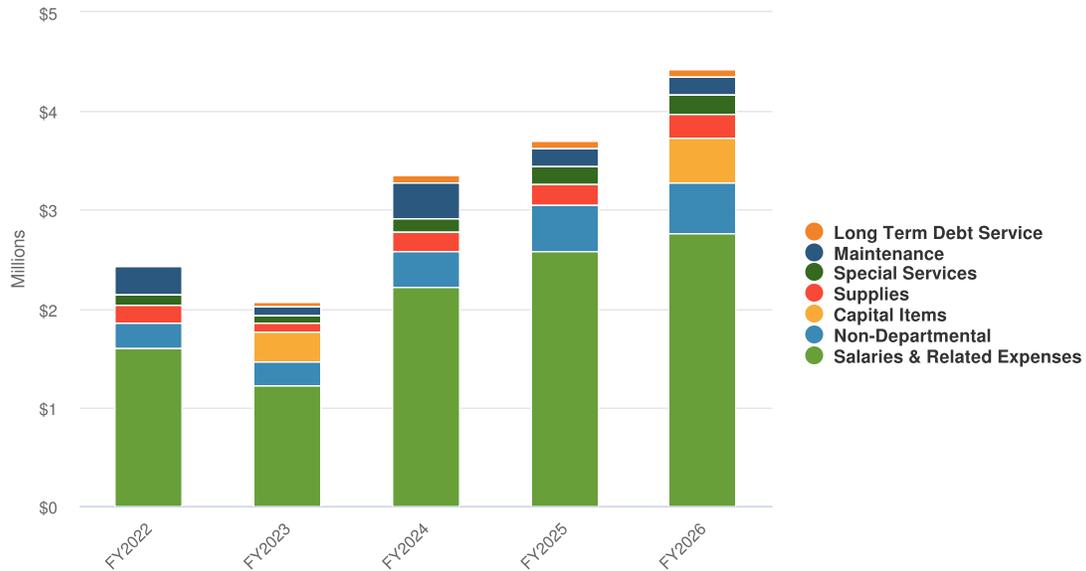
The chart below displays the Ambulance Department's staff summary schedule for the last three fiscal years. For FY 2026, no staffing changes are planned, as the department will maintain current service levels to continue meeting the community's emergency medical needs.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|-----------------------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|
| Full-time Equivalents (FTE) | 22.2 | 26.7 | 29.7 | 29.7 | 0 |
| % of city's FTEs | | | | 7.66% | |

| Authorized Personnel/Positions: | | | Current | Request | Changes |
|--|-----------|-------------|-------------|-------------|-----------|
| Title | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 | 2025-2026 |
| Administrative Coordinator | 0.5 | 0 | 0 | 0 | 0 |
| Operations Coordinator | 0.0 | 0.5 | 0.5 | 0.5 | 0 |
| Ambulance Coordinator | 0.0 | 1.5 | 1.5 | 1.5 | 0 |
| Assistant Fire Chief | 0.5 | 0.2 | 0.2 | 0.2 | 0 |
| Fire Chief | 0.5 | 0.2 | 0.2 | 0.2 | 0 |
| Fire Capitan | 3 | 1.2 | 1.2 | 1.2 | 0 |
| Communication Officer | 1 | 1 | 1 | 1 | 0 |
| Accounting Specialist | 1 | 0 | 0 | 0 | 0 |
| Battalion Chief | 0 | 0.6 | 0.6 | 0.6 | 0 |
| Firefigther | 15.5 | 21.5 | 24.5 | 24.5 | 0 |
| IT Specialist Public Safety | 0.2 | 0 | 0 | 0 | 0 |
| Total | <u>22</u> | <u>26.7</u> | <u>29.7</u> | <u>29.7</u> | <u>0</u> |

Budgeted and Historical Expenditures by Expense Type



The following table presents the Ambulance Services Division's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$1,219,455 | \$2,352,405 | \$2,579,490 | \$2,653,241 | \$2,770,730 | 7.4% |
| Supplies | \$95,323 | \$205,121 | \$206,600 | \$197,824 | \$242,600 | 17.4% |
| Maintenance | \$85,676 | \$369,639 | \$177,300 | \$164,433 | \$176,730 | -0.3% |
| Special Services | \$79,894 | \$125,094 | \$188,440 | \$171,299 | \$208,700 | 10.8% |
| Long Term Debt Service | \$47,300 | \$20,864 | \$77,900 | \$20,386 | \$78,000 | 0.1% |
| Non-Departmental | \$242,461 | \$353,039 | \$470,825 | \$415,572 | \$513,670 | 9.1% |
| Capital Items | \$300,695 | | | \$0 | \$440,060 | N/A |
| Total Expense Objects: | \$2,070,803 | \$3,426,162 | \$3,700,555 | \$3,622,756 | \$4,430,490 | 19.7% |

Information Technology

IT support staff members provide City of San Luis employees who encounter technical issues with hardware, software, or network systems. Ensuring issues are resolved promptly to minimize disruption of City of San Luis operations.

In addition, the IT infrastructure staff are responsible for provisioning, configuring, and managing servers, switches, firewalls, databases, and applications hosted by the City of San Luis and act as the liaison to services offered by the Arizona State Cyber Readiness Grant program and the Yuma Regional Communications Systems Consortium.

Together, IT support and infrastructure operations play a crucial role in ensuring that technology systems are reliable, secure, and optimized to meet the organization's needs.



Accomplishments FY 2025

- Migration to SharePoint/Server Decommission
Migrated 16 network file shares to Office 365 SharePoint, saving approximately \$25,000 in on-premise infrastructure costs by avoiding the replacement of end-of-life servers. The transition leveraged the existing Office 365 subscription and enabled enhanced collaboration features, improving future productivity and providing tools for e-discovery.
- End of Life Printer Replacement
Replaced 16 Smart Office printers that had reached the end of their lease and were no longer supported. This replacement helped avoid service contract price hikes related to obsolete devices, ensuring lower costs and better service for ongoing operations.

- Mimecast Migration to Proofpoint Email Filter
Migrated from Mimecast to Proofpoint email filtering, enhancing security with features like link browser isolation and more accurate phishing email blocking. This transition improved overall email security, safeguarding users and reducing the risk of cyber threats.
- Migration to Proofpoint Email Filter
By transitioning to Proofpoint, the city not only upgraded its cybersecurity posture but also potentially avoided the financial costs of handling future phishing threats, which could result in more significant losses if left unaddressed.
- Higherground 911 Call and Radio Recording Server Upgrade
Upgraded the Higher Ground server for Police and Fire Dispatch, ensuring up-to-date features and integrations, including the 911 remote calling feature. This upgrade enhances emergency services' efficiency, reducing operational costs by eliminating outdated systems.
- Protect SAAS Applications – Trusted Endpoint Access
Transitioning employees to city-issued phones and enforcing security policies through Mobile Device Management (MDM) helps to ensure compliance with public record requests, security policies, and reduces the risk of costly data breaches. This initiative streamlines device management and minimizes risks, saving potential future financial costs related to data loss.
- Video Surveillance System Upgrade
- Enhanced surveillance coverage by wiring additional buildings such as the Court, Police Department, Cultural Center, Pool, and Senior Center to address blind spots. This upgrade improves public safety by enabling real-time monitoring and quicker response to incidents in these areas.
- Laserfiche Application Upgrade/Cloud Migration
- Migrated Laserfiche to a cloud-based solution, ensuring the Clerk's office continued to have reliable access to essential data. This upgrade allows the city to benefit from system maintenance handled by Laserfiche, ensuring data availability and operational continuity without increasing costs.
- Migration to SharePoint/Server Decommission
The migration from on-premise servers to SharePoint Online improved data access, reduced infrastructure costs, and provided future scalability options, helping streamline IT operations and increase productivity across departments.
- Protect SAAS Applications – Trusted Endpoint Access
Transitioning employees to city-issued devices ensures consistency in device management and enhances data security. By enforcing MDM policies, this initiative mitigates security risks, which

helps to safeguard the city's critical infrastructure and services.

- These accomplishments reflect significant progress in improving security,
- Public Works Remodeling Low Voltage Wiring

As part of the Public Works wing remodeling, low voltage wiring will be added to support workstations, conference rooms, and office areas. This ensures seamless connectivity and functionality, fostering a more efficient working environment for Public Works personnel.

- Radio Tower Construction

The project for building a new radio tower is in the early stages, awaiting a kick-off call from the project manager. This infrastructure will enhance communication capabilities, especially for emergency services and public safety operations.

- Border Wait Camera Addition

Adding two additional cameras to monitor Border exit wait times, improving operational efficiency at the border and enhancing data collection. Installation is awaiting the issuance of a purchase order by the procurement team.

Goals & Objectives FY 2026

Growth & Public Service

Goal: "Enhance public safety and operational efficiency through advanced technology infrastructure and staff training."

- Network Infrastructure Replacement: Replace 40 outdated network switches and enroll them in a support contract by Q3 FY 2026 to reduce maintenance costs, enhance cybersecurity, and ensure consistent IT performance across all departments.
- Migrate Analog Phone Lines to Electronic Faxing: Identify and evaluate new vendors for a secure, cloud-based electronic faxing system by the end of FY 2026 to support the future transition away from analog phone lines and reduce long-term telecom expenses.

Economy

Goal: "Increase operational efficiency and reduce costs through effective management of IT resources and security protocols."

- Citywide Intranet SharePoint Site for Staff: Launch a Citywide Intranet SharePoint Site by Q3 FY 2026 to centralize internal communications, reduce third-party tool usage, improve staff productivity and employee feedback.

- CDVI Door Access Control Replacement with Verkada: Replace the current CDVI door access system with a cloud-based Verkada solution by Q1 of FY 2026 to modernize facility security, reduce system maintenance, and increase access log retention from 30 to 90 days.



Financial Sustainability

Goal: "Ensure the financial sustainability and continuity of IT operations through proactive data protection and resource management."

- Radio Communications Shelter Construction: Complete 50% of the Radio Communications Shelter Construction project by the end of FY 2026 to begin enhancing emergency communication reliability, reduce initial service disruptions, and lay the groundwork for improved interdepartmental coordination.
- Implement ZTNA (Zero Trust Network Access) for Improved Remote Access: Implement a ZTNA solution for all exempt employees by Q1 FY 2026 to strengthen secure remote access, eliminate legacy VPN systems, and ensure continuity of public services during remote operations.

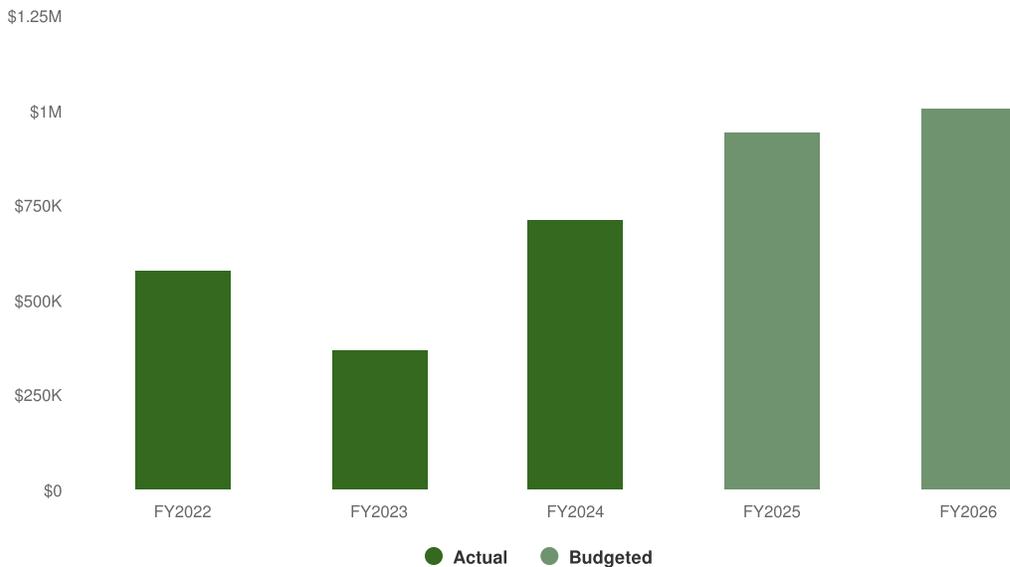
| PERFORMANCE MEASURES | FY 2024 ACTUAL | FY 2025 PROJECTED | FY 2026 EXPECTED |
|--|----------------|-------------------|------------------|
| NUMBER OF CREATED IT SUPPORT TICKETS CREATED | 1829 | 2496 | 2496 |
| NUMBER OF RESOLVED IT SUPPORT TICKETS CREATED | 1797 | 2188 | 2496 |
| TOTAL NUMBER OF EMPLOYEES TRAINED ON CYBER SECURITY BEST PRACTICES WITH ITS ACCESS | 149/280 | 200/301 | 200/301 |
| CYBER SECURITY INCIDENTS | 0 | 0 | 0 |

Expenditure Summary

The graph below shows the expenditures for the Information Technology Department over the past four years. For FY 2026, the department is budgeting \$1,005,540, an increase of \$63,040 compared to the previous fiscal year. This increase is primarily due to higher salary and benefit costs resulting from the citywide compensation adjustment and the reclassification of one position from IT Specialist to IT Support Supervisor in the previous year. Additionally, there is a noticeable increase in the Supplies category, largely due to planned replacements of end-of-life Windows 10 devices, which have been budgeted under minor tools.

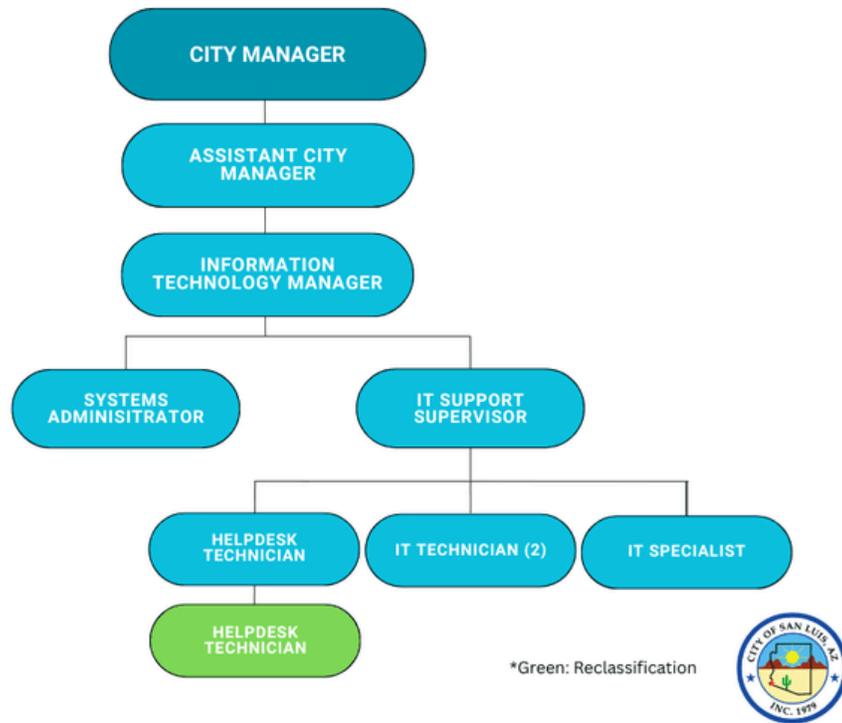
\$1,005,540 **\$63,040**
(6.69% vs. prior year)

Information Technology Proposed and Historical Budget vs. Actual



Organizational Chart

INFORMATION TECHNOLOGY



Personnel Changes

The chart below displays the IT Department's staff summary schedule for the last three fiscal years. For FY 2026, the department will have no staffing changes, maintaining its current structure to continue supporting the organization's IT infrastructure and service needs.

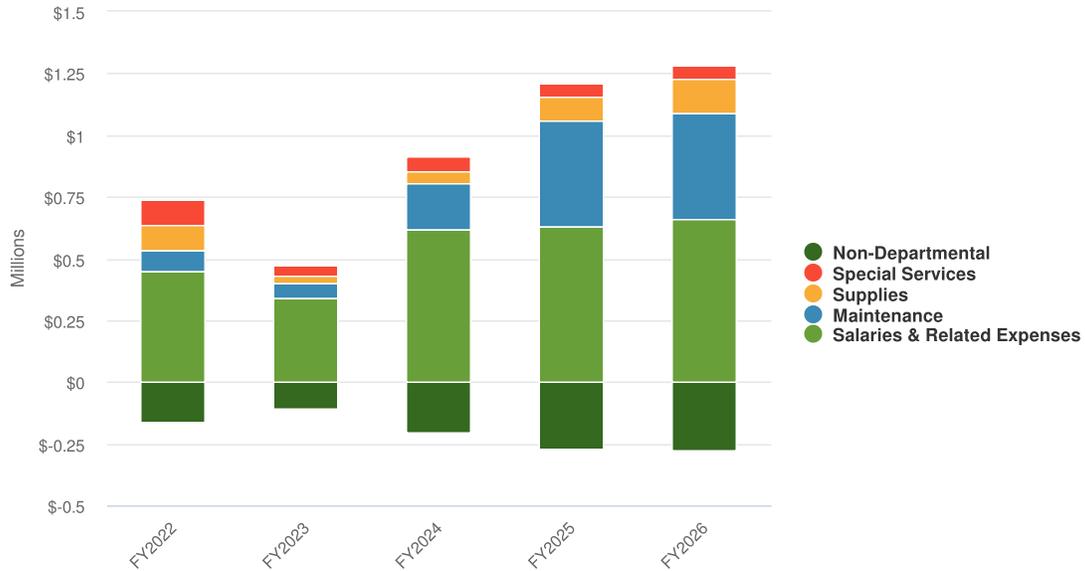
Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|-----------------------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|
| Full-time Equivalents (FTE) | 7.2 | 8 | 8 | 8 | 0 |
| % of city's FTEs | | | | 2.06% | |

| Authorized Personnel/Positions: | | | Current | Request | Changes |
|--|------------|-----------|-----------|-----------|-----------|
| Title | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 | 2025-2026 |
| IT Manager | 1 | 1 | 1 | 1 | 0 |
| Systems Administrators | 1 | 1 | 1 | 1 | 0 |
| IT Technician | 2 | 2 | 2 | 2 | 0 |
| Graphics and Media Specialist | 1 | 0 | 0 | 0 | 0 |
| IT Support Supervisor | 0 | 0 | 1 | 1 | 0 |
| Administrative Assistant | 0 | 1 | 0 | 0 | 0 |
| IT Help Desk Technician | 1 | 1 | 2 | 2 | 0 |
| IT Specialist Public Safety | 0.2 | 0 | 0 | 0 | 0 |
| IT Specialist | 0 | 1 | 1 | 1 | 0 |
| IT Support | 0 | 0 | 0 | 0 | 0 |
| Network & IT Security Admin | 1 | 1 | 0 | 0 | 0 |
| Total | <u>7.2</u> | <u>8</u> | <u>8</u> | <u>8</u> | <u>0</u> |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents the Information Technology Department's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$341,207 | \$618,471 | \$631,180 | \$533,811 | \$660,890 | 4.7% |
| Supplies | \$31,179 | \$52,669 | \$96,300 | \$92,632 | \$138,500 | 43.8% |
| Maintenance | \$57,508 | \$184,605 | \$428,080 | \$404,732 | \$426,080 | -0.5% |
| Special Services | \$45,927 | \$58,353 | \$54,590 | \$108,000 | \$58,950 | 8% |
| Non-Departmental | -\$105,235 | -\$202,120 | -\$267,650 | -\$251,946 | -\$278,880 | 4.2% |
| Total Expense Objects: | \$370,586 | \$711,978 | \$942,500 | \$887,228 | \$1,005,540 | 6.7% |

Public Works Administration

The mission of the Public Works Department is to effectively maintain and develop public infrastructure to enhance the quality of life of our residents and businesses by using our available resources in a prudent and cost effective manner consistent with the vision and goals of the community. The Public Works department oversees the Solid Waste, Waste-Water and Water divisions, as well as the operations for Fleet and Highway Users. It is important to note that this is a new department that was introduced on FY 23.



Accomplishments FY 2025

- Successfully processed and managed all purchasing and contract paperwork for Highway Users, Solid Waste, Fleet Services, Water, Wastewater, and Facilities divisions, ensuring compliance with procurement policies.
- Provided administrative and purchasing support to the Engineering Department during peak project workload, helping maintain project timelines.
- Implemented standardized tracking procedures for purchase orders and invoices, improving accuracy and reducing processing time by 15%.
- Coordinated documentation and reporting for city-wide facilities transition, ensuring smooth integration into Public Works Administration oversight.

Goals & Objectives FY 2026

Growth & Public Service

Goal: Enhance cross-departmental support and operational efficiency.

- Reduce purchase order processing time by 10% by Q4 FY 2026 through improved workflows and staff training.
- Provide ongoing administrative and purchasing support to the Engineering Department, completing 90% of routine paperwork requests within 3 business days.

Economy

Goal: Strengthen financial accountability and efficient resource use across all Public Works divisions.

- Maintain 100% compliance with city procurement policies and audit requirements through quarterly internal reviews by Q4 FY 2026.

Financial Sustainability

Goal: Build staff capacity to support long-term operations and service delivery.

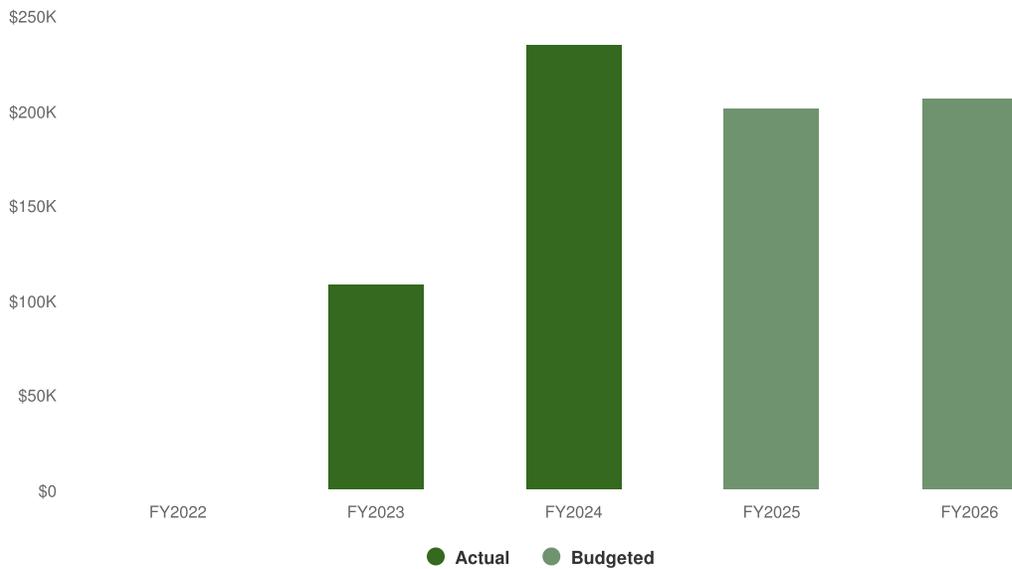
- Train administrative staff on updated procurement software and reporting tools throughout the FY to strengthen support across all Public Works divisions.

Expenditure Summary

The graph below shows the proposed budget allocation for the Public Works Administration for the the past three fiscal years. This new department was introduced in FY 2023 in order to improve enterprise expense allocations. A total of seven employees are allocated in this department. For FY 2026, the budget was set at \$206,440, which is \$5,360 higher than the previous fiscal year. The primary increase is attributed to salaries and related expenses, due to the reclassification of one position from Administrative Coordinator to Office Supervisor, along with a citywide salary adjustment. Additionally, there is a slight increase in supplies, reflecting miscellaneous expenses budgeted for Public Works Week.

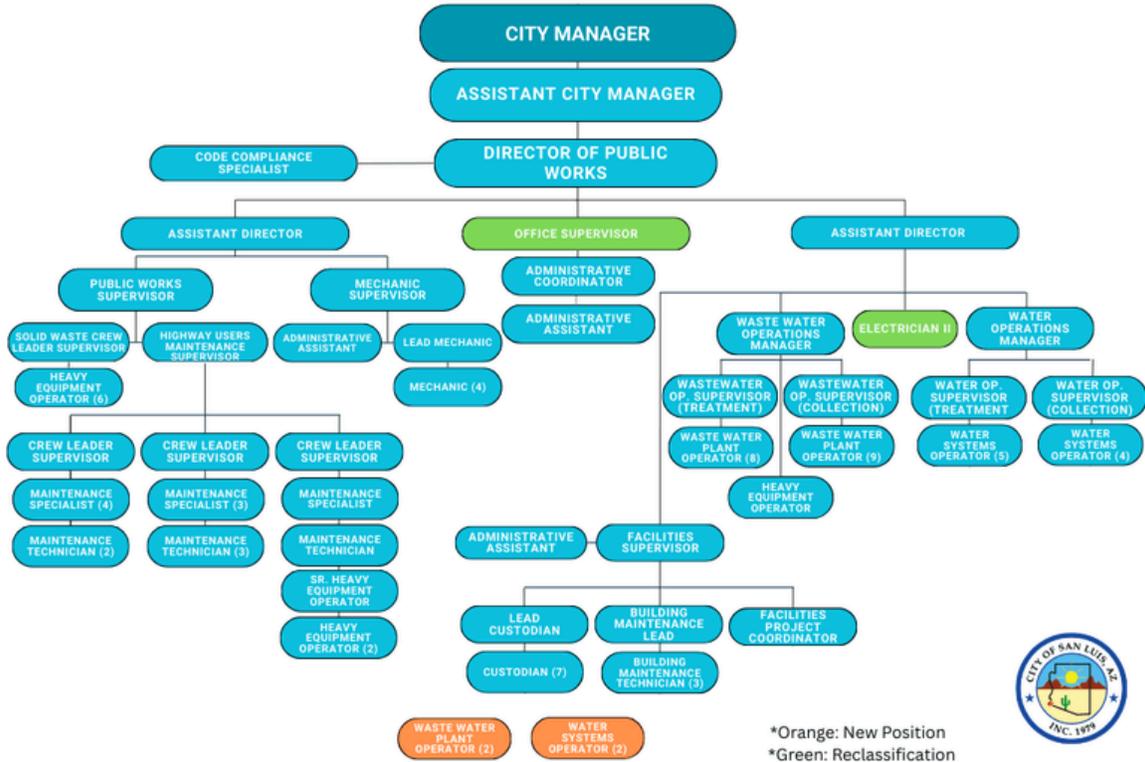
\$206,440 **\$5,360**
(2.67% vs. prior year)

Public Works Administration Proposed and Historical Budget vs. Actual



Organizational chart

PUBLIC WORKS



Personnel Changes

The chart below displays the Public Works Administration's staff summary schedule for the past three fiscal years. Last fiscal year, one Administrative Coordinator position was reclassified to Administrative Assistant. For FY 2026, the department is proposing to reclassify the remaining Administrative Coordinator position to Office Supervisor. Public Works Administration oversees several divisions, including Highway Users, Fleet Services, Water, Wastewater, Solid Waste, and, beginning last fiscal year, Facilities. These staffing changes support the department's ability to manage an increasing workload and provide effective support across all its divisions.

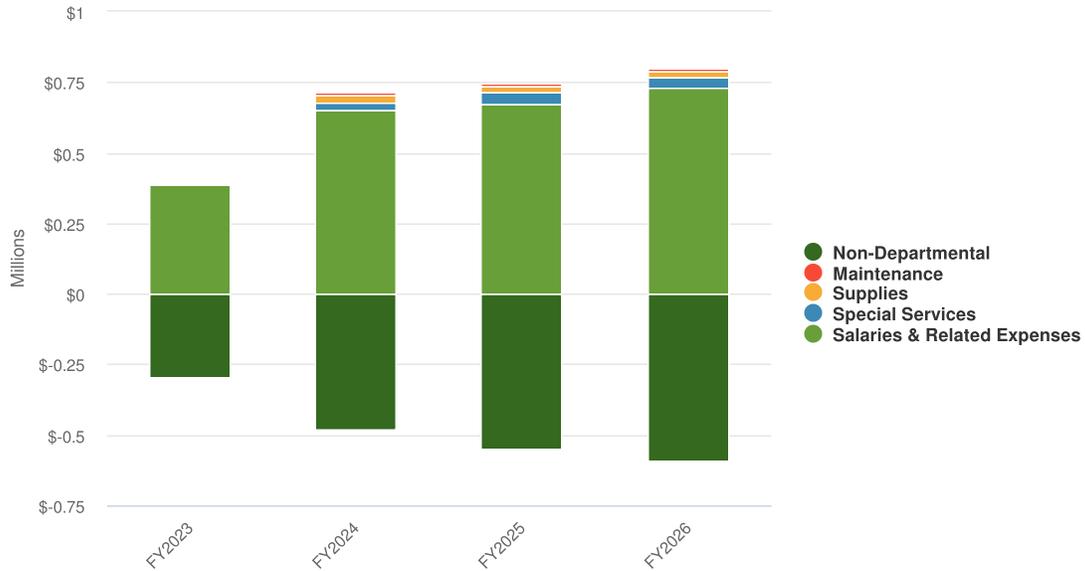
Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|-----------------------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|
| Full-time Equivalents (FTE) | 0 | 6 | 7 | 7 | 0 |
| % of city's FTEs | | | | 1.81% | |

| Authorized Personnel/Positions: | | | Current | Request | Changes |
|--|-----------|-----------|-----------|-----------|-----------|
| Title | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 | 2025-2026 |
| Assistant Director of Public Work | 0 | 2 | 2 | 2 | 0 |
| Director of Public Work | 0 | 1 | 1 | 1 | 0 |
| Administrative Assistant | 0 | 0 | 2 | 2 | 0 |
| Office Supervisor | 0 | 0 | 0 | 1 | 1 |
| Administrative Coordinator | 0 | 2 | 1 | 0 | -1 |
| Code Compliance Specialist | 0 | 1 | 1 | 1 | 0 |
| Total | 0 | 6 | 7 | 7 | 0 |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$388,779 | \$652,265 | \$670,940 | \$608,983 | \$729,450 | 8.7% |
| Supplies | \$5,707 | \$25,463 | \$20,900 | \$18,280 | \$22,900 | 9.6% |
| Maintenance | \$2,775 | \$12,160 | \$11,000 | \$5,243 | \$7,500 | -31.8% |
| Special Services | \$3,597 | \$23,818 | \$44,940 | \$25,881 | \$37,630 | -16.3% |
| Non-Departmental | -\$292,751 | -\$478,318 | -\$546,700 | -\$526,710 | -\$591,040 | 8.1% |
| Total Expense Objects: | \$108,107 | \$235,387 | \$201,080 | \$131,677 | \$206,440 | 2.7% |

Highway User Division

The Highway Users Division facilitates the general public's pedestrian and vehicular movement in a safe and orderly manner by providing general maintenance and repair of all City streets, signs, and traffic control signals and devices.

The division is also responsible for after-hours support to emergency responders, as well as for installation of new roadway signs and markings, replacement of damaged signs and markings, requests for removal of graffiti, general right-of-way maintenance, and storm water collection infrastructure maintenance.



Accomplishments FY 2025

- Complete traffic signal installations Co. 22 and 4th Ave.
- Began roadway improvements at Co. 22nd and Sidewinder Road.
- Completed 24th Street Light Project.
- Completed 6th Ave Street Light Project.
- Completed Co. 22nd Street Light Project.
- PW Radios Upgrade Project.
- Completed pavement preservation and striping of Main Street, including the segment from U Street to County 22nd Street.
- Began Vegetation Control Program.
- Completed Annual Community Cleanup up generating 182 tons of waste.
- Complete Design of Main St and B Street Traffic Signal and Intersection Improvements.

- Completed 5th Ave & Kennedy Lane Drainage Improvements Project.
- Completed Liberty Avenue and 7th Place Drainage Improvements Project.
- Acquired a Ford F350 Service Truck for Highway Users, enhancing the department's maintenance and operational capabilities.

Goals & Objectives FY 2026

Growth & Public Service

Goal: "Enhance transportation infrastructure and public safety through strategic improvements in traffic management and roadway maintenance."

- Complete roadway improvements at Co. 22 & 4th Ave. and Co. 22nd & Sidewinder Road by Q2 FY2026 to enhance traffic flow and reduce congestion.
- Order all traffic signal equipment and materials for the Main Street and B Street intersection by Q3 FY26 to support timely installation and improve traffic flow and safety
- Complete the design for the Union Street and 4th Avenue intersection and traffic signal improvements by the end of Q3 FY 2026, followed by ordering materials and procurement by the end of FY 2026, to enable construction to begin in FY 2027.
- Advance the Ave B Shoulder Improvements Project/HSIP Match by securing right-of-way acquisition and obtaining environmental clearance, with progress milestones to be determined based on approval timelines.
- Continue implementing the recurring Pavement Preservation Program throughout FY 2026, conducting ongoing road assessments to determine pavement preservation applications and priorities.
- Complete the final design for the Union Street and 4th Avenue intersection improvements by the end of FY 2026, in preparation for future construction and infrastructure upgrades.
- Successfully plan and execute the City's 1st Hazardous Waste Disposal Event by Q2 FY 2026, ensuring safe collection and proper disposal of hazardous materials to promote public health and environmental safety.
- Begin the design phase for the 10th Avenue widening project by Q1 FY 2026, to enhance roadway capacity and improve traffic flow.

 **Economy Goal**

Goal: "Support local economic growth by improving transportation infrastructure and enhancing the safety and efficiency of roadways."

- Advance Ave F Widening Design from 60% to 100% completion by Q4 FY 2026.
- Initiate the design for the 6th Avenue Extension north, from Union Street to County 22nd Street by the end of Q2 FY 2026, and complete the design by the end of FY 2027, to support future roadway expansion and improve connectivity.
- Advance the US95 Co. 20 ½ St to Co. 22nd St Raised Median HSIP Match project by progressing through Stage 4 design (60-70% complete) and preparing for the bidding process, with timelines dependent on bid and approval schedules.
- Advance the 10th Avenue & Los Alamos Curve Project HSIP Match by continuing design and project development, with bidding timelines to be determined based on project progress and approvals.
- Having completed the study and design for the Lakin Subsidence issue and associated road improvements by FY 2025, begin road improvement construction in Q1 FY 2026 to address the subsidence and enhance roadway safety.
- Advance on the GSA Urtuzuastegui Street IGA Contribution Improvements by purchasing materials in Q1 FY 2026 and having an electrician company begin work on the project, continuing through June 30, 2026.

 **Financial Sustainability**

Goal: "Ensure cost-effective infrastructure improvements and resource management in roadway projects and maintenance programs."

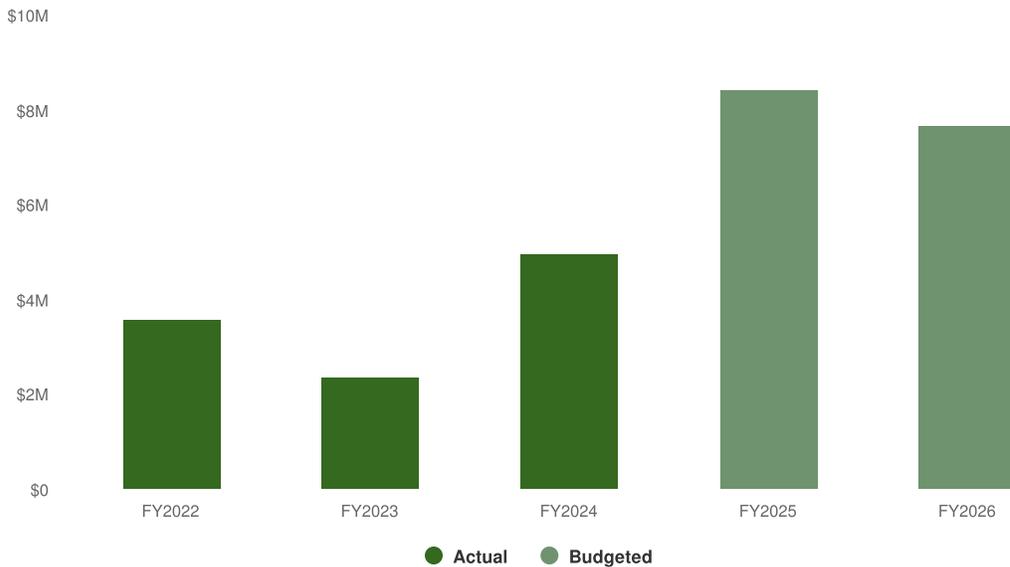
- Acquire and implement Sign Maker, HP Latex 700 W Printer & 60" Hand Squeeze Roll Applicator by Q2 FY 2026, improving signage production efficiency by at least 20%.

Expenditure Summary

The graph below shows the expenditures for the Highway User Division over the past four years. For the current fiscal year, the division has budgeted \$7,664,320, which is \$778,740 less than FY 2025. This decrease is primarily due to a 53.4% reduction in other financing sources, reflecting a lower contribution from the General Fund to HURF projects. Capital expenditures have also decreased significantly, as several major projects were completed last year. This year's budget continues funding for ongoing projects such as the Cesar Chavez Boulevard Widening Project, County 22nd & 4th Avenue intersection improvements, and Main Street & B Street intersection upgrades. There is an increase in special services to cover non-capital expenses related to the recurring pavement preservation program. Salaries have also increased due to citywide salary adjustments applied this year.

\$7,664,320
-\$778,740
(-9.22% vs. prior year)

Highway User Division Proposed and Historical Budget vs. Actual



Personnel Changes

The chart below displays the Highway Users Department's staff summary schedule for the last three fiscal years. For this year, there will be no changes to the staff summary schedule. The department will continue to operate effectively with the current staffing levels to manage highway and road projects.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|---------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|
|---------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|

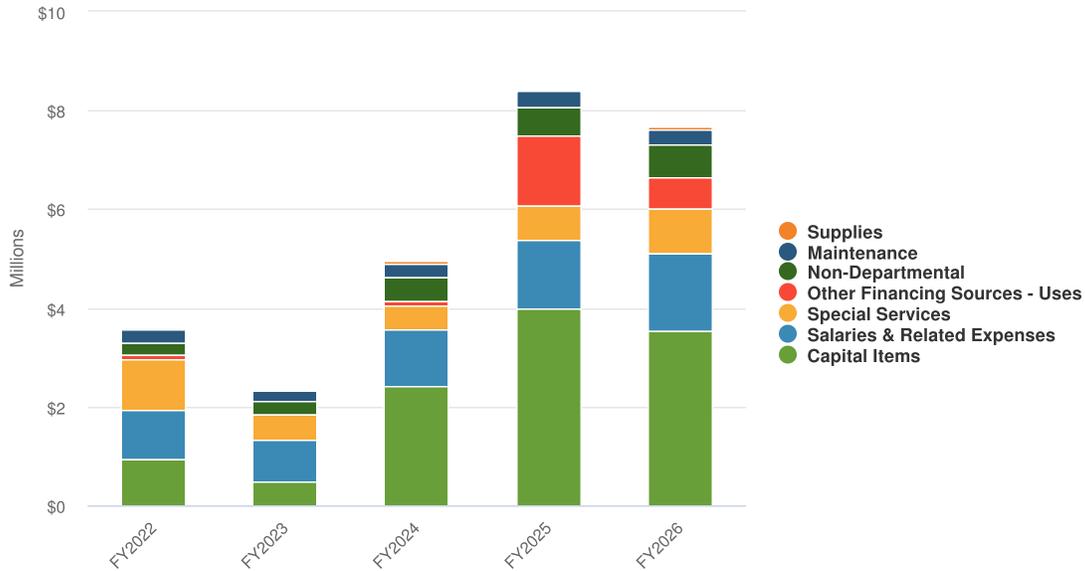
| | | | | | |
|-----------------------------|------|----|----|-------|-----|
| Full-time Equivalents (FTE) | 21.0 | 23 | 23 | 23 | 0.0 |
| % of city's FTEs | | | | 5.81% | |

Authorized Personnel/Positions:

| Title | 2022-2023 | 2023-2024 | Current 2024-2025 | Request 2025-2026 | Changes 2025-2026 |
|-----------------------------------|-------------|-----------|----------------------|----------------------|----------------------|
| Equipment Operator | 2.5 | 2 | 2 | 2 | 0 |
| Maintenance Specialist | 6 | 7 | 7 | 7 | 0 |
| Maintenance Technician | 6 | 7 | 7 | 7 | 0 |
| Maintenance Supervisor | 1 | 1 | 1 | 1 | 0 |
| Public Work Supervisor | 1 | 0 | 0 | 0 | 0 |
| Public Work Manager | 0 | 1 | 1 | 1 | 0 |
| Crew Leader Supervisor | 2 | 3 | 3 | 3 | 0 |
| Heavy Equipment Operator | 1 | 1.5 | 0.5 | 0.5 | 0 |
| Senior Heavy Equipment Operator | 0 | 0.0 | 1.0 | 1 | 0 |
| Assistant Director of Public Work | 0.2 | 0 | 0 | 0 | 0 |
| Director of Public Work | 0.2 | 0 | 0 | 0 | 0 |
| Administrative Coordinator | 0.2 | 0 | 0 | 0 | 0 |
| Public Work Project Manager | 0 | 0.3 | 0 | 0 | 0 |
| Administrative Assistant | 0.3 | 0 | 0 | 0 | 0 |
| Engineering Technician | 0.3 | 0 | 0 | 0 | 0 |
| Civil Engineering | 0.3 | 0 | 0 | 0 | 0 |
| Total | <u>21.0</u> | <u>23</u> | <u>23</u> | <u>23</u> | <u>0</u> |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents the Highway User Division's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|--------------------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$864,291 | \$1,167,709 | \$1,371,790 | \$1,219,853 | \$1,561,890 | 13.9% |
| Supplies | \$30,039 | \$71,518 | \$55,450 | \$65,410 | \$49,000 | -11.6% |
| Maintenance | \$204,616 | \$277,049 | \$326,980 | \$368,943 | \$310,080 | -5.2% |
| Special Services | \$514,098 | \$769,732 | \$696,580 | \$769,432 | \$894,480 | 28.4% |
| Other Financing Sources - Uses | \$0 | \$93,232 | \$1,407,090 | \$1,070,795 | \$655,070 | -53.4% |
| Non-Departmental | \$277,733 | \$467,745 | \$582,380 | \$524,273 | \$644,260 | 10.6% |
| Capital Items | \$469,821 | \$2,409,025 | \$4,002,790 | \$1,733,496 | \$3,549,540 | -11.3% |
| Total Expense Objects: | \$2,360,599 | \$5,256,010 | \$8,443,060 | \$5,752,202 | \$7,664,320 | -9.2% |

Fleet Services

The Fleet Services Division is responsible for maintaining and repairing City vehicles and equipment, including inspections, general maintenance, repairs (e.g., hydraulic systems and air-conditioning systems), and installation of emergency lights on response vehicles. The division also assists with readying used City vehicles for auction.



The division’s goal is to provide responsive vehicle maintenance support services to all City departments, encompassing all facets of vehicle diagnostics and repairs and a preventative maintenance program to assure dependability, availability, and safety of the fleet; effectively schedule and coordinate “off-site” repair of vehicles that require specialized dealer/manufacture services; provide, or coordinate, responsive roadside assistance to City vehicles that have broken down during operation.

Accomplishments FY 2025

- Staff attended APWA Fleet Management Training.
- Staff attended steering and suspension training.
- Staff attended engine diagnostic training.

Goals & Objectives FY 2026

Growth & Public Service

Goal: “Provides safe, reliable, and well-maintained vehicles and equipment to support the City’s day to day operations and ensuring prompt response by public safety personnel.”

- Conduct Fleet Service Customer Satisfaction Survey by Q2 FY 2026.

- Ensure all staff attend McNeilus Solid Waste Truck Training by Q3 FY 2026 to enhance skills and operational safety.
- Purchase and install a heavy-duty vehicle lift by the end of Q2 FY 2026 to enhance maintenance efficiency and safety in the fleet services shop.
- Complete the design and installation of a vehicle washing area by the end of Q3 FY 2026 to improve fleet cleanliness and maintenance standards.
- Purchase and install two coolers for the fleet services shop by the end of Q1 FY 2026 to improve workplace comfort and efficiency.

Economy

Goal: "Promote sustainable economic growth by investing in infrastructure and operational efficiency, ensuring the city's resources are effectively utilized to enhance public services."

- Develop and implement a preventative maintenance program by Q3 FY 2026, reducing vehicle downtime by at least 10% compared to FY 2025.

Financial Sustainability

Goal: "Ensure responsible financial management of vehicle & equipment maintenance operations by reducing costs where feasible and through process improvements."

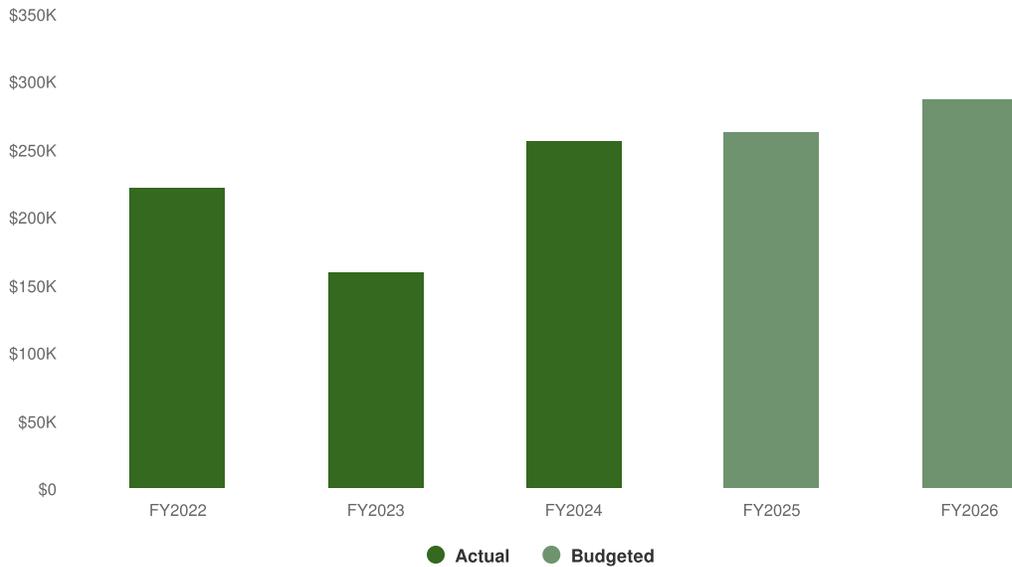
- Monitor fleet maintenance and replacement costs, aiming to keep total costs within budgeted allocations for FY 2026.

Expenditure Summary

The graph below shows the expenditures for the Fleet Services Division over the past four years. For FY 2026, the division has budgeted \$286,820, which represents an increase of \$23,880 compared to the previous fiscal year. The majority of this increase is attributed to salary adjustments resulting from the citywide compensation reclassification study. Additionally, there is a slight increase in the maintenance category, where funds have been allocated for the purchase of a new vehicle diagnostic scanner. Special services also show an increase, primarily due to higher utility costs and additional funding for non-degree certifications and specialized training. This includes training for staff working on sweepers, first responder vehicles, and solid waste trucks, ensuring technicians are properly qualified to maintain and repair the specialized vehicles in the city's fleet.

\$286,820 **\$23,880**
(9.08% vs. prior year)

Fleet Services Proposed and Historical Budget vs. Actual



Personnel Changes

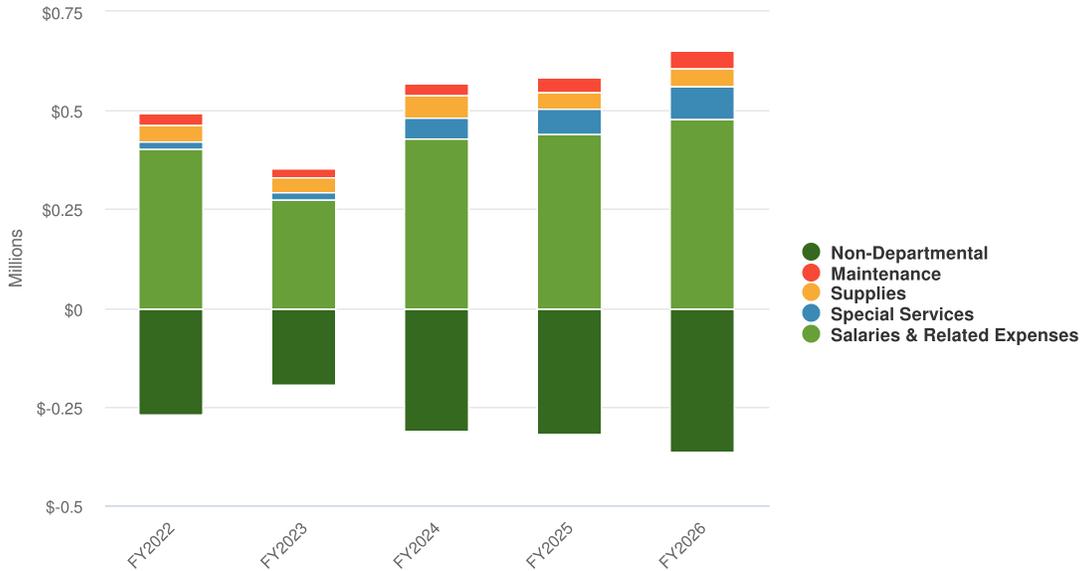
The chart below displays the Fleet Services Department's staff summary schedule for the last three fiscal years. For FY 2026, there are no changes to the department's staffing. The current structure continues to support the operational needs of the division in delivering effective vehicle and equipment maintenance services.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|--|-------------------|--------------------|----------------------|----------------------|---------------------------------|
| Full-time Equivalents (FTE) | 6.6 | 7 | 7 | 7 | 0 |
| % of city's FTEs | | | | 1.81% | |
| Authorized Personnel/Positions: | | | | | |
| Title | 2022-2023 | 2023-2024 | Current 2024-2025 | Request 2025-2026 | Changes 2025-2026 |
| Mechanic | 4 | 4 | 4 | 4 | 0 |
| Lead Mechanic | 0 | 1 | 1 | 1 | 0 |
| Administrative Coordinator | 0.2 | 0 | 0 | 0 | 0 |
| Assistant Public Work Director | 0.2 | 0 | 0 | 0 | 0 |
| Director of Public Work | 0.2 | 0 | 0 | 0 | 0 |
| Mechanic Supervisor | 1 | 1 | 1 | 1 | 0 |
| Office Assistant | 0 | 1 | 0 | 0 | 0 |
| Administrative Assistant | 0 | 0 | 1 | 1 | 0 |
| Maintenance Worker - Parts Runner | 1 | 0 | 0 | 0 | 0 |
| Total | <u>6.6</u> | <u>7</u> | <u>7</u> | <u>7</u> | <u>0</u> |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents the Fleet Services Division's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$273,073 | \$430,736 | \$441,210 | \$453,565 | \$479,930 | 8.8% |
| Supplies | \$39,126 | \$55,563 | \$43,690 | \$43,777 | \$48,190 | 10.3% |
| Maintenance | \$22,710 | \$30,064 | \$35,770 | \$38,389 | \$44,130 | 23.4% |
| Special Services | \$19,721 | \$52,372 | \$62,270 | \$60,502 | \$79,680 | 28% |
| Non-Departmental | -\$194,669 | -\$312,092 | -\$320,000 | -\$327,293 | -\$365,110 | 14.1% |
| Total Expense Objects: | \$159,962 | \$256,643 | \$262,940 | \$268,941 | \$286,820 | 9.1% |

Water Division

The Water Division provides safe and reliable water service to residents, complying with state and federal environmental and health standards. The division maintains water production and distribution systems and responds to customer complaints involving water distribution and treatment problems, offering 24-hour emergency on-call service to meet the community's needs.



Accomplishments FY 2025

- Increased compliance testing to immediately detect health and/or other non-health related contaminants.
- Improved maintenance for manganese treatment units (MTUs), well and booster pumps, chlorinators, water storage reservoirs, etc.
- Onboarded new backflow device compliance system to better serve customers and private service providers (registered BFA testers). Completed compliance with ADEQ on backflow systems City-wide.
- Completed rehabilitation of water storage tank at well site No.6.
- Installed new block wall and entrance gates at Well Site No. 3.
- Completion of entire Well Site No. 5 new well, new filtration system project.
- Completed construction of a new 2-million-gallon water storage tank for well site No. 7.
- Completed Cesar Chavez Blvd. Water main improvements.
- Completed radio system transition to YRCS.
- Abandon/demolish well site No. 2.
- Completed construction/deployment of new Automated Metering Infrastructure (AMI) system.
- Onboarded Irth Software for AZ811 utility locates.

Goals & Objectives FY 2026

Growth & Public Service

Goal: "Enhance public services through improved customer experience, infrastructure development, and water system modernization."

- Improve customer service experience (CX) throughout the fiscal year
- Improve on-call procedures by implementing updated protocols and tracking response times, throughout the fiscal year.
- Develop and offer an educational session by Q4 FY 2026 for local stakeholders, primarily plumbers on the backflow device compliance program and system. While most industry professionals are trained through Swift Comply, this session will provide community-specific guidance to ensure local understanding and compliance.
- Conduct an assessment of Well Site No. 1 in Q3 FY 2026 to evaluate its condition and operational value. Based on the findings, determine in Q4 whether to proceed with demolition or retain the site for future use, supporting long-term water system planning and compliance.

Economy

Goal: "Support the city's economic growth by ensuring water infrastructure projects are completed timely and efficiently and contribute to reliable water supply."

- Complete the design, bidding, and construction of the MCC replacement and Water Operations Building expansion at Well Site No. 5 by June 30, 2026. Design will be finalized by the end of Q1 FY 2026, followed by a two-month bid advertisement period. Construction is expected to last approximately six months, improving electrical reliability and operational capacity at the site.
- Complete the design for Well Site No. 7 electrical and booster station upgrades by Q3 FY 2026 and initiate equipment procurement before the end of the fiscal year, to support timely construction and system improvements.

- Complete inspection and design for the water storage tank rehabilitation at Well Sites No. 3 and 4, advertise for bid by Q3 FY 2026, and aim to complete construction by the end of FY 2026 to extend the service life and reliability of the tanks.
- Design Well Site No. 3 Electrical Upgrades and Civil Improvements by Q4 FY 2026.
- Begin the update of the ADWR Assured Water Supply Designation in Q1 FY 2026 and complete it by June 30, 2026.



Financial Sustainability

Goal: "Ensure long-term financial sustainability by modernizing water infrastructure and optimizing resource allocation."

- Monitor and maintain project costs and water system operational expenses, keeping expenditures within budget allocations for FY 2026.

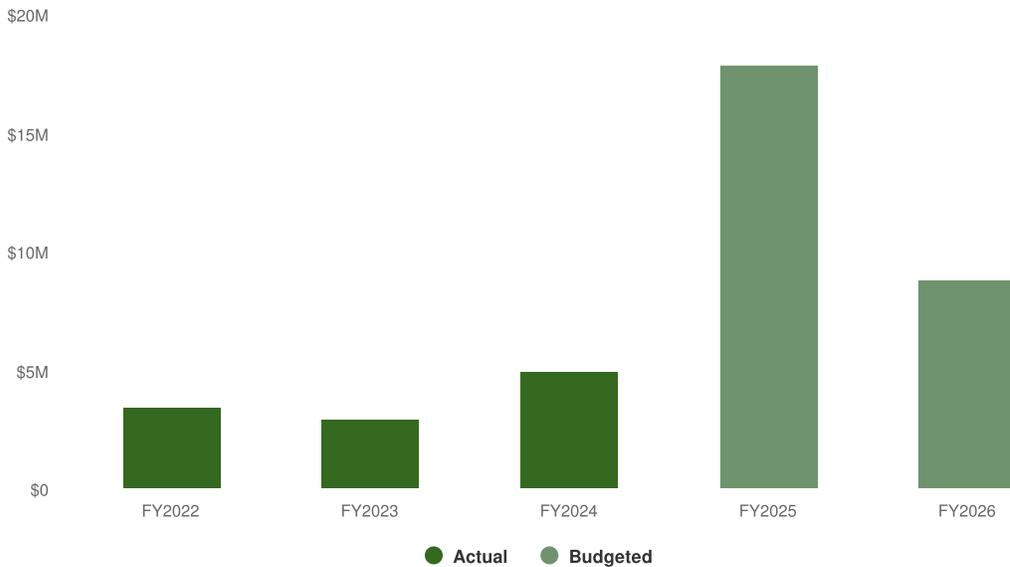
Expenditure Summary

The graph below shows the expenditures for the Water Division over the past four years. For FY 2026, the division has budgeted \$8,815,490, which is \$9,018,640 less than FY 2025. This significant decrease is primarily due to the completion of several major capital projects in the previous fiscal year, including the installation of a new filtration system at Well Site No. 5, construction of a 2-million-gallon water storage tank at Well Site No. 7, and water main improvements along Cesar Chavez Boulevard. While the overall budget has decreased, the division continues to invest in key infrastructure projects. FY 2026 includes ongoing work such as the rehabilitation of storage tanks at Well Sites No. 3 and 4, electrical upgrades at Well Site No. 3, electrical and booster station upgrades at Well Site No. 7, and the continued expansion of the Water Operations Building at Well Site No. 5.

The salaries category has increased due to the addition of two Water Operator Apprentice positions to support workforce development and succession planning. Special services also show an increase, primarily driven by rising utility costs up by \$67,270. Additionally, the maintenance category has modest increases across gas, vehicle, building, electrical, and equipment maintenance to support reliable operations. These investments reflect the department's continued focus on maintaining high service levels while strategically planning for long-term infrastructure needs.

\$8,815,490 **-\$9,018,640**
(-50.57% vs. prior year)

Water Division Proposed and Historical Budget vs. Actual



Personnel Changes

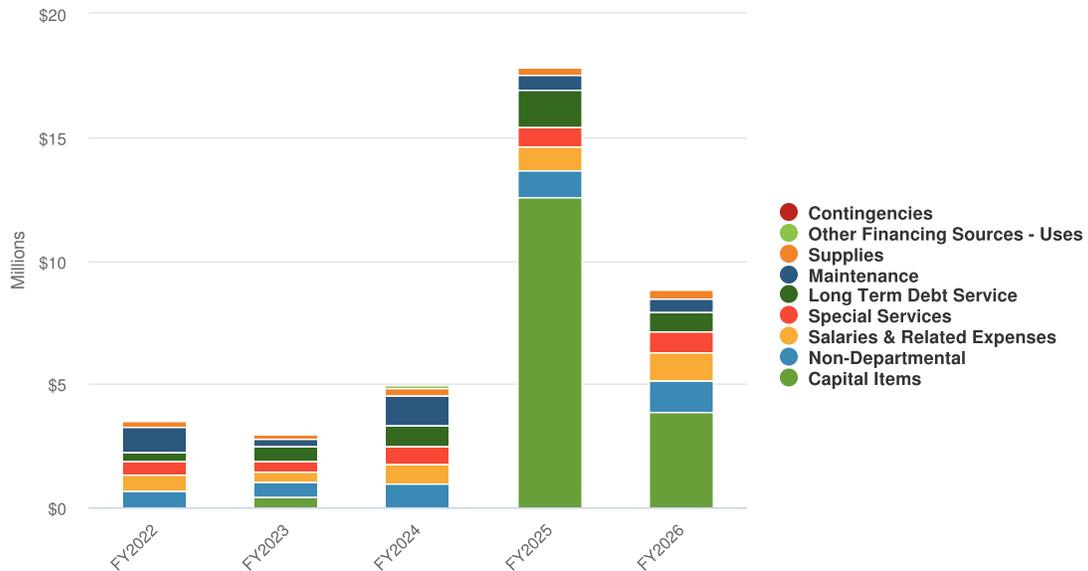
The chart below displays the Water Department's staff summary schedule for the last three fiscal years. For FY 2026, the department has budgeted for two new Water Operator Apprentice positions to support its expanding operations and ensure continued reliability in water system management. Additionally, the department reclassified one Electrician I position to Electrician II. This reclassification presents no budgetary impact and reflects the evolving responsibilities of the role. These staffing adjustments support the department's ongoing efforts to strengthen its workforce and maintain high service standards.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|--|-------------------|--------------------|----------------------|----------------------|---------------------------------|
| Full-time Equivalents (FTE) | 13.0 | 12.3 | 13.0 | 15.0 | 2.0 |
| % of city's FTEs | | | | 3.87% | |
| Authorized Personnel/Positions: | | | | | |
| Title | 2022-2023 | 2023-2024 | Current 2024-2025 | Request 2025-2026 | Changes 2025-2026 |
| Water System Operator | 8 | 0 | 0 | 0 | 0 |
| Heavy Equipment Operator | 0 | 0.5 | 0.5 | 0.5 | 0 |
| Apprentice | 0 | 2 | 0 | 2 | 2 |
| Water System Apprentice | 0 | 0 | 3 | 3 | 0 |
| Operator I | 0 | 5 | 0 | 0 | 0 |
| Water System Operator I | 0 | 0 | 5 | 5 | 0 |
| Operator II | 0 | 1 | 0 | 0 | 0 |
| Water System Operator II | 0 | 0 | 1 | 1 | 0 |
| Electrician II | 0 | 0 | 0 | 0.5 | 0.5 |
| Electrician | 0.5 | 0.5 | 0.5 | 0.0 | -0.5 |
| Chief Water Operator | 2 | 0 | 0 | 0 | 0 |
| Assistant Director of Public Work | 0.2 | 0 | 0 | 0 | 0 |
| Water System Supervisor | 1 | 0 | 0 | 0 | 0 |
| Water Operations Supervisor | 0 | 2 | 2 | 2 | 0 |
| Water Operations Manager | 0 | 1 | 1 | 1 | 0 |
| Director of Public Work | 0.2 | 0 | 0 | 0 | 0 |
| Administrative Coordinator | 0.2 | 0 | 0 | 0 | 0 |
| Administrative Assistant | 0.3 | 0 | 0 | 0 | 0 |
| Engineering Technician | 0.3 | 0 | 0 | 0 | 0 |
| Civil Engineering | 0.3 | 0 | 0 | 0 | 0 |
| Public Work Project Manager | 0 | 0.3 | 0 | 0 | 0 |
| Total | 13.0 | 12.3 | 13.0 | 15.0 | 2.0 |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents the Water Division's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|--------------------------------|--------------------|--------------------|-----------------------|---------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$459,210 | \$829,566 | \$965,250 | \$899,756 | \$1,184,610 | 22.7% |
| Supplies | \$180,971 | \$325,624 | \$331,100 | \$257,527 | \$328,400 | -0.8% |
| Maintenance | \$334,687 | \$1,217,291 | \$558,880 | \$430,112 | \$577,780 | 3.4% |
| Special Services | \$369,457 | \$761,270 | \$771,550 | \$691,393 | \$829,140 | 7.5% |
| Contingencies | \$0 | \$3,532 | | \$0 | \$0 | N/A |
| Other Financing Sources - Uses | \$0 | \$129,584 | | \$0 | \$0 | N/A |
| Long Term Debt Service | \$610,884 | \$415,329 | \$1,523,790 | \$345,071 | \$769,300 | -49.5% |
| Non-Departmental | \$597,781 | \$951,652 | \$1,117,160 | \$1,041,964 | \$1,230,260 | 10.1% |
| Capital Items | \$419,023 | \$0 | \$12,566,400 | \$11,189,842 | \$3,896,000 | -69% |
| Total Expense Objects: | \$2,972,013 | \$4,633,847 | \$17,834,130 | \$14,855,665 | \$8,815,490 | -50.6% |

Wastewater Division

The Wastewater Division is responsible for operation and maintenance of sanitary sewer collection and treatment systems throughout the City. The division maintains wastewater collection and treatment systems and responds to customer complaints involving wastewater problems (including odor control), offering 24-hour emergency on-call service to meet the community's needs.



Accomplishments FY 2025

- Completed safety improvements at the East Wastewater Treatment Plant such as automatic gates and block wall.
- Completed Cesar Chavez Blvd. Wastewater system improvements.
- Completed radio system transition to YRCS.
- Completed a full rehabilitation of Lakin lift station.
- Completed design for the West Wastewater Plant Expansion through the CMAR process with Pre-Construction Services from PCL Construction Inc.
- Completed East Wastewater Treatment Plant Improvements.
- Completed a new chlorination room for the East Wastewater Treatment Plant.
- Completion of new sewer main along 4th Avenue and into the Public Works Yard
- Continued the work on GIS towards the complete collection of assets and towards deployment.
- Onboarded Irth Software for AZ811 utility locates.
- Purchased a new skid-steer loader to support plant operations, enhancing operational efficiency and safety.

Goals & Objectives FY 2026

Growth & Public Service

Goal: "Enhance wastewater treatment services and infrastructure to meet the needs of a growing population and improve environmental health."

- Complete security improvements at Lift Station 3A (perimeter fencing) by Q2 FY 2026.
- Purchase and install a new emergency generator for the High School Lift Station by Q4 FY 2026 to ensure uninterrupted service.

Economy

Goal: "Support the city's economic growth through efficient wastewater management and strategic infrastructure expansions."

- Continue the sanitary sewer manhole annual inspection, rehabilitation, and replacement program, throughout the fiscal year.
- Begin construction of the West Wastewater Treatment Plant expansion in Q3 FY2026, including the new Operations Building and New Force Main from Lift Station 300 with an anticipated duration of 18 to 24 months.

Financial Sustainability

Goal: "Maintain financial sustainability by improving operational efficiency through infrastructure upgrades, system improvements and maintenance."

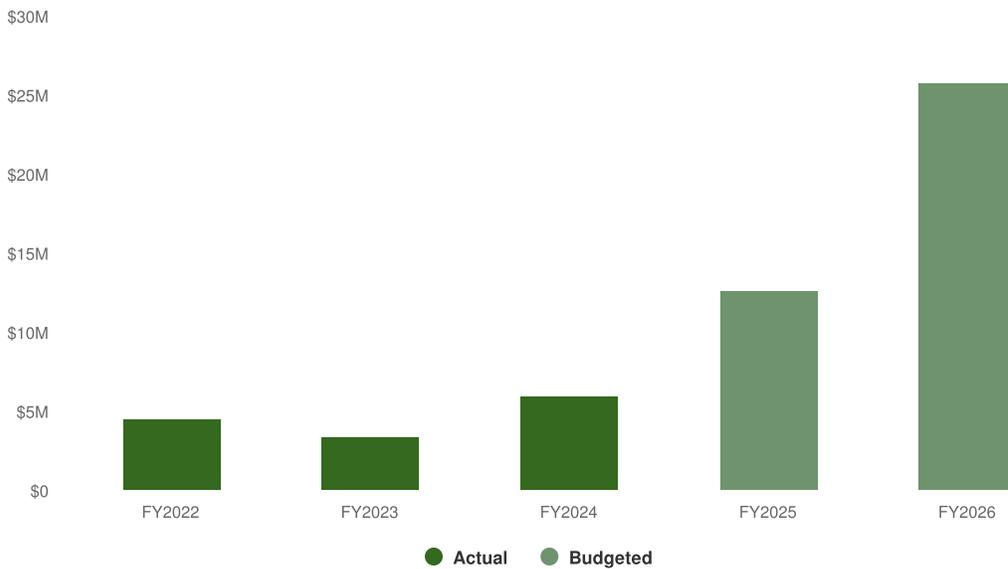
- Monitor project expenditures and operational costs, keeping all Wastewater Division projects within budget.

Expenditure Summary

The graph below illustrates the expenditures for the Wastewater Division over the past four years. For FY 2026, the division has budgeted \$25,798,780, which is an increase of \$13,193,070 compared to FY 2025. The most significant increase is seen in capital items, where the majority of the funding is allocated to the West Wastewater Treatment Plant Expansion. This includes both construction and continued design efforts for the multi-phase project. The increase in the salaries category reflects the addition of two new Wastewater Operator Apprentice positions, as well as the citywide salary adjustment implemented this fiscal year. Special Services have also increased, with funding dedicated to non-capital projects such as sewer manhole repairs and replacements, landfill fees, and higher ADEQ-required water analysis costs. In the maintenance category, the budget includes modest increases for equipment, electrical, and vehicle maintenance to support reliable operations and minimize downtime. The increase in this year's budget reflects the division's continued focus on long-term infrastructure improvements, operational efficiency, and regulatory compliance to meet the growing needs of the community.

\$25,798,780 **\$13,193,070**
(104.66% vs. prior year)

Wastewater Division Proposed and Historical Budget vs. Actual



Personnel Changes

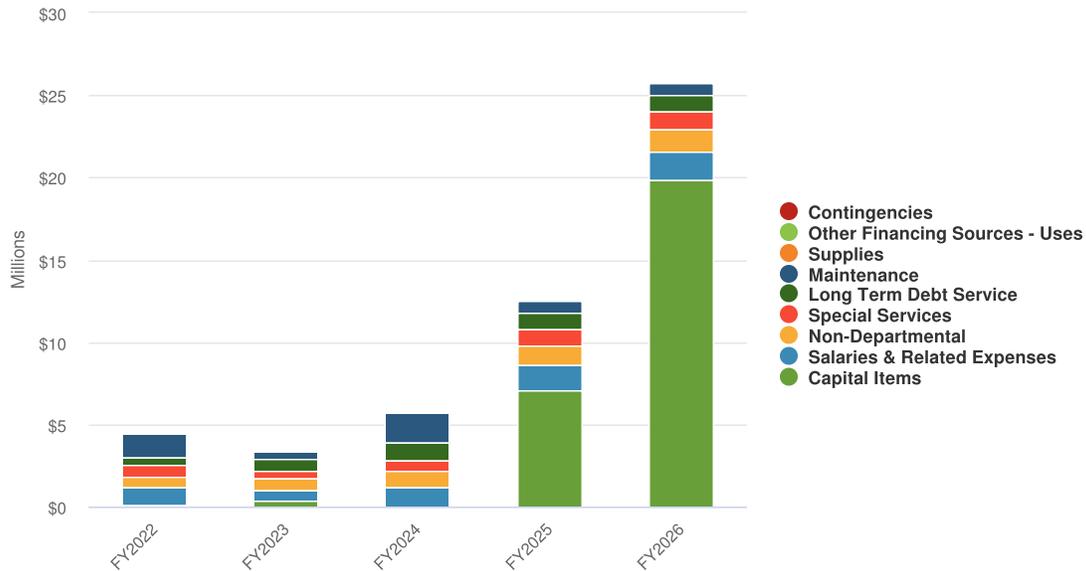
The chart below displays the Wastewater Department's staff summary schedule for the last three fiscal years. For FY 2026, the department has added two new Wastewater Operator Apprentice positions to support its growing operational needs. Additionally, one Electrician I position has been reclassified to Electrician II to better reflect the responsibilities of the role. This reclassification does not result in any budgetary impact. These staffing adjustments aim to enhance the department's capacity to maintain efficient and reliable wastewater operations.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|--|-------------------|--------------------|----------------------|----------------------|---------------------------------|
| Full-time Equivalents (FTE) | 20.0 | 20 | 21.0 | 23.0 | 2.0 |
| % of city's FTEs | | | | 5.88% | |
| Authorized Personnel/Positions: | | | | | |
| Title | 2022-2023 | 2023-2024 | Current 2024-2025 | Request 2025-2026 | Changes 2025-2026 |
| Wastewater Plant Operator | 15 | 0 | 0 | 0 | 0 |
| Heavy Equipment Operator | 0 | 0.5 | 0.5 | 0.5 | 0 |
| Apprentice | 0 | 3 | 4 | 6 | 2 |
| Operator I | 0 | 9 | 9 | 9 | 0 |
| Operator II | 0 | 2 | 2 | 2 | 0 |
| Operator III | 0 | 2 | 2 | 2 | 0 |
| Electrician II | 0 | 0 | 0 | 0.5 | 0.5 |
| Electrician | 0.5 | 0.5 | 0.5 | 0.0 | -0.5 |
| Chief Wastewater Plant Operator | 2 | 0 | 0 | 0 | 0 |
| WW Operations Manager | 0 | 1 | 1 | 1 | 0 |
| Assistant Director of Public Work | 0.2 | 0 | 0 | 0 | 0 |
| Wastewater Supervisor | 1 | 2 | 2 | 2 | 0 |
| Director of Public Work | 0.2 | 0 | 0 | 0 | 0 |
| Administrative Coordinator | 0.2 | 0 | 0 | 0 | 0 |
| Administrative Assistant | 0.3 | 0 | 0 | 0 | 0 |
| Engineering Technician | 0.3 | 0 | 0 | 0 | 0 |
| Civil Engineering | 0.3 | 0 | 0 | 0 | 0 |
| Public Work Project Manager | 0 | 0.3 | 0 | 0 | 0.0 |
| Total | 20.0 | 20 | 21.0 | 23.0 | 2.0 |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents the Wastewater Division's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|--------------------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$668,891 | \$1,149,757 | \$1,516,070 | \$1,316,672 | \$1,756,840 | 15.9% |
| Supplies | \$43,645 | \$89,281 | \$98,700 | \$98,874 | \$98,700 | 0% |
| Maintenance | \$470,792 | \$1,836,219 | \$700,280 | \$766,989 | \$725,280 | 3.6% |
| Special Services | \$454,460 | \$1,039,676 | \$997,560 | \$768,934 | \$1,137,630 | 14% |
| Contingencies | \$0 | \$2,679 | | \$0 | \$0 | N/A |
| Other Financing Sources - Uses | \$0 | \$137,834 | | \$0 | \$0 | N/A |
| Long Term Debt Service | \$742,730 | \$477,509 | \$1,021,090 | \$400,037 | \$932,200 | -8.7% |
| Non-Departmental | \$643,824 | \$1,024,233 | \$1,208,010 | \$1,125,427 | \$1,330,130 | 10.1% |
| Capital Items | \$372,260 | \$0 | \$7,064,000 | \$4,032,387 | \$19,818,000 | 180.5% |
| Total Expense Objects: | \$3,396,602 | \$5,757,188 | \$12,605,710 | \$8,509,321 | \$25,798,780 | 104.7% |

Solid Waste Division

The Solid Waste Division provides a convenient, affordable, and efficient scheduled residential trash collection service to the residents of the San Luis community. The division also oversees special pickup services, as well as an annual community cleanup campaign to better accommodate community needs. During this cleanup campaign, City residents set out bulky items that are not routinely collected by weekly solid waste collection services.



Accomplishments FY 2025

- Purchase of Leased vehicle 2024 Peterbilt Automatic Side Loader, Solid Waste Truck.
- Completed the annual community cleanup collecting over 182 tons of solid waste.
- Changed waste disposal vendor and location, reducing cost of landfill expenses, reducing vehicle repairs, and vehicle downtime.
- Secured funding for one new Heavy Equipment Operator position to support Solid Waste operations and enhance service capacity.

Goals & Objectives FY 2026

Growth & Public Service

Goal: "Enhance waste management services and customer satisfaction by improving operational efficiency and service delivery."

- Improve customer service and overall user experience by conducting outreach and collecting feedback throughout FY 2026, using survey responses to identify and implement service improvements.

- Onboard the 6th collection route by Q4 FY 2026 to accommodate the increase in customer accounts while maintaining timely service.



Economy

Goal: "Improve economic efficiency in waste management operations by optimizing resource use and minimizing service disruptions."

- Evaluate current collection routes throughout FY 2026 to identify opportunities for efficiency and service improvements, including the potential addition of Route 6 to better balance workloads and reduce overlap.



Financial Sustainability

Goal: "Ensure long-term financial sustainability by strategic vehicle replacement, proactive maintenance program, reducing repair costs and vehicle damage."

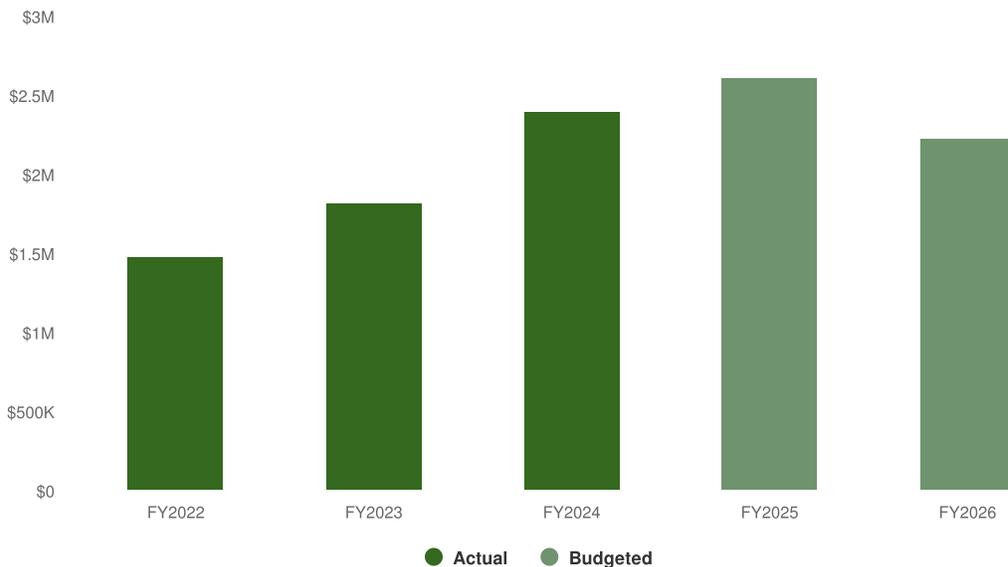
- Monitor operational costs and route performance, keeping expenditures within budget allocations for FY 2026.

Expenditure Summary

For FY 2026, the Solid Waste Division has budgeted \$2,223,560, which is \$390,595 less than the previous fiscal year. This reduction is primarily due to the absence of any budgeted capital projects for this fiscal year. In FY 2025, the Division purchased a previously leased truck and invested in other capital improvements, but no such expenditures are planned for FY 2026. Additionally, there is a modest decrease in salary and related expenses. This is largely attributed to the retirement of a heavy equipment operator in FY 2025, with the position now budgeted at entry-level starting salary for FY 2026. Despite these reductions, the budget continues to support the Division's core operations and service delivery.

\$2,223,560 **-\$390,595**
(-14.94% vs. prior year)

Solid Waste Division Proposed and Historical Budget vs. Actual



Personnel changes

The chart below displays the Solid Waste Department's staff summary schedule for the last three fiscal years. For FY 2026, there are no changes in staffing levels. The department will continue operating with the same number of personnel, maintaining its capacity to manage waste collection and disposal services effectively.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|---------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|
|---------------|-------------------|--------------------|--------------------|--------------------|---------------------------------|

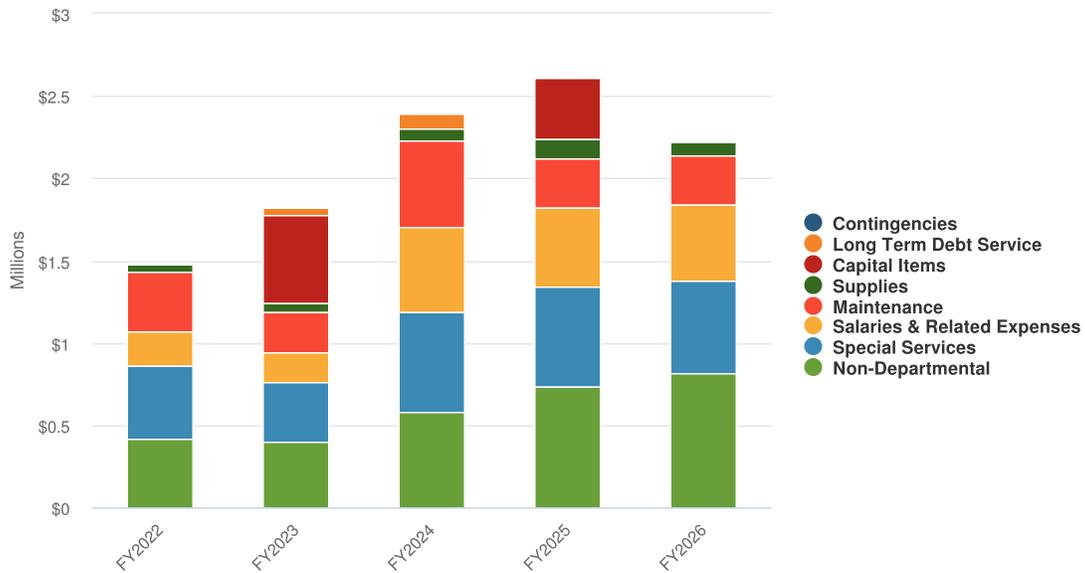
| | | | | | |
|-----------------------------|-----|-----|-----|-------|---|
| Full-time Equivalents (FTE) | 5.4 | 6.5 | 7.5 | 7.5 | 0 |
| % of city's FTEs | | | | 1.92% | |

Authorized Personnel/Positions:

| Title | 2022-2023 | 2023-2024 | Current 2024-2025 | Request 2025-2026 | Changes 2025-2026 |
|-----------------------------------|------------|------------|----------------------|----------------------|----------------------|
| Heavy Equipment Operator | 1 | 5.5 | 6.5 | 6.5 | 0 |
| Equipment Operator | 3.5 | 0 | 0 | 0 | 0 |
| Assistant Director of Public Work | 0.2 | 0 | 0 | 0 | 0 |
| Director of Public Work | 0.2 | 0 | 0 | 0 | 0 |
| Administrative Coordinator | 0.2 | 0 | 0 | 0 | 0 |
| Administrative Assistant | 0.3 | 0 | 0 | 0 | 0 |
| Crew Leader Supervisor | 0 | 1 | 1 | 1 | 0 |
| Total | <u>5.4</u> | <u>6.5</u> | <u>7.5</u> | <u>7.5</u> | <u>0</u> |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



The following table presents the Solid Waste Division's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$182,331 | \$512,999 | \$478,030 | \$312,890 | \$467,000 | -2.3% |
| Supplies | \$54,207 | \$74,951 | \$111,350 | \$63,878 | \$87,500 | -21.4% |
| Maintenance | \$244,483 | \$520,859 | \$300,480 | \$358,425 | \$294,480 | -2% |
| Special Services | \$358,127 | \$615,549 | \$613,370 | \$587,216 | \$562,730 | -8.3% |
| Contingencies | \$0 | \$1,454 | | \$0 | \$0 | N/A |
| Long Term Debt Service | \$41,477 | \$712 | | \$0 | \$0 | N/A |
| Non-Departmental | \$402,613 | \$575,965 | \$732,325 | \$697,398 | \$811,850 | 10.9% |
| Capital Items | \$538,563 | \$0 | \$378,600 | \$372,163 | \$0 | -100% |
| Total Expense Objects: | \$1,821,801 | \$2,302,490 | \$2,614,155 | \$2,391,969 | \$2,223,560 | -14.9% |

Facilities

The Facilities Division is responsible for maintaining and repairing all city buildings. The division consists of one lead custodian, one building maintenance lead, three building maintenance technicians, seven custodians, one facilities supervisor, one facilities project coordinator and one administrative assistant. Among the various services offered to the city's buildings are custodial services, basic plumbing, replacement of A/C filters, set-ups for events and meetings, and sweeping of parking lots.



Accomplishments FY 2025

- Completed HVAC units' replacement among different city buildings.
- Completed the B Street city building remodel.
- Completed the City Hall East wing remodeled project.
- Completed the HVAC duct cleaning project at City Hall, Police Station and Fire Station.
- Completed the security gate improvements around the City Hall complex.

Goals & Objectives FY 2026

Growth & Public Service

Goal: "Enhance the city's image and service delivery by ensuring well-maintained facilities and providing excellent customer service to residents and visitors."

- Complete access control changes for Fire Station #1 by Q1 FY 2026.

- Complete parking lot maintenance and asphalt rehabilitation at the Business Incubator, Court, Prosecutor's Office, and Facilities buildings by Q4 FY 2026 to improve safety, functionality, and overall appearance of city-owned properties.
- Complete ADA and safety enhancements at the Fernando Padilla Building and City Court by Q1 FY 2026.
- Complete Parks Administration building interior paint by Q2 FY 2026.
- Complete exterior paint of the Fire Station and Police Station by Q4 FY 2026.
- Complete youth center floor replacement by Q2 FY 2026.

Economy

Goal: "Strengthen the city's economy by improving public service efficiency and enhancing the appeal of City facilities to attract more visitors and businesses."

- Complete Fire Department roof repair by Q4 FY 2026.
- Complete flooring replacement at the Parks Administration building by Q2 FY 2026.
- Complete flooring replacement at Fire Station #1 dorms area by Q2 FY 2026.
- Replace light fixtures at Parks Administration building, grounds area by Q3 FY 2026.
- Complete replacement of garage bay doors at Fire Station #1 by Q2 FY 2026.
- Replace HVAC units at various city buildings as needed throughout FY 2026 to ensure continued occupant comfort, energy efficiency, and system reliability.

Financial Sustainability

Goal: "Ensure long-term financial responsibility by optimizing resource allocation and maintaining cost-effective City operations."

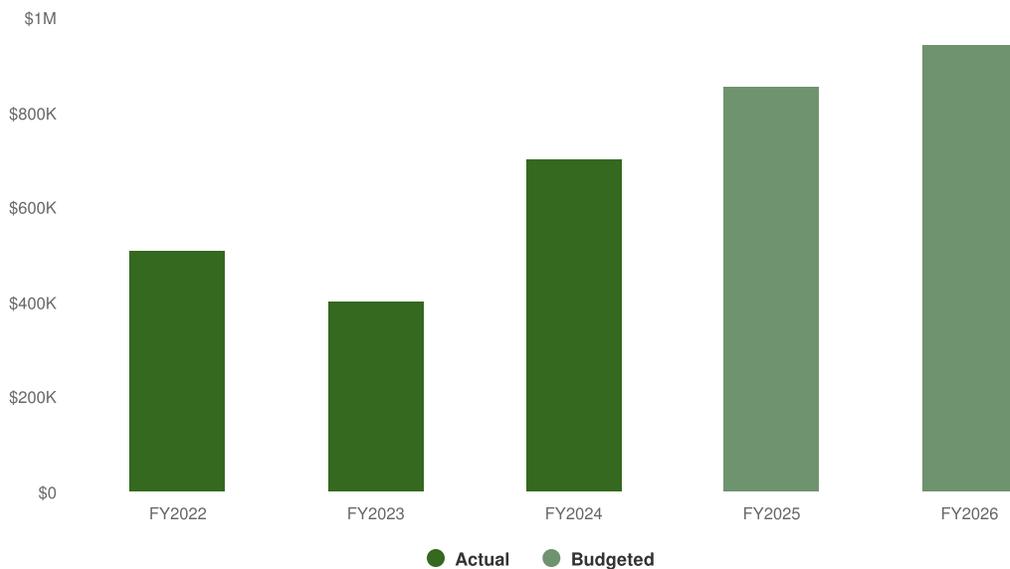
- Track project budgets and lifecycle maintenance costs, keeping all Facilities Division projects within allocated FY 2026 budget.

Expenditure Summary

The graph below shows the expenditures for the Facilities Division over the past four years. For FY 2026, the division has budgeted \$943,130, which is an increase of \$87,110 compared to the previous fiscal year. The majority of this increase is in the salaries category, which reflects a 12.6% rise due to the citywide salary adjustment. Additionally, there is a minimal increase in the maintenance category, attributed to the department's transition to a new facility management software, DUDE Solutions. These adjustments support the division's continued commitment to maintaining high service levels across all city facilities.

\$943,130 **\$87,110**
(10.18% vs. prior year)

Facilities Proposed and Historical Budget vs. Actual



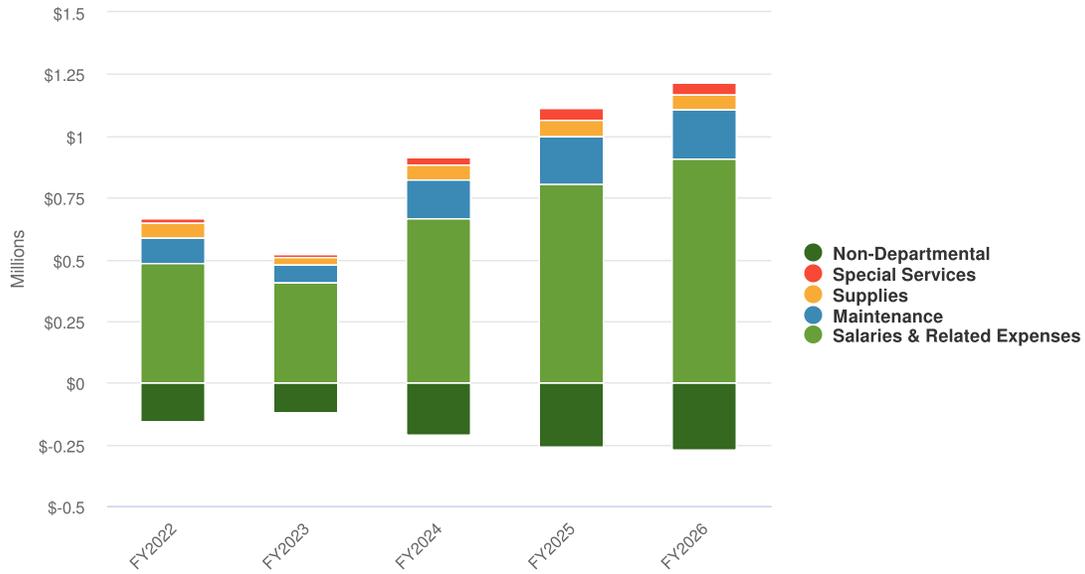
Personnel Changes

The chart below displays the Facilities Department's staff summary schedule for the last three fiscal years. For FY 2026, there are no changes to the department's staffing levels. The current team structure continues to support the department's mission of maintaining safe, clean, and well-functioning municipal facilities for staff and the community.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|--|-------------------|--------------------|------------------------------|------------------------------|---------------------------------|
| Full-time Equivalents (FTE) | 10 | 13 | 15 | 15 | 0 |
| % of city's FTEs | | | | 3.84% | |
| Authorized Personnel/Positions: | | | | | |
| <u>Title</u> | <u>2022-2023</u> | <u>2023-2024</u> | <u>Current 2024-2025</u> | <u>Request 2025-2026</u> | <u>Changes 2025-2026</u> |
| Custodian | 6 | 6 | 7 | 7 | 0 |
| Building Maintenance Technician | 2 | 3 | 3 | 3 | 0 |
| Facilities Supervisor | 1 | 1 | 1 | 1 | 0 |
| Facilities Project Coordinator | 0 | 1 | 1 | 1 | 0 |
| Administrative Assistant | 0 | 1 | 1 | 1 | 0 |
| Director of Parks & Rec | 0 | 0 | 0 | 0 | 0 |
| Assistant Director of Parks & Rec | 0 | 0 | 0 | 0 | 0 |
| Lead Building Maintenance Tech | 0 | 0 | 1 | 1 | 0 |
| Lead Custodian | 1 | 1 | 1 | 1 | 0 |
| Total | <u>10</u> | <u>13</u> | <u>15</u> | <u>15</u> | <u>0</u> |

Budgeted and Historical Expenditures by Expense Type



The following table presents the Facilities Division's expenditures for the past 3 years.

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$404,167 | \$669,575 | \$804,980 | \$775,429 | \$906,340 | 12.6% |
| Supplies | \$28,614 | \$59,328 | \$62,370 | \$59,377 | \$57,950 | -7.1% |
| Maintenance | \$77,286 | \$154,748 | \$195,690 | \$211,465 | \$200,380 | 2.4% |
| Special Services | \$11,606 | \$29,788 | \$50,430 | \$29,716 | \$50,670 | 0.5% |
| Non-Departmental | -\$120,624 | -\$211,111 | -\$257,450 | -\$248,795 | -\$272,210 | 5.7% |
| Total Expense Objects: | \$401,049 | \$702,328 | \$856,020 | \$827,192 | \$943,130 | 10.2% |

Engineering

The Engineering Department marks a significant addition to the municipal structure of the City of San Luis, aimed at bolstering infrastructure development and project management capacities. Led by a dedicated team comprising a City Engineer, Project Manager, Project Coordinator, and CIP Inspector/Senior Engineering Technician, this department embodies the city's commitment to strategic growth and operational efficiency. Through meticulous planning, execution, and oversight, the Engineering Department endeavors to enhance the city's physical assets while ensuring compliance with regulatory standards and community needs.



Accomplishments FY 2025

- Established the City Engineering Department in December 2024, staffed with a City Engineer, Project Manager, Project Coordinator, and Senior Engineering Technician/Inspector, responsible for subdivision and commission reviews.
- Assisted Public Works in completing various FY2025 CIP infrastructure projects.
- Acquired a Ford F-150 pickup truck and a Hewlett Packard 36" plotter for plan production.
- Took over construction administration of the César Chávez Boulevard sewer and water improvements project.
- Oversaw construction administration for East Community Park, completing the project by June 30, 2025.
- Managed completion of the Wellsite 5 sewer line construction by June 30, 2025.

- Assisted Public Works with the Mesa Street Starway project, completed by June 30, 2025.
- Started construction on the County 22 & 4th Ave portion, completing the traffic signal installation.
- Supported the PW yard entrance project on 4th Avenue, starting construction with anticipated completion by Q2 FY2026.
- Successfully supported the demolition of Well Site 2 and managed related construction administration activities, ensuring infrastructure projects remained on schedule.

Goals & Objectives FY 2026

Growth & Public Service

Goal: Ensure city infrastructure and public works projects effectively support safe, reliable, and accessible services for the community.

- Process all encroachment permits on a timely basis through June 30, 2026, ensuring uninterrupted public access and safety.
- Complete roadway improvements at Co. 22 & 4th Ave. and Co. 22nd & Sidewinder Road by Q2 FY2026 to enhance traffic flow and reduce congestion.
- Finish the design for 10th Ave by Q1 FY2026 and Design for Ave F widening from 60% to 100%, including all right-of-way approvals, by the end of FY2026 to support future traffic capacity.
- Initiate construction and complete six months of follow-up work for Main St & B Street traffic signal and intersection improvements by Q4 FY2026 to improve public safety.
- Finalize the design phase for 6th Avenue Extension north and Union Street & 4th Ave intersection improvements by Q4 FY2026 to enable timely future construction.
- Advance the Ave B Shoulder Improvements Project/HSIP Match by securing right-of-way acquisition and obtaining environmental clearance, with progress milestones to be determined based on approval timelines.
- Move Lakin Subsidence Road Improvements from design to construction within FY2026 to address public safety and infrastructure stability.
- Support the Pavement Preservation Program throughout FY2026 to ensure smoother and safer travel for highway users.

Economy

Goal: Support city development and operations by improving infrastructure and systems to promote

efficiency and sustainable growth.

- Assist with the completion of CIP roadway and traffic projects during FY2026 to reduce congestion-related economic impacts.
- Oversee construction and administration of the West Wastewater Treatment Plant expansion project to support city growth and reliable service delivery.
- Contribute to the design of well sites, including electrical and booster replacements, well site rehab, and assured water supply designation, to optimize water system operations.
- Determine the correct generator size and supervise the purchase and installation of an emergency generator with transfer switch to maintain uninterrupted operations.



Financial Sustainability

Goal: Establish and maintain planning processes that optimize resources and support the city's long-term financial stability.

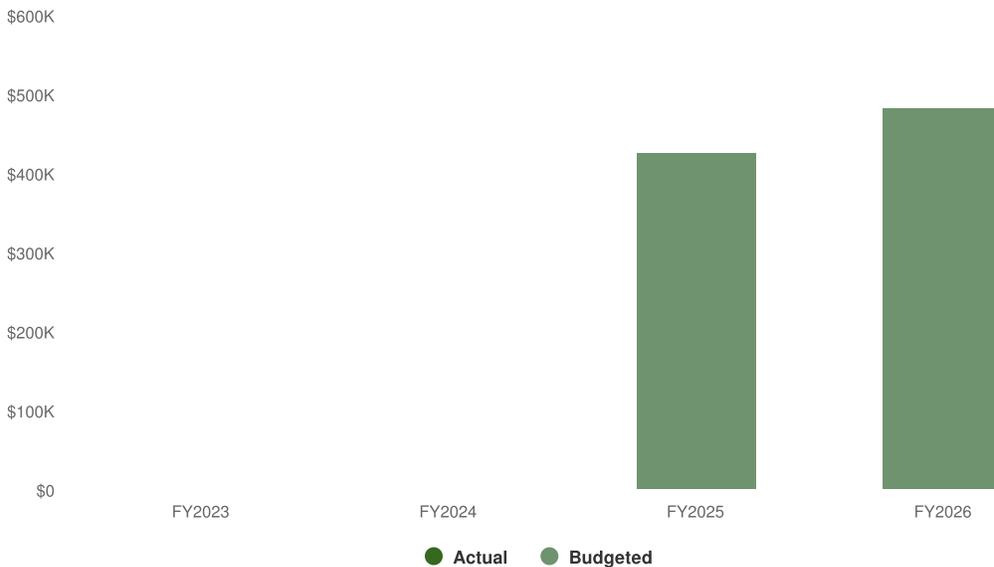
- Develop and implement a Capital Planning program by June 30, 2026, to prioritize projects and optimize the city's allocation of funds.

Expenditures Summary

For FY 2026, the Engineering Department has budgeted \$482,760, which is \$56,310 more than the previous fiscal year. This increase is primarily driven by a significant rise in the Special Services category, which has increased by 346.8%. The growth in this area is due to increased allocations for professional services, including surveying, plan reviews, and geotech services. Additional funding has also been included for office equipment and supplies following the East Wing remodeling project. With the addition of two new offices and two new workstations, the department now requires new furniture, printers, and various office materials. There is also a modest increase in the Maintenance category, reflecting higher anticipated costs for vehicle maintenance and gas/oil, as the department now operates three vehicles. Salaries and related expenses show a minimal increase, primarily due to citywide salary adjustments implemented across all departments. Despite the budget increase, these investments ensure the department remains well-equipped to meet its growing responsibilities and continue delivering high-quality engineering support for the City's infrastructure projects.

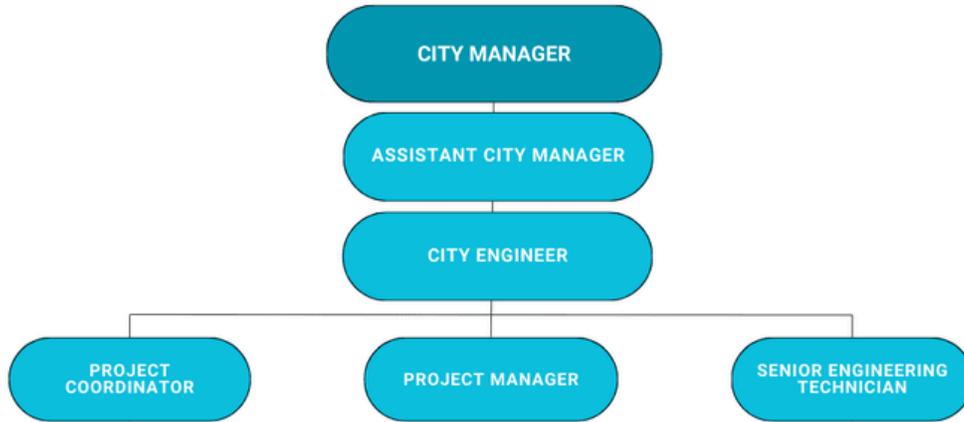
\$482,760 **\$56,310**
(13.20% vs. prior year)

Engineering Proposed and Historical Budget vs. Actual



Organizational Chart

ENGINEERING



Personnel Changes

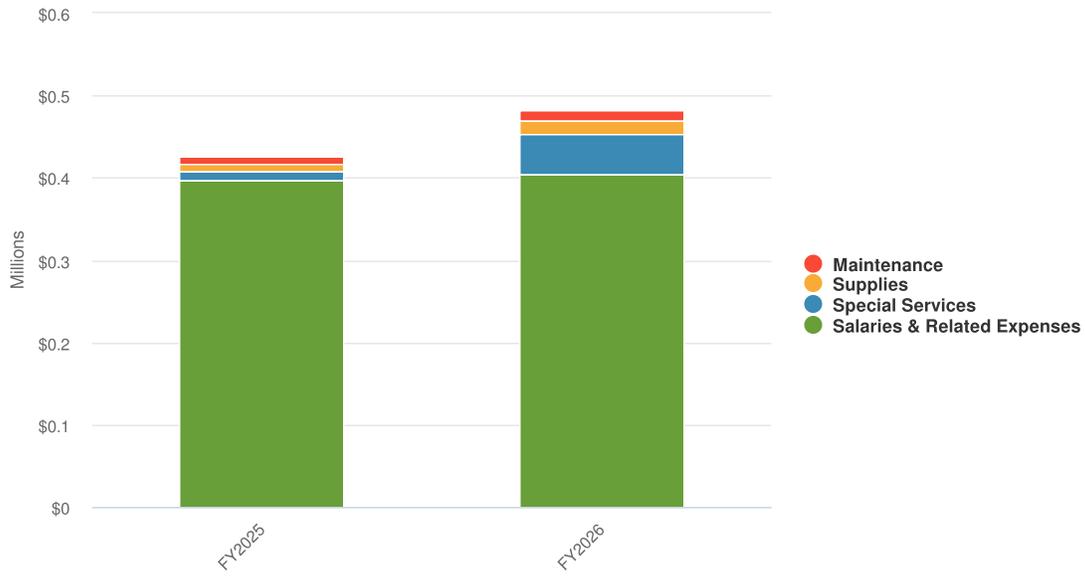
The chart below displays the Engineering Department's staff summary schedule for the last fiscal years. For FY 2026, there are no changes to staffing levels. The department will continue to operate with four employees, including positions added and reclassified in FY 2025. This stable staffing structure supports the department's ongoing efforts to efficiently manage capital improvement projects and deliver high-quality engineering services to the community.

Staff Summary Schedule

| Staff Summary | Actual 2022/23 | Adopted 2023/24 | Adopted 2024/25 | Request 2025/26 | Change 2024/25 to 2025/26 |
|--|-------------------|--------------------|------------------------------|------------------------------|---------------------------------|
| Full-time Equivalents (FTE) | 0 | 2 | 4 | 4 | 0 |
| % of city's FTEs | | | | 1.03% | |
| Authorized Personnel/Positions: | | | | | |
| <u>Title</u> | <u>2022-2023</u> | <u>2023-2024</u> | <u>Current 2024-2025</u> | <u>Request 2025-2026</u> | <u>Changes 2025-2026</u> |
| Project Manager | 0 | 0 | 1 | 1 | 0 |
| Project Coordinator | 0 | 0 | 1 | 1 | 0 |
| Engineering Technician | 0 | 1 | 0 | 0 | 0 |
| Senior Engineering Tech | 0 | 0 | 1 | 1 | 0 |
| City Engineering | 0 | 1 | 1 | 1 | 0 |
| Total | <u>0</u> | <u>2</u> | <u>4</u> | <u>4</u> | <u>0</u> |

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|-------------------------------|----------------|----------------|-----------------------|------------------|-----------------------|--|
| Expense Objects | | | | | | |
| Salaries & Related Expenses | \$0 | \$0 | \$396,870 | \$239,380 | \$403,560 | 1.7% |
| Supplies | \$0 | \$0 | \$9,850 | \$9,308 | \$17,500 | 77.7% |
| Maintenance | \$0 | \$0 | \$8,780 | \$7,473 | \$12,780 | 45.6% |
| Special Services | \$0 | \$0 | \$10,950 | \$5,093 | \$48,920 | 346.8% |
| Total Expense Objects: | \$0 | \$0 | \$426,450 | \$261,254 | \$482,760 | 13.2% |

CAPITAL IMPROVEMENTS

Capital Improvement Plan

Capital Improvement Plan Definition

The Capital Improvement Plan (CIP) outlines our local government's strategic investments for the next five years. These investments involve infrastructure projects, buildings, equipment, or major assets with a useful life of at least one year, designed to enhance public services and efficiency. Projects exceeding \$10,000 are considered capital assets for the CIP. The first-year expenditures are integrated into the annual budget, making the CIP an ongoing and essential part of the City's management process, ensuring we meet community needs and promote growth.

CIP Development Process

Capital improvement planning is an ongoing process, but it's most active from September to May. During this period, City staff assesses, prioritizes, and plans capital projects, considering costs and available resources before presenting recommendations to the City Council.

As part of the annual budget process, the Management and Finance Division updates the 5-year CIP, forecasts revenue sources for project financing, and sets financial guidelines. Capital projects begin with input from operating departments, where experts identify needs based on planning documents and technical criteria.

After project requests and financial parameters are established, a preliminary plan is reviewed by the CIP Management Committee, comprising acting city manager and department directors, including Finance. This committee ensures projects align with available resources, creating a balanced plan that reflects City Council goals and priorities. It also oversees project scopes and timing. Once completed, the CIP is presented to the Council for approval as part of the budget process.

CIP Timeline

September – October: Operating departments identify projects, define scopes, estimate costs, and prioritize based on guidance from the city manager and City Council. Project requests undergo directorial review before submission.

November – December: Capital project requests are submitted to the Finance Department. Finance staff utilize revenue forecasts and financial models to create a preliminary CIP.

January – March: The CIP Management Committee convenes to review the proposed plan, making adjustments as needed. The Management and Budget Division finalizes the recommended CIP for City Council consideration during public study sessions. The proposed budget, including the CIP, is accessible to the public on the Finance website.

April – May: The Management and Budget Division implements CIP modifications as requested by City Council. The revised CIP is presented for City Council review and published on the City's website. Subsequent public meetings follow until the CIP and final budget are adopted by the City Council.

Impact on Operating Budget

Capital projects are funded through a variety of sources, including grants, development fees, loans and reserves from the government and enterprise funds. The FY 2026 Capital Improvement Plan (CIP) includes projects for new assets, improvement and enhancement of services and infrastructure, replacement of assets to maintain, and expand the level of service to the community.

Some of the CIP projects will affect departmental operations once they become active. In certain cases, this may result in additional operational expenses, while in others, it may reduce cost. For example, a road intersection improvement with a traffic signal will impact the electricity expenses in the department's operation, and new equipment for parks will reduce man time to do the job, and the personnel can perform other duties without the need of additional staff. Additionally, investment in CIP projects limits the resources available for departmental operations in other areas.

Capital Budget FY 2026

The Capital Budget for FY 2026 totals \$52,159,270.00 and includes both new capital infrastructure initiatives and carryforward projects from FY 2025 that were not completed. Revenue sources for the capital budget include impact fees, grants, Enterprise Fund user fees, and one-time allocations from the General Fund through current-year revenues and excess fund reserves. The Capital Budget is the largest component of the City's overall budget, representing 36% of total annual expenditures.

The chart on the left displays the capital project requests submitted by City departments, while the chart on the right illustrates the funding sources. In FY 2026, 38% of capital projects will be funded by grants, 41% by enterprise funds, 5% by the General Fund, 5% by the Highway User Fund, and 8% by Impact Fees.

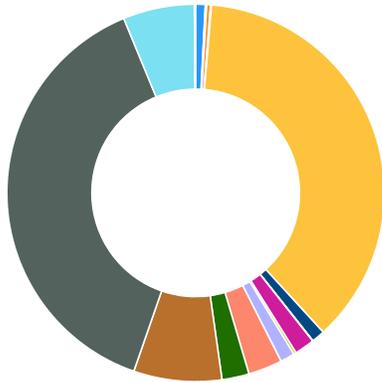
Most capital projects will be funded through excess reserves in the General and Enterprise Funds, which have accumulated due to staffing vacancies, operational savings, and delays in capital improvement construction. Additionally, the City continues to actively pursue grants from various governmental agencies to support a wide range of capital projects. The Wastewater shows the major investment in the expansion of the west wastewater treatment plan, and city officials are working with the Water Infrastructure Finance Authority (WIFA) and bond counselors to secure a new loan or issue bonds to fund the project.

The City remains committed to ensuring that projects funded through reserves and other non-recurring revenue sources are carefully evaluated to prevent the creation of ongoing operating costs. This approach reflects our continued focus on fiscal responsibility and long-term financial sustainability.

Total Capital Requested
\$52,159,270

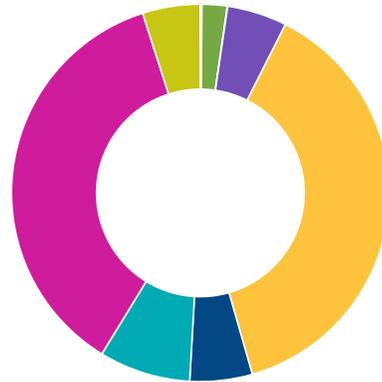
88 Capital Improvement Projects

Total Funding Requested by Department



| | |
|-------------------------------|------------------------|
| ● Ambulance Service (1%) | \$426,000.00 |
| ● Billings & Collections (0%) | \$58,600.00 |
| ● City Administration (0%) | \$176,000.00 |
| ● Cultural Center (0%) | \$44,100.00 |
| ● Economic Development (37%) | \$19,224,970.00 |
| ● Facilities (1%) | \$589,510.00 |
| ● FD Station 2 (0%) | \$15,000.00 |
| ● Fire Department (2%) | \$900,840.00 |
| ● Fleet Services (0%) | \$111,000.00 |
| ● Information Technology (1%) | \$640,000.00 |
| ● Parks (3%) | \$1,523,480.00 |
| ● Police Department (2%) | \$1,211,580.00 |
| ● Streets (8%) | \$3,930,190.00 |
| ● Wastewater Operations (38%) | \$20,068,000.00 |
| ● Water Operation (6%) | \$3,190,000.00 |
| ● Water Operations (0%) | \$50,000.00 |
| TOTAL | \$52,159,270.00 |

Total Funding Requested by Source



| | |
|---------------------------------|------------------------|
| ● Ambulance Services Fund (0%) | \$69,060.00 |
| ● Assessment District Fund (2%) | \$1,125,000.00 |
| ● Business Incubator Fund (0%) | \$15,500.00 |
| ● General Fund (5%) | \$2,669,850.00 |
| ● Grant (38%) | \$19,886,760.00 |
| ● Highway User Fund (5%) | \$2,785,260.00 |
| ● Impact Fees (8%) | \$4,090,710.00 |
| ● Wastewater Fund (36%) | \$18,943,000.00 |
| ● Water Fund (5%) | \$2,574,130.00 |
| TOTAL | \$52,159,270.00 |

Economic Development Requests

Itemized Requests for 2026

| | |
|---|--------------------|
| Business Accelerator Program - Fuerza Local Cohort 3 | \$60,000 |
| The Fuerza Local Business Accelerator program is a six-month program designed to teach underserved microentrepreneurs important basics for financial literacy and business development. Participants attend weekly classes on a variety of topics... | |
| CDBG RA - Merrill Avenue Street Improvements Phase II | \$1,121,710 |
| This project involves repaving Merrill Avenue, a 48-foot-wide road, including a center turn lane, two 20-foot lanes, and 6-foot bike lanes. The scope includes replacing miscellaneous curbs, sidewalks, sidewalk ramps, and cross gutters on the west... | |
| Cesar Chavez Blvd Commercial Land Development - State Land Auction Preparation | \$30,000 |
| I would like to request the addition of a Capital Project for consideration: Cesar Chavez Blvd Commercial Land Development – State Land Auction Preparation. I spoke with the State Land Lead, who provided a verbal cost estimate of \$30,000 for Phase... | |
| EDA Grant - Highway 95 Water and Sewer Project (Transferred FY 25) | \$1,597,400 |
| The project will install approximately 7,600 lineal feet of 12-inch water line and approximately 500 lineal feet of 4" sewer force main and a sewage lift station. This project was previously budgeted for FY 25, but due to grant timelines, the... | |
| EPA CC Grant - Community Engagement and Outreach Activities | \$83,340 |
| This funding supports developing and implementing a marketing plan, coordinating community outreach activities with partners, and tracking meetings related to the Workforce Program. It also covers participation in stakeholder and governmental... | |
| EPA CC Grant - Cross-Border Mobility Community and Climate Action Plan | \$166,670 |
| The City will advertise and procure the services of a consulting agency to develop the plan in cooperation with Transportation Partners, such as the Greater Yuma Port Authority and Yuma Metropolitan Planning Organization. Based on the history of... | |
| EPA CC Grant - CSF Community Resilience Hub | \$5,000,000 |
| In partnership with Campesinos sin Fronteras, the City of San Luis requested \$5,000,000 for the construction of a Community Resilience Hub. In July 2023, CSF acquired a 1.25-acre lot located along Cesar Chavez Blvd in San Luis, Arizona. CSF... | |
| EPA CC Grant - Downtown Plaza and Parking Lots | \$5,554,190 |
| The project includes developing two major park areas, "Main Street Park" and "West Park," featuring amenities such as walking paths, splash parks, a concert pavilion, and recreational fields, all connected by a pedestrian bridge. Additionally,... | |
| EPA CC Grant - Grant Compliance Management Services | \$233,340 |
| The City of San Luis will advertise and procure a consulting firm experienced in federal program compliance and construction project management. The consultant will assist city staff in developing programmatic policies and procedures, preparing... | |
| EPA CC Grant - San Luis TechPRENURIAL Center (Fleetshop) | \$3,500,000 |
| The San Luis TECHpreneurial Institute is a proposed 12,000–14,000 square-foot state-of-the-art facility located at the former COSL Fleet Maintenance site. This multi-story institute will include classrooms, manufacturing workspaces, showcase... | |
| EPA CC Grant - Solar Panel Installation | \$858,320 |
| The panels will be installed in the center of the Mobility Lot where they will increase shade and generate renewable energy. The approximate cost of the installation of Solar Panels on the mobility lot was submitted by the design engineer. | |
| EPA CC Grant - Workforce Development Incentive Program | \$1,000,000 |
| This capital request focuses on workforce development by certifying 300 participants over three years at \$9,500 per participant, addressing the demand for skilled employees as green industry businesses relocate to the City. Funding supports... | |
| YCIPTA Unmet Transit Study | \$20,000 |
| The YCIPTA Unmet Transit Study project will have a grant with a match of \$20,000.00. | |
| Total: \$19,224,970 | |



Fire Department Requests

Itemized Requests for 2026

CDS Fire Station Alerting System **\$215,900**

A new station alerting system is essential for improving the efficiency and responsiveness of our fire department. Modern systems streamline communication by providing faster and more accurate dispatch alerts, ensuring that crews are mobilized...

Engine Pumper **\$400,000**

Today we have a 7-year-old Engine Pumper that is front line. Due to the wait time for an engine of 42-48 months from purchase to delivery, we need to start purchasing a new pumper. By the time we receive the new pumper, our front line unit will be...

Large Diameter Hoses **\$14,820**

The acquisition of large diameter hoses (LDH) is a critical component of our fire department's capital improvement plan. These hoses are essential for improving our operational efficiency, ensuring firefighter safety, and enhancing our ability to...

PPE & Helmets **\$242,000**

The shelf life of our PPE is 10 years. We are coming up on 10 years of service for our PPE and need to replace it for all our firefighters to include helmets.

UCAPIT Software **\$28,120**

This equipment is needed to start having our medical director and our medication storage at our station.

Total: \$900,840

FD Station 2 Requests

Itemized Requests for 2026

Fire Station #2 6ft Extension Barn **\$15,000**

Fire Station #2 6ft Extension Barn

Total: \$15,000

Police Department Requests

Itemized Requests for 2026

| | |
|---|------------------|
| Mobile Digital Computer replacement (LBS Grant) | \$398,000 |
| Replace the following items:Fifty (50) - Getac V110G7, Intel Core i7 MDCs with accessories and vehicle dock mounts.Two (2) - Getac X600, Intel Core i7 MDCs with accessories.EQUIPMENT TOTAL: \$370,501.63Installation of fifty (50) dock mounts on... | |
| PD Animal Control Vehicle | \$107,360 |
| One (1) 2025 Ford F250, a fully equipped vehicle for Animal Control.VEHICLE: \$65,903.00 EMERGENCY EQUIPMENT: \$14,438.00ANIMAL TRANSPORT UNIT/COACH: \$27,011.00 Quotes are attached and include a 10% increase. | |
| PD Evidence Fridge | \$8,000 |
| PD Evidence Fridge. | |
| Police 4x4 Vehicle with Police Equipment - OPSG Grant | \$83,000 |
| Will buy a new 4x4 vehicle with equipment with OPSG Grant awarded. | |
| Police Department Radios | \$150,000 |
| PD Radios | |
| Police Vehicles FY26 (LBS Grant) | \$348,010 |
| Six (6) 2025 Ford Explorer Police Interceptor, fully equipped vehicles.VEHICLES: \$58,115.00 per vehicle for a total of \$348,690.00 for all six.EMERGENCY EQUIPMENT/GRAPHICS: \$37,394.00 per vehicle for a total of \$112,182.00 for three (3) fully... | |
| Total: \$1,094,370 | |

Parks Requests

Itemized Requests for 2026

| | |
|--|------------------|
| All Terrain Litter Vacuum for Parks Grounds | \$77,880 |
| The Parks and Grounds Department would like to purchase a Madvac All-Terrain Litter Vacuum with Hydraulic Arm from Exprolink. This litter vacuum is a ride-on all-terrain vehicle that will greatly assist the Parks Grounds staff in picking up all... | |
| Demolition of Joe Orduño Park Restrooms | \$20,000 |
| Demolition of restrooms in Joe Orduño Park. | |
| East Community Park - Continuation Budget | \$650,000 |
| The East San Luis Community Park has been in development for the past couple of years. This year, the Parks & Recreation Department will focus on adding fencing to the soccer fields, working towards the softball fields, fencing the softball... | |
| Joe Orduño Park - Park Restroom Replacement (Upgrade) | \$257,200 |
| The Joe Orduño Park restrooms have not had an upgrade in several years. The Joe Orduño Park is highly visited and reserved for various sporting activities. With the demand of the park, the restrooms are in a dire need of upgrades. The vision for... | |
| Joe Orduño Park Relight Structure System | \$361,900 |
| Update light structure at Joe Orduño Park for the baseball and softball fields. This will take place over 3 years. FY2026 - Baseball field relight 50/30 foot candles plus Musco Show light entertainment package - \$361,900 FY2027 - Softball field... | |
| Maintenance for Assessment Audits | \$100,000 |
| An audit was done on several assessments, and it was advised that many repairs are needed to make areas up to code. The Parks Grounds Department is working in phases to comply with the audit recommendations and would like to work on the Assessment... | |
| Playground Equipment for Joe Orduño Park | \$56,500 |
| Playground equipment for the Joe Orduño park for children with disabilities. | |
| Total: \$1,523,480 | |

Cultural Center Requests

Itemized Requests for 2026

| | |
|---|-----------------|
| Arnold Cordova Building Maintenance | \$44,100 |
| The Cesar Chavez Cultural Center used to have an off-site Activities Center where some classes and activities such as Piano, Guitar and Arts were given to participants. Unfortunately, this facility had to be demolished and staff were advised that... | |
| Total: \$44,100 | |

Billings & Collections Requests

Itemized Requests for 2026

| | |
|--|-----------------|
| AMI - Automated Metering Infrastructure | \$58,600 |
| AMI - Automated Metering Infrastructure - WIFA Grant + Local Match | |
| Total: \$58,600 | |

Facilities Requests

Itemized Requests for 2026

| | |
|---|------------------|
| Access Control for Fire Department Doors | \$9,300 |
| Parts and labor to install access control proxy card system devices in the Fire Department's bay area and training room. Would be running low voltage wiring from the IT room to all doors and installing devices in each area mentioned... | |
| ADA Handicap Bathrooms for Fernando Padilla Building | \$5,200 |
| The Fernando Padilla Building has men's and women's multiple restrooms and has two single restrooms. Prior to the building remodel, the two single restrooms were handicap-accessible. | |
| ASPHALT REHAB FOR BUSINESS INCUBATOR | \$15,500 |
| ASPHALT REHAB FOR BUSINESS INCUBATOR AREA, IT WOULD INCLUDE PREP, CRACKFILL, SEAL AND RE-STRIPE. | |
| ASPHALT REHAB FOR VARIOUS CITY PARKING AREAS | \$58,500 |
| ASPHALT REHAB (PREP, CRACKFILL, SEAL, RE-STRIPE) FOR THE FOLLOWING AREAS:FacilitiesCourtProsecutorArnold Cordova Activity BuildingCultural CenterJoe Orduño Park EntranceHead Start Area | |
| Exterior Paint for the San Luis Fire Department | \$36,000 |
| Exterior paint for the San Luis Fire Department. The scope of work would be pressure washing, repairs, preparing walls for painting. The exterior of the building has not been painted since it was built. | |
| Exterior paint for the San Luis Police Department | \$30,500 |
| Exterior paint is needed for the San Luis Police Department. The scope of work would be preparation, pressure washing, repairs and preparing walls for paint. The exterior building has not been painted since it was built. | |
| Fire Alarm System & Smoke Detection for San Luis Municipal Court | \$40,680 |
| The San Luis Municipal Court is one of our oldest buildings. For the safety of the employees and customers, I would like to request the installation of a Fire Alarm System and smoke detection for the San Luis Municipal Court. | |
| Fire Alarm System with Smoke Detectors for Fernando Padilla Building | \$32,980 |
| When the Fernando Padilla Community Center was built there was no fire alarm included. Due to safety, I would like to install a fire alarm system. | |
| Fire Department Roof repair | \$140,750 |
| The roof needs to be repaired. A 10% increase was added to the original quote. | |
| Flooring for Fire Station #1 Dorm Area | \$21,000 |
| Flooring needed for Fire Station #1 dormitory area, gym area etc. | |
| Flooring replacement at the Parks Administration Building | \$32,000 |
| Flooring replacement at the Parks Administration Building. The current flooring has been installed since the building was first built. | |
| Interior paint of the Parks Building | \$6,700 |
| The Parks & Recreation Building is occupied by the Parks Administration in the front half of the building and the Parks Grounds occupy the back half of the building. The front half of the building was recently remodeled and painted.... | |
| Purchase of a 20" Auto Scrubber CT50 | \$5,100 |
| A scrubber machine will be needed for Facilities Staff to use at the Arnold Cordova Activity Building. The Parks & Recreation Department is planning to open as soon as the remodel gets completed. | |
| Refrigeration Units for Various Buildings - As needed Basis | \$90,000 |
| Five to Seven A/C Units being requested. Replacements are conducted as needed. | |



Replace lamps(cells) light fixtures at Parks Building, grounds area **\$9,000**

Replace lamps (cells) light fixtures inside the Parks Building, grounds area (back side of building) with LED flat panel light fixtures for uniformity on the front of the inside area of the building.

Replacement of Garage Bay Doors for Fire Station #1 **\$39,000**

Replacement of Garage Bay Doors for Fire Station #1. Provide & Install (6) 14'2X14' Model 524V with Full View Glass

VCT YOUTH CENTER FLOOR REPLACEMENT **\$17,300**

REPLACE FLOOR AND CARPET WITH VCT FLOORING AT YOUTH CENTER.

Total: \$589,510

Streets Requests

Itemized Requests for 2026

| | |
|---|--------------------|
| 10th Ave Widening - Full Buildout Design | \$100,000 |
| Construction of phase 1 in FY25.FY26 - Full build-out design plus EA if needed and ROW acquisition. | |
| 10th Avenue & Los Alamos Curve Project Match | \$79,230 |
| The FY25 match will be \$79,223 (roundup up) \$79,230. | |
| 60" Hand Squeeze Roll Applicator | \$9,000 |
| Need a 60" Hand Squeeze Roll Applicator with extension table and air cylinder kit. | |
| 6th Avenue extension north, from Union Street to Co. 22nd Street Roadway Design | \$180,650 |
| Engineer estimate provided by JDA for 2 lane road. | |
| Ave B Shoulder Improvements Match | \$66,570 |
| \$66,562.18 (\$66,570.00) owed towards IGA Contribution for this project. | |
| Ave F Street Widening Design (between Cesar Chavez Blvd and San Luis Lane) - Design, Bid, Construction | \$25,000 |
| NEI recommends removing sidewalks for now to expedite the construction of this roadway. Please see the project schedule below. Current design is at 60%. Will finalized 100% design in FY26 | |
| Cesar Chavez Blvd. Project Match ADOT | \$1,000,000 |
| The project is the widening of the boulevard from two lanes to four lanes with a center median (design and construction). | |
| Co. 22nd and 4th Avenue Intersection Improvements | \$700,000 |
| Traffic Signal equipment installed in FY25 Intersection improvement construction started in FY25FY26 - Completion of intersection improvements. | |
| Drainage Improvements Design, Mesa Street and Cesar Chavez Blvd | \$50,000 |
| Drainage Improvements, Mesa Street and Cesar Chavez Blvd. It was discovered in January 2024 that the east side drain was not completed during construction. The drain does not lead anywhere, repairs are needed. West side repairs are needed as... | |
| GSA Project - Improvements on Urtuzuastegui Street | \$359,000 |
| This is part of the IGA for the POE, U Street Improvements will include traffic signal improvements on U Street and Archibald and Williams Brooks. Approved by Council on 02/07/24. Was formerly housed under Economic Development(200-210-90010) | |
| HP Latex 700 W Printer | \$35,000 |
| Need an HP Latex 700 W Printer. Will need materials that include 3M Diamond Grade Reflective Sheeting 4090DS White for Digital Printing and 3M Diamond Grade Reflective Sheeting 4090. | |
| Lakin Subsidence issue, road improvement Construction | \$200,000 |
| Approximately 150' of the right northbound lane is experiencing subsidence. Engineering services are needed to evaluate the issue. Designed in FY25 Construction in FY26 | |
| Main Street & B Street Intersection Improvements | \$600,000 |
| Roadway circulation improvement Traffic Signal on B & Main + other impts. Design by KH in FY25 Purchase TS equipment in FY25 (with funds from Union St project) Construction in FY26. | |
| Reoccurring Pavement Preservation Program | \$200,000 |
| Pavement preservation involves applying a series of low-cost treatments every few years to roads that are in good condition to slow down further deterioration. Pavement preservation treatments such as slurry seal, fog seal, and chip seal can keep... | |



Sidewinder Road Street Lights **\$104,000**

Sidewinder Streetlights, 19 Street Lights approximately 3,600 Linear Feet APS Fees, approximately \$3,200 (19) per light = \$60,800 Underground construction, approximately \$21 per linear foot = \$75,600 Total = \$136,400, minus \$33,000 contribution = ...

Union Street and 4th Avenue intersection and Traffic Signal Improvements Design & Construction **\$120,000**

Currently, Union Street and 4th Avenue intersection experiences terrible traffic during peak hours. The improvements to this road segment will greatly increase and enhance resident experience, increase safety, and reduce vehicle...

US95 Co 201/2 St to Co 22nd St- Raised Median Match **\$101,740**

\$27,172 was paid in FY24. Construction match for ADOT project is owed in FY26 \$101,731.

Total: \$3,930,190

Water Operations Requests

Itemized Requests for 2026

ADWR Assured Water Supply Update **\$50,000**

Professional services to update 100 year assured water supply designation with ADWR.

Total: \$50,000

Wastewater Operations Requests

Itemized Requests for 2026

High School Lift Station Generator **\$80,000**

High School LS is in need of backup power for compliance and operational needs.

Lift Station 3A Perimeter Fencing - Block Wall **\$38,000**

Lift Station 3A is located in East San Luis and it immediately serves POE II. This LS has a chain-link fence that does not protect it from weather, such as blow sand nor provides sufficient security to it. New wall will also improves...

Sewer Manhole Repairs and Replacements Annual Program **\$250,000**

Wastewater Operations Division is requesting funding to repair and or replace 10 manholes within the sanitary sewer system per year. The earliest part of our City has an aging sanitary sewer system. Our Wastewater Operations Division has...

West Wastewater Treatment Plant Expansion Construction (Inc. Building & FM) - Construction and Design **\$19,700,000**

The West Wastewater Treatment Plant is an aging plant that is in need of rehabilitation, process and system upgrades, and additional capacity. This capacity increase will allow for an increase in home and commercial development. During the FY25...

Total: \$20,068,000

Fleet Services Requests

Itemized Requests for 2026

| | |
|---|-----------------|
| BendPak Two-Post Shop Lifts Replacements | \$80,000 |
|---|-----------------|

Fleet is requesting to replace their old 2-post shop lifts that were recycled from the old fleet shop. While the replacement will also entail to bring new lifts with larger capacity to be able to lift heavy equipment.

| | |
|--|-----------------|
| Fleet Services Vehicle wash bay | \$25,000 |
|--|-----------------|

A vehicle/equipment wash bay is needed to perform cleaning of parts, vehicles, equipment.

| | |
|----------------------------------|----------------|
| Portable Shop Coolers (2) | \$6,000 |
|----------------------------------|----------------|

Fleet is requesting two new shop coolers for bay areas.

Total: \$111,000

Information Technology Requests

Itemized Requests for 2026

| | |
|--|------------------|
| Modular Data Center for Tower Equipment | \$400,000 |
|--|------------------|

The project aims to enhance communication infrastructure on the east side of the city by constructing a monopole and modular data center to mount and house a radio frequency repeater. This repeater will significantly improve signal strength and...

| | |
|---|------------------|
| Replace Obsolete Network Switch Infrastructure | \$240,000 |
|---|------------------|

Replacing end-of-life (EOL) network switches is crucial for maintaining a secure and reliable IT infrastructure. EOL network switches no longer receive manufacturer support, including security updates, bug fixes, or technical assistance. This...

Total: \$640,000

City Administration Requests

Itemized Requests for 2026

| | |
|--|------------------|
| City of San Luis Capital Improvement Program and Procedures | \$150,000 |
|--|------------------|

Development of a capital improvement program and supporting procedures.

| | |
|----------------------------|-----------------|
| CSL Website Upgrade | \$26,000 |
|----------------------------|-----------------|

City of San Luis Website discovery & design, template development, migration and implementation.

Total: \$176,000

Ambulance Service Requests

Itemized Requests for 2026

Cardiac Monitor **\$55,000**

The inclusion of cardiac monitors in our ambulances is not just a matter of convenience—it is an essential investment in saving lives and ensuring the highest standard of pre-hospital care. Here's why: 1. Early...

CDS Grant Ambulance **\$371,000**

A new ambulance significantly enhances patient transport by ensuring reliability, safety, and efficiency. Equipped with the latest medical technology and ergonomic designs, it allows healthcare professionals to provide high-quality care during...

Total: \$426,000

Police Department Requests

Itemized Requests for 2026

Police Equipment Border Security DEMA Grant **\$117,210**

The San Luis PD received a Conditional Award for the Border Security DEMA Grant. FUNDS REMAINING ACCOUNT TOTAL
SPENT REMAINING Police Vehicles \$398,660.93 \$1,339.07 Mono Pole Tower \$5,709.70 \$159,290.30 Surveillance \$99,130.00 \$165,870.00 All-Terrain...

Total: \$117,210

Water Operation Requests

Itemized Requests for 2026

Water Operations Building Expansion **\$380,000**

With the construction of a new well and treatment unit, an expansion was also planned as part of the same project, but phased out the following year. Design was completed during FY25.

Water Storage Tanks Rehabilitation #3 & #4 **\$1,700,000**

Rehabilitation project for two water storage tanks at well sites 3 & 4. Each tank has a 500,000 MG capacity.

Well Site #3 - Entire Electrical Upgrade and Civil/Repiping Improvements **\$50,000**

Water System Improvements.

Well Site 5 MCC Replacement - Cont'd of Well and MTU Project **\$60,000**

A new well and treatment unit was installed by MGC Contractors in FY25. Due to long lead delivery items on electrical equipment, the MCC could not arrive during FY25. Hence, contractor installed a temporary one. A change order was approved...

Well Site 7 Electrical and Booster Station Upgrades **\$1,000,000**

Well Site 7 has received a new 2 MG storage tank and new distribution lines to feed the system. It now needs improvements at the booster pump station, which also entails electrical upgrades and backup power system upgrades.

Total: \$3,190,000





Capital Improvements: Multi-year Plan

The capital improvement six year plan estimates a total of \$151,001,810 in capital expenditures. A multi-year plan is necessary to appropriately plan, design, and identify sources of revenue to construct or acquire the asset. Careful consideration of incremental operating costs related to the asset is considered. It is the City policy to postpone capital projects when there are not sufficient revenues available to cover the increase in operational costs. The CIP program represents the largest investment of the City, and its main objective is to plan for major capital improvements far in advance to be able to meet the future needs of the community.

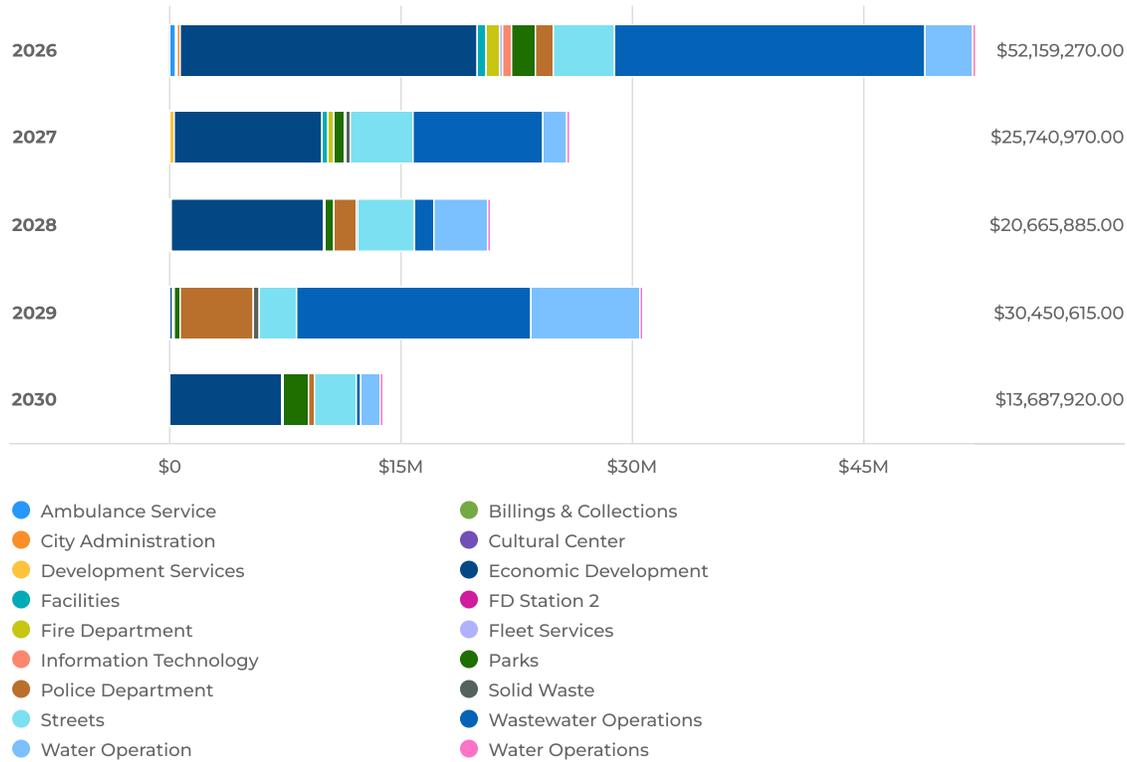
Some of the most significant investments in the multi-year plan include a \$39 millions expansion of the West and East Waste Water treatment plant with the objective of preventing the deterioration of existing infrastructure and adding capacity to ensure continued adequate, reliable service for the community. The plan also considers investment of \$22 millions in street projects and \$18 millions projects for Water System production, storage and distribution.

The charts below show the capital projects allocated by departments, as well as the financial impact these future projects would have on the annual budget over the next five years.

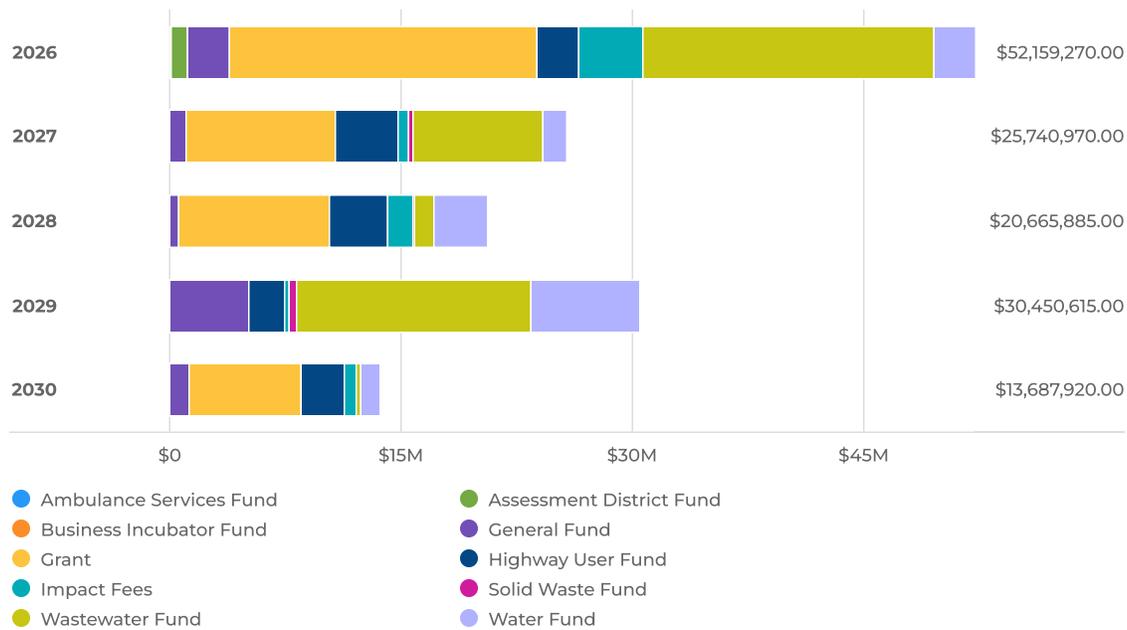
Total Capital Requested
\$142,704,660

116 Capital Improvement Projects

Total Funding Requested by Department



Total Funding Requested by Source



Economic Development Requests

Itemized Requests for 2026–2030

| | |
|---|--------------------|
| Business Accelerator Program – Fuerza Local Cohort 3 | \$60,000 |
| The Fuerza Local Business Accelerator program is a six-month program designed to teach underserved microentrepreneurs important basics for financial literacy and business development. Participants attend weekly classes on a variety of topics... | |
| CDBG RA – Merrill Avenue Street Improvements Phase II | \$1,121,710 |
| This project involves repaving Merrill Avenue, a 48-foot-wide road, including a center turn lane, two 20-foot lanes, and 6-foot bike lanes. The scope includes replacing miscellaneous curbs, sidewalks, sidewalk ramps, and cross gutters on the west... | |
| Cesar Chavez Blvd Commercial Land Development – State Land Auction Preparation | \$30,000 |
| I would like to request the addition of a Capital Project for consideration: Cesar Chavez Blvd Commercial Land Development – State Land Auction Preparation. I spoke with the State Land Lead, who provided a verbal cost estimate of \$30,000 for Phase... | |
| Downtown Redevelopment Plan – Phase I | \$7,362,000 |
| The Downtown Redevelopment Plan was a conceptual design, planning, and placemaking effort that focused on developing a revitalized downtown core in the City of San Luis, Arizona. The area of focus was between Urtuzuastegui Street (“U” Street)... | |
| Downtown Redevelopment Plan – Phase II | \$7,276,000 |
| The Downtown Redevelopment Plan was a conceptual design, planning, and placemaking effort that focused on developing a revitalized downtown core in the City of San Luis, Arizona. The area of focus was between Urtuzuastegui Street (“U” Street)... | |
| Downtown San Luis Master Drainage Plan | \$1,427,000 |
| The project will increase the efficiency of the existing stormwater drainage infrastructure in the Downtown San Luis area, including Archibald Street and C Street. | |
| EDA Grant – Highway 95 Water and Sewer Project (Transferred FY 25) | \$1,597,400 |
| The project will install approximately 7,600 lineal feet of 12-inch water line and approximately 500 lineal feet of 4” sewer force main and a sewage lift station. This project was previously budgeted for FY 25, but due to grant timelines, the... | |
| EPA CC Grant – Community Engagement and Outreach Activities | \$250,000 |
| This funding supports developing and implementing a marketing plan, coordinating community outreach activities with partners, and tracking meetings related to the Workforce Program. It also covers participation in stakeholder and governmental... | |
| EPA CC Grant – Cross-Border Mobility Community and Climate Action Plan | \$500,000 |
| The City will advertise and procure the services of a consulting agency to develop the plan in cooperation with Transportation Partners, such as the Greater Yuma Port Authority and Yuma Metropolitan Planning Organization. Based on the history of... | |
| EPA CC Grant – CSF Community Resilience Hub | \$5,000,000 |
| In partnership with Campesinos sin Fronteras, the City of San Luis requested \$5,000,000 for the construction of a Community Resilience Hub. In July 2023, CSF acquired a 1.25-acre lot located along Cesar Chavez Blvd in San Luis, Arizona. CSF... | |
| EPA CC Grant – Downtown Plaza and Parking Lots | \$7,405,575 |
| The project includes developing two major park areas, “Main Street Park” and “West Park,” featuring amenities such as walking paths, splash parks, a concert pavilion, and recreational fields, all connected by a pedestrian bridge. Additionally,... | |
| EPA CC Grant – Grant Compliance Management Services | \$700,000 |
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| EPA CC Grant – San Luis TechPRENURIAL Center (Fleetshop) | \$7,000,000 |
| The San Luis TECHpreneurial Institute is a proposed 12,000–14,000 square-foot state-of-the-art facility located at the former COSL Fleet Maintenance site. This multi-story institute will include classrooms, manufacturing workspaces, showcase... | |

| | |
|--|--------------------|
| EPA CC Grant - Solar Panel Installation | \$1,144,425 |
| The panels will be installed in the center of the Mobility Lot where they will increase shade and generate renewable energy. The approximate cost of the installation of Solar Panels on the mobility lot was submitted by the design engineer. | |
| EPA CC Grant - Workforce Development Incentive Program | \$3,000,000 |
| This capital request focuses on workforce development by certifying 300 participants over three years at \$9,500 per participant, addressing the demand for skilled employees as green industry businesses relocate to the City. Funding supports... | |
| Los Oros Street (CDBG-RA) | \$1,000,000 |
| Los Oros Street (CDBG-RA) | |
| Rancho Los Oros Phase 3 (CDBG-RA) | \$1,000,000 |
| Rancho Los Oros Phase 3 (CDBG-RA) | |
| YCIPTA Unmet Transit Study | \$20,000 |
| The YCIPTA Unmet Transit Study project will have a grant with a match of \$20,000.00. | |
| Total: \$45,894,110 | |

Fire Department Requests

Itemized Requests for 2026-2030

| | |
|--|------------------|
| CDS Fire Station Alerting System | \$215,900 |
| A new station alerting system is essential for improving the efficiency and responsiveness of our fire department. Modern systems streamline communication by providing faster and more accurate dispatch alerts, ensuring that crews are mobilized... | |
| Engine Pumper | \$800,000 |
| Today we have a 7-year-old Engine Pumper that is front line. Due to the wait time for an engine of 42-48 months from purchase to delivery, we need to start purchasing a new pumper. By the time we receive the new pumper, our front line unit will be... | |
| Large Diameter Hoses | \$14,820 |
| The acquisition of large diameter hoses (LDH) is a critical component of our fire department's capital improvement plan. These hoses are essential for improving our operational efficiency, ensuring firefighter safety, and enhancing our ability to... | |
| PPE & Helmets | \$242,000 |
| The shelf life of our PPE is 10 years. We are coming up on 10 years of service for our PPE and need to replace it for all our firefighters to include helmets. | |
| UCAPIT Software | \$28,120 |
| This equipment is needed to start having our medical director and our medication storage at our station. | |
| Total: \$1,300,840 | |

FD Station 2 Requests

Itemized Requests for 2026-2030

| | |
|---|-----------------|
| Fire Station #2 6ft Extension Barn | \$15,000 |
| Fire Station #2 6ft Extension Barn | |
| Total: \$15,000 | |



Police Department Requests

Itemized Requests for 2026-2030

| | |
|---|--------------------|
| Mobile Digital Computer replacement (LBS Grant) | \$398,000 |
| Replace the following items:Fifty (50) - Getac V110G7, Intel Core i7 MDCs with accessories and vehicle dock mounts.Two (2) - Getac X600, Intel Core i7 MDCs with accessories.EQUIPMENT TOTAL: \$370,501.63Installation of fifty (50) dock mounts on... | |
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| One (1) 2025 Ford F250, a fully equipped vehicle for Animal Control.VEHICLE: \$65,903.00 EMERGENCY EQUIPMENT: \$14,438.00ANIMAL TRANSPORT UNIT/COACH: \$27,011.00 Quotes are attached and include a 10% increase. | |
| PD Evidence Fridge | \$8,000 |
| PD Evidence Fridge. | |
| Police 4x4 Vehicle with Police Equipment - OPSG Grant | \$83,000 |
| Will buy a new 4x4 vehicle with equipment with OPSG Grant awarded. | |
| Police Department #2 - East Station - Carry over funds from FY 2023 CIP plus additional funds to complete the project | \$6,521,940 |
| Police Station #2 - Eastside Phase I, Police Substation per 2021 plans and attached proposed revisions - \$3,468,222.00 Phase II, Sally Port/Holding Rooms/Interview Rooms/Phase III 2-Story Shell - \$1,369,035.00 Phase III, Fit-up second... | |
| Police Department Radios | \$150,000 |
| PD Radios | |
| Police Vehicles FY26 (LBS Grant) | \$348,010 |
| Six (6) 2025 Ford Explorer Police Interceptor, fully equipped vehicles.VEHICLES: \$58,115.00 per vehicle for a total of \$348,690.00 for all six.EMERGENCY EQUIPMENT/GRAPHICS: \$37,394.00 per vehicle for a total of \$112,182.00 for three (3) fully... | |
| Total: \$7,616,310 | |

Parks Requests

Itemized Requests for 2026-2030

| | |
|--|--------------------|
| All Terrain Litter Vacuum for Parks Grounds | \$77,880 |
| The Parks and Grounds Department would like to purchase a Madvac All-Terrain Litter Vacuum with Hydraulic Arm from Exprolink. This litter vacuum is a ride-on all-terrain vehicle that will greatly assist the Parks Grounds staff in picking up all... | |
| Demolition of Joe Orduño Park Restrooms | \$20,000 |
| Demolition of restrooms in Joe Orduño Park. | |
| East Community Park - Continuation Budget | \$1,850,000 |
| The East San Luis Community Park has been in development for the past couple of years. This year, the Parks & Recreation Department will focus on adding fencing to the soccer fields, working towards the softball fields, fencing the softball... | |
| Joe Orduño Park - Park Restroom Replacement (Upgrade) | \$257,200 |
| The Joe Orduño Park restrooms have not had an upgrade in several years. The Joe Orduño Park is highly visited and reserved for various sporting activities. With the demand of the park, the restrooms are in a dire need of upgrades. The vision for... | |
| Joe Orduño Park Relight Structure System | \$834,180 |
| Update light structure at Joe Orduño Park for the baseball and softball fields. This will take place over 3 years. FY2026 - Baseball field relight 50/30 foot candles plus Musco Show light entertainment package - \$361,900 FY2027 - Softball field... | |
| Maintenance for Assessment Audits | \$500,000 |
| An audit was done on several assessments, and it was advised that many repairs are needed to make areas up to code. The Parks Grounds Department is working in phases to comply with the audit recommendations and would like to work on the Assessment... | |
| Playground Equipment for Joe Orduño Park | \$56,500 |
| Playground equipment for the Joe Orduño park for children with disabilities. | |
| San Luis Veterans Memorial Park | \$1,244,630 |
| The City budget request for the construction of San Luis Veteran Memorial Park. | |
| Total: \$4,840,390 | |

Cultural Center Requests

Itemized Requests for 2026-2030

| | |
|---|-----------------|
| Arnold Cordova Building Maintenance | \$44,100 |
| The Cesar Chavez Cultural Center used to have an off-site Activities Center where some classes and activities such as Piano, Guitar and Arts were given to participants. Unfortunately, this facility had to be demolished and staff were advised that... | |
| Total: \$44,100 | |

Billings & Collections Requests

Itemized Requests for 2026-2030

| | |
|--|-----------------|
| AMI - Automated Metering Infrastructure | \$58,600 |
| AMI - Automated Metering Infrastructure - WIFA Grant + Local Match | |
| Total: \$58,600 | |



Facilities Requests

Itemized Requests for 2026-2030

| | |
|---|------------------|
| Access Control for Fire Department Doors | \$9,300 |
| Parts and labor to install access control proxy card system devices in the Fire Department's bay area and training room. Would be running low voltage wiring from the IT room to all doors and installing devices in each area mentioned... | |
| ADA Handicap Bathrooms for Fernando Padilla Building | \$5,200 |
| The Fernando Padilla Building has men's and women's multiple restrooms and has two single restrooms. Prior to the building remodel, the two single restrooms were handicap-accessible. | |
| ASPHALT REHAB FOR BUSINESS INCUBATOR | \$15,500 |
| ASPHALT REHAB FOR BUSINESS INCUBATOR AREA, IT WOULD INCLUDE PREP, CRACKFILL, SEAL AND RE-STRIPE. | |
| ASPHALT REHAB FOR VARIOUS CITY PARKING AREAS | \$58,500 |
| ASPHALT REHAB (PREP, CRACKFILL, SEAL, RE-STRIPE) FOR THE FOLLOWING AREAS:FacilitiesCourtProsecutorArnold Cordova Activity BuildingCultural CenterJoe Orduño Park EntranceHead Start Area | |
| City Hall Roof Repair | \$170,100 |
| ROOF NEEDS TO BE REPAIRED DUE TO TILES FALLING AND TO AVOID AN ACCIDENT. | |
| Exterior Paint for the San Luis Fire Department | \$36,000 |
| Exterior paint for the San Luis Fire Department. The scope of work would be pressure washing, repairs, preparing walls for painting. The exterior of the building has not been painted since it was built. | |
| Exterior paint for the San Luis Police Department | \$30,500 |
| Exterior paint is needed for the San Luis Police Department. The scope of work would be preparation, pressure washing, repairs and preparing walls for paint. The exterior building has not been painted since it was built. | |
| Fire Alarm System & Smoke Detection for San Luis Municipal Court | \$40,680 |
| The San Luis Municipal Court is one of our oldest buildings. For the safety of the employees and customers, I would like to request the installation of a Fire Alarm System and smoke detection for the San Luis Municipal Court. | |
| Fire Alarm System with Smoke Detectors for Fernando Padilla Building | \$32,980 |
| When the Fernando Padilla Community Center was built there was no fire alarm included. Due to safety, I would like to install a fire alarm system. | |
| Fire Department Roof repair | \$140,750 |
| The roof needs to be repaired. A 10% increase was added to the original quote. | |
| Flooring for Fire Station #1 Dorm Area | \$21,000 |
| Flooring needed for Fire Station #1 dormitory area, gym area etc. | |
| Flooring replacement at the Parks Administration Building | \$32,000 |
| Flooring replacement at the Parks Administration Building. The current flooring has been installed since the building was first built. | |
| Interior paint of the Parks Building | \$6,700 |
| The Parks & Recreation Building is occupied by the Parks Administration in the front half of the building and the Parks Grounds occupy the back half of the building. The front half of the building was recently remodeled and painted... | |
| New Signate Installation Interior Wall of City Hall Lobby Area | \$22,700 |
| New Signate Installation Interior Wall of City Hall Lobby Area | |
| Police Department Roof repair | \$168,100 |
| The roof needs to be repaired. A 10% increase was added to the original quote. | |



Purchase of a 20" Auto Scrubber CT50 **\$5,100**

A scrubber machine will be needed for Facilities Staff to use at the Arnold Cordova Activity Building. The Parks & Recreation Department is planning to open as soon as the remodel gets completed.

Refrigeration Units for Various Buildings - As needed Basis **\$450,000**

Five to Seven A/C Units being requested. Replacements are conducted as needed.

Replace lamps(cells) light fixtures at Parks Building, grounds area **\$9,000**

Replace lamps (cells) light fixtures inside the Parks Building, grounds area (back side of building) with LED flat panel light fixtures for uniformity on the front of the inside area of the building.

Replacement of Garage Bay Doors for Fire Station #1 **\$39,000**

Replacement of Garage Bay Doors for Fire Station #1. Provide & Install (6) 14'2X14' Model 524V with Full View Glass

VCT YOUTH CENTER FLOOR REPLACEMENT **\$17,300**

REPLACE FLOOR AND CARPET WITH VCT FLOORING AT YOUTH CENTER.

Total: \$1,310,410

Streets Requests

Itemized Requests for 2026-2030

| | |
|--|--------------------|
| 10th Ave Widening - Full Buildout Design | \$100,000 |
| Construction of phase 1 in FY25.FY26 - Full build-out design plus EA if needed and ROW acquisition. | |
| 10th Avenue & Los Alamos Curve Project Match | \$79,230 |
| The FY25 match will be \$79,223 (roundup up) \$79,230. | |
| 60" Hand Squeeze Roll Applicator | \$9,000 |
| Need a 60" Hand Squeeze Roll Applicator with extension table and air cylinder kit. | |
| 6th Avenue extension north, from Union Street to Co. 22nd Street Roadway Design | \$3,974,650 |
| Engineer estimate provided by JDA for 2 lane road. | |
| 6th Avenue Repaving - U Street to Cesar Chavez Blvd Roadway Project | \$850,000 |
| Repaving of failed pavement | |
| Ave B Shoulder Improvements Match | \$66,570 |
| \$66,562.18 (\$66,570.00) owed towards IGA Contribution for this project. | |
| Ave F Street Widening Design (between Cesar Chavez Blvd and San Luis Lane) - Design, Bid, Construction | \$2,015,000 |
| NEI recommends removing sidewalks for now to expedite the construction of this roadway. Please see the project schedule below. Current design is at 60%. Will finalized 100% design in FY26 | |
| Cesar Chavez Blvd. Project Match ADOT | \$1,000,000 |
| The project is the widening of the boulevard from two lanes to four lanes with a center median (design and construction). | |
| Co. 22nd and 4th Avenue Intersection Improvements | \$700,000 |
| Traffic Signal equipment installed in FY25 Intersection improvement construction started in FY25FY26 - Completion of intersection improvements. | |
| Co. 22nd St. between Sidewinder Rd. & Main St. Roadway Widening Design and Construction | \$2,500,000 |
| Roadway capacity improvement | |
| Co. 25th Street extension to Ave B | \$50,000 |
| For planning/conceptual design. | |
| Drainage Improvements Design, Mesa Street and Cesar Chavez Blvd | \$50,000 |
| Drainage Improvements, Mesa Street and Cesar Chavez Blvd. It was discovered in January 2024 that the east side drain was not completed during construction. The drain does not lead anywhere, repairs are needed. West side repairs are needed as... | |
| GSA Project - Improvements on Urtuzuastegui Street | \$359,000 |
| This is part of the IGA for the POE, U Street Improvements will include traffic signal improvements on U Street and Archibald and Williams Brooks. Approved by Council on 02/07/24. Was formerly housed under Economic Development(200-210-90010) | |
| HP Latex 700 W Printer | \$35,000 |
| Need an HP Latex 700 W Printer. Will need materials that include 3M Diamond Grade Reflective Sheeting 4090DS White for Digital Printing and 3M Diamond Grade Reflective Sheeting 4090. | |
| John Deere 3025D compact tractor for Highway Users | \$40,000 |
| Highway users is in need of a compact tractor and attachments for the maintenance of right of ways and repairs. | |



| | |
|--|--------------------|
| Lakin Subsidence issue, road improvement Construction | \$200,000 |
| Approximately 150' of the right northbound lane is experiencing subsidence. Engineering services are needed to evaluate the issue. Designed in FY25 Construction in FY26 | |
| Main Street & B Street Intersection Improvements | \$600,000 |
| Roadway circulation improvement Traffic Signal on B & Main + other impts. Design by KH in FY25 Purchase TS equipment in FY25 (with funds from Union St project) Construction in FY26. | |
| New Traffic Signal, Ave F and Co 24th St | \$591,000 |
| This project is required to improve traffic safety and vehicular flow at this targeted intersection. If warranted by ongoing traffic studies. 2023 Proposal from NEI for similar project, \$83,500 (Co. 22nd and 4th Ave). We... | |
| Reoccurring Pavement Preservation Program | \$1,600,000 |
| Pavement preservation involves applying a series of low-cost treatments every few years to roads that are in good condition to slow down further deterioration. Pavement preservation treatments such as slurry seal, fog seal, and chip seal can keep... | |
| Sidewinder Road Street Lights | \$104,000 |
| Sidewinder Streetlights, 19 Street Lights approximately 3,600 Linear Feet APS Fees, approximately \$3,200 (19) per light = \$60,800 Underground construction, approximately \$21 per linear foot = \$75,600 Total = \$136,400, minus \$33,000 contribution = ... | |
| Union Street and 4th Avenue intersection and Traffic Signal Improvements Design & Construction | \$1,720,000 |
| Currently, Union Street and 4th Avenue intersection experiences terrible traffic during peak hours. The improvements to this road segment will greatly increase and enhance resident experience, increase safety, and reduce vehicle... | |
| US95 Co 201/2 St to Co 22nd St- Raised Median Match | \$101,740 |
| \$27,172 was paid in FY24. Construction match for ADOT project is owed in FY26 \$101,731. | |
| Total: \$16,745,190 | |

Water Operations Requests

Itemized Requests for 2026-2030

| | |
|--|-----------------|
| ADWR Assured Water Supply Update | \$50,000 |
| Professional services to update 100 year assured water supply designation with ADWR. | |
| Total: \$50,000 | |

Wastewater Operations Requests

Itemized Requests for 2026-2030

| | |
|---|---------------------|
| East WWTP Expansion Design & Construction | \$16,000,000 |
| The east side of San Luis has experienced incredible growth in recent years. This growth has caused an increase in flow to the East Wastewater Treatment Plant. The East Wastewater Treatment Plant needs to increase its current treatment... | |
| High School Lift Station Generator | \$80,000 |
| High School LS is in need of backup power for compliance and operational needs. | |
| Lift Station 3A Perimeter Fencing - Block Wall | \$38,000 |
| Lift Station 3A is located in East San Luis and it immediately serves POE II. This LS has a chain-link fence that does not protect it from weather, such as blow sand nor provides sufficient security to it. New wall will also improves... | |
| SCADA - Supervisory Control and Data Acquisition - Wastewater | \$900,000 |
| SCADA - Supervisory Control and Data Acquisition - Water & Wastewater automated controlling for treatment, distribution and collection facilities. | |
| Sewer Manhole Repairs and Replacements Annual Program | \$1,250,000 |
| Wastewater Operations Division is requesting funding to repair and or replace 10 manholes within the sanitary sewer system per year. The earliest part of our City has an aging sanitary sewer system. Our Wastewater Operations Division has... | |
| West Wastewater Treatment Plant Expansion Construction (Inc. Building & FM) - Construction and Design | \$27,030,000 |
| The West Wastewater Treatment Plant is an aging plant that is in need of rehabilitation, process and system upgrades, and additional capacity. This capacity increase will allow for an increase in home and commercial development. During the FY25... | |
| Total: \$45,298,000 | |

Fleet Services Requests

Itemized Requests for 2026-2030

| | |
|---|-----------------|
| BendPak Two-Post Shop Lifts Replacements | \$80,000 |
| Fleet is requesting to replace their old 2-post shop lifts that were recycled from the old fleet shop. While the replacement will also entail to bring new lifts with larger capacity to be able to lift heavy equipment. | |
| Fleet Services Vehicle wash bay | \$25,000 |
| A vehicle/equipment wash bay is needed to perform cleaning of parts, vehicles, equipment. | |
| Portable Shop Coolers (2) | \$6,000 |
| Fleet is requesting two new shop coolers for bay areas. | |
| Total: \$111,000 | |

Solid Waste Requests

Itemized Requests for 2026-2030

Solid Waste Truck Lease/Purchases **\$530,000**

Replacements: FY28/FY29: Vehicle 3270, a 2004 Autocar Scorpion Solid Waste Truck, Vin: 5VDC6BEX6H203270). This truck is 20 years old. The average life span of a solid waste truck is 8 years. FY29/FY30: Vehicle 487 a 2004...

Used Rear loader **\$244,000**

Solid Waste is requesting a second rear loader for the annual community cleanup campaign, special pickups, and other solid waste operations for Fiscal Year FY27. During the 05/31/23 Council Meeting, the purchase of 2021 Frieghtliner Solid...

Total: \$774,000

Development Services Requests

Itemized Requests for 2026-2030

Decennial Census 2030 **\$50,000**

Funding for Census 2030 promotional programs.

Decennial General Plan Update **\$300,000**

Arizona Revised Statute 9-461.06 mandates that all municipalities update their General Plans every 10 years; the current General Plan was updated in 2020, replacing the plan made in 2011. The General Plan serves as the official policy...

Transportation Master Plan **\$300,000**

Transportation Master Plan

Total: \$650,000

Information Technology Requests

Itemized Requests for 2026-2030

Modular Data Center for Tower Equipment **\$400,000**

The project aims to enhance communication infrastructure on the east side of the city by constructing a monopole and modular data center to mount and house a radio frequency repeater. This repeater will significantly improve signal strength and...

Replace Obsolete Network Switch Infrastructure **\$240,000**

Replacing end-of-life (EOL) network switches is crucial for maintaining a secure and reliable IT infrastructure. EOL network switches no longer receive manufacturer support, including security updates, bug fixes, or technical assistance. This...

Total: \$640,000

City Administration Requests

Itemized Requests for 2026-2030

| | |
|--|------------------|
| City of San Luis Capital Improvement Program and Procedures | \$150,000 |
|--|------------------|

Development of a capital improvement program and supporting procedures.

| | |
|----------------------------|-----------------|
| CSL Website Upgrade | \$26,000 |
|----------------------------|-----------------|

City of San Luis Website discovery & design, template development, migration and implementation.

Total: \$176,000

Ambulance Service Requests

Itemized Requests for 2026-2030

| | |
|------------------------|-----------------|
| Cardiac Monitor | \$55,000 |
|------------------------|-----------------|

The inclusion of cardiac monitors in our ambulances is not just a matter of convenience—it is an essential investment in saving lives and ensuring the highest standard of pre-hospital care. Here's why: 1. Early...

| | |
|----------------------------|------------------|
| CDS Grant Ambulance | \$371,000 |
|----------------------------|------------------|

A new ambulance significantly enhances patient transport by ensuring reliability, safety, and efficiency. Equipped with the latest medical technology and ergonomic designs, it allows healthcare professionals to provide high-quality care during..

Total: \$426,000

Police Department Requests

Itemized Requests for 2026-2030

| | |
|--|------------------|
| Police Equipment Border Security DEMA Grant | \$234,710 |
|--|------------------|

The San Luis PD received a Conditional Award for the Border Security DEMA Grant.FUNDS REMAININGACCOUNTTOTAL
SPENTREMAININGPolice Vehicles \$398,660.93\$1,339.07Mono Pole Tower\$5,709.70\$159,290.30Surveillance\$99,130.00\$165,870.00All-
Terrain...

Total: \$234,710

Water Operation Requests

Itemized Requests for 2026-2030

| | |
|--|--------------------|
| New Water Main Loop - San Luis Lane and Avenue D | \$220,000 |
| Water system improvement | |
| SCADA - Supervisory Control and Data Acquisition - Water | \$610,000 |
| SCADA - Supervisory Control and Data Acquisition - Water & Wastewater automated controlling for treatment, distribution and collection facilities. | |
| Water Operations Building Expansion | \$380,000 |
| With the construction of a new well and treatment unit, an expansion was also planned as part of the same project, but phased out the following year. Design was completed during FY25. | |
| Water Storage Tank #7 (IMG Steel) Rehabilitation Project or Replacement | \$2,600,000 |
| Water System Improvement. | |
| Water Storage Tanks Rehabilitation #3 & #4 | \$1,700,000 |
| Rehabilitation project for two water storage tanks at well sites 3 & 4. Each tank has a 500,000 MG capacity. | |
| Well Site #3 - Entire Electrical Upgrade and Civil/Repiping Improvements | \$650,000 |
| Water System Improvements. | |
| Well Site 5 - New Water Storage Tank | \$4,100,000 |
| Water system improvement | |
| Well Site 5 MCC Replacement - Cont'd of Well and MTU Project | \$60,000 |
| A new well and treatment unit was installed by MGC Contractors in FY25. Due to long lead delivery items on electrical equipment, the MCC could not arrive during FY25. Hence, contractor installed a temporary one. A change order was approved... | |
| Well Site 7 - New Groundwater Well and MTU | \$5,200,000 |
| In July of 2022 James Davey And Associates Inc was hired to provide a Water Systems Improvement Report. The report identified four phases of improvement to the current water storage, treatment, and distribution system. This is part of the... | |
| Well Site 7 Electrical and Booster Station Upgrades | \$1,000,000 |
| Well Site 7 has received a new 2 MG storage tank and new distribution lines to feed the system. It now needs improvements at the booster pump station, which also entails electrical upgrades and backup power system upgrades. | |
| Total: \$16,520,000 | |

REVENUE SUMMARY



Revenues Summary

In Fiscal Year 2026, the City of San Luis is projecting total revenues of \$139.1 million, an 11% increase compared to the FY2025 adopted budget of \$125.2 million. Of this total, approximately \$21.9 million is attributed to grant proceeds and intergovernmental funding, up from \$14.4 million in FY2025. Excluding these grants, the City's core operating revenues still reflect a solid 10% increase, rising from \$110.8 million to \$117.2 million.

San Luis' economy presents both regional strengths and local challenges. Between 2022 and 2023, the number of employed residents in San Luis declined by 1.7 percent, from 11,850 to 11,650 workers (ACS 5-Year Estimates, U.S. Census). The unemployment rate remains significantly higher than both the state and national averages, at 10.8 percent compared to 4.6 percent for Arizona (ACS 5-Year Estimates, U.S. Census).

Looking ahead, the Arizona Office of Economic Opportunity projects statewide employment will expand by approximately 14.2 percent between 2023 and 2033. In contrast, San Luis is expected to experience the steepest employment decline in Arizona between 2024 and 2029, with jobs decreasing by nearly 29 percent, from 3,901 to 2,774 (Arizona Office of Economic Opportunity, 2024). The city's reliance on seasonal agriculture suggests that local job growth may continue to lag broader economic trends.

On the fiscal side, San Luis does not levy a property tax, making sales tax revenues the City's most critical and stable source of general revenue. This dependence heightens the City's exposure to shifts in consumer spending and broader economic fluctuations. Inflationary pressures driven by higher labor, fuel, and construction costs continue to challenge both capital and operating budgets.

Looking ahead, the City Council's adoption of Resolution No. 2366 marks a significant investment in San Luis' future. Beginning September 22, 2025, updated Development (Impact) Fees will take effect, ensuring the City can keep pace with the infrastructure and public services needed to support its growing community. For single-family residential permits, this change represents a combined 77.98% increase, ensuring that new development contributes its fair share toward roads, parks, and other vital improvements. By basing these fees on thoughtful planning and growth projections, the City can continue delivering high-quality services, protect current residents from added costs, and guide community growth in a balanced and responsible way. In addition, the City recently completed a comprehensive review of development-related permit fees including building, land use, and related

services to better reflect the staff time and resources required to process applications. These updates improve cost recovery, sustain excellent customer service, and ensure operations remain financially stable as demand increases.

In Fiscal Year 2026, the City of San Luis is projecting an increase in revenue for our Business License Division. Our City Council approved a notice of intent to increase the business license fees on Wednesday, August 27, 2025. The public hearing will be held on November 12, 2025, where City Council will act immediately after the public hearing. Additionally, according to the potential new business license fees, we are projecting an increase in the number of business licenses issued for Fiscal Year 2026 compared to Fiscal Year 2025.

Housing and construction activity also remain positive contributors. The median home value in San Luis is approximately \$243,960, indicating stable demand. Residential building permits continue to reflect strong development, with 472 units issued in FY2024 and 279 units in FY2025. These trends support population growth, sales tax generation, and development-related revenues.

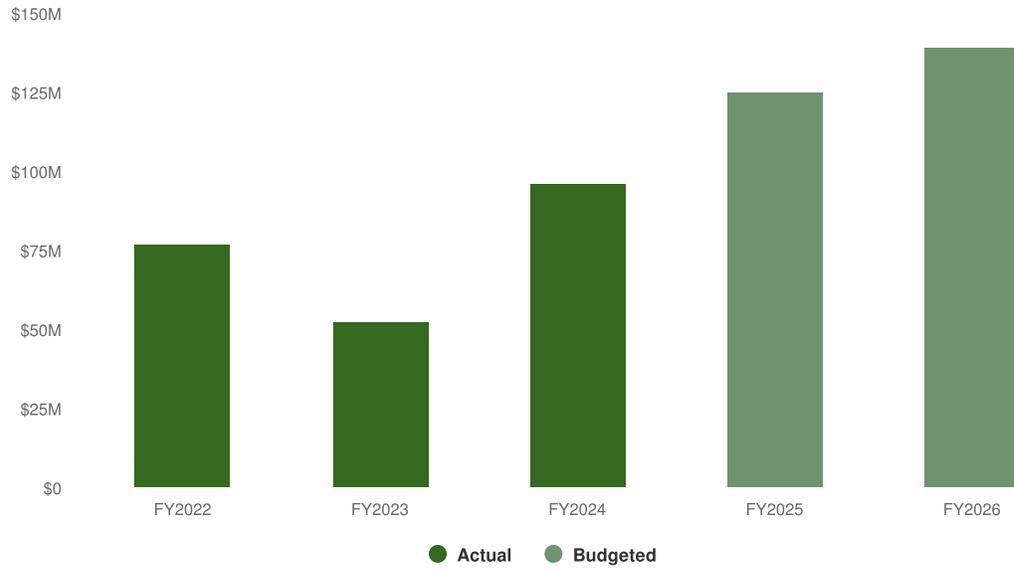
At the state level, year-to-date sales tax revenues have grown 7.0%. While the City's growth rate is higher at 12.85%, it still reflects a healthy local economy.

The City's revenue projections are based on careful analysis of historical data, demographic trends, and economic forecasts. Staff regularly evaluate all major revenue sources to ensure forecasts remain accurate and responsive to changing conditions.

Overall, FY2026 revenue projections reflect a combination of historical performance including the 13% increase in FY2025 sales tax collections, housing and construction trends, and broader economic indicators. The City remains committed to maintaining financial resilience through ongoing monitoring of revenue sources, proactive planning, and the pursuit of additional funding opportunities that support community needs.

\$139,105,400 **\$13,897,940**
(11.10% vs. prior year)

Revenues Proposed and Historical Budget vs. Actual



Revenue by Fund

In FY 2026, the General Fund has returned to its leading position as the City's primary revenue source, representing 25.22% of the total revenue. This shift reflects a stabilization of revenue streams, emphasizing the General Fund's role in supporting essential city services such as public safety, administration, and community services.

The San Luis Detention Facility (SLDF) continues to contribute significantly, accounting for 18% of the total revenue. This reflects ongoing financial inflows related to the detention center, which remains a key component of the City's comprehensive financial reporting.

The Wastewater Fund accounts for 19.5%, showing the City's continued investment in and prioritization of infrastructure and utility services to meet growing community demands.

Grants now account for 15.8% of revenue, an increase from the previous year. The City's grant revenue, while still significant, is now focused on infrastructure and community projects.

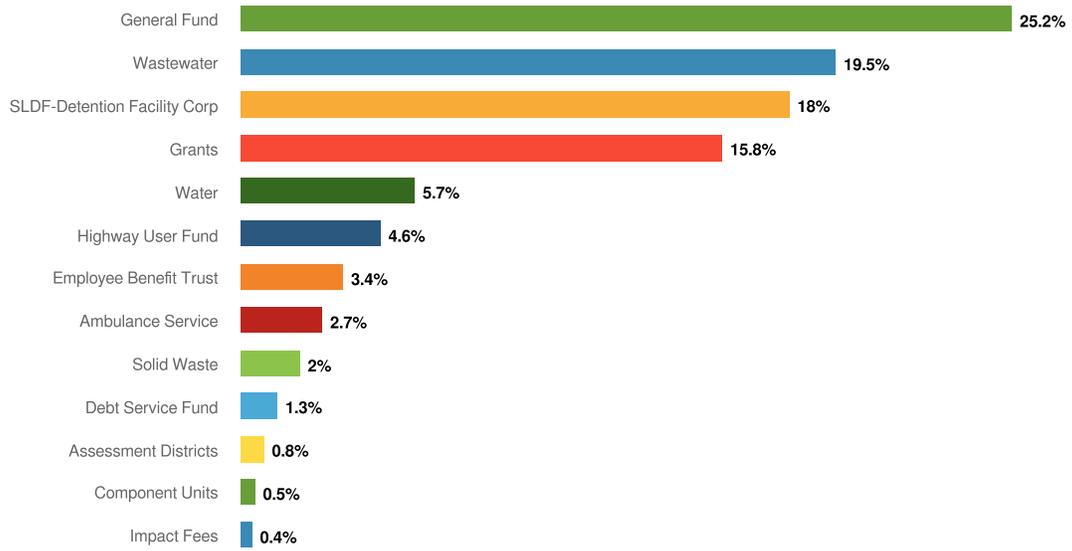
Other notable funds include:

- Water Fund at 5.7%, sustaining essential water services for residents.
- Highway User Revenue Fund (HURF) at 4.6%, contributing to transportation and road maintenance projects.
- Employee Benefit Trust at 3.4%, supporting employee health and benefit programs.

Smaller contributions come from the Ambulance Service (2.7%), Solid Waste (2%), and the Debt Service Fund (1.3%), among others, which together create a diverse revenue portfolio essential for maintaining the City's fiscal health.

This balanced approach ensures the City can continue to meet operational needs while investing in long-term infrastructure and service improvements. See the chart for further details.

2026 Revenue by Fund



| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|--------------|----------------|----------------|-----------------------|------------------|-----------------------|--|
| General Fund | | | | | | |

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|---|---------------------|---------------------|-----------------------|---------------------|-----------------------|--|
| Taxes | \$8,782,773 | \$16,675,276 | \$15,650,450 | \$17,192,110 | \$17,643,480 | 12.7% |
| Intergovernmental | \$10,262,290 | \$16,908,872 | \$15,216,490 | \$15,817,721 | \$15,623,490 | 2.7% |
| Licenses & Permits | \$526,097 | \$1,239,704 | \$893,160 | \$1,133,429 | \$981,760 | 9.9% |
| Other Revenue | \$41,413 | \$120,986 | \$106,000 | \$193,437 | \$115,000 | 8.5% |
| Charges For Services | \$37,572 | \$67,601 | \$44,650 | \$75,756 | \$46,840 | 4.9% |
| Rent | \$293,892 | \$21,321 | \$173,300 | \$250 | \$150,300 | -13.3% |
| Fines & Forfeits | \$164,925 | \$310,586 | \$277,400 | \$287,452 | \$277,000 | -0.1% |
| Interest Revenue | \$383,186 | \$1,116,328 | \$250,000 | \$1,148,932 | \$250,000 | 0% |
| Total General Fund: | \$20,492,148 | \$36,460,673 | \$32,611,450 | \$35,849,087 | \$35,087,870 | 7.6% |
| Highway User Fund | | | | | | |
| Other Revenue | \$300 | \$10,251 | | \$0 | \$0 | N/A |
| Impact Fees | \$269,245 | \$909,502 | \$562,000 | \$506,777 | \$690,000 | 22.8% |
| Interest Revenue | \$120,911 | \$543,447 | \$75,000 | \$268,155 | \$75,000 | 0% |
| HURF - Special Revenues | \$2,331,202 | \$3,667,609 | \$3,628,630 | \$3,780,259 | \$3,993,520 | 10.1% |
| Other Financing Sources | \$0 | \$1,279,621 | \$3,214,430 | \$1,070,795 | \$1,668,320 | -48.1% |
| Total Highway User Fund: | \$2,721,659 | \$6,410,429 | \$7,480,060 | \$5,625,985 | \$6,426,840 | -14.1% |
| Grants | | | | | | |
| Special Rev - Public Safety | | | | | | |
| Intergovernmental | \$108,334 | \$306,815 | \$220,000 | \$310,609 | \$330,000 | 50% |
| Other Revenue | \$340,069 | \$1,076,222 | \$2,661,080 | \$2,948,364 | \$3,393,810 | 27.5% |
| Charges For Services | \$36,494 | \$93,813 | \$100,000 | \$115,900 | \$369,710 | 269.7% |
| Fines & Forfeits | \$4,145 | \$7,331 | | \$7,538 | \$0 | N/A |
| Total Special Rev - Public Safety: | \$489,041 | \$1,484,180 | \$2,981,080 | \$3,382,411 | \$4,093,520 | 37.3% |
| Special Rev - Comm Development | | | | | | |
| Other Revenue | \$916,702 | \$2,062,019 | \$10,028,180 | \$6,888,751 | \$17,108,200 | 70.6% |
| Interest Revenue | | \$24,282 | | \$918,596 | \$0 | N/A |
| Other Financing Sources | \$0 | \$103,361 | \$1,407,090 | \$1,110,795 | \$685,490 | -51.3% |
| Total Special Rev - Comm Development: | \$916,702 | \$2,189,662 | \$11,435,270 | \$8,918,141 | \$17,793,690 | 55.6% |
| Judicial Collection Enhancement | | | | | | |
| Charges For Services | | | | \$1,500 | \$0 | N/A |
| Fines & Forfeits | \$52,018 | \$85,935 | \$77,500 | \$94,297 | \$85,000 | 9.7% |
| Total Judicial Collection Enhancement: | \$52,018 | \$85,935 | \$77,500 | \$95,797 | \$85,000 | 9.7% |
| Total Grants: | \$1,457,761 | \$3,759,777 | \$14,493,850 | \$12,396,349 | \$21,972,210 | 51.6% |
| Employee Benefit Trust | | | | | | |
| Other Revenue | \$2,021,042 | \$3,170,355 | \$4,094,000 | \$2,606,847 | \$4,749,740 | 16% |



| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|--|---------------------|---------------------|-----------------------|---------------------|-----------------------|--|
| Interest Revenue | \$2,123 | \$10,683 | \$4,300 | \$11,165 | \$4,300 | 0% |
| Total Employee Benefit Trust: | \$2,023,165 | \$3,181,038 | \$4,098,300 | \$2,618,011 | \$4,754,040 | 16% |
| Water | | | | | | |
| Other Revenue | \$94,469 | \$1,748,290 | \$3,419,920 | \$2,126,924 | \$1,446,870 | -57.7% |
| Charges For Services | \$3,372,247 | \$5,617,614 | \$5,790,000 | \$6,248,618 | \$6,145,160 | 6.1% |
| Impact Fees | \$93,221 | \$277,670 | \$178,000 | \$166,562 | \$210,000 | 18% |
| Interest Revenue | \$250,875 | \$658,821 | \$165,000 | \$641,745 | \$165,000 | 0% |
| Total Water: | \$3,810,813 | \$8,302,395 | \$9,552,920 | \$9,183,849 | \$7,967,030 | -16.6% |
| Wastewater | | | | | | |
| Other Revenue | \$0 | \$1,673,813 | \$1,000 | \$718 | \$1,000 | 0% |
| Charges For Services | \$3,575,409 | \$5,496,644 | \$5,904,000 | \$6,253,422 | \$6,989,230 | 18.4% |
| Impact Fees | \$143,183 | \$447,177 | \$300,000 | \$265,991 | \$300,000 | 0% |
| Interest Revenue | \$144,935 | \$379,513 | \$95,000 | \$369,365 | \$95,000 | 0% |
| Other Financing Sources | \$0 | \$0 | \$15,000,000 | \$0 | \$19,700,000 | 31.3% |
| Total Wastewater: | \$3,863,527 | \$7,997,146 | \$21,300,000 | \$6,889,496 | \$27,085,230 | 27.2% |
| Solid Waste | | | | | | |
| Other Revenue | \$19,050 | \$59,127 | \$43,000 | \$67,635 | \$47,250 | 9.9% |
| Charges For Services | \$1,359,667 | \$2,144,247 | \$2,363,000 | \$2,479,764 | \$2,761,860 | 16.9% |
| Total Solid Waste: | \$1,378,717 | \$2,203,374 | \$2,406,000 | \$2,547,399 | \$2,809,110 | 16.8% |
| Ambulance Service | | | | | | |
| Other Revenue | \$1,972 | \$256,749 | | \$900 | \$371,000 | N/A |
| Charges For Services | \$1,430,884 | \$3,400,907 | \$3,350,000 | \$3,527,237 | \$3,410,000 | 1.8% |
| Interest Revenue | | \$250 | | \$2,052 | \$0 | N/A |
| Total Ambulance Service: | \$1,432,856 | \$3,657,906 | \$3,350,000 | \$3,530,188 | \$3,781,000 | 12.9% |
| SLDF-Detention Facility Corp | | | | | | |
| Other Revenue | \$13,578,746 | \$20,632,799 | \$25,000,000 | \$20,364,466 | \$25,000,000 | 0% |
| Interest Revenue | \$60,868 | \$491,465 | | \$385,506 | \$0 | N/A |
| Total SLDF-Detention Facility Corp: | \$13,639,614 | \$21,124,264 | \$25,000,000 | \$20,749,971 | \$25,000,000 | 0% |
| Debt Service Fund | | | | | | |
| Other Revenue | \$6,329 | \$20,028 | | \$32 | \$0 | N/A |
| Interest Revenue | \$81,777 | \$471,017 | | \$145,642 | \$0 | N/A |
| Other Financing Sources | \$0 | \$1,673,300 | \$1,978,880 | \$1,642,495 | \$1,781,000 | -10% |
| Total Debt Service Fund: | \$88,106 | \$2,164,346 | \$1,978,880 | \$1,788,168 | \$1,781,000 | -10% |
| Assessment Districts | | | | | | |
| Special Assessments | \$339,744 | \$796,439 | \$973,200 | \$967,203 | \$1,121,070 | 15.2% |
| Total Assessment Districts: | \$339,744 | \$796,439 | \$973,200 | \$967,203 | \$1,121,070 | 15.2% |

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|--|---------------------|---------------------|-----------------------|----------------------|-----------------------|--|
| Component Units | | | | | | |
| SL Community Facilities District | | | | | | |
| Rent | \$0 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | 0% |
| Total SL Community Facilities District: | \$0 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | 0% |
| Business Incubator | | | | | | |
| Other Revenue | \$1,900 | -\$12,768 | \$2,300 | \$5,050 | \$2,300 | 0% |
| Rent | \$71,126 | \$125,454 | \$122,000 | \$112,417 | \$122,000 | 0% |
| Total Business Incubator: | \$73,026 | \$112,686 | \$124,300 | \$117,467 | \$124,300 | 0% |
| Business Center | | | | | | |
| Other Revenue | \$0 | \$57,249 | | \$0 | \$0 | N/A |
| Rent | \$500,000 | \$562,617 | \$600,000 | \$600,000 | \$600,000 | 0% |
| Interest Revenue | \$229 | \$896 | | \$21,949 | \$13,200 | N/A |
| Other Financing Sources | \$0 | \$0 | \$556,000 | \$0 | \$0 | -100% |
| Total Business Center: | \$500,229 | \$620,762 | \$1,156,000 | \$621,949 | \$613,200 | -47% |
| Total Component Units: | \$573,255 | \$735,948 | \$1,282,800 | \$741,916 | \$740,000 | -42.3% |
| Impact Fees | | | | | | |
| Other Revenue | \$0 | \$6 | | \$4 | \$0 | N/A |
| Impact Fees | \$334,529 | \$1,091,926 | \$680,000 | \$631,607 | \$580,000 | -14.7% |
| Interest Revenue | \$62,762 | \$161,844 | | \$103,354 | \$0 | N/A |
| Total Impact Fees: | \$397,291 | \$1,253,776 | \$680,000 | \$734,965 | \$580,000 | -14.7% |
| Total: | \$52,218,657 | \$98,047,511 | \$125,207,460 | \$103,622,589 | \$139,105,400 | 11.1% |

Revenues by Source

City revenues for FY 2026 can be classified into several key sources, as illustrated in the updated graph. The largest percentage of revenue, estimated at 37.6%, comes from **Other Revenue**, which now primarily consists of grants, Employee Benefit Trust, and San Luis Detention Facility (SLDF) revenues. The SLDF, a separate component of the City's financial reporting, continues to contribute substantially to the overall revenue picture.

Other Financing Sources make up 17.1% of total revenues, reflecting external funding streams such as bonds or transfers that the City uses to support large-scale projects and capital improvements.

Charges for Services represent 14.2% of the total revenue, an increase from prior years, encompassing key services such as utility fees, ambulance service fees, and other municipal services.

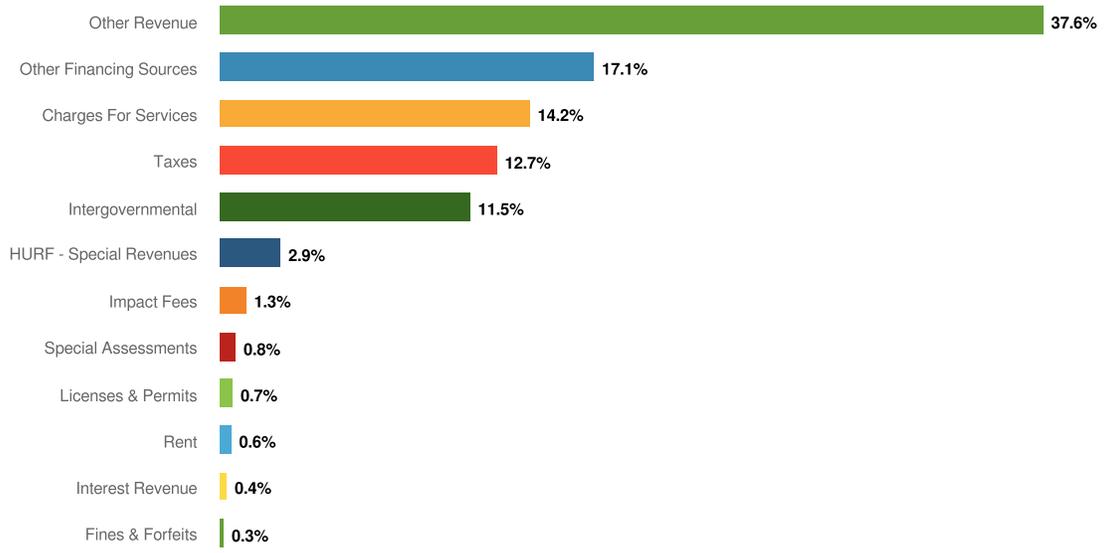
Taxes, which include the City's sales tax and other local taxes, account for 12.7% of the total revenue, highlighting the importance of these recurring sources for sustaining general government operations.

Intergovernmental Revenue contributes 11.5% of the total revenue. These funds are primarily derived from state-shared revenues, and other contributions from the federal or state governments.

Additional revenue sources include:

- **HURF - Special Revenues** at 2.9%, which are used primarily for transportation and road-related projects.
- **Impact Fees** at 1.3%, collected from developers to help offset the cost of infrastructure improvements.
- **Special Assessments, Rent, Licenses & Permits, Interest Revenue, and Fines & Forfeits** collectively account for smaller portions of the City's revenue, contributing to the overall financial health.

Projected 2026 Revenues by Source



Intergovernmental- State Shared Revenue

State Shared Revenues represent a significant component of the City's intergovernmental revenues. For FY 2026, the City of San Luis anticipates receiving approximately \$19.6 million in State Shared Revenues, based on the League of Arizona Cities and Towns' final estimates. These revenues are derived from a portion of state-collected taxes distributed primarily on a population basis. According to the U.S. Census Bureau's July 1, 2024 estimate, the City's population stands at 40,064, reflecting San Luis' position as one of the fastest-growing communities in Arizona.

State Shared revenues comprise four distinct categories: Urban Revenue Sharing, State Sales Tax, Vehicle License Tax, and Highway Users Revenue. The Highway Users Revenue Fund (HURF) revenue stream is primarily fueled by the State-collected gasoline tax, currently levied at a rate of \$0.18 per gallon. HURF revenue distribution operates under two formulas: the first formula allocates \$0.13 of the \$0.18 into a fund, with 30.0% allocated to cities and towns. Half of these funds are distributed based on population, while the remaining half is based on the "county of origin" of gasoline sales. The latter portion is further distributed among incorporated cities and towns within the county.

Among these components, Urban Revenue Sharing stands as the most substantial, based on state individual and corporate income tax collections from two years prior to distribution. State Shared Sales Tax revenues represent monthly distributions of the state's current year sales tax collections. The Vehicle License Tax (Auto Lieu Tax) relies on current-year distributions of vehicle license collections within Yuma County.

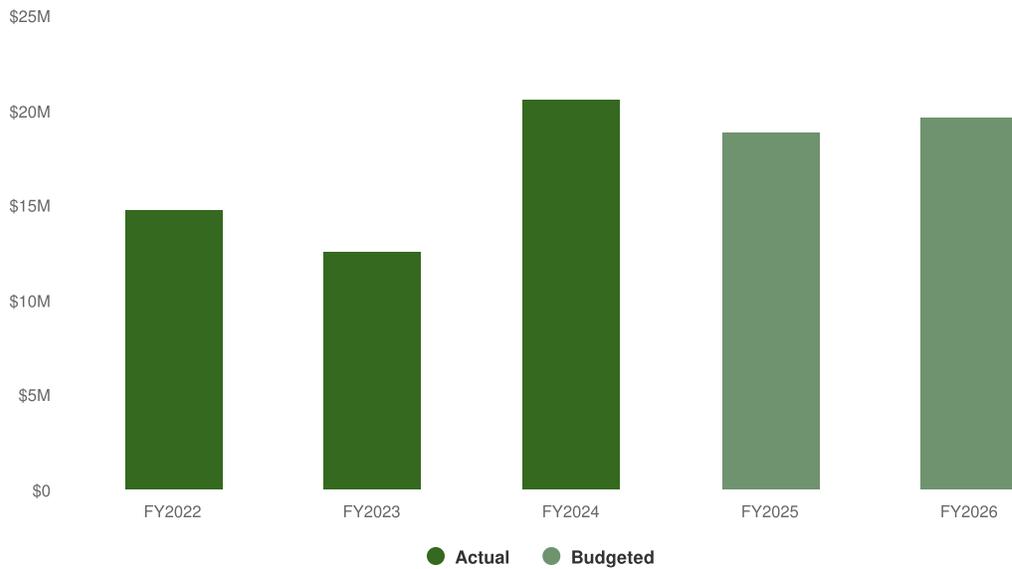
Collectively, these first three State Shared sources constitute over 49% of the General Fund operating budget, making them versatile resources that can support various general government activities. In contrast, HURF revenues are exclusively earmarked for street and highway-related purposes, including right-of-way acquisition, street construction, maintenance and improvements, and servicing highway and street bonds. These funds are collected and managed in the City's Streets Fund.

For Fiscal Year 2026, we have budgeted \$15.6 million in State Shared revenues for the General Fund, reflecting a 2.67% increase compared to the FY 2025 adopted budget of \$15.2 million. It's important to note that the estimate for Urban Revenue Sharing is influenced by state income tax collections from two years prior. The City of San Luis expects this revenue source to increase slightly in FY2026. State shared sales tax and auto lieu tax are expected to grow, though at a slower rate than the last three years.

Looking ahead, the Fiscal Year 2026 projection for HURF revenues stands at \$3.9 million, marking a 10% increase compared to the previous year's budget estimate of \$3.6 million. These revenues are critical for sustaining and enhancing our city's transportation infrastructure.

\$19,617,010 **\$771,890**
 (4.10% vs. prior year)

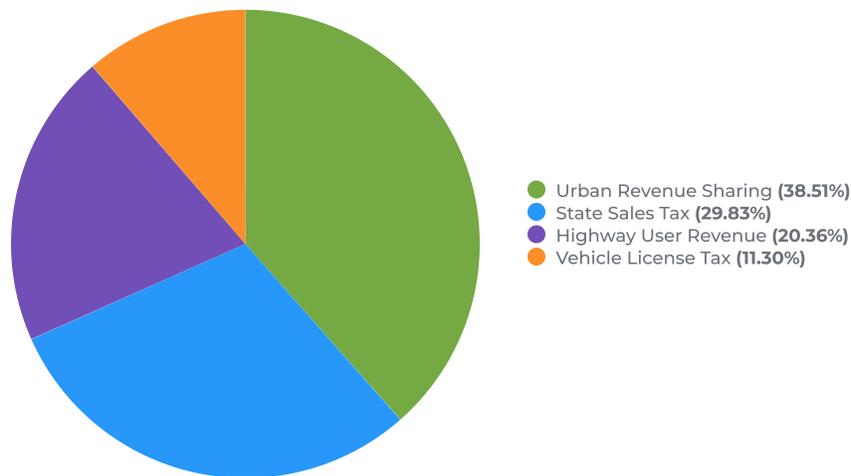
Revenues all funds Proposed and Historical Budget vs. Actual



State Shared Revenue by Category

Intergovernmental revenues represent one of the major revenue sources for the city at 14% of total revenues and are estimated at \$19.6 million for fiscal year 2025-26. The following table and graphs depict the various intergovernmental revenues categories.

State Shared Revenue



Sales Tax Summary

The City of San Luis levies taxes on specific business activities conducted within its municipal boundaries. In this tax structure, the City has established an agreement with the Arizona Department of Revenue to serve as the collecting agent for Transaction Privilege Tax (TPT), subsequently reimbursing the City for its share. Presently, a tax rate of 10.712% applies to all taxable categories within the City.

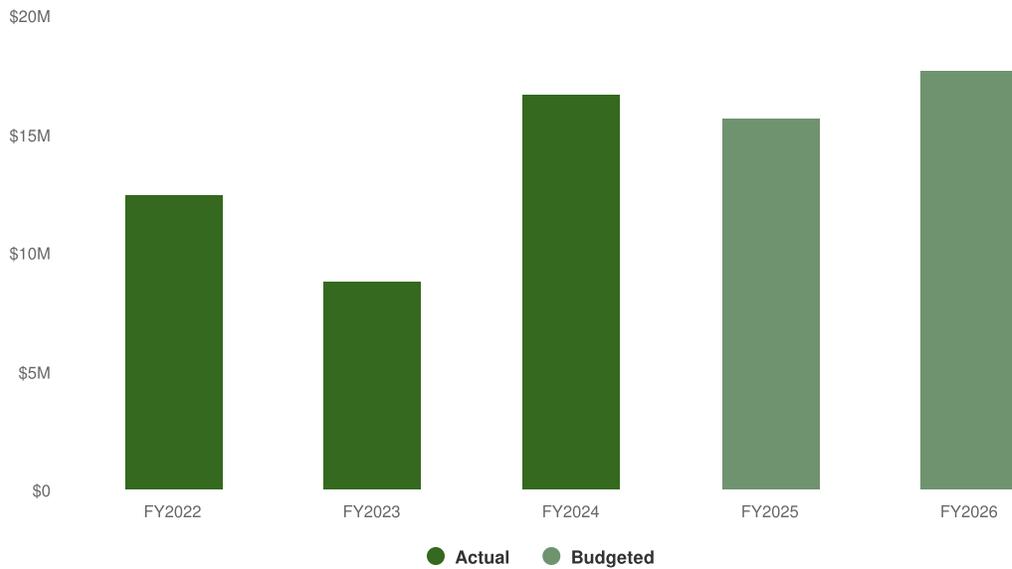
This 10.712% sales tax rate in San Luis is composed of several components: 5.6% constitutes the Arizona state sales tax, 1.112% is allocated to Yuma County's sales tax, and the remaining 4% contributes to the San Luis tax portion. It's essential to note that there are no additional special taxes in effect. Notably, approximately 60% of the total TPT revenue is generated from retail sales, with the remaining portion primarily originating from construction, rentals, communications/utilities, and restaurants & bars.

TPT revenues, a significant revenue stream, constitute one of the City's three largest sources of income, accounting for approximately 12.16% of the total revenue city wide, and 48% of the total General Fund revenues. The City sales tax revenue plays a vital role in funding general government operations and servicing debt obligations.

In shaping its financial planning, the City relies on historical collection trends while incorporating forecasting methods based on recent business trends and global events. The community has experienced robust growth, partially attributed to population increases, leading to growth in other tax revenue categories, such as retail and restaurant & bar revenue. Given the favorable economic conditions, the City has allocated a budget of \$17.6 million, signifying a 12.73% increase over the projected revenues for fiscal year 2024-25.

\$17,643,480 **\$1,993,030**
 (12.73% vs. prior year)

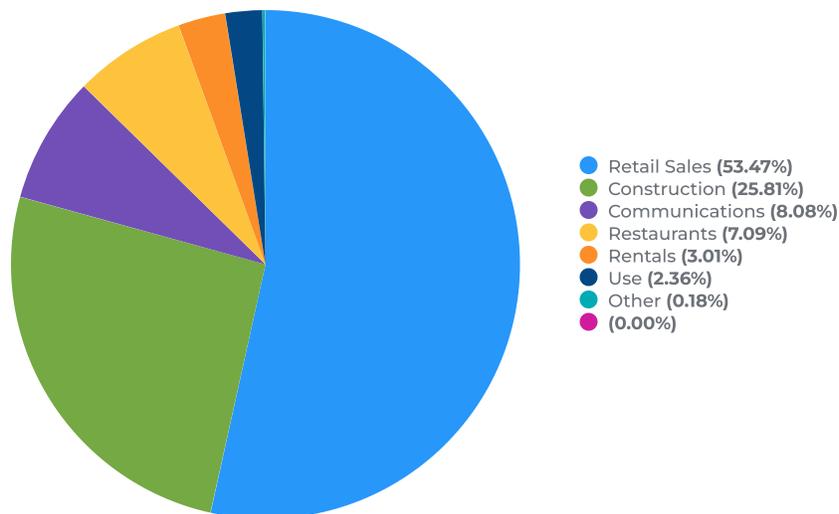
Sales Tax Proposed and Historical Budget vs. Actual



City Sales Tax by Category

Notably, approximately 53% of the total TPT revenue is generated from retail sales, with the remaining portion primarily originating from construction, rentals, communications/utilities, and restaurants & bars. The chart below provides detail of the distribution for the City sales tax per category.

City Sales Tax Distribution



Revenues-Special Revenue Summary

These revenues encompass various grants from state and federal agencies, playing a pivotal role in supporting the City's governmental operations and facilitating essential capital improvement projects, as well as special revenues restricted for specific projects. These projects often exceed the city's financial capacity, making grants a vital source of funding. The City has consistently received grants such as the Community Development Block Grant (CDBG), Governor's Office of Highway Safety (GOHS) grants, and ADOT grants.

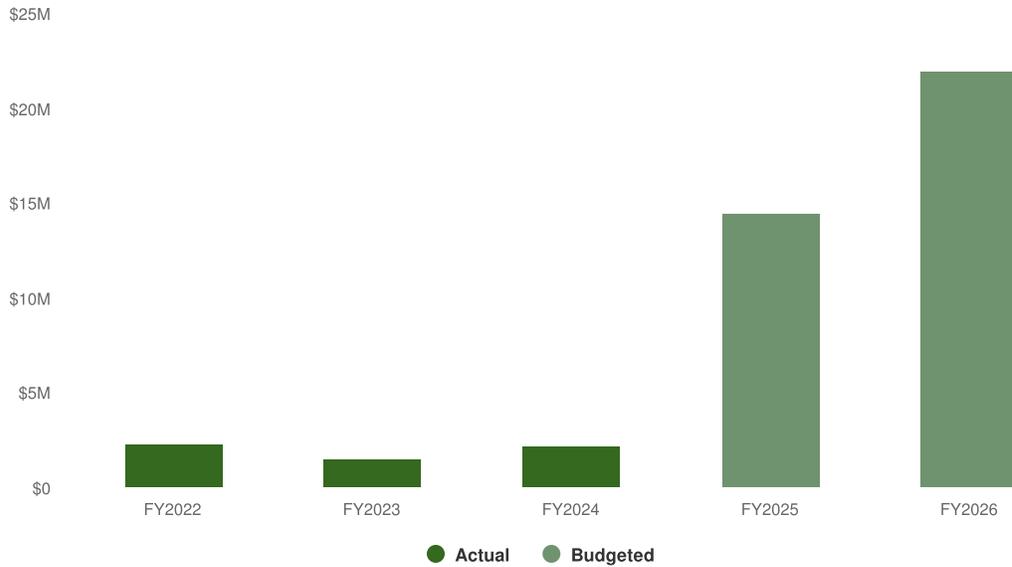
It's essential to recognize that grant revenue is characterized by its non-recurring nature and susceptibility to annual fluctuations. These revenues are designated exclusively for the purposes stipulated in the approved grant agreements and must adhere to the expenditure guidelines set by the grantors. To facilitate meticulous tracking and reporting, grant revenues are segregated into separate grant funds.

The City's ability to secure grants is contingent on applications submitted to granting agencies and the availability of funding from those agencies. This year's budget includes federal, state, and county funds totaling \$21,972,210.

Within this category, we also present intergovernmental revenue related to the Smart and Safe Arizona Act. This act, known as Proposition 207, legalizes the sale and use of recreational marijuana for individuals aged 21 and older. The initiative introduces a 16.0% tax on the sale of recreational marijuana and associated products, with marijuana establishments also paying licensing fees. A notable portion of the resulting tax revenue is allocated to local governments, with a specific focus on covering the costs associated with Public Safety personnel. This revenue source has demonstrated consistency in recent years, and for the upcoming fiscal year (FY 2026), we project a total revenue of \$220,000 from this reliable source.

\$21,972,210 **\$7,478,360**
(51.60% vs. prior year)

Revenues-Special Revenue Proposed and Historical Budget vs. Actual



Revenues by Category

Grant Revenues are divided into three categories: Judicial Collection Enhancement, Public Safety Revenue and Special Revenue Community Fund.

Judicial Collection Enhancement: These funds are dedicated to specific revenue sources legally earmarked for Municipal Court Revenues and Expenditures. This fund comprises various components, including JCEF Collections, San Luis Court Enhancement, Fill The Gap, Default Fees, Warrant Fees, and the San Luis Municipal Court Fare, each functioning as separate departments.

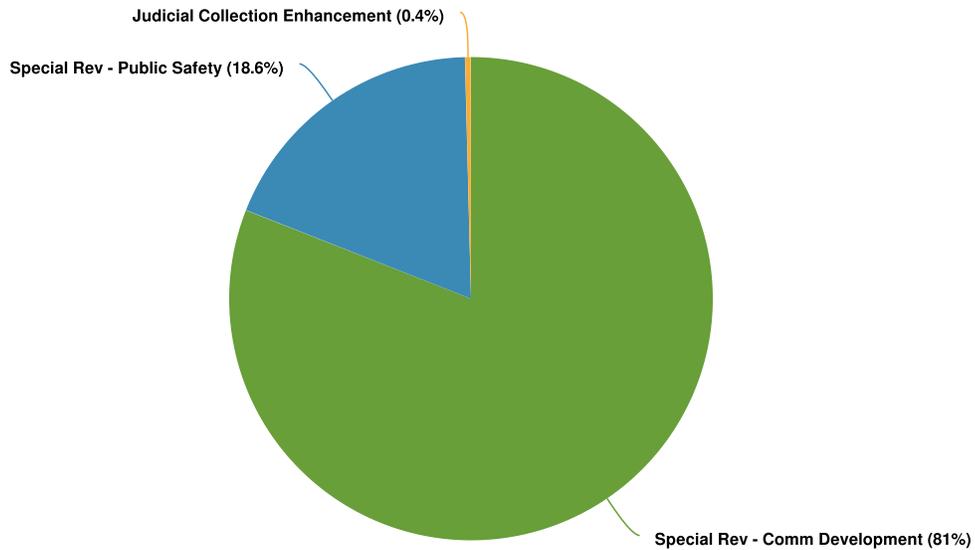
Public Safety Special Revenue: This category is designated for funds that must be utilized exclusively for Public Safety programs. It encompasses critical initiatives like the Operation Stonegarden program (OPSG), resources allocated from the Smart and Safe Arizona Act, grants supporting School Resource Officers (SROs), as well as other miscellaneous grants specifically geared towards enhancing Public Safety efforts. Additionally, it takes into account monies and assets obtained through the legal process of criminal prosecution.

Revenue by Category

Special Revenue Community Development Fund: This fund is reserved for revenue sources that are legally constrained for use in Community Development endeavors. It encompasses a variety of sources, from the federal government, Community Development Block Grants (CDBG), and other grants unrelated to Public Safety. These funds play a crucial role in fostering community development initiatives and enhancing our local quality of life.

The chart below illustrates the categories encompassed within our grant revenues:

2026 Revenue by Category



| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|---|------------------|------------------|-----------------------|------------------|-----------------------|--|
| Special Rev - Public Safety | | | | | | |
| Intergovernmental | | | | | | |
| Smart and Safe Arizona Act | \$53,514 | \$96,891 | \$110,000 | \$109,796 | \$110,000 | 0% |
| Smart and Safe Arizona Act | \$54,820 | \$119,038 | \$110,000 | \$149,210 | \$120,000 | 9.1% |
| Opioids Settlement | | \$90,885 | | \$51,604 | \$100,000 | N/A |
| Total Intergovernmental: | \$108,334 | \$306,815 | \$220,000 | \$310,609 | \$330,000 | 50% |
| Other Revenue | | | | | | |
| 2024 HB2897- Sec 127 Pepperball and Pepperall Weapons | \$0 | | | \$38,600 | \$0 | N/A |
| Auction Revenues | -\$3,000 | \$14,766 | | \$1,170 | \$0 | N/A |
| Impound | \$45,771 | \$54,887 | \$60,000 | \$65,390 | \$60,000 | 0% |

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|---|------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Grants | \$0 | \$3,000 | \$1,369,800 | \$1,866,222 | \$2,125,160 | 55.1% |
| Yuma County Anti-Racketeering Fund | -\$1,121 | \$2,096 | | \$8,400 | \$0 | N/A |
| Grant - ICAC Task Force | \$0 | \$1,606 | \$5,000 | \$0 | \$5,000 | 0% |
| Grant - USMS Service Violent Offender Task Force | \$3,277 | \$8,739 | \$5,000 | \$8,753 | \$8,000 | 60% |
| Grant GOHS - DUI - 2022-AL-030 | \$7,126 | | | \$0 | \$0 | N/A |
| Grant GOHS - STEP - 2022-PTS-058 | \$4,159 | | | \$0 | \$0 | N/A |
| Grants - DOHS- OPSG 210412-01 | \$261,337 | | | \$0 | \$0 | N/A |
| Grant GOHS - DUI - 2023-AL-028 | \$3,659 | \$4,742 | \$6,000 | \$0 | \$0 | -100% |
| Grant GOHS - STEP - 2023-PTS-055 | \$6,760 | \$4,621 | \$4,500 | \$0 | \$0 | -100% |
| Grant OPSG 220415-01 | | \$808,813 | \$1,160,780 | \$0 | \$0 | -100% |
| Grant OPSG 220415-02 | | \$34,962 | | \$0 | \$0 | N/A |
| Grants - GOHS - DUI # 2024-AL-029 | | \$10,279 | \$20,000 | \$9,336 | \$3,750 | -81.2% |
| Grants - GOHS - 2024-OP-018 | | \$2,660 | \$5,000 | \$2,293 | \$0 | -100% |
| Grants - GOHS - STEP-2024-PTS-057 | | \$18,973 | \$25,000 | \$6,027 | \$5,000 | -80% |
| Grants - DOHS- OPSG 230432-01 | | \$81,367 | | \$909,307 | \$178,000 | N/A |
| Grants - GOHS - 2025-OP-021 | | \$0 | | \$9,710 | \$15,000 | N/A |
| Grants - GOHS - DUI # 2025-AL-027 | | \$0 | | \$6,326 | \$15,000 | N/A |
| Grants - GOHS - STEP-2025-PTS-055 | | \$0 | | \$7,855 | \$20,000 | N/A |
| DOHS- OPSG 24031-01 | \$0 | | | \$0 | \$743,000 | N/A |
| Miscellaneous Revenue | \$200 | \$5,850 | | \$8,977 | \$0 | N/A |
| Grants | \$11,900 | \$18,861 | | \$0 | \$215,900 | N/A |
| Total Other Revenue: | \$340,069 | \$1,076,222 | \$2,661,080 | \$2,948,364 | \$3,393,810 | 27.5% |
| Charges For Services | | | | | | |
| Police Revenue - SRO YUHSD # 70 | \$36,494 | \$93,813 | \$100,000 | \$93,505 | \$100,000 | 0% |
| Police Revenue - SRO Gadsden School District # 32 | | \$0 | | \$22,395 | \$269,710 | N/A |
| Total Charges For Services: | \$36,494 | \$93,813 | \$100,000 | \$115,900 | \$369,710 | 269.7% |
| Fines & Forfeits | | | | | | |
| Fines, Criminal & Civil Traffic | \$4,145 | \$7,331 | | \$7,538 | \$0 | N/A |
| Total Fines & Forfeits: | \$4,145 | \$7,331 | | \$7,538 | \$0 | N/A |
| Total Special Rev - Public Safety: | \$489,041 | \$1,484,180 | \$2,981,080 | \$3,382,411 | \$4,093,520 | 37.3% |
| Special Rev - Comm Development | | | | | | |
| Other Revenue | | | | | | |
| Grants | \$0 | | | \$156,725 | \$0 | N/A |
| Grants | \$0 | \$1,443,252 | \$5,465,000 | \$6,084,915 | \$0 | -100% |
| Grants | \$0 | | | \$30,000 | \$16,455,860 | N/A |
| Donation | \$4,100 | \$1,595 | | \$500 | \$22,130 | N/A |
| Donation | \$13,100 | \$20,100 | \$25,000 | \$33,659 | \$0 | -100% |
| Grants | | | | \$1,000 | \$1,400 | N/A |

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|---|--------------------|--------------------|-----------------------|---------------------|-----------------------|--|
| Grant - U.S Department Health & Human Services MOU -CSF | \$10,000 | | | \$5,000 | \$34,370 | N/A |
| Donation | \$11,211 | \$18,400 | \$18,000 | \$21,773 | \$18,000 | 0% |
| Donation - Non Fed Cash | \$3,500 | \$6,000 | \$6,000 | \$4,500 | \$28,000 | 366.7% |
| Grants | \$47,975 | \$104,567 | \$84,630 | \$84,041 | \$81,800 | -3.3% |
| Grants | \$104,395 | \$346,988 | \$3,462,910 | \$0 | \$0 | -100% |
| Grant ADOH - CDBG 103-17 Merrill Street Improvements | \$0 | \$0 | \$466,640 | \$466,638 | \$0 | -100% |
| Grant ADOH - CDBG 114-18 Merrill Street Improvements Phase II | \$0 | \$0 | \$500,000 | \$0 | \$466,640 | -6.7% |
| Grant CDBG Mesa Street | \$359,067 | | | \$0 | \$0 | N/A |
| Grant State of Az - DTA HURF Exchange | \$363,355 | \$121,118 | | \$0 | \$0 | N/A |
| Total Other Revenue: | \$916,702 | \$2,062,019 | \$10,028,180 | \$6,888,751 | \$17,108,200 | 70.6% |
| Interest Revenue | | | | | | |
| Interest Earned | | \$24,282 | | \$918,596 | \$0 | N/A |
| Total Interest Revenue: | | \$24,282 | | \$918,596 | \$0 | N/A |
| Other Financing Sources | | | | | | |
| Transfer In | \$0 | | | \$0 | \$20,000 | N/A |
| Transfer In | | | | \$40,000 | | N/A |
| Transfer In | \$0 | \$103,361 | \$1,407,090 | \$1,070,795 | \$665,490 | -52.7% |
| Total Other Financing Sources: | \$0 | \$103,361 | \$1,407,090 | \$1,110,795 | \$685,490 | -51.3% |
| Total Special Rev - Comm Development: | \$916,702 | \$2,189,662 | \$11,435,270 | \$8,918,141 | \$17,793,690 | 55.6% |
| Judicial Collection Enhancement | | | | | | |
| Charges For Services | | | | | | |
| Deferred Prosecution Fees | | | | \$1,500 | \$0 | N/A |
| Total Charges For Services: | | | | \$1,500 | \$0 | N/A |
| Fines & Forfeits | | | | | | |
| J C E F Collections Revenue | \$4,129 | \$8,286 | \$7,500 | \$7,992 | \$8,000 | 6.7% |
| San Luis Court Enhancement | \$28,901 | \$52,246 | \$48,000 | \$53,592 | \$52,000 | 8.3% |
| Fill The Gap Funds | \$1,221 | \$2,153 | \$2,500 | \$3,751 | \$2,000 | -20% |
| Default Fees | \$13,456 | \$19,025 | \$16,000 | \$24,510 | \$19,000 | 18.8% |
| Warrant Fees | \$4,311 | \$4,225 | \$3,500 | \$4,453 | \$4,000 | 14.3% |
| Total Fines & Forfeits: | \$52,018 | \$85,935 | \$77,500 | \$94,297 | \$85,000 | 9.7% |
| Total Judicial Collection Enhancement: | \$52,018 | \$85,935 | \$77,500 | \$95,797 | \$85,000 | 9.7% |
| Total: | \$1,457,761 | \$3,759,777 | \$14,493,850 | \$12,396,349 | \$21,972,210 | 51.6% |

Utilities and Ambulance Services

These revenues are derived from various sources, including user fees, capacity connection charges, medical transportation services, and miscellaneous charges, all of which are systematically accounted for in our Enterprise Funds. Notably, the projected revenue from utilities and ambulance service charges for FY 2026 is \$41.6 million, reflecting an increase of \$5.0 million from the previous year. This total includes \$19.7 million from other financing sources and \$1.4 million from grants, representing a 14% growth. The primary revenue sources within this category are outlined below:

Water Utility Revenue: The primary source of revenue for our water utility comes from user fees for water services. Additionally, this fund includes charges for new service installations, new meter installations, disconnect/reconnect services, delinquent fees, and meter inspections. However, the cornerstone of our water utility revenue remains the water utility fee. To ensure that these user fees sufficiently cover the costs of delivering water services to our residents, we regularly update our economic forecasting model. All revenue collected from water utilities is directed to the City's Water Operating Fund, which supports the Water Services Department's operational needs, debt payments, and annual capital improvement projects. Notably, a 9.0% water rate increase was adopted by the City Council for FY 2023, effective from April 27, 2023. This rate adjustment will be followed by an average annual increase of 2% over the next five years. As a result, we anticipate water revenues to increase to \$7.9 million in FY 2026, representing a 17% decrease compared to the previous year, largely due to the exclusion of a \$2.0 million grant. Without the grant, the increase in revenue from water charges for services would be 6% compared to last year.

Wastewater Utility Revenue: Our wastewater utility revenues primarily originate from user fees related to wastewater collection and treatment services. Residential customers are charged a base fee, while commercial and school customers pay a base fee plus additional charges based on consumption. All revenue generated from wastewater utilities is allocated to the City's Wastewater Operating Fund, which supports essential wastewater operations within the Utilities Department. Similar to our water rates, a 13.0% wastewater rate increase was adopted by the City Council for FY 2023, effective April 27, 2023, with an average annual increase of 10% expected over the next five years. This rate adjustment, along with modest residential account growth, is projected to raise wastewater revenues to \$27.0 million in FY 2026. A significant portion of this increase is due to the inclusion of a \$19.7 million other financing source that will be requested to fund the expansion of the west wastewater treatment plant. Excluding this amount, the increase in revenue from wastewater charges for services would be 17% compared to last year.

Solid Waste Utility Revenue: The City charges user fees and charges for Residential Solid Waste services. The revenue generated from Residential Solid Waste activities is instrumental in covering the operational costs of the service. In alignment with our utility rate adjustments, a 13.0% solid waste rate

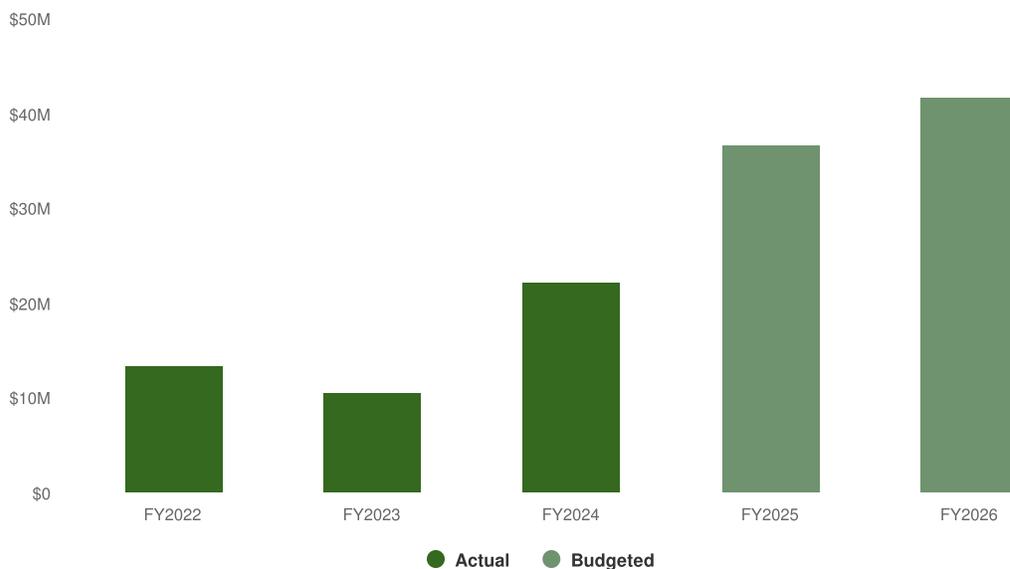
increase was adopted for FY 2023, effective from April 27th, 2023, with an average annual increase of 8% planned for the next five years. These rate modifications, along with a moderate growth in residential accounts, are anticipated to increase solid waste revenues to \$2.8 million in FY 2026, representing a substantial 16.7% increase compared to the prior year.

Ambulance Services Revenue: The City plays a pivotal role in providing emergency medical transportation services in the San Luis area, operated by the San Luis Fire Department. This division manages the operation of three full-time emergency response ambulances. Revenues collected from ambulance services are directed to the Ambulance Fund, where they support operational needs and capital projects related to this essential service. The completion of a second station has enabled the operation of an additional ambulance to serve the eastern region of San Luis, improving response coverage.

For FY 2026, the City has budgeted \$3.78 million in Ambulance Services revenues, an increase of \$431,000 (12.9%) compared to the FY 2025 adopted budget of \$3.35 million. The projection includes \$3.41 million in service charges and \$371,000 in other revenues. This growth reflects both the community’s increasing demand for services and the City’s ongoing efforts to strengthen its emergency medical response while ensuring financial sustainability.

\$41,642,370 **\$5,033,450**
 (13.75% vs. prior year)

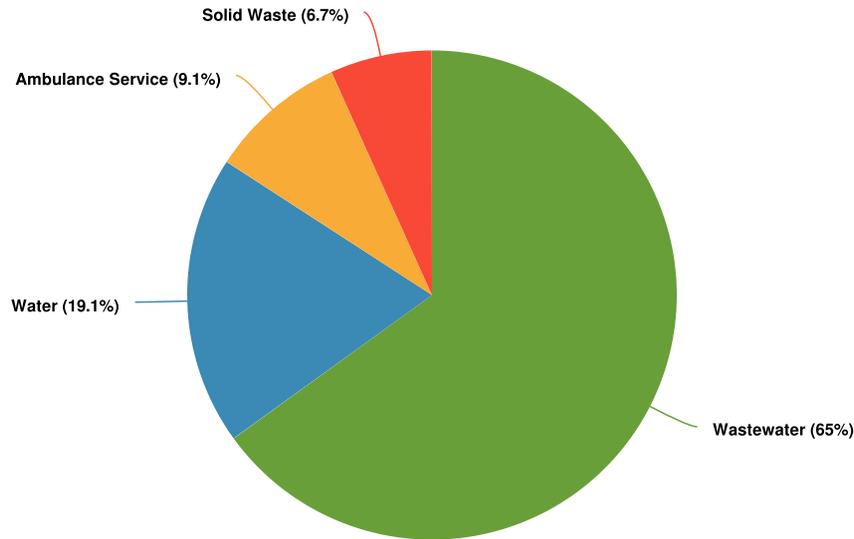
Charges for Services Proposed and Historical Budget vs. Actual



Revenue by Category

The chart below illustrates the categories encompassed within the charge for services revenues:

2026 Charges for Services by Fund 36.6 million



| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|------------------------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Water | | | | | | |
| Other Revenue | | | | | | |
| Auction Revenues | \$0 | \$2,200 | | \$0 | \$0 | N/A |
| Grants | | \$0 | \$3,294,920 | \$1,966,058 | \$1,321,870 | -59.9% |
| Miscellaneous Revenue | \$94,589 | \$186,793 | \$125,000 | \$160,898 | \$125,000 | 0% |
| Over/Short | -\$120 | -\$108 | | -\$33 | \$0 | N/A |
| Offset - Capitalization | | -\$38,395 | | \$0 | \$0 | N/A |
| Contributed Capital | \$0 | \$1,597,800 | | \$0 | \$0 | N/A |
| Total Other Revenue: | \$94,469 | \$1,748,290 | \$3,419,920 | \$2,126,924 | \$1,446,870 | -57.7% |
| Charges For Services | | | | | | |
| Water Sales | \$2,710,361 | \$4,312,676 | \$4,600,000 | \$4,876,722 | \$4,830,160 | 5% |
| Water Sales City Accounts | \$539,295 | \$903,257 | \$890,000 | \$1,041,376 | \$1,010,000 | 13.5% |
| Conversion Fees | -\$16 | | | \$0 | \$0 | N/A |
| Water Connection Fees | \$122,608 | \$401,681 | \$300,000 | \$330,520 | \$305,000 | 1.7% |
| Total Charges For Services: | \$3,372,247 | \$5,617,614 | \$5,790,000 | \$6,248,618 | \$6,145,160 | 6.1% |
| Impact Fees | | | | | | |

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|---|--------------------|--------------------|-----------------------|--------------------|-----------------------|--|
| Water Impact Fees R2103 - 12162019 | \$8,128 | | | \$0 | \$0 | N/A |
| Water Impact Fees R2103 - 12162019 | \$85,093 | \$277,670 | \$178,000 | \$166,562 | \$210,000 | 18% |
| Total Impact Fees: | \$93,221 | \$277,670 | \$178,000 | \$166,562 | \$210,000 | 18% |
| Interest Revenue | | | | | | |
| Interest Earned | \$250,875 | \$658,821 | \$165,000 | \$641,745 | \$165,000 | 0% |
| Total Interest Revenue: | \$250,875 | \$658,821 | \$165,000 | \$641,745 | \$165,000 | 0% |
| Total Water: | \$3,810,813 | \$8,302,395 | \$9,552,920 | \$9,183,849 | \$7,967,030 | -16.6% |
| Wastewater | | | | | | |
| Other Revenue | | | | | | |
| Auction Revenues | \$0 | \$4,700 | | \$0 | \$0 | N/A |
| Grants | | \$748,269 | | \$0 | \$0 | N/A |
| Miscellaneous Revenue | \$0 | \$6,930 | \$1,000 | \$718 | \$1,000 | 0% |
| Contributed Capital | \$0 | \$913,914 | | \$0 | \$0 | N/A |
| Total Other Revenue: | \$0 | \$1,673,813 | \$1,000 | \$718 | \$1,000 | 0% |
| Charges For Services | | | | | | |
| Sewer Sales | \$3,381,786 | \$5,101,872 | \$5,600,000 | \$5,920,885 | \$6,602,230 | 17.9% |
| Sewer Sales City Accounts | \$17,887 | \$27,048 | \$28,000 | \$34,982 | \$35,000 | 25% |
| Sewer - Gadsden | \$80,006 | \$116,352 | \$116,000 | \$128,858 | \$144,000 | 24.1% |
| Surcharge - Gadsden | \$24,039 | \$34,916 | \$35,000 | \$38,710 | \$43,000 | 22.9% |
| Sewer Connection - Fees | \$67,038 | \$211,950 | \$120,000 | \$125,550 | \$160,000 | 33.3% |
| Sewer Connections Fees - Gadsden | \$900 | | | \$0 | \$0 | N/A |
| Bad Debt Fees -Gadsden | \$3,752 | \$4,505 | \$5,000 | \$4,437 | \$5,000 | 0% |
| Total Charges For Services: | \$3,575,409 | \$5,496,644 | \$5,904,000 | \$6,253,422 | \$6,989,230 | 18.4% |
| Impact Fees | | | | | | |
| Wastewater Impact Fees R2103 - 12162019 | \$143,183 | \$447,177 | \$300,000 | \$265,991 | \$300,000 | 0% |
| Total Impact Fees: | \$143,183 | \$447,177 | \$300,000 | \$265,991 | \$300,000 | 0% |
| Interest Revenue | | | | | | |
| Interest Earned | \$144,935 | \$379,513 | \$95,000 | \$369,365 | \$95,000 | 0% |
| Total Interest Revenue: | \$144,935 | \$379,513 | \$95,000 | \$369,365 | \$95,000 | 0% |
| Other Financing Sources | | | | | | |
| Other Financing Uses | | \$0 | \$15,000,000 | \$0 | \$19,700,000 | 31.3% |
| Total Other Financing Sources: | \$0 | \$0 | \$15,000,000 | \$0 | \$19,700,000 | 31.3% |
| Total Wastewater: | \$3,863,527 | \$7,997,146 | \$21,300,000 | \$6,889,496 | \$27,085,230 | 27.2% |

| Name | FY2023 Actuals | FY2024 Actuals | FY2025 Adopted Budget | FY2025 Projected | FY2026 Adopted Budget | FY2025 Adopted Budget vs. FY2026 Adopted Budget (% Change) |
|------------------------------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|--|
| Solid Waste | | | | | | |
| Other Revenue | | | | | | |
| Auction Revenues | | \$7,225 | | \$0 | \$0 | N/A |
| Miscellaneous Revenue | \$19,050 | \$51,902 | \$43,000 | \$67,635 | \$47,250 | 9.9% |
| Total Other Revenue: | \$19,050 | \$59,127 | \$43,000 | \$67,635 | \$47,250 | 9.9% |
| Charges For Services | | | | | | |
| Sanitation Revenues | \$1,314,358 | \$2,085,088 | \$2,328,000 | \$2,434,212 | \$2,712,180 | 16.5% |
| Sanitation Revenues City Account | \$45,309 | \$59,159 | \$35,000 | \$45,552 | \$49,680 | 41.9% |
| Total Charges For Services: | \$1,359,667 | \$2,144,247 | \$2,363,000 | \$2,479,764 | \$2,761,860 | 16.9% |
| Total Solid Waste: | \$1,378,717 | \$2,203,374 | \$2,406,000 | \$2,547,399 | \$2,809,110 | 16.8% |
| Ambulance Service | | | | | | |
| Other Revenue | | | | | | |
| Grants | | \$254,252 | | \$0 | \$371,000 | N/A |
| Miscellaneous Revenue | \$1,972 | \$2,497 | | \$900 | \$0 | N/A |
| Total Other Revenue: | \$1,972 | \$256,749 | | \$900 | \$371,000 | N/A |
| Charges For Services | | | | | | |
| Ambulance Revenues | \$1,430,884 | \$6,187,459 | \$5,550,000 | \$3,527,237 | \$6,200,000 | 11.7% |
| Contra Ambulance Revenues | \$0 | -\$2,786,552 | -\$2,200,000 | \$0 | -\$2,790,000 | 26.8% |
| Total Charges For Services: | \$1,430,884 | \$3,400,907 | \$3,350,000 | \$3,527,237 | \$3,410,000 | 1.8% |
| Interest Revenue | | | | | | |
| Interest Earned | | \$250 | | \$2,052 | \$0 | N/A |
| Total Interest Revenue: | | \$250 | | \$2,052 | \$0 | N/A |
| Total Ambulance Service: | \$1,432,856 | \$3,657,906 | \$3,350,000 | \$3,530,188 | \$3,781,000 | 12.9% |
| Total: | \$10,485,913 | \$22,160,822 | \$36,608,920 | \$22,150,933 | \$41,642,370 | 13.7% |

LONG RANGE FINANCIAL PLAN



Summary

An integral facet of our budgetary process revolves around crafting comprehensive five-year financial forecasts for both revenues and expenditures. These forecasts provide an extended perspective on anticipated income and outlays, thereby facilitating effective long-term financial planning. They are meticulously constructed through a combination of rigorous analysis based on current and historical financial data, as well as insights gleaned from external sources such as the State of Arizona, the League of Arizona Cities and Towns, and various other economic factors.

The preparation of these forecasts plays a pivotal role in our mission to identify prospective budgetary gaps and to develop a strategic framework for harmonizing the city's projected expenses with its expected revenues. To this end, we provide a detailed schedule outlining estimated initial fund balances, alongside projected expenses and revenues over a five-year horizon for all our funds. It's important to note that this initial fund balance is net of operational reserves, which must be maintained at a minimum of six months' worth of operating expenditures. In recent years, projects delays and deliberate spending reductions implemented in response to supplier shortages have contributed to a significant accumulation of fund balances. Moving forward, our financial strategy centers on judiciously utilizing these carryover fund balances to undertake one-time projects.

In keeping with our city's fiscal policy, we are committed to matching ongoing expenditures with recurring revenues, ensuring responsible fiscal management and maximizing the efficient use of our resources. In the coming years, both the General Fund and Enterprise Funds will rely heavily on the excess capacity within their respective fund balances to finance one-time expenditures.

For FY2026, we have allocated \$575,000 to bring employee salaries in line with the base market rate as outlined in the new base compensation study adopted by the City Council in June 2024, and \$180,000 has been set aside for longevity pay to reward long-term service. In addition, three positions have been reclassified, with no fiscal impact. The 2024 base compensation study reflects current market conditions and aims to address any compensation gaps to ensure that our workforce remains competitive and

adequately compensated. Aside from this adjustment, other expenditure categories are forecasted conservatively, with an annual increase of 3%, demonstrating our continued commitment to fiscal responsibility while enhancing our ability to attract and retain top talent.

Our revenue forecasts are guided by historical trends and anticipated economic conditions that may affect the city's financial outlook. We carefully analyze the data to exclude unusual events or one-time anomalies that could distort projections. In particular, temporary revenue from extraordinary one-time sources, such as federal government allocations, is not incorporated into future estimates. This conservative approach helps ensure that projections remain stable, realistic, and dependable.

Looking ahead, the City Council's adoption of Resolution No. 2366 marks a significant investment in San Luis' future. Beginning September 22, 2025, the updated Development (Impact) Fees will take effect, ensuring the City can keep pace with the infrastructure and public services needed to support our growing community. For single-family residential permits, this change represents a combined increase of 77.98%, making sure new development contributes its fair share toward roads, parks, and other vital improvements. By basing these fees on thoughtful planning and growth projections, the City can continue delivering high-quality services, protect current residents from added costs, and guide community growth in a balanced and responsible way.

In Fiscal Year 2026, the City of San Luis is projecting an increase in revenue for our Business License Division. Our City Council approved a notice of intent to increase the business license fees on Wednesday, August 27, 2025. The public hearing will be held on November 12, 2025, where City Council will act immediately after the public hearing. Additionally, according to the potential new business license fees, we are projecting an increase in the number of business licenses issued for Fiscal Year 2026 compared to Fiscal Year 2025.

In addition, last year the City completed a comprehensive review of its development-related permit fees, including building, land use, and related services, to better reflect the staff time and resources required to process applications. This update helps the City recover the true cost of providing these services, maintain excellent customer support, and ensure operations remain sustainable as demand increases.

General Fund

The Fiscal Year 2025-26 General Fund budget presents both challenges and opportunities as we continue managing operational expenditures while ensuring the financial sustainability of San Luis. In FY 25-26, we forecast a net operating deficit of \$4.67 million, which will be covered by reserves to maintain essential services. Although total revenues are expected to grow at 2.5% annually, increasing from \$35.0 million in FY 25-26 to \$38.7 million by FY 29-30, expenditures are also rising, creating operational pressures.

The expenditures forecast reflects a growing demand in Salaries & Related Expenses (from \$26.8 million to \$30.1 million) and Other Financing Sources – Uses (subsidies to other funds), between \$3.1 million to \$5.9 million. Despite efforts to optimize services, we are anticipating operational shortfalls across multiple years.

The Ending Fund Balance starts at \$32.8 million in FY 25-26 but is projected to decline to \$11.8 million by FY 29-30. Moreover, the Ending Fund Balance Net of Reserves highlights a more concerning trend, starting at \$14.0 million in FY 25-26 and turning negative by FY 27-28, reaching -9.3 million by FY 29-30. This trend emphasizes the need for timely intervention to prevent further financial strain.

Given the increasing financial pressures, we are committed to maintaining at least six months of operational reserves as a buffer against unforeseen circumstances. This strategic approach ensures uninterrupted public services even amid financial challenges, with operational reserves initially at \$18.8 million in FY 25-26 and expected to stabilize around \$21.2 million by FY 29-30.

The city is contemplating issuing debt for capital projects and infrastructure investments in FY 27-28, aligning with City Council's priorities. This debt issuance will focus on public safety, parks, and critical infrastructure improvements to support the city's sustainable growth and ensure quality services for our residents. Issuing debt for infrastructure will help us manage the rising capital needs without relying on operational funds, promoting long-term resilience.

A key financial challenge for San Luis remains the limited diversity in revenue streams, as we continue to depend heavily on sales taxes. In the absence of a property tax, the city is exploring new sources of income, including grants, service fees, and partnerships, to stabilize the General Fund and reduce reliance on operational reserves.

We remain committed to closely managing subsidies to other funds, such as HURF, and Debt Service Funds, ensuring that these allocations are optimized to minimize stress on the General Fund. Efforts to reduce subsidy dependency are essential to achieving financial stability in the long term.

Through careful planning, maintaining reserves, and targeted debt issuance, we aim to balance fiscal responsibility with the need for strategic investments in our community's future. By proactively managing subsidies, exploring new revenue sources, and addressing operational imbalances, San Luis is committed

to ensuring financial sustainability while delivering high-quality services and infrastructure.

| | FY 25-26 | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Fund | | | | | |
| Revenues | | | | | |
| Charges For Services | \$ 46,840 | \$ 47,777 | \$ 48,732 | \$ 49,707 | \$ 50,701 |
| Debt Proceeds | 0 | 0 | 0 | 0 | 0 |
| Fines & Forfeits | 277,000 | 282,540 | 288,191 | 293,955 | 299,834 |
| Interest Revenue | 250,000 | 255,000 | 260,100 | 265,302 | 270,608 |
| Intergovernmental | 15,623,490 | 15,935,960 | 16,254,679 | 16,579,773 | 16,911,368 |
| Licenses & Permits | 981,760 | 1,001,395 | 1,021,423 | 1,041,852 | 1,062,689 |
| Other Financing Sources | 0 | 0 | 0 | 0 | 0 |
| Other Revenue | 115,000 | 116,150 | 117,312 | 118,485 | 119,669 |
| Rent | 150,300 | 150,300 | 150,300 | 150,300 | 150,300 |
| Taxes | 17,643,480 | 18,172,784 | 18,717,968 | 19,279,507 | 19,857,892 |
| Total Revenues | \$ 35,087,870 | \$ 35,961,906 | \$ 36,858,705 | \$ 37,778,879 | \$ 38,723,061 |
| | | 2.5% | 2.5% | 2.5% | 2.5% |
| Expenditures | | | | | |
| Contingencies | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| Long Term Debt Service | 0 | 0 | 0 | 0 | 0 |
| Maintenance | 3,080,310 | 3,172,719 | 3,267,901 | 3,365,938 | 3,466,916 |
| Non-Departmental | (4,848,780) | (4,945,756) | (5,044,671) | (5,145,564) | (5,248,475) |
| Other Financing Sources - Uses | 3,180,230 | 5,907,631 | 5,712,792 | 4,368,712 | 4,448,205 |
| Salaries & Related Expenses | 26,794,610 | 27,598,448 | 28,426,402 | 29,279,194 | 30,157,570 |
| Special Services | 7,402,570 | 7,402,570 | 7,402,570 | 7,402,570 | 7,402,570 |
| Supplies | 1,754,810 | 1,789,906 | 1,825,704 | 1,862,218 | 1,899,463 |
| Total Expenditures | \$ 37,663,750 | \$ 41,225,519 | \$ 41,890,698 | \$ 41,433,068 | \$ 42,426,248 |
| | | 9% | 2% | -1% | 2% |
| Operation Result | \$ (2,575,880) | \$ (5,263,613) | \$ (5,031,994) | \$ (3,654,189) | \$ (3,703,187) |
| Capital Items | \$ 2,090,500 | \$ 1,760,750 | \$ 461,530 | \$ 300,000 | \$ 800,000 |
| Net Result | \$ (4,666,380) | \$ (7,024,363) | \$ (5,493,524) | \$ (3,954,189) | \$ (4,503,187) |
| Beginning Fund Balance | \$ 37,513,669 | \$ 32,847,289 | \$ 25,822,926 | \$ 20,329,402 | \$ 16,375,214 |
| Ending Fund Balance | \$ 32,847,289 | \$ 25,822,926 | \$ 20,329,402 | \$ 16,375,214 | \$ 11,872,027 |
| Operational Reserves | \$ 18,831,875 | \$ 20,612,760 | \$ 20,945,349 | \$ 20,716,534 | \$ 21,213,124 |
| Ending Fund balance net of reserves | 14,015,414 | 5,210,166 | -615,947 | -4,341,320 | -9,341,097 |
| | | -63% | -112% | 605% | 115% |

Highway Users Revenue Fund

The Highway Users Fund (HURF) has faced ongoing challenges in recent years, and those challenges are expected to continue into the future. The revenues we receive from State Shared Revenue, intended to maintain and improve our city's streets, do not keep pace with the needs of our growing community. In past years, the General Fund has stepped in to help, covering the gap so important projects could move forward. We anticipate that the General Fund will continue to provide this support for upcoming capital projects and infrastructure improvements. Still, because the General Fund must also cover many other priorities, this approach is not sustainable in the long term. This makes it more urgent than ever to identify new revenue sources to keep our streets safe and reliable.

For FY 25-26, total HURF revenues are projected at \$6.43 million, reflecting a stable baseline year. Revenues are expected to grow significantly in FY 26-27 to \$9.0 million, primarily due to increased subsidies from the General Fund recorded under Other Financing Sources, along with steady growth in HURF Special Revenues and service charges. Revenues are expected to hold steady in FY 27-28 before declining to \$7.7 million in FY 28-29, then rebounding to \$8.3 million by FY 29-30. This forecast underscores the need for prudent financial planning to navigate short-term fluctuations while supporting the city's infrastructure goals.

The expenditure forecast reflects steady growth over the long term. In FY 25-26, total expenditures are projected at \$4.11 million, declining to \$3.55 million in FY 26-27 due to the reduction in Other Financing Sources. Expenditures then rise gradually, reaching \$3.92 million by FY 29-30. Salaries & Related Expenses remain the largest cost driver throughout the forecast period, with additional increases in maintenance and special services reflecting the city's commitment to preserving infrastructure and supporting essential public services. Overall, HURF expenditures are projected to remain stable and manageable, providing a reliable foundation for ongoing operations.

The fund balance is projected to grow steadily over the forecast period, reflecting revenues from impact fees that are restricted and not used for operational expenses. The Ending Fund Balance is expected to rise from \$1.58 million in FY 25-26 to \$4.55 million by FY 29-30, demonstrating the continued accumulation of these dedicated funds. Operational reserves remain the key driver of the net results, beginning at \$2.06 million in FY 25-26 and holding near \$1.96 million by FY 29-30, ensuring essential services are protected. The Ending Fund Balance (less operational reserves) improves significantly, moving from a negative (\$477,196) in FY 25-26 to a positive \$2.9 million by FY 29-30. This trend underscores that the net growth of fund balance is primarily tied to operational reserves being preserved, while impact fee revenues continue to build capacity for future capital needs.

The City of San Luis must address the limited diversity in revenue sources, as HURF remains heavily dependent on State Shared Revenues and subsidies from the General Fund. With the General Fund facing competing priorities, it is increasingly clear that HURF's reliance on subsidies is not sustainable in the long

term. To address this challenge, we recommend that the City Council explore additional revenue sources, including grants, service fee increases, or a potential property tax initiative, to generate the funds needed for future infrastructure development and growth.

As the Cesar Chavez Blvd expansion progresses, it is critical to allocate resources prudently and manage capital investments efficiently to ensure projects are completed on time and within budget. This approach reflects our commitment to fiscal responsibility while meeting the city's infrastructure needs. The Cesar Chavez Blvd project, a top priority, has completed the design phase, with construction underway. The total project cost is \$65.6 million, with the state and federal grants contributing \$62 million. However, securing the remaining funds is essential to ensure the project's timely completion and the successful delivery of this vital infrastructure initiative.

Through careful planning and resource management, Highway User Fund is poised to meet the challenges ahead while supporting essential infrastructure projects, including the Cesar Chavez Blvd expansion. With the city's commitment to maintaining positive operational results and growing reserves, we are confident that San Luis will remain on a path toward sustainable growth and improved infrastructure for our community.

| | FY 25-26 | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 |
|--------------------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|
| HURF | | | | | |
| Revenues | | | | | |
| Charges For Services | \$ 690,000 | \$ 724,500 | \$ 760,725 | \$ 798,761 | \$ 838,699 |
| Debt Proceeds | 0 | 0 | 0 | 0 | 0 |
| HURF - Special Revenues | 3,993,520 | 4,073,390 | 4,154,858 | 4,237,955 | 4,322,714 |
| Interest Revenue | 75,000 | 76,500 | 78,030 | 79,591 | 81,182 |
| Other Financing Sources | 1,668,320 | 4,127,045 | 3,942,523 | 2,600,635 | 3,029,940 |
| Other Revenue | 0 | | | | |
| Total Revenues | \$ 6,426,840 | \$ 9,001,435 | \$ 8,936,136 | \$ 7,716,942 | \$ 8,272,536 |
| | | 40% | -1% | -14% | 7% |
| Expenditures | | | | | |
| Maintenance | 310,080 | 319,382 | 415,197 | 427,653 | 440,483 |
| Non-Departmental | 644,260 | 657,145 | 670,288 | 683,694 | 697,368 |
| Other Financing Sources - Uses | 655,070 | 0 | 0 | 0 | 0 |
| Salaries & Related Expenses | 1,561,890 | 1,608,747 | 1,657,009 | 1,706,719 | 1,757,921 |
| Special Services | 894,480 | 912,370 | 930,617 | 949,229 | 968,214 |
| Supplies | 49,000 | 49,980 | 50,980 | 51,999 | 53,039 |
| Total Expenditures | \$ 4,114,780 | \$ 3,547,624 | \$ 3,724,091 | \$ 3,819,295 | \$ 3,917,024 |
| | | -14% | 5% | 3% | 3% |
| Operation Result | \$ 2,312,060 | \$ 5,453,812 | \$ 5,212,045 | \$ 3,897,647 | \$ 4,355,512 |
| Capital Items | \$ 3,549,540 | \$ 3,680,000 | \$ 3,350,000 | \$ 1,988,000 | \$ 2,397,000 |
| Net Result | \$ (1,237,480) | \$ 1,773,812 | \$ 1,862,045 | \$ 1,909,647 | \$ 1,958,512 |
| Beginning Fund Balance | \$ 3,484,194 | \$ 2,270,194 | \$ 2,994,694 | \$ 3,755,419 | \$ 4,554,180 |
| Ending Fund Balance | \$ 1,580,194 | \$ 2,270,194 | \$ 2,994,694 | \$ 3,755,419 | \$ 4,554,180 |

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Operational Reserves | \$ 2,057,390 | \$ 1,773,812 | \$ 1,862,045 | \$ 1,909,647 | \$ 1,958,512 |
| Ending Fund Balance (Less operational reserves) | \$ (477,196) | \$ 496,382 | \$ 1,132,649 | \$ 1,845,772 | \$ 2,595,668 |
| | | -204% | 128% | 63% | 41% |

Water, Waste Water and Solid Waste Funds

The Water Fund is projected to support ongoing infrastructure investments throughout the forecast period. Beginning in FY 25-26 with a fund balance of \$13.4 million, the balance is expected to gradually decline as planned capital projects are completed, reaching \$5.8 million by FY 29-30. Despite these planned draws, the fund continues to maintain adequate operational reserves, ensuring stability while supporting the city's long-term water infrastructure needs.

Meanwhile, The Wastewater Fund is pursuing a \$26.2 million WIFA loan to expand the West Wastewater Treatment Plant. Current utility rates will support an additional scheduled rate increase in January 2027, and the city will work with the City Council to propose a new rate study in FY 2027, with updated rates anticipated to take effect in January 2028. While the fund balance is projected to fluctuate declining to a deficit of \$8.9 million by FY 29-30, operational reserves remain in place to support essential services, and future rate adjustments will strengthen long-term financial stability.

The Solid Waste Fund has no reserves at present and continues to face challenges in meeting required policy levels. Beginning in FY 25-26 with a negative balance of (\$1.0 million), the fund is projected to return to positive territory by FY 29-30, with an estimated balance of \$723,445. However, this projected fund balance is not sufficient to cover the operational reserves, leaving the fund below policy requirements. We anticipate that with the upcoming rate study planned for FY 2027, the Solid Waste Fund will move toward full financial recovery. Until then, the fund will continue to operate with limited capacity while maintaining essential solid waste services.

| | FY 25-26 | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Water | | | | | |
| Revenues | | | | | |
| Charges For Services | \$ 6,355,160 | \$ 6,545,815 | \$ 6,676,731 | \$ 6,810,266 | \$ 6,946,471 |
| Interest Revenue | 165,000 | 165,000 | 165,000 | 165,000 | 165,000 |
| Other Financing Sources | 0 | 0 | 0 | 0 | 0 |
| Other Revenue | 1,446,870 | 125,000 | 125,000 | 125,000 | 125,000 |
| Total Revenues | \$ 7,967,030 | \$ 6,835,815 | \$ 6,966,731 | \$ 7,100,266 | \$ 7,236,471 |
| | | -14% | 2% | 2% | 2% |
| Expenditures | | | | | |
| Contingencies | 0 | 0 | 0 | 0 | 0 |
| Long Term Debt Service | 769,150 | 769,020 | 773,500 | 773,090 | 773,120 |
| Maintenance | 577,780 | 589,336 | 601,122 | 613,145 | 625,408 |
| Non-Departmental | 1,230,260 | 1,254,865 | 1,279,963 | 1,305,562 | 1,331,673 |
| Other Financing Sources - Uses | 0 | 0 | 0 | 0 | 0 |
| Salaries & Related Expenses | 1,184,610 | 1,220,148 | 1,256,753 | 1,294,455 | 1,333,289 |
| Special Services | 829,140 | 845,723 | 831,685 | 848,319 | 865,285 |
| Supplies | 328,400 | 334,968 | 344,476 | 351,366 | 358,393 |
| Total Expenditures | \$ 4,919,340 | \$ 5,014,060 | \$ 5,087,499 | \$ 5,185,936 | \$ 5,287,168 |
| | | 2% | 1% | 2% | 2% |
| Operation Result | \$ 3,047,690 | \$ 1,821,755 | \$ 1,879,232 | \$ 1,914,330 | \$ 1,949,303 |

| | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Capital Items | \$ 4,896,000 | \$ 1,510,000 | \$ 3,520,000 | \$ 7,000,000 | \$ 1,300,000 |
| Net Result | \$ (1,848,310) | \$ 311,755 | \$ (1,640,768) | \$ (5,085,670) | \$ 649,303 |
| Beginning Fund Balance | 13,421,850 | 11,573,540 | 11,885,295 | 10,244,528 | 5,158,857 |
| Ending Balance | 11,573,540 | 11,885,295 | 10,244,528 | 5,158,857 | 5,808,161 |
| Operational Reserves | 2,459,670 | 2,507,030 | 2,543,749 | 2,592,968 | 2,643,584 |
| Ending Fund Balance net of reserves | \$ 9,113,870.00 | \$ 9,378,265.15 | \$ 7,700,778.25 | \$ 2,565,889.44 | \$ 3,164,577.16 |
| | | 3% | -18% | -67% | 23% |

| | FY 25-26 | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 |
|--|---------------|---------------|--------------|-----------------|-----------------|
| Wastewater | | | | | |
| Revenues | | | | | |
| Charges For Services | \$ 7,289,230 | \$ 7,507,907 | \$ 7,658,065 | \$ 7,811,226 | \$ 7,967,451 |
| Debt Proceeds | 19,700,000 | 6,540,000 | - | - | - |
| Interest Revenue | 95,000 | 95,000 | 95,000 | 95,000 | 95,000 |
| Other Financing Sources | 0 | 0 | 0 | 0 | 0 |
| Other Revenue | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Total Revenues | \$ 27,085,230 | \$ 14,143,907 | \$ 7,754,065 | \$ 7,907,226 | \$ 8,063,451 |
| | | -48% | -45% | 2% | 2% |
| Expenditures | | | | | |
| Long Term Debt Service | 1,697,960 | 1,675,210 | 1,684,230 | 1,682,760 | 1,684,590 |
| Maintenance | 725,280 | 739,786 | 728,571 | 743,142 | 758,005 |
| Non-Departmental | 1,330,130 | 1,356,733 | 1,383,867 | 1,411,545 | 1,439,775 |
| Other Financing Sources - Uses | 0 | 0 | 0 | 0 | 0 |
| Salaries & Related Expenses | 1,756,840 | 1,809,545 | 1,863,832 | 1,919,747 | 1,977,339 |
| Special Services | 1,137,630 | 1,160,383 | 1,183,590 | 1,207,262 | 1,231,407 |
| Supplies | 98,700 | 100,674 | 102,687 | 104,741 | 106,836 |
| Total Expenditures | \$ 6,746,540 | \$ 6,842,330 | \$ 6,946,778 | \$ 7,069,196 | \$ 7,197,953 |
| | | 1% | 2% | 2% | 2% |
| Operating Result | \$ 20,338,690 | \$ 7,301,577 | \$ 807,287 | \$ 838,030 | \$ 865,498 |
| Capital Items | \$ 19,818,000 | \$ 8,230,000 | \$ 1,000,000 | \$ 15,000,000 | \$ - |
| Net Result | \$ 520,690 | \$ (928,423) | \$ (192,713) | \$ (14,161,970) | \$ 865,498 |
| Beginning Fund Balance | 5,781,336 | 6,302,026 | 5,373,603 | 5,180,890 | -8,981,080 |
| Ending Balance | 6,302,026 | 5,373,603 | 5,180,890 | -8,981,080 | -8,115,581 |
| Operational Reserves | 3,373,270 | 3,421,165 | 3,473,389 | 3,534,598 | 3,598,976 |
| Ending Fund Balance net of reserves | \$ 2,928,756 | \$ 1,952,438 | \$ 1,707,502 | \$ (12,515,678) | \$ (11,714,558) |
| | | -33% | -13% | -833% | -6% |

| | FY 25-26 | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| Solid Waste | | | | | |
| Revenues | | | | | |
| Charges For Services | \$ 2,761,860 | \$ 2,844,716 | \$ 2,901,610 | \$ 2,959,642 | \$ 3,018,835 |
| Other Financing Sources | 0 | 0 | 0 | 0 | 0 |
| Other Revenue | 47,250 | 48,195 | 49,159 | 50,142 | 51,145 |
| Total Revenues | \$ 2,809,110 | \$ 2,892,911 | \$ 2,950,769 | \$ 3,009,784 | \$ 3,069,980 |
| | | 3% | 2% | 2% | 2% |
| Expenditures | | | | | |
| Contingencies | 0 | 0 | 0 | 0 | 0 |
| Long Term Debt Service | 0 | 0 | 0 | 0 | 0 |
| Maintenance | 294,480 | 300,370 | 306,377 | 312,505 | 318,755 |
| Non-Departmental | 811,850 | 828,087 | 844,649 | 861,542 | 878,773 |
| Other Financing Sources - Uses | 0 | | | | |
| Salaries & Related Expenses | 467,000 | 481,010 | 495,440 | 510,304 | 525,613 |
| Special Services | 562,730 | 573,985 | 585,464 | 597,174 | 609,117 |
| Supplies | 87,500 | 89,250 | 91,035 | 92,856 | 94,713 |
| Total Expenditures | \$ 2,223,560 | \$ 2,272,701 | \$ 2,322,965 | \$ 2,374,379 | \$ 2,426,970 |
| | | 2% | 2% | 2% | 2% |
| Operating Result | \$ 585,550 | \$ 620,210 | \$ 627,804 | \$ 635,405 | \$ 643,010 |
| Capital Items | \$ - | 244,000 | \$ 130,000 | \$ 400,000 | \$ - |
| Net Result | \$ 585,550 | \$ 376,210 | \$ 497,804 | \$ 235,405 | \$ 643,010 |
| Beginning Fund Balance | \$ (1,614,534) | \$ (1,028,984) | \$ (652,774) | \$ (154,971) | \$ 80,435 |
| Ending Balance | \$ (1,028,984) | \$ (652,774) | \$ (154,971) | \$ 80,435 | \$ 723,445 |
| Operational Reserves | \$ 1,111,780 | \$ 1,136,351 | \$ 1,161,483 | \$ 1,187,190 | \$ 1,213,485 |
| Ending Fund Balance net of reserves | \$ (1,218,125) | \$ (1,789,125) | \$ (1,316,453) | \$ (1,106,755) | \$ (490,040) |
| | | 47% | -26% | -16% | -56% |

Ambulance Fund

The Ambulance Fund continues to experience modest growth in both revenues and expenditures over the forecast period. Revenues from service charges are projected to increase steadily, growing from \$3.4 million in FY 25-26 to \$4.14 million by FY 29-30, reflecting an annual rise in demand for services. However, operational expenses will also grow at a similar pace, leading to annual net operating deficits that will require the use of fund balances to sustain operations.

In FY 25-26, expenditures are projected at \$3.99 million, increasing to \$4.43 million by FY 29-30, driven primarily by Salaries & Related Expenses and maintenance costs. As personnel costs are expected to rise steadily, the fund will need to rely on operational reserves to meet ongoing commitments. The use of fund balances in each fiscal year reflects the city's commitment to maintaining service levels despite financial constraints.

Over the forecast period, the Ending Fund Balance is expected to decrease from \$648,713 in FY 25-26 to a deficit of \$1.33 million by FY 29-30, as balances are drawn down to cover operational shortfalls. To strengthen revenues and avoid writing off or delaying collections from customers, the city has taken action by contracting with a local collection agency, which is expected to contribute to increased revenue for the fund. Operational reserves remain strong and grow moderately, starting at \$1.9 million in FY 25-26 and increasing to \$2.2 million by FY 29-30, ensuring the fund maintains liquidity to manage unexpected expenses.

By FY 29-30, the Ending Fund Balance (excluding operational reserves) is projected to decline further into deficit, reaching negative \$1.6 million, highlighting the need for fiscal prudence. This downward trend emphasizes the importance of identifying cost-saving measures and exploring additional revenue sources to ensure the long-term sustainability of the fund.

As in previous years, the city's strategy emphasizes using fund balances exclusively for one-time expenditures, such as ambulance acquisitions or critical equipment upgrades. This approach helps protect reserves from being used for recurring operating costs. While modest deficits are expected, the financial plan aims to minimize impacts on reserves through careful cost management and operational efficiencies.

The Ambulance Fund remains committed to delivering high-quality emergency medical services while maintaining financial sustainability. With steady revenue growth and controlled expenditure increases, the fund is positioned to meet future challenges. However, the continued decline in fund balances underscores the importance of prudent financial management. Moving forward, the city will explore cost containment strategies and potential new revenue sources to ensure the continued delivery of ambulance services and the long-term health of the fund.

| | FY 25-26 | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 |
|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Ambulance Fund | | | | | |
| Revenues | | | | | |
| Charges For Services | \$ 3,410,000 | \$ 3,580,500 | \$ 3,759,525 | \$ 3,947,501 | \$ 4,144,876 |
| Other Financing Sources | 0 | 0 | 0 | 0 | 0 |
| Other Revenue | 371,000 | 0 | 0 | 0 | 0 |
| Total Revenues | \$ 3,781,000 | \$ 3,580,500 | \$ 3,759,525 | \$ 3,947,501 | \$ 4,144,876 |
| Expenditures | | | | | |
| Contingencies | 0 | 0 | 0 | 0 | 0 |
| Long Term Debt Service | 78,000 | 77,826 | 77,603 | 77,722 | 77,640 |
| Maintenance | 176,730 | 180,265 | 183,870 | 187,547 | 191,298 |
| Non-Departmental | 513,670 | 523,943 | 534,422 | 545,111 | 556,013 |
| Salaries & Related Expenses | 2,770,730 | 2,853,852 | 2,939,467 | 3,027,651 | 3,118,481 |
| Special Services | 208,700 | 212,874 | 217,131 | 221,474 | 225,904 |
| Supplies | 242,600 | 247,452 | 252,401 | 257,449 | 262,598 |
| Total Expenditures | \$ 3,990,430 | \$ 4,096,212 | \$ 4,204,895 | \$ 4,316,955 | \$ 4,431,934 |
| Operating Result | \$ (209,430) | \$ (515,712) | \$ (445,370) | \$ (369,453) | \$ (287,058) |
| Capital Items | 440,060 | 0 | 0 | 0 | 0 |
| Net Result | \$ (649,490) | \$ (515,712) | \$ (445,370) | \$ (369,453) | \$ (287,058) |
| Beginning Fund Balance | 648,713 | -777 | -516,489 | -961,859 | -1,331,312 |
| Ending Fund Balance | -777 | -516,489 | -961,859 | -1,331,312 | -1,618,370 |
| Operational Reserves | 1,995,215 | 2,048,106 | 2,102,448 | 2,158,477 | 2,215,967 |
| Ending Fund Balance | \$ (1,995,992) | \$ (2,564,595) | \$ (3,064,307) | \$ (3,489,790) | \$ (3,834,337) |
| | | 28% | 19% | 14% | 10% |

APPENDIX

Glossary

Abatement: A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.

Accounting System: The total structure of records and procedures that identify record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

Accrued Interest: The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

Amortization: The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

Appropriation: A legal authorization from the community's legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

Arbitrage: As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

Assessed Valuation: A value assigned to real estate or other property by a government as the basis for levying taxes.

Audit: An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

Audit Report: Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter which contains supplementary comments and recommendations.

Available Funds: Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other one-time costs.

Balanced Budget: Total estimated expenditures for each of the governmental fund types must equal total anticipated revenues plus the portion of beginning of the year unreserved fund balance in excess of the required fund balance reserve. Estimated expenses for proprietary fund types must equal total anticipated revenues and unreserved retained earnings.

Balance Sheet: A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

Betterments (Special Assessments): Whenever a specific area of a community receives benefit from a public improvement (e.g., water, sewer, sidewalk, etc.), special property taxes may be assessed to reimburse the governmental entity for all or part of the costs it incurred. Each parcel receiving benefit from the improvement is assessed for its proportionate share of the cost of such improvements. The proportionate share may be paid in full or the property owner may request that the assessors apportion the betterment over 20 years. Over the life of the betterment, one year's apportionment along with one year's committed interest computed from October 1 to October 1 is added to the tax bill until the betterment has been paid.

Bond: A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)

Bond and Interest Record: (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

Bonds Authorized and Unissued: Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes, but must be rescinded by the community's legislative body to be removed from community's books.

Bond Issue: Generally, the sale of a certain number of bonds at one time by a governmental unit.

Bond Rating (Municipal): A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

Budget: A plan for allocating resources to support particular services, purposes and functions over a specified period of time. (See Performance Budget, Program Budget)

Capital Assets: All real and tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

Capital Budget: An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

Capital Expenditure: is the money spent by the government on the development of machinery, equipment, building, health facilities, education, etc.

Cash: Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

Cash Management: The process of monitoring the ebb and flow of money in an out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short-term borrowing and investment of idle cash.

Certificate of Deposit (CD): A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face that the amount of such deposit plus a specified interest payable to a bearer or to any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

Classification of Real Property: Assessors are required to classify all real property according to use into one of four classes: residential, open space, commercial, and industrial. Having classified its real properties, local officials are permitted to determine locally, within limitations established by statute and the Commissioner of Revenue, what percentage of the tax burden is to be borne by each class of real property and by personal property owners.

Collective Bargaining: The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union. regarding wages, hours and working conditions.

Consumer Price Index: The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

Cost-Benefit Analysis: A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

Debt Burden: The amount of debt carried by an issuer usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

Debt Service: The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

Encumbrance: A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

Enterprise Funds: An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery--direct, indirect, and capital costs--are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

Equalized Valuations (EQVs): The determination of the full and fair cash value of all property in the community that is subject to local taxation.

Estimated Receipts: A term that typically refers to anticipated local revenues often based on the previous year's receipts and represent funding sources necessary to support a community's annual budget. (See Local Receipts)

Exemptions: A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

Expenditure: An outlay of money made by municipalities to provide the programs and services within their approved budget.

Fiduciary Funds: Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Fixed Assets: Long-lived, assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.

Fixed Costs: Costs that are legally or contractually mandated such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.

Float: The difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor creating float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.

Full Faith and Credit: A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

Fund: An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Fund Accounting: Organizing financial records into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds. Communities whose accounting records are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.

Fund Balance: Fund Balance is the total accumulation of operating surpluses and deficits since the beginning of a local government's existence. The Fund Balance Formula: $\text{Fund Balance} = \text{Assets} - \text{Liabilities}$.

GASB 34: A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria on the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, road, sewers, etc. It also requires the presentation of a narrative statement the government's financial performance, trends and prospects for the future.

GASB 45: This is another Governmental Accounting Standards Board major pronouncement that each public entity account for and report other postemployment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.

General Fund: The fund used to account for most financial resources and activities governed by the normal appropriation process.

General Obligation Bonds: Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

Governing Body: A board, committee, commission, or other executive or policymaking body of a municipality or school district.

Indirect Cost: Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.



Interest: Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

Interest Rate: The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

Investments: Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

Line Item Budget: A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

Local Aid: Revenue allocated by the state or counties to municipalities and school districts.

Maturity Date: The date that the principal of a bond becomes due and payable in full.

Municipal(s): (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also bonds of the state and agencies of the state.

Note: A short-term loan, typically with a maturity date of a year or less.

Objects of Expenditures: A classification of expenditures that is used for coding any department disbursement, such as "personal services," "expenses," or "capital outlay."

Official Statement: A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

Operating Budget: A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

Overlapping Debt: A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

Performance Budget: A budget that stresses output both in terms of economy and efficiency.

Principal: The face amount of a bond, exclusive of accrued interest.

Program: A combination of activities to accomplish an end.

Program Budget: A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

Purchased Services: The cost of services that are provided by a vendor.

Refunding of Debt: Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

Reserve Fund: An amount set aside annually within the budget of a town to provide a funding source for extraordinary or unforeseen expenditures.

Revaluation: The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information.

Revenue Anticipation Note (RAN): A short-term loan issued to be paid off by revenues, such as tax collections and state aid. RANs are full faith and credit obligations.

Revenue Bond: A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

Revolving Fund: Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service.



Sale of Real Estate Fund: A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure.

Stabilization Fund: A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose.

Surplus Revenue: The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

Tax Rate: The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

Tax Title Foreclosure: The procedure initiated by a municipality to obtain legal title to real property already in tax title and on which property taxes are overdue.

Trust Fund: In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as directed by the commissioners of trust funds or by the community's legislative body. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

Uncollected Funds: Recently deposited checks included in an account's balance but drawn on other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be loaned or used as part of the bank's reserves and they are not available for disbursement.)

Undesignated Fund Balance: Monies in the various government funds as of the end of the fiscal year that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

Unreserved Fund Balance (Surplus Revenue Account): The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

Valuation (100 Percent): The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.