

Mayor Cal Sheehy  
Vice Mayor Michele Lin  
Councilmember Nancy  
Campbell  
Councilmember Jeni Coke  
Councilmember David Diaz  
Councilmember Jim Dolan  
Councilmember Cameron  
Moses



Lake Havasu City  
Council Chambers  
92 Acoma Boulevard South  
Lake Havasu City, Arizona  
86403  
www.lhcaz.gov

## City Council Regular Meeting (Tentative Budget & CIP Adoption)

### Minutes - Final

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Tuesday, June 10, 2025

5:30 PM

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#### 1. CALL TO ORDER

Mayor Sheehy called the meeting to order at 5:30 p.m.

#### 2. INVOCATION

Mr. Michael Gagnon gave the invocation.

#### 3. PLEDGE OF ALLEGIANCE

Members with the Disabled American Veterans Center led in the Pledge of Allegiance.

#### 4. ROLL CALL

**Present:** 6 - Mayor Cal Sheehy, Councilmember Nancy Campbell, Councilmember Jeni Coke, Councilmember David Diaz, Councilmember Cameron Moses and Vice Mayor Michele Lin

**Absent:** 1 - Councilmember Jim Dolan

#### 5. CONSENT AGENDA

- 5.1 [ID 25-4813](#) Action: Approve the May 15, 2025, City Council Budget/CIP Work Session Meeting Minutes, May 27, 2025, City Council Special Meeting Minutes and May 27, 2025, City Council Regular Meeting Minutes (*Kelly Williams*)
- 5.2 [ID 25-4793](#) Action: Resolution No. 25-3839 Ratifying the Submission of a Grant Application to the Arizona Supreme Court, Juvenile Crime Reduction Fund, for Youth Court Treatment and Testing Services (*Mitchell Kalauli*)
- 5.3 [ID 25-4784](#) Action: Resolution No. 25-3840 Approving the Fiscal Year 2025-26 Policy and Procedure for the Purchase of Supplies, Materials, and Equipment from Members of the Governing Body (*Jill Olsen*)
- 5.4 [ID 25-4805](#) Action: Resolution No. 25-3841 Approving Abandonment of the 20-Foot-Wide Public Utility and Drainage Easement Along the Northerly Property Line of 1831 Lantern Drive, Tract 2278, Block 10, Lot 7 (*Trevor Kearns*)

- 5.5 [ID 25-4810](#) Action: Resolution No. 25-3845 Approving an Intergovernmental Agreement with the Arizona Department of Water Resources to Host an Arizona Continuously Operating Reference Station Site (*Robert C. Kane*)
- 5.6 [ID 25-4822](#) Action: Amendment No. 1 to Professional Services Agreement with NV5 for Additional Survey and Environmental Work for the Second Bridge and Roadway Improvement Project Due to Re-Alignment of Proposed Roadway on Arizona State Lands (*Jason Hart*)
- 5.7 [ID 25-4814](#) Action: Call for Executive Session Pursuant to A.R.S. § 38-431.03(A) 4:30 p.m., Tuesday, June 24, 2025 (*Kelly Williams*)

**Councilmember Coke moved to approve the Consent Agenda as presented, seconded by Councilmember Moses, and carried by the following vote:**

**Aye:** 6 - Mayor Sheehy, Councilmember Campbell, Councilmember Coke, Councilmember Diaz, Councilmember Moses and Vice Mayor Lin

**Absent:** 1 - Councilmember Dolan

## **6. CORRESPONDENCE, COMMUNICATIONS, PETITIONS, ANNOUNCEMENTS, CITY MANAGER REPORT**

- 6.1 [ID 25-4815](#) Announce Vacancies on Lake Havasu City Boards, Committees, and Commissions (*Kelly Williams*)

City Clerk Kelly Williams announced the current and upcoming vacancies on various Lake Havasu City Boards, Committees, and Commissions. She added that applications are available at City Hall and on the City's website at [www.lhcaz.gov](http://www.lhcaz.gov).

- 6.2 [ID 25-4816](#) City Manager's Report (*Jess Knudson*)

City Manager Jess Knudson reported on the following:

- Announced various events, ceremonies, and proclamations.
- Acknowledged the retirements of Everett Dewey (Public Works Department), Captain Clay Bishop (Fire Department), and John Beaudette (Police Department).
- The next Coffee with the Mayor and City Manager will be held on Friday, September 5, 2025, at 8:30 a.m. at the Lake Havasu City Council Chambers.
- Recognized National Parks Week and spotlighted SARA Park.

## **7. PUBLIC HEARINGS**

- 7.1 [ID 25-4757](#) Discussion and Action: Series #12 Restaurant Liquor License, Loco's Bar and Cocina, 150 Swanson Avenue/Marquez (*Kelly Williams*)

Ms. Williams advised that Lisa Andrea Marquez has applied for a Series #12 Restaurant Liquor License for Loco's Bar and Cocina located at 150 Swanson Avenue. She said all posting requirements have been met, all fees have been paid, and no objections were received. Ms. Williams added that the location is properly zoned for a Series #12 Restaurant Liquor License.

Mayor Sheehy opened the public hearing. There being no comments, he closed the public hearing.

**Councilmember Diaz moved to recommend that the Arizona Department of Liquor Licenses & Control approve a Series #12 Restaurant Liquor License for Loco's Bar and Cocina, 150 Swanson Avenue, seconded by Councilmember Moses, and carried by the following vote:**

**Aye:** 6 - Mayor Sheehy, Councilmember Campbell, Councilmember Coke, Councilmember Diaz, Councilmember Moses and Vice Mayor Lin

**Absent:** 1 - Councilmember Dolan

- 7.2**      [ID 25-4804](#)      Discussion and Action: Ordinance No. 25-1363 Amending Lake Havasu City Code Section 9.30.070, Construction of Building and Projects, to Revise Start Hour for Concrete Pouring and Summertime Dates in Accordance with New State Law (Introduction) (*Kelly Garry*)

City Attorney Kelly Garry advised that last month the Governor signed Senate Bill 1182 adding a new section to Title 9 of the Arizona Revised Statutes regarding construction noise with an emergency clause that became effective immediately. Ms. Garry said the new law requires that a municipality may not enact or enforce any noise ordinance, rule or regulation that prohibits any general construction activities between May 1 and October 15 of each year between the hours of 5:00 a.m. and 7:00 p.m. each business day and between the hours of 7:00 a.m. and 7:00 p.m. on Saturday. Municipalities shall allow concrete to be poured at least one hour before the time that general construction activities are regularly scheduled to begin.

Ms. Garry explained that the city does have a noise ordinance regarding construction noise that needs to be slightly revised to come into compliance with the new state law. Under the City Code, the changes that are necessary are to revise the start time for pouring during summertime and non-summertime hours to make sure they are an hour before other general construction activities and to revise the summertime dates.

Ms. Garry said in general, under the proposed changes, concrete may be poured and concrete mixing trucks may be idled between the hours of 4:00 a.m. and 10:00 p.m. each day from May 1 to October 15, and 5:00 a.m. and 10:00 p.m. each day from October 16

to April 30, and all other construction work shall not begin prior to 5:00 a.m. and must stop by 10:00 p.m. each day from May 1 to October 15, and 6:00 a.m. and 10:00 p.m. each day from October 16 to April 30. Ms. Garry noted that in the City Code, weekend and holiday construction work is currently allowed from 7:00 a.m. to 7:00 p.m. with concrete allowed at 6:00 a.m.; therefore, no changes are necessary for weekend and holiday construction noise under the City Code as it already complies with the new law.

Mayor Sheehy opened the public hearing. There being no comments, he closed the public hearing.

**Councilmember Moses moved to introduce Ordinance No. 25-1363 amending City Code Section 9.30.070, seconded by Councilmember Coke, and carried by the following vote:**

**Aye:** 6 - Mayor Sheehy, Councilmember Campbell, Councilmember Coke, Councilmember Diaz, Councilmember Moses and Vice Mayor Lin

**Absent:** 1 - Councilmember Dolan

**7.3**     [ID 25-4759](#)     Discussion and Action: Resolution No. 25-3842 Adopting the Five-Year Capital Improvement Plan (CIP) for Fiscal Years 2026-30 (*Jill Olsen*)

Administrative Services Director Jill Olsen advised that before the City Council is a resolution adopting the Five-Year Capital Improvement Plan (CIP) for Fiscal Years (FY) 2026-30. Ms. Olsen stated that there have been no changes since the May budget work session and all projects in the plan are fully funded. She said the Five-Year CIP totals \$194 million (\$58 million in grants) with \$69.6 million in FY 2025-26 (\$25 million in grants).

Ms. Olsen reviewed the FY 2025-26 CIP projects and totals as follows:

- Airport: \$3,261,775
  - o Aircraft Parking Apron Reconstruction, North Area Hangar Development, Runway Rehabilitation Safety Area, Construct Runway Distance Remaining Signs, Construct Runway Lights & Runway End Lights
- Drainage: \$3,630,000
  - o Kiowa Drain 3, Pima Wash Improvements
- General Government: \$2,368,000
  - o Courthouse Covered Parking, City Fuel Facility, Main Street Commons
- Parks: \$5,355,000
  - o Channel Restrooms, Rotary Park ADA Accessibility, Outdoor Pool, Site 6 Fishing Dock
- Public Safety: \$8,906,110

- o Fire Station 7, PD Property Evidence Room, PD Facility Rear Parking Lot Rehab & Expansion, PD Facility & Jail Rehab
- Streets: \$24,615,000
  - o Second Bridge, Acoma Blvd., Jamaica Blvd. S.
- Wastewater: \$8,713,225
  - o South Intake Influent Screen, Vadose Well Design & Expansion, MTP Roof Replacement, WWTP UV Disinfection Replacement, ITP Upgrade Filters, NRTP Effluent & Recharge Upgrades, North End Wastewater System Expansion, Lift Station Upgrade Program, Water Conservation & Reuse Improvements at Cypress Park, New Laboratory Building
- Water: \$12,719,950
  - o Water Main Replacement Program, Advanced Metering Infrastructure, Water Tank C-4-21 Rehab, Second Bridge Infrastructure, Booster Station 2A Improvements, Tank N-4A-11 Improvements, Water Treatment Plan Improvements, North Havasu Additional Tank & Distribution Line, Horizontal Collector Well Redevelopment

Councilmember Campbell asked if the additional funding for street projects would impact the City's expenditure limitation, to which Ms. Olsen said everything that the city spends money on has a contribution towards the expenditure limitation cap unless it is specifically excluded by law (for example grants). She said if the city were to complete all of the projects by end of the fiscal year it would have an impact and the city would be close to the annual expenditure limitation amount. She said historically the city spends approximately 50 percent of what is budgeted in the CIP due to project delays and carryforwards, which results in the City's expenditures being less than budgeted.

Councilmember Diaz asked if the Airport projects identified in the CIP are mandated by statute, to which Ms. Olsen said many of the projects are required through Federal Aviation Administration (FAA) standards.

Discussion ensued on the funding for the Main Street Commons Project.

Councilmember Diaz asked about grant funding opportunities for the Outdoor Pool Project, to which Mr. Knudson said the city is always looking for grant opportunities. He spoke on several projects that utilized grant funds awarded to the city including Main Street Commons and replacement of potable water with effluent water in three city parks.

Councilmember Diaz asked if the total amount budgeted (\$3 million) for the Fire Station No. 7 Project would be sufficient, to which Mayor Sheehy said \$3 million is the amount that the City Council added to the original budget for the project. Ms. Olsen clarified that

the revised CIP reflects a total of \$4.5 million budgeted in FY 2025-26 for the Fire Station No. 7 Project, and approximately \$4 million budgeted in FY 2026-27.

Airport Manager Robert Kane provided more detail on the Airport projects identified in the CIP.

Mayor Sheehy opened the public hearing. There being no comments, he closed the public hearing.

Mayor Sheehy said this gives the overarching plan for the CIP over the next five years with a more specific focus over the next year.

**Councilmember Coke moved to adopt Resolution No. 25-3842 adopting the Five-Year Capital Improvement Plan for the period of July 1, 2025, through June 30, 2030, seconded by Councilmember Moses, and carried by the following vote:**

**Aye:** 4 - Mayor Sheehy, Councilmember Campbell, Councilmember Coke and Councilmember Moses

**Nay:** 2 - Councilmember Diaz and Vice Mayor Lin

**Absent:** 1 - Councilmember Dolan

**7.4**     [ID 25-4758](#)     Discussion and Action: Resolution No. 25-3843 Adopting a Tentative Budget for Fiscal Year 2025-26 (*Jill Olsen*)

Ms. Olsen advised that this item is the adoption of a resolution adopting the tentative budget for FY 2025-26.

Ms. Olsen outlined the following in her presentation on the tentative budget:

**FY 2025-26 Tentative Budget Adoption**

- Establishes a total of \$277,326,640 for the annual FY 2025-26 budget
- The items within this total amount may be changed or the amount may be reduced for the final budget scheduled for adoption on June 24, 2025
  - o Total may not be increased
- No changes since the May proposed budget session
- Highlights of included items:
  - o Property Tax Rate Unchanged
  - o Park Improvements and Amenities
  - o Computer Aided Dispatch (CAD) System
  - o Infrastructure and Capital Maintenance
  - o Implement Classification and Compensation Study
  - o Conservative Revenue Projections

- o Responsibly Managed Expenditures
- o Annual Contingency Amounts
- o Budget Stabilization Reserves

Ms. Olsen reviewed the FY 2024-25 budget to actual totals (in millions) as follows:

- Governmental Funds
  - o General Fund:
    - ☐ \$101.4 (budgeted expenses)
    - ☐ \$82.6 (estimated actual expenses)
- Special Revenue Funds
  - o Highway User Revenue Fund:
    - ☐ \$21.8 (budgeted expenses)
    - ☐ \$16.0 (estimated actual expenses)
  - o Flood Control:
    - ☐ \$4.5 (budgeted expenses)
    - ☐ \$1.8 (estimated actual expenses)
- Enterprise Funds
  - o Airport:
    - ☐ \$4.3 (budgeted expenses)
    - ☐ \$1.4 (estimated actual expenses)
  - o Refuse:
    - ☐ \$8.3 (budgeted expenses)
    - ☐ \$8.2 (estimated actual expenses)
  - o Wastewater:
    - ☐ \$39.7 (budgeted expenses)
    - ☐ \$31.0 (estimated actual expenses)
  - o Water:
    - ☐ \$35.0 (budgeted expenses)
    - ☐ \$22.8 (estimated actual expenses)

Ms. Olsen explained that there are many factors that include the totals (above) such as the carryforwards and one-time expenditures.

Mayor Sheehy said since the last budget work session the City Council was presented with the executive summary of the Classification and Compensation Study. He said after that meeting, he worked with Vice Mayor Lin and Councilmember Moses on feedback received from their perspectives, as well as feedback from the associations, workgroups, and the community, and wanted to present a proposal for the City Council's consideration to address some of the classification and compensation. He explained that the City Council may recall that Dr. Kimelton reviewed the recruiting challenges specific to the Police

Department and the pay structure for the Police Department separate from the other classification and compensation implementation. He said he would like to propose that the City Council give parity to the Fire Department, so that all public safety would be included in the same model but also offer a 3.5 percent increase to all remaining employees outside police and fire. He said in doing these two things, the City Council would have to increase the base budget by \$1.5 million which would take the increase of labor and wages that was presented at the last budget work session from 7.2 percent to 8.8 percent. Mayor Sheehy added that this would create fairness across all departments, help with the implementation of the new Classification and Compensation Study, and help achieve some of the concerns that the Councilmembers have heard regarding the study.

Ms. Olsen explained that the additional \$1.5 million would come out of the small portion of fund balance from additional revenue over expenditures in Fiscal Year 2026. Mayor Sheehy added that while the additional funding is covered in the proposed budget, any other changes would result in discussions regarding revenue sources or other alternatives for future years.

Councilmember Campbell expressed concerns regarding the expenditure limitation and asked if the employees currently over market would also receive a 3.5 percent increase, to which Dr. Kimelton explained the open range structure and adjustments that were made. Dr. Kimelton said there are no employees that will be paid over market with the plan. Councilmember Campbell expressed concerns regarding the timeliness of the study and felt that it still did not meet the needs and issues with public safety retention.

Discussion ensued related to the expenditure limitation. Mayor Sheehy said the proposal he offered does not address everything, but it does start to address things like fire and retention in the Police Department, and is moving in the right direction with implementation of the plan from a step system to an open range system.

Vice Mayor Lin asked if this item could be tabled to allow Councilmembers time to review the proposed changes. Mayor Sheehy explained that the action tonight is setting the base limit with the final budget adoption in two weeks which gives the City Council the opportunity to review and sit down with staff and others to discuss. He said if the City Council were to table this item the city would miss timelines in statute to have a budget in place by July 1st.

Councilmember Moses said he did not support tabling this item.

Councilmember Diaz expressed concerns regarding the timeliness of the study and that the City Council was presented with a three-page report at the last budget work session on the Classification and Compensation Study with no options. He asked if the budget included a



Cost-of-Living Adjustment (COLA) increase for all employees, to which Dr. Kimelton explained the difference between a COLA, step increase, and wage adjustment. She said city employees would receive a 3.5 percent step increase on their classification date which moves them within the range. She explained that in the police and fire plan they moved the range to accommodate a market-based salary range. She said in review of the plans, they went back and implemented the fire plan based on parity with the Police Department; however, in doing that, there were members in the Fire and Police Departments in the step plan and then some leadership positions in the Fire and Police Departments (for example deputy chief and captain) in the open range plan; therefore, part of the adjustment that was made, and in the sense of fairness across the city, was a 3.5 percent wage adjustment to allow that differentiation between those positions and those in the step plans.

Mayor Sheehy opened the public hearing.

Ms. Joan Dzuro, citizen, addressed the council and highlighted that the city did a very comprehensive study and thorough review of the steps. She said these studies are always complex and liked that this was just a placeholder for the City Council to have the opportunity to review in more detail over the next few weeks before final adoption of the budget. Ms. Dzuro emphasized the importance of taking care of the employees and thought what was presented was a reasonable plan that begins to address some of the concerns that Lake Havasu City has with underpaying employees.

Mr. Corky Coiner, President of the Lake Havasu Professional Firefighters Association, addressed the council and thanked them for their attentive review of the data that they were able to provide regarding the Classification and Compensation Study and impact on the Fire Department employees, recruitment, and retention. He said the City Council's proactive steps to address these dynamic challenges are vital for ensuring equitable pay and supporting the Fire Department's mission to serve and protect the community. Mr. Coiner said this is a crucial first step, and while much work remains, the City is moving in a positive direction through collaboration and a shared commitment to the greater good of both the employees and the community that we serve. Mr. Coiner spoke on the significance of the steps as a firefighter.

Mr. Jason Lawson, Vice President of the Lake Havasu Professional Firefighters Association, addressed the council and said he thought this was the right step to start solving the recruitment and retention problems in the Fire Department.

Ms. Bonny Toy, citizen, addressed the council and suggested the City Council consider adjusting the timeframe next year when it comes to the budget to allow more time for discussion.

Councilmember Moses suggested the City Council go into executive session to discuss whether the proposed changes would affect the three contracted positions.

Councilmember Moses moved to adjourn to Executive Session, seconded by Councilmember Diaz.

The City Council adjourned to Executive Session at 6:50 p.m.

The City reconvened to Regular Meeting at 7:00 p.m.

Councilmember Diaz asked how the ongoing expenses of approximately \$300,000 in the budget for annual pool maintenance for the Outdoor Pool Project were determined, to which Ms. Olsen said the Parks and Recreation Department performed an analysis to determine the annual pool maintenance expenses. Parks Maintenance Superintendent Guy Reynolds explained that the outdoor pool needs to be looked at as a separate entity as the operational dynamics are completely different than the existing pool. He said they have to look to the future and use best management practices and values that they feel are realistic.

Councilmember Moses moved to adopt Resolution No. 25-3843 adopting the Fiscal Year 2025-26 Tentative Budget with the amendments to the Classification and Compensation Study to create parity with the Fire Department and Police Department and a 3.5 percent wage adjustment.

Motion failed for lack of a second.

**Councilmember Moses moved to adopt Resolution No. 25-3843 adopting the Fiscal Year 2025-26 Tentative Budget and increasing projected expenditures by \$1.5 million to a total of \$278,826,640 and revising the official budget forms for Fiscal Year 2025-26 accordingly; and adjusting the implementation of the Fire Department salary structure as established by the Classification and Compensation Study to be in parity with the implementation of the Police Department salary structure established by the Classification and Compensation Study; and all other employees in the open range to receive a 3.5 percent wage adjustment upon implementation of the Classification and Compensation Study, and carried by the following vote:**

**Aye:** 6 - Mayor Sheehy, Councilmember Campbell, Councilmember Coke, Councilmember Diaz, Councilmember Moses and Vice Mayor Lin

**Absent:** 1 - Councilmember Dolan

**7.5**      [ID 25-4778](#)      Discussion and Action: Resolution No. 25-3834 Approving the Intergovernmental Agreement with Kingman, Arizona, for Municipal Court Weekend and Holiday Coverage

*Services (Mitchell Kalauli)*

City Magistrate Mitchell Kalauli advised that this item is to approve an Intergovernmental Agreement with the City of Kingman to provide weekend and holiday municipal court services. Judge Kalauli explained that in the State of Arizona there is a provision in the constitution that an arrestee must be seen by a judge within 24 hours of their arrest, or they are required to be released regardless of weekends or holidays. He stated that the City of Kingman has been utilizing services by Mohave County for their initial appearances; however, with increased costs they have been looking for other options. Judge Kalauli explained that this agreement would allow the Lake Havasu City Municipal Court to provide those weekend and holiday coverage services.

Mayor Sheehy opened the public hearing. There being no comments, he closed the public hearing.

**Councilmember Coke moved to adopt Resolution No. 25-3834 approving the Intergovernmental Agreement with Kingman, Arizona, for municipal court weekend and holiday coverage services, seconded by Councilmember Diaz, and carried by the following vote:**

**Aye:** 6 - Mayor Sheehy, Councilmember Campbell, Councilmember Coke, Councilmember Diaz, Councilmember Moses and Vice Mayor Lin

**Absent:** 1 - Councilmember Dolan

- 7.6**     [ID 25-4779](#)     Discussion and Action: Resolution No. 25-3835 Approving the Intergovernmental Agreement with City of Bullhead City, Arizona, for Municipal Court Weekend and Holiday Coverage Services (*Mitchell Kalauli*)

Judge Kalauli advised that this item is to adopt a resolution approving an Intergovernmental Agreement with Bullhead City to provide municipal court weekend and holiday coverage services.

Mayor Sheehy opened the public hearing. There being no comments, he closed the public hearing.

**Councilmember Moses moved to adopt Resolution No. 25-3835 approving the Intergovernmental Agreement with City of Bullhead City for municipal court weekend and holiday coverage services, seconded by Councilmember Campbell, and carried by the following vote:**

**Aye:** 6 - Mayor Sheehy, Councilmember Campbell, Councilmember Coke, Councilmember Diaz, Councilmember Moses and Vice Mayor Lin

**Absent:** 1 - Councilmember Dolan

- 7.7 [ID 25-4806](#) Discussion and Action: Resolution No. 25-3844 Approving an Agreement with the Department of the Army for Design and Construction Assistance for the Water Conservation and Water Reuse Project (*Timothy Kellett*)

Deputy Director of Public Works Timothy Kellett advised that this item is to adopt a resolution approving an agreement with the Department of the Army for a water conservation project at three City parks - Cypress, Jack Hardie, and Rotary Park.

Mr. Kellett outlined the following presentation in his presentation:

- Background
  - o 2018-2019 Design and Bid of Project
    - ☐ Conversion of City Parks to effluent water
    - ☐ Included: Cypress, Jack Hardie, London Bridge Beach, and Rotary
    - ☐ Bids exceeded budget
  - o 2020 London Bridge Beach Project completed
  - o 2022 Letter of Intent to USACE
  - o 2024 Begin Development of agreement
- Fundamentals of Agreement
  - o Total Funding: \$2,770,667
  - o USACE funds: \$2,078,000
  - o LHC funds: \$692,667
  - o Cost Share of 75/25
- Timeline
  - o With Council approval of the agreement
    - ☐ Execute agreement with USACE (August 2025)
    - ☐ Complete edits of original plans (February 2026)
    - ☐ Advertise project for construction (March 2026)
    - ☐ Award bid (April 2026)
    - ☐ Begin construction (June 2026)
    - ☐ Complete project (TBD)

Discussion ensued related to the estimated water savings.

Mayor Sheehy opened the public hearing.

Ms. Toy addressed the council and asked if Main Street Commons would be included in this project.

Mr. Kellett explained that one of the critical elements of the success and cost of this project is that the backbone (mains) are already in the ground at these three parks. He said there are no mains in the ground near Main Street Commons which would result in a more

expensive project. He said this is an efficient use of available funds to increase the City's water conservation and water supply reliability without the additional cost of having to put in new mains.

There being no further comments, Mayor Sheehy closed the public hearing.

**Councilmember Moses moved to adopt Resolution No. 25-3844 approving the Agreement with the Department of the Army for Design and Construction Assistance for the Water Conservation and Water Reuse Project, seconded by Councilmember Diaz, and carried by the following vote:**

**Aye:** 6 - Mayor Sheehy, Councilmember Campbell, Councilmember Coke, Councilmember Diaz, Councilmember Moses and Vice Mayor Lin

**Absent:** 1 - Councilmember Dolan

**7.8**      [ID 25-4826](#)      Discussion and Action: City Magistrate Employment Contract with Mitchell Kalauli  
(*Bobbie J. Kimelton*)

Dr. Kimelton advised that before the City Council is the City Magistrate Employment Contract with Mitchell Kalauli who has served as the City Magistrate since May 14, 2011. She said following a favorable evaluation the city has expressed a desire to continue Judge Kalauli's employment relationship with Lake Havasu City. Dr. Kimelton noted that the term of this contract would commence on July 1, 2025, and continue in effect through June 30, 2027.

Mayor Sheehy opened the public hearing. There being no comments, he closed the public hearing.

**Councilmember Coke moved to approve the City Magistrate Employment Contract commencing July 1, 2025, through June 30, 2027, with Mitchell Kalauli, seconded by Councilmember Diaz, and carried by the following vote:**

**Aye:** 6 - Mayor Sheehy, Councilmember Campbell, Councilmember Coke, Councilmember Diaz, Councilmember Moses and Vice Mayor Lin

**Absent:** 1 - Councilmember Dolan

**7.9**      [ID 25-4817](#)      Discussion and Action: Purchases Exceeding Expenditure Threshold for Traffic Signal  
Electrical Rehabilitation Services with B&F Contracting, Inc. (*Bill Young*)

Transportation and Maintenance Superintendent Bill Young advised that this item is requesting approval of purchases exceeding the expenditure threshold for traffic signal electrical rehabilitation services with B&F Contracting, Inc., in the amount of \$226,684.27. Mr. Young explained that rehabilitation services include updating traffic

signals and replacing obsolete equipment at the intersections of Lake Havasu Avenue and Industrial Boulevard, Lake Havasu Avenue and Palo Verde Boulevard South, and Smoketree Avenue and McCulloch Boulevard.

Discussion ensued related to any traffic impacts during the rehabilitation services.

Mayor Sheehy opened the public hearing. There being no comments, he closed the public hearing.

**Councilmember Diaz moved to approve annual purchases for traffic signal electrical rehabilitation services from B&F Contracting, Inc., exceeding the expenditure threshold but not to exceed the annual departmental budget for the duration of the Cooperative Purchase Agreement; and authorize City staff to exercise the annual renewal options throughout the Agreement term, seconded by Councilmember Campbell, and carried by the following vote:**

**Aye:** 6 - Mayor Sheehy, Councilmember Campbell, Councilmember Coke, Councilmember Diaz, Councilmember Moses and Vice Mayor Lin

**Absent:** 1 - Councilmember Dolan

**7.10**     [ID 25-4794](#)     Discussion and Action: Bid for Aggregate Materials to Campbell Redi-Mix for Fiscal Year 2025-26 (*Bill Young*)

Councilmember Campbell recused herself from participating and voting on this item.

Mr. Young advised that this item is to award bid to Campbell Redi-Mix for FY 2025-26 in the amount of \$364,580, for aggregate materials for the Public Works and Parks and Recreation Departments.

Councilmember Diaz asked if Campbell Redi-Mix was the lowest bid on this project, to which Mr. Young explained that originally they were not the lowest bid; however, after review of the delivery fees the lowest bid was disqualified.

Mayor Sheehy opened the public hearing. There being no comments, he closed the public hearing.

**Councilmember Diaz moved to award the bid for Fiscal Year 2025-26 Aggregate Materials to Campbell Redi-Mix; authorize routine expenditures exceeding the threshold, but not to exceed the annual departmental budgets, for the duration of the Agreement and all renewals; and authorize City staff to exercise annual renewal options throughout the Agreement term, seconded by Vice Mayor Lin, and carried by the following vote:**

**Aye:** 5 - Mayor Sheehy, Councilmember Coke, Councilmember Diaz, Councilmember Moses and Vice Mayor Lin

**Absent:** 1 - Councilmember Dolan

**Recused:** 1 - Councilmember Campbell

- 7.11**     [ID 25-4812](#)     Discussion and Action: Bid for the London Bridge Beach Asphalt Rehabilitation/New Cypress Parking Lot and Street Widening Project to NPG Asphalt, Inc. (*Bill Young*)

Councilmember Campbell recused herself from participating and voting on this item.

Mr. Young advised that this item is to award bid to NPG Asphalt, Inc., in the amount of \$322,525, to install asphalt for overflow parking at Cypress Park and replace deteriorating asphalt at London Bridge Beach.

Mayor Sheehy opened the public hearing.

Ms. Toy addressed the council and asked if the asphalt at London Bridge Beach would be completely replaced.

Mr. Young responded that the asphalt at London Bridge Beach would be completely replaced with new asphalt.

There being no further comments, Mayor Sheehy closed the public hearing.

**Councilmember Diaz moved to award the bid for the London Bridge Beach Asphalt Rehabilitation/New Cypress Parking Lot and Street Widening Project to NPG Asphalt, Inc., in the amount of \$322,525, seconded by Councilmember Moses, and carried by the following vote:**

**Aye:** 5 - Mayor Sheehy, Councilmember Coke, Councilmember Diaz, Councilmember Moses and Vice Mayor Lin

**Absent:** 1 - Councilmember Dolan

**Recused:** 1 - Councilmember Campbell

- 7.12**     [ID 25-4800](#)     Discussion and Possible Direction Regarding Child Overwatch (*Councilmember Campbell*)

Councilmember Campbell said she requested this item be brought to the City Council as it was brought to her attention approximately six months ago and was recently presented to the Lake Havasu Unified School District Board.

Mr. Jason Pieters, Mr. Justin Boenisch, Mr. Cody Bellmeyer, and Mr. Stephen Elizondo

with Child Overwatch outlined the following in their presentation:

Child Overwatch – Proactive Protection for Public Spaces

- Our Shared Goal
  - o Every child deserves to feel safe in public spaces
  - o The community trusts you to act before a tragedy occurs
  - o We're here to offer you a no-cost pilot to do just that
  - o Utilizing AI to address the threat
- The Public Safety Gap
  - o Current methods for identifying and protecting citizens is reactionary and due to the large number of offenders is impossible for citizens and organizations to protect themselves and their patrons
- The Recidivism Risk
  - o 43% of sex offenders will commit another criminal act within 3 years of release
  - o 24% of sex offenders will commit another criminal act within 15 years of release
  - o 20% of sex offenders will commit another criminal act within 10 years of release
  - o 5.3% of sex offenders will commit another criminal act within 10 years of release
- The Child Overwatch Solution
  - o AI facial recognition checks only against publicly registered sex offenders
  - o Instantly alerts if a known offender enters a park or school
  - o Works with:
    - ☐ Existing security camera (overlay)
    - ☐ Our own deployed units (guardian, cam)
  - o Encrypted, privacy-conscious, and built for public trust
  - o Ethical implementation and use of facial recognition
- How Facial Recognition Works
  - o Only measurements are transmitted
  - o Match threshold extremely high
  - o Uses a secondary out of band match verification
  - o Facial measurements are created: 1,024
  - o Measurements sent for comparison: <1
  - o Notification to entity only: SMS/WEB
- Zero-Cost 3-Month Pilot
  - o Fully installed and maintained by our team
  - o No software costs, no hardware costs to the city
  - o Includes:
    - ☐ System setup



- ☐ Full tech support
  - ☐ Real-time alerts
  - ☐ Monthly summary reports
  - o City's role: grant access, provide feedback, and help evaluate
- Clear Metrics for Evaluation
  - o What success looks like:
    - ☐ System uptime and reliability
    - ☐ Any verified matches or alerts
    - ☐ Ease of use and integration
    - ☐ Community response and perception
    - ☐ Pilot ends with a full report to council and a recommendation on continuing as a paid service
- Why Now, Why You
  - o Cities across the country are exploring proactive protection tools
  - o Your city can lead the way with zero risk
  - o Show parents, voters, and the public that you're innovating to protect what matters most and partnering with an ethical and transparent company
  - o Current technologies only document
  - o Threat is too large to monitor
- Our Commitment to the Ethical Use of AI & Facial Recognition
  - o Verified
    - ☐ Alerts sent to human beings
    - ☐ Details provided for human investigation
  - o Transparent
    - ☐ Facial recognition is purpose built
    - ☐ Examining and tracking only matches
  - o Controlled
    - ☐ No collection of videos and no saving of images, unless a match is found
    - ☐ Compared only to authorized facial collections
- Let's Protect Together
  - o Request:
    - ☐ Approval to begin the 3-month pilot
    - ☐ Agreement on 2-4 pilot sites
    - ☐ Follow-up meeting at the end to present findings and next steps
- Giving Back
  - o Once we have the data every feed analyzed will also be analyzed against the database for missing and exploited children
  - o Additional analysis and implementation still being architected
  - o R&D, cost to implement and run will be fully paid for by us

Councilmember Campbell thanked Child Overwatch for presenting this to the City Council and to the community.

Vice Mayor Lin asked what happens with the information when a person is recognized, to which Mr. Bellmeyer explained that upon the scan, the phone of the designated account holder would receive a series of information that they would be able to compare to the person in real time. Vice Mayor Lin asked if this would be something that the Police Department would monitor, to which Mr. Bellmeyer responded that he would not do the City Council a disservice in suggesting how to operate but suggested that maybe the Chief of Police would be the best point of contact. Mr. Bellmeyer explained it is a proactive measure and informational, and their position is that they do not have to be contacted if they are not doing anything wrong, but the individuals around that with authority can make informed decisions in real time.

Mayor Sheehy asked how many clients they have now and how many cities are using this, to which Mr. Bellmeyer said they are currently using this in a series of set-ups in California, one in a pet store, one in a candy store, and they are actively working with the school district in Lake Havasu City. He said they are not currently working with a municipality to-date.

Vice Mayor Lin asked the Police Chief if this would be something that would be monitored by the Police Department, and if it would be helpful and whether they would have the manpower to do something like this, to which Police Chief Troy Stirling said he did not have answers to those questions yet as it is something that would have to be worked out. He said he expressed some concerns when they first met with them and went through this presentation. He spoke on the current sex offender program and said out of 85 known sex offenders registered in Lake Havasu City, 35 are notifiable to the community, and out of those 35, not one of them has any restrictions on being in a public space.

Vice Mayor Lin asked what the cost would be after the 3-month pilot program ends, to which Mr. Bellmeyer explained that the cost is something that they certainly would be open to discussing with the city. He said right now they are advertising about \$99 per camera with the idea that they want to keep something affordable for the general public.

Councilmember Diaz asked where the software is manufactured, to which Mr. Bellmeyer explained that the software was built from the ground up in the United States.

Mayor Sheehy said people have civil liberties and he is not trying to advocate for those people, but it is not unlawful for a person that committed a crime and did their time to live

throughout the community. He said it is very unusual for a vendor to come to the City Council without working through staff and having a recommendation come through staff. Mayor Sheehy said he was not interested in doing a pilot program or being the first municipality. He added that if there were other municipalities doing this or if they had proof of concept, he would be more open to it. Mr. Bellmeyer said they did not come before the City Council on their own ambition, they were asked to be here.

Discussion ensued related to the AI technology.

Councilmember Campbell said she helped facilitate bringing this presentation to the City Council.

Mayor Sheehy opened the public hearing. There being no comments, he closed the public hearing.

Mayor Sheehy said there was an ask for the City Council to consider doing a pilot program. He said direction would need to be given to staff on whether the City Council wanted to do anything further on this item.

Councilmember Campbell said this program is also capable of what is called “reverse technology” that would allow access to certain individuals (for example employees) through facial recognition.

Mayor Sheehy noted that there are other applications out there that do similar things. He said Lake Havasu City champions entrepreneurs and until they have a product, he does not know how the city can be a part of this.

## **8. CALL TO THE PUBLIC**

There were no requests to address the Council.

## **9. CURRENT EVENTS**

There were no Council committee reports.

## **10. FUTURE MEETINGS**

Tuesday, June 24, 2025 @ 5:30 p.m. – Regular Meeting (Final Budget Adoption)

Tuesday, July 8, 2025 @ 5:30 p.m. – Regular Meeting (Property Tax Levy Adoption)

## **11. FUTURE DISCUSSION ITEMS**

There were no requests from the Council for future discussion items.

## **12. ADJOURN**

The meeting adjourned at 8:05 p.m.

## CERTIFICATION

I hereby certify that the foregoing is a full and true copy of the Regular Meeting Minutes of the Lake Havasu City Council held on the 10th day of June, 2025. I further certify that the meeting was duly called and posted, and that a quorum was present.

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Kelly Williams, City Clerk/MMC