City Council Regular Meeting (Tentative Budget & CIP Adoption)

Minutes - Final

Tuesday, June 9, 2026 **5:30 PM**

1. CALL TO ORDER

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

2. INVOCATION

Chaplain Bea Evans gave the invocation.

3. PLEDGE OF ALLEGIANCE

Mr. Don Bittenbenter, Disabled America Vets, led in the Pledge of Allegiance.

4. ROLL CALL

Present: 7 - Mayor Cal Sheehy, Councilmember Nancy Campbell, Councilmember Jeni Coke, Councilmember Jim Dolan, Councilmember Cameron Moses, Councilmember Michele Lin and Vice Mayor David Diaz

5. CONSENT AGENDA

5.1 ID 26-5244 Action: Approve the May 14, 2026, City Council Budget/CIP Work Session Meeting Minutes, and May 26, 2026, City Council Regular Meeting Minutes *(Kelly Williams)*

5.2 ID 26-5233 Action: Resolution No. 26-3915 Approving the Intergovernmental Agreement with Mohave County for Election Services *(Kelly Williams)*

5.3 ID 26-5197 Action: Resolution No. 26-3917 Approving the Fiscal Year 2026-27 Policy and Procedure for the Purchase of Supplies, Materials, and Equipment from Members of the Governing Body *(Jill Olsen)*

5.4 ID 26-5245 Action: Call for Executive Session Pursuant to A.R.S.§ 38-431.03(A) 4:30 p.m., Tuesday, June 23, 2026 *(Kelly Williams)*

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

Aye: 7 - Mayor Sheehy, Councilmember Campbell, Councilmember Coke, Councilmember Dolan, Councilmember Moses, Councilmember Lin and Vice Mayor Diaz

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

6.1 ID 26-5246 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 on the City's website and at City Hall.

6.2 ID 26-5248 City Manager's Report *(Jess Knudson)*

City Manager Jess Knudson reported on the following:

- Announced various achievements, events, and proclamations.
- Acknowledged the retirement of Mark Partida, Public Works Department, with 25 years of service.
- Summer Open Swim hours at the Aquatic Center have been extended on Mondays, Wednesdays, and Fridays from 10:00 a.m. to 12:00 p.m.
- Project Updates:
    - Parking Lot Improvements
    - Infrastructure Investments

7. PUBLIC HEARINGS

7.1 ID 26-5198 Discussion and Action: Series #12 Restaurant Liquor License, Amigos Birria Tacos Havasu, 55 Lake Havasu Avenue N./Turner *(Kelly Williams)*

Ms. Williams advised that Mr. Keith Turner has applied for a Series #12 Restaurant Liquor License for Amigos Birria Tacos Havasu located at 55 Lake Havasu Avenue N. 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.

Vice Mayor Diaz moved to recommend that the Arizona Department of Liquor Licenses & Control approve a Series #12 Restaurant Liquor License for Amigos Birria Tacos Havasu, 55 Lake Havasu Avenue N., seconded by Councilmember Campbell, and carried by the following vote:

Aye: 7 - Mayor Sheehy, Councilmember Campbell, Councilmember Coke, Councilmember Dolan, Councilmember Moses, Councilmember Lin and Vice Mayor Diaz

7.2 ID 26-5199 Discussion and Action: Series #8 Conveyance Liquor License, Nautical Water Sports Center, 1000 McCulloch Boulevard/Reynolds *(Kelly Williams)*

Ms. Williams advised that Mr. Craig Reynolds has applied for a Series #8 Conveyance Liquor License for Nautical Water Sports Center located at 1000 McCulloch Boulevard. 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 #8 Conveyance Liquor License.

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

Councilmember Dolan moved to recommend that the Arizona Department of Liquor Licenses & Control approve a Series #8 Conveyance liquor license for Nautical Water Sports Center, 1000 McCulloch Boulevard, seconded by Councilmember Moses, and carried by the following vote:

Aye: 7 - Mayor Sheehy, Councilmember Campbell, Councilmember Coke, Councilmember Dolan, Councilmember Moses, Councilmember Lin and Vice Mayor Diaz

At the request of Vice Mayor Diaz, Item 7.8 was heard next.

7.8 ID 26-5078 Discussion and Action: Partnership Agreement with the Havasu Freedom Foundation for the Charles James Kirk Memorial Bench Project *(Kelly Garry)*

Vice Mayor Diaz advised that this project is in partnership with the Havasu Freedom Foundation and invited Mr. Russ Mascari, Vice President with the Havasu Freedom Foundation, to give a presentation.

Mr. Russ Mascari addressed the council and spoke on the history on the Havasu Freedom Foundation and memorial walkway. He said the proposed project fits within their founding theme of military sacrifice for freedom and added that the Havasu Freedom Foundation board unanimously endorses the Charles James Kirk Memorial Bench and its installation and proximity near or around the Havasu Memorial Walkway.

Mr. Virgil Venditto, project artist, addressed the council and spoke on the proposed project design, including bench and landscaping enhancements, that would be completely privately funded.

Councilmember Campbell spoke on their continued fundraising efforts and goal of having scholarship funding dedicated to the Charles James Kirk Memorial Bench Project. Councilmember Campbell showed exhibits of the proposed project design, concept, and location.

City Attorney Kelly Garry said the proposed Partnership Agreement ("Agreement") outlines the responsibilities and expectations of each party, and said under the Agreement the City is going to allow the Havasu Freedom Foundation to facilitate the installation of the display (as shown in the exhibits) and the City would be responsible for the maintenance of the bench and relocation if needed. She noted that the partner agrees to install the bench (as shown in the exhibits) and to remove or take possession of the bench if the City can no longer display or relocate it to another City parcel. She added that the term of the Agreement continues until either party terminates with 30 days' notice and further added that the City would be responsible for insuring the artwork and memorial project.

Discussion ensued regarding the difference between the maintenance and responsibilities as outlined in the proposed Agreement and the agreement with the memorial walkway.

Mayor Sheehy opened the public hearing.

The following individuals spoke in favor of the project:

- Mr. Harvey Jackson, citizen
- Mr. Jim Koblash, citizen
- Ms. Chanel Sunshine-Lapham, citizen
- Mr. Mile Cleo, citizen
- Mr. Don Wisdom, citizen
- Ms. Bonny Toy, citizen
- Ms. Yvonne Totty, citizen
- Mr. Pat Willett, citizen

The following individuals spoke in opposition to the project:

- Mr. Emiliano Torres, citizen

In response to a question regarding any risks concerning the proposed project materials, Ms. Garry stated that the project has been submitted to the City's risk pool and due to some concerns that have been expressed, the City is purchasing additional insurance to ensure that the project is insured and that the City has insurance coverage.

Councilmember Campbell stated that they would begin fundraising efforts, donation opportunities, and community partnerships if the project moves forward.

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

Councilmember Dolan said he supported the project and the artwork but expressed concerns with the movement being political.

Mayor Sheehy said the maintenance of the project, as written in the proposed Agreement, would be the responsibility of the City and questioned the partnership's views if something needed to be replaced or if the City felt there was a potential hazard, to which Councilmember Campbell suggested possible language be added to the Agreement that the partnership would support maintenance if the project was vandalized. She thought the Agreement was similar to the responsibilities and maintenance between the City and the Havasu Freedom Foundation for the memorial walkway. Ms. Garry said the City has a Memorandum of Understanding (MOU) with the Havasu Freedom Foundation for the memorial walkway and added that a lot of the walkway is not on City property. She said under the MOU, the Havasu Freedom Foundation is responsible for the administration, ordering, and maintenance, and the City is responsible for storing the bricks and installing new bricks twice a year. She said as far as maintenance and liability, any part of the walkway not on City property does not have anything to do with the City. Ms. Garry said the proposed project is completely on City property and the way that the Agreement has been negotiated at this point is that the partnership did not want to take any part of maintenance responsibility. She added that the City is open to further negotiations if the partnership is willing to take on some of the responsibilities for maintenance, vandalism, or replacement.

Discussion ensued related to the responsibilities and maintenance of the City's Memorial Bench Program. Councilmember Campbell thought the proposed project in terms of responsibilities and maintenance was similar to the benches that are installed as part of the City's Memorial Bench Program.

Councilmember Moses said he supported the project but also expressed concerns with the movement being political and was not in support of political things being placed on public property. He asked if the partnership would be willing to take on the insurance expense and maintenance costs.

Mayor Sheehy asked if the foundation would be willing to take on the insurance expense and cost of maintenance and repair, to which the Havasu Freedom Foundation responded (from the audience) no. Mr. Mascari said they would support and promote ongoing donations and raising funds to an account that is dedicated to maintenance costs.

Vice Mayor Diaz moved to approve the Partnership Agreement with the Havasu Freedom Foundation, seconded by Councilmember Dolan, and carried by the

following vote:

Aye:	6 -	Mayor Sheehy, Councilmember Campbell, Councilmember Coke, Councilmember Dolan, Councilmember Lin and Vice Mayor Diaz
Nay:	1 -	Councilmember Moses

7.3 ID 26-5196 Discussion and Action: Resolution No. 26-3916 Adopting the Five-Year Capital Improvement Plan (CIP) for Fiscal Years 2027-31 *(Jill Olsen)*

Administrative Services Director Jill Olsen advised that this item is to adopt a resolution adopting the Five-Year Capital Improvement Plan (CIP) for Fiscal Years (FY) 2026-29 which is required to be adopted prior to adoption of the tentative budget.

Ms. Olsen said based on direction from previous budget work sessions, the following updates were made to the CIP for FY 2026-29:

1. The Multi-use Fields project was moved to Fiscal Year (FY) 2026-27 for the planning and design ($1 million) and to FY 2027-28 for Construction ($6 million);
2. The Rotary Park Splash Pad project was moved to FY 2026-27 in the amount of $1.5 million with funding from the General Fund instead of Grants; and
3. The North Area Hangar Development project funding of $1.3 million in FY 2027-28 was split into FY 2027-28 ($800,000) and FY 2028-29 ($500,000).

Ms. Olsen stated that the five-year CIP totals $197.3 million, with $54.9 million in grants and includes $35.7 million for the Second Bridge project. She said the total amount in the CIP for FY 2026-27 is $96.9 million, with $40.7 million in grants and includes $35.7 million for the Second Bridge project, and noted that all projects in the five-year CIP are fully funded.

Ms. Olsen reviewed CIP projects (by category) for FY 2026-27 as follows:

- Airport: $2,724,870
    - Runway Rehabilitation Safety Area, Taxiway C Reconstruction, Aircraft Parking Apron Reconstruction, North Area Hangar Development, Terminal Apron Pavement Reconstruction
- Drainage: $4,753,480
    - Pima Wash Improvements, Smoketree Wash 3, Kiowa Drain 6, DMA-8 Storm Improvement Project
- Parks: $3,855,000
    - Channel Restrooms, Rotary Park Splash Pad, Rotary Park ADA

Accessibility, Multi-Use Fields

- Public Safety: $13,271,740
    - o PD Facility & Jail Rehab, Fire Station 7, PD Property Evidence Room Expansion, Public Safety Equipment Storage
- Streets: $40,053,810
    - o Second Bridge, Acoma Blvd., Lake Havasu Ave. (Willow Ave. to Mesquite Ave.)
- Wastewater: $13,245,445
    - o Influent Pump Station Surge Improvements, North End Wastewater System Expansion-FM, Water Conservation & Reuse Improvements at Cypress Park, ITP Upgrade Filters, New Laboratory Building, WWTP UV Disinfection Replacement, Second Bridge-Wastewater Utility Infrastructure, North Regional WWTP Grit Removal System, ITP Effluent Upgrades, MTP Effluent & Rechard Pond Upgrades, Island Treatment Plant Headworks Improvement, North End Wastewater System Expansion-Canterbury Lift Station, North End Wastewater System Expansion-Refuge Lift Station
- Water: $19,020,975
    - o Tank N-4A-11 Improvements, Water Treatment Plant Improvements, Tank S-1C-24 Replacement, Horizontal Collector Well Redevelopment, North Havasu Additional Tank & Distribution Line, Water Main Replacement Program, Advanced Metering Infrastructure, Water Tank C-4-21 Rehabilitation, Second Bridge-Water Utility Infrastructure, Booster Station 2A Improvements

Ms. Olsen displayed tables showing the five-year CIP projects by category and funding available each year. She reviewed the funding changes (as outlined above) for the North Area Hangar Development, Multi-use Fields, and Rotary Park Splash Pad projects. Ms. Olsen noted that the Wastewater Projects and Water Projects listed with an asterisk assume a rate increase sufficient to result in about a five percent increase in revenues for wastewater, and eight and a half percent increase in revenues for water. She stated that if the rate or revenue increases do not occur the projects identified (listed with an asterisk) would be cut back or reduced in some manner.

Councilmember Lin asked if Acoma Boulevard and Lake Havasu Avenue (Willow Avenue to Mesquite Avenue) were the only two Street Projects identified in the CIP for FY 2026-27, to which Ms. Olsen said yes in addition to the Second Bridge project.

Vice Mayor Diaz expressed concern that the direction from the City Council was to move the Outdoor Pool project to FY 2026-27 however the project is now budgeted in FY 2029-30, to which Mayor Sheehy explained that the funding for the Outdoor Pool project is being proposed for FY 2029-30 due to available resources but noted that funding adjustments can be made by the City Council each year during budget discussions as priorities move forward in the community.

Councilmember Campbell said she would not be voting in support of this item. She spoke on the Parks Master Plan and thought the City Council should wait until they have the Parks Master Plan report before moving forward on the Splash Pad or Multi-use Fields projects and expressed concerns with the condition of the city's infrastructure and water mains throughout the community.

Discussion ensued related to the total number of water main miles, water service area miles, and plans to address aging water mains and system design changes. Councilmember Campbell said the city has approximately 300 miles of older pipe and asked how many miles the City is able to do with the $4 million that is budgeted, to which Deputy Public Works Director Tim Kellett said it costs approximately $1 million per mile; therefore, they can do approximately three miles each year; however, it depends on the areas. Councilmember Campbell said three miles was not enough each year and did not think the City could raise utility rates enough to catch up with the number of miles needed. Mayor Sheehy stated that as Mr. Kellett mentioned the City has plans to address aging water mains and not all old pipe is bad pipe. Councilmember Campbell expressed concerns that it was still highly underfunded.

Councilmember Dolan expressed concerns that what he is hearing is that the city wants water mains to be repaired but does not want the rates to go up. He stated that the City owns a non-profit water company and to replace all 300 miles means that the funding must come from somewhere and that rates are going to have to increase. He said if the City wants to spend more money on roads and infrastructure then it must be raised through taxes or fees that are paid by the users of the system or the City Council needs to look at what needs to be cut.

Councilmember Lin reviewed the CIP projects and priority status listed on the project pages which indicate whether a project is essential, necessary, or desirable. She expressed concerns that some of the essential projects have been replaced with desirable projects and said she could not support the proposed CIP as she thought the City Council has not followed the process and project roadmap that has been put in place over the years by previous councils.

Mayor Sheehy reminded the Council that this is not the first time hearing the CIP. He said previous discussions took place at the Planning Session and two budget work sessions and the CIP has been available to the City Council throughout the process. He noted that several projects, including the Splash Pad, Outdoor Pool and Water Main Replacement, have been in the Five-Year CIP and are not surprises. Mayor Sheehy added that to have fully funded Five-Year CIP the funding sources have to be identified and if the City Council would like to move a project based on community need or Council direction it has to be in a fund that can be moved.

Councilmember Campbell said she did not think the HURF funds and the General Fund dollars put towards street improvement projects over the years was enough and thought the City Council needed to look at the overall budget to see what could be done in terms of grant funding, bonding, or rates.

Councilmember Campbell asked why the parks projects were identified in the CIP without having the Parks Master Plan report, to which Mr. Knudson explained that the CIP presented is the best that staff can do based on the conversations that are occurring amongst the Council. He said City staff listens intently during the budget work sessions and Planning Session to put together a plan that reflects the overall picture coming from the Council and encouraged them to discuss their priorities and come to a consensus to address the needs of the community.

Vice Mayor Diaz expressed concerns regarding the location of the Splash Pad project and requested a comparison and cost analysis of constructing a splash pad at Rotary Park versus refurbishing the existing splash pad at the Aquatic Center before the Council commits to the project. Mr. Knudson said the direction and will of the Council is what staff will implement. He explained the CIP project process including providing alternatives that best match the needs of the community and added that through the Parks Master Plan the process would include conversations with the user groups to identify the demand in the community.

Mayor Sheehy opened the public hearing.

Ms. Pam Swenson, citizen, addressed the council and suggested the Rotary Park Splash Pad project be renamed Splash Pad project if the City Council was going to have further discussions regarding the location. She said she resented the hostility about the infrastructure argument and said there is a known life expectancy for any infrastructure and the City should plan for that life expectancy. She thought the City was being reactionary and not proactive and that the community needed to be aware of what infrastructure is needed and why, and the City needed to address the water line issues more aggressively.

Mr. Dave Johnson, citizen, addressed the council and spoke on the percentage of funding budgeted for infrastructure improvements compared to other cities. Mr. Johnson wondered what would happen if the CIP was not adopted, to which Mr. Knudson explained the budget process as outlined in State Statutes. Mr. Johnson suggested the City Council vote no on the CIP and go back and re-establish priorities and put more money towards infrastructure improvements.

Mr. Chad Nelson, citizen, addressed the council and suggested the City Council establish a task force to see how the City can retain tax dollars from the state to apply towards the roads.

Ms. Toy addressed the council with questions regarding the Five-Year CIP and the Lake Havasu Avenue project identified in FY 2026-27.

Dr. Keeley Lundin, citizen, addressed the council and spoke in support of the Splash Pad project and thought the Aquatic Center was a better location and fit for a splash pad.

Mr. Wisdom addressed the council concerning the number of miles of water main lines identified each year and asked whether there was additional money available from the state.

Ms. Maddie O’Dell, citizen, addressed the council and spoke in support of the Splash Pad project and thought the Aquatic Center was a better location due to safety concerns and activity during busy weekends and holidays at Rotary Park.

Ms. Alex Coletta, citizen, addressed the council and spoke in support of the Splash Pad project.

Ms. Sunshine-Lapham addressed the council and asked if the Splash Pad project would include full restrooms with plumbing and fixtures, to which Mayor Sheehy responded that the project as identified in the proposed CIP would include fully functioning restrooms. Ms. Sunshine-Lapham expressed concerns regarding the estimated costs in the budget versus actual projects costs and stated that as a taxpayer she would not mind paying more for water to address the water issues.

Mr. Mike Calpine, citizen, addressed the council regarding the total number and costs of water main breaks. He questioned if the City had a plan to address water rate increases sooner to address some of the water issues now.

Ms. Gianna Kraft, citizen, addressed the council regarding the original estimate and total cost of the Municipal Courthouse project. Mayor Sheehy stated that the Municipal Courthouse project came in underbudget with the Guaranteed Maximum Price.

Mr. Gabriel Suarez, citizen, addressed the council and suggested the Council form a group that could brainstorm ways to generate money other than raising taxes.

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

Councilmember Dolan suggested the name “Rotary” be removed from the Splash Pad project to give the City Council flexibility on the location of the splash pad.

Councilmember Dolan moved to adopt Resolution No. 26-3916 adopting the Five-Year Capital Improvement Plan for the period of July 1, 2026, through June 30, 2031, with removing the name “Rotary” from the Splash Pad project, seconded by Councilmember Moses.

Councilmember Campbell spoke about the transportation bill and loss in transportation funding. She said there is a lot of grant funding available but there is a lot of collaboration and direction needed to move forward. She stated that her no vote on this item is a strong statement and direction that the City Council can do a better job.

There being no further questions.

Mayor Sheehy called for a vote on the motion on the floor. The motion carried by the following vote:

Aye:	5 -	Mayor Sheehy, Councilmember Coke, Councilmember Dolan, Councilmember Moses and Vice Mayor Diaz
Nay:	2 -	Councilmember Campbell and Councilmember Lin

7.4 ID 26-5194 Discussion and Action: Resolution No. 26-3918 Adopting a Tentative Budget for Fiscal Year 2026-27 *(Jill Olsen)*

Ms. Olsen advised that this item is the adoption of a resolution adopting the tentative budget for FY 2026-27 that sets the maximum number of dollars that can be spent and stated that once adopted the total amount can be reduced but cannot be increased.

Ms. Olsen outlined the following in her presentation on the FY 2026-27 tentative budget:

FY 2026-27 Tentative Budget Adoption

- Establishes a total of $303,688,635 for the annual FY 2026-27 budget
    - Includes all funds and funding sources (i.e. grants, legislative appropriations, etc.)
- The items within this total amount may be changed or the amount may be reduced for the final budget scheduled for adoption on June 23, 2026
    - Total may not be increased
- No changes to Operating Budget (since the May proposed budget session)

- Highlights of included items:
  - Property Tax Rate Unchanged
  - Step/Wage Adjustments for Employees on Classification Date
  - Health Insurance Rate Increase
  - ASRS Rate Slight Decrease
  - PSPRS Rate Increases
  - 10 Additional Public Safety Positions (6 Fire and 4 Police)
- Proposed Budget Decrease
  - The proposed budget for Services, Supplies and Capital Outlay is decreasing due to:
    - Fewer Carryforwards
    - Fewer supplemental one-time expenditure approvals
    - FY27 is $2.4 million less than FY26
- Supplemental Proposed Approvals
  - Supplemental proposed approvals include items to address ongoing maintenance and repair issues
- Conservative Revenue Projects
  - Prudent forecast to support long term financial stability
- Responsible Spending
  - Staff diligently monitors expenditures to ensure City funds are utilized efficiently and responsibly
- Annual Contingencies
  - Prepared for unforeseen needs and emergencies
- Budget Stabilization Reserve
  - Maintaining reserves to ensure fiscal resilience

Ms. Olsen stated that the City has consistently spent less than budgeted and reviewed the FY 2025-26 budget to actual totals (in millions) as follows:

- Governmental Funds
  - General Fund:
    - $111.6 (budgeted expenses)
    - $92.7 (estimated actual expenses)
- Special Revenue Funds
  - Street Fund:
    - $35.6 (budgeted expenses)
    - $17.4 (estimated actual expenses)
  - Flood Control:
    - $4.1 (budgeted expenses)
    - $3.1 (estimated actual expenses)
- Enterprise Funds
  - Airport:

  - $3.9 (budgeted expenses)
  - $3.3 (estimated actual expenses)
- o Refuse:
  - $8.9 (budgeted expenses)
  - $8.7 (estimated actual expenses)
- o Wastewater:
  - $38.9 (budgeted expenses)
  - $30.0 (estimated actual expenses)
- o Water:
  - $32.2 (budgeted expenses)
  - $24.6 (estimated actual expenses)

Councilmember Lin asked what the total amount was for the step/wage increase, to which Ms. Olsen stated that she did not have the total dollar amount; however, it is a 3.5 percent increase for all employees on their anniversary date as part of the wage structure that the City Council adopted several years ago and adopted again during the Class and Compensation Study with an open range pay structure for non-public safety employees and step-range pay structure for public safety employees.

Councilmember Campbell expressed concern that the funding the City received for the Second Bridge project was included with the HURF funding and asked how much of the $35.6 million (budgeted expenses) and $17.4 (estimated actual expenses) for FY 2025-26 included the Second Bridge project funding, to which Ms. Olsen explained the budgeted and estimated amounts include all expenditures in the Street Fund including the Second Bridge project and other street projects. She noted that the $17.4 million in estimated actual expenses includes a small amount for the Second Bridge project.

Discussion ensued related to the step/wage increase and performance evaluation process, and 10 additional public safety positions.

Mayor Sheehy opened the public hearing.

Ms. Toy addressed the council and spoke regarding the total number of City volunteers, full-time positions, and part-time positions, as well as the compensation increases for contracted positions and the City Council.

Ms. Lundin addressed the council and spoke in support of the Splash Pad project and said their goal is to lower the amount of public funds budgeted for this project by reaching out to community organizations and donors to help with funding.

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

Councilmember Moses and Mayor Sheehy thanked City staff for the hard work, care, and commitment that is put into the budget process.

Councilmember Moses moved to adopt Resolution No. 26-3918 adopting the Fiscal Year 2026-27 Tentative Budget, seconded by Councilmember Coke, and carried by the following vote:

Aye:	5 -	Mayor Sheehy, Councilmember Coke, Councilmember Dolan, Councilmember Moses and Vice Mayor Diaz
Nay:	2 -	Councilmember Campbell and Councilmember Lin

7.5 ID 26-5247 Discussion and Action: Resolution No. 26-3920 Adopting and Submitting to the Voters of Lake Havasu City for Ratification at the November 3, 2026, Election, the 2026 Lake Havasu City General Plan: Shaping Our Future *(Chris Gilbert)*

Planning Division Manager Chris Gilbert explained that this process began in 2024 and has had lot of participation from individuals in the community. He thanked the City Council, Mayor, Planning and Zoning Commission, Steering Committee, and Technical Advisory Committee for their participation, input, guidance, and expertise in preparing the 2026 Lake Havasu City General Plan ("Plan").

Mr. Gilbert introduced Ms. Terry Hogan, with Logan Simpson Design Inc., who highlighted the following in her presentation:

Agenda
- Background
- Community Engagement
- Plan Content
- Motion & Next Step

What is the General Plan?
- A living, long-range policy document for growth, land use, infrastructure, services, and investment.
- Expresses the community's vision, future land use direction, and guiding goals and objectives.
- It is not:
    - Zoning
    - Tool to promote special interest
    - Capital Improvement Plan
- Certificate of Occupancy – Inspections, licenses for compliance with approved detailed plans
- Site Plans & Building Plans – Detailed building floor plans and architect details

for compliance with building codes
- Zoning – Compliance with zoning district standards
- City Code & Specific/Master Plans – City code and plans address specific policies, zoning categories, and regulations
- General Plan (Foundation of all planning tools) - Vision statement and broad policy guidance

What topics are in the General Plan?
- Required for all Municipalities
  - Land use
  - Circulation
- Required for Populations over 10,000
  - Open Space
  - Growth Area
  - Environmental Planning
  - Cost of Development
  - Water Resources
- Required for Populations over 50,000
  - Conservation
  - Recreation
  - Redevelopment
  - Neighborhoods
  - Public Services and Facilities
  - Public Buildings
  - Housing
  - Safety
  - Bicycling
  - Energy
- Elective Elements
  - Economic Growth
  - Education

Why Update the General Plan?
- Arizona law requires municipalities to readopt or update the General Plan at least every 10 years.
- Lake Havasu City's current plan was adopted in 2015 and ratified in 2016.
- The update ensures the City's long-range policy framework reflects current conditions, emerging issues, and community priorities.

Process & Schedule
1. Launch (Project Startup)

   a. February through April 2025
2. Discover (Data Collection)
   a. February through May 2025
3. Envision (Visioning)
   a. April through August 2025
4. Build (Plan Development)
   a. June through November 2025
5. Celebrate (Draft Presentation & Ratification Plan)
   a. November through Spring 2025 – 2026

Note: Voter Ratification planned for November 2026

Participation by the Numbers

- Over 27,000+ Community Engagements
  - 23,079 – Project website views
  - 207 – Website subscribers
  - 831 – Community questionnaire responses
  - 20 – Community listening sessions
  - 23 – Drop-in events with 1,487 participants
  - 154 – Visioning workshop participants
  - 192 – Carving out our future open house participants
  - 8 City Council/P&Z Commission updates
- Engaged Parties
  - Community Members
  - Technical Advisory Committee
  - General Plan Steering Committee
  - Stakeholders
  - Elected & Appointed Officials

What We Heard from the Community

- Balanced Growth
  - Shoreline access and open space preservation
  - Lake-and island-sensitive growth and reinvestment priorities
- Connected Community
  - Reliable, safe utilities and public services
  - Complete streets, active transportation, and strong digital connectivity
- Prosperous Economy
  - Expanded healthcare capacity and medical workforce
  - Supportive environment for local business and fair-share development costs
- Thriving Residential Areas

- Neighborhood character and diverse housing choices
- Cleanliness, maintenance, and lakefront parking management

• Health Environment
  - Protection of sensitive and high-risk areas
  - Parks, recreation, and arts that reflect Lake Havasu's identity

60-Day Public Review

- Public Review Period – February 17 through April 18
- 37 - 60-day draft public open house attendees
- 883 – 60-day draft views (883)
- 86 – 60-day draft comments

How Comments Informed the Plan

- The final plan was refined through the 60-day draft review process.
- Public comments reinforced recurring priorities.
- Technical edits and policy feedback improved both the plan's content and clarity.

What Types of Input we Received

- 86 – comments submitted
- 32 – commenters
- Comment Types:
  - Questions about maps, categories, projects, and how the plan would be carried out.
  - Suggestions to improve wording, graphics, labels, and plan details.
  - Technical edits to formatting, page numbers, and overall clarity.
  - Policy comments about growth, traffic, shoreline access, housing, utility costs, healthcare, and neighborhood character.
- Comments by Type:
  - Technical Edit – 6%
  - Question – 24%
  - Suggested Revision – 28%
  - Comment – 42%

What Changed From the Last Plan?

- Simpler Land Use Framework
  - The 2026 Draft General Plan reduces and consolidates the number of Future Land Use categories (from 16 categories in the 2016 General Plan to 7 categories in the 2026 Plan) to make the plan easier to understand and administer. This helps align broad place types with the zoning code and development

patterns, rather than relying on many narrowly defined categories.

- Updated Future Land Use Map (FLUM)
  - o The FLUM has been updated to better reflect stable, long-term land use patterns and previously approved entitlements. By aligning the map with how areas are actually developed or planned, the City anticipates fewer future General Plan amendment requests and a more predicable development review process.
- Refreshed Goals and Objectives
  - o Goals and objectives throughout the plan have been reorganized and updated to:
    - Clarify the City's long-range vision.
    - Reflect current community priorities around housing, economic development, mobility, recreation, and resource stewardship.
    - Provide clearer policy direction for day-to-day decisions by staff, boards, and City Council.

Simpler Land Use Framework

- 2016 Future Land Use Map (FLUM) Categories (see map with legend)
  - o Rural Residential
  - o Low Residential
- 2026 Future Land Use Map (FLUM) Categories (see map with legend)
  - o Neighborhood Low
- Existing Zoning Categories
  - o Residential Agriculture (1DU/Ac)
  - o Residential Estate (3DU/Ac)
  - o R-1 Single Family (DU/Ac)
  - o R-2 Two Family (7DU/Ac)
- Future Land Use (FLU) Changes from 2016 to 2026
  - o Percent Change: 60% decrease
    - 2016 FLU Type: Commercial, Commercial Nodal Neighborhood, Commercial Resort, and Resort Related
    - 2026 FLU Type: Business, Commerce
  - o Percent Change: 5% increase
    - 2016 FLU Type: Employment
    - 2016 FLU Type: Employment
  - o Percent Change: 25% increase
    - 2016 FLU Type: Resort Residential, Resort Related Mainland, Resort Related Island, Resort
    - 2026 FLU Type: Mixed-Use
  - o Percent Change: 8% increase

        - 2016 FLU Type: Medium Density Residential, High Density Residential
        - 2026 FLU Type: Neighborhood High
    - Percent Change: 2% decrease
        - 2016 FLU Type: Rual Residential, Low Density Residential
        - 2026 FLU Type: Neighborhood Low
    - Percent Change: 15% increase
        - 2016 FLU Type: Mountain Protection Area, Open Space & Parks
        - 2026 FLU Type: Parks & Open Space
    - Percent Change: 9% increase
        - 2016 FLU Type: Public/Semi-Public
        - 2026 FLU Type: Public/Semi-Public

From Vision to Action

- Aspirational Statement – A high-level, visionary statement that expresses the desired future for Lake Havasu City. It reflects community values and long-term aspirations for each theme chapter that helps to shape subsequent goals and objectives.
- Chapter 2 (Balanced Growth):
    - Elements: Land Use; Growth Area; and Redevelopment
    - Community's Aspirational Statement: We envision a community where growth is shaped by careful land use planning that respects the area's natural beauty, supports revitalization and smart infill, and prioritizes open space preservation and water-conscious development. This approach fosters a livable, well-balanced, and community-focused future.
- Chapter 3 (Connected Community):
    - Elements: Circulation; Bicycling; Public Facilities and Services; Public Buildings; Energy; and Water Resources.
    - Community's Aspirational Statement: We envision a strong, well-connected community supported by reliable infrastructure, effective public services, and multimodal transportation systems. This includes safe roadways, walkable and bikeable routes, and digital connectivity that advance safety, long-term sustainability, economic growth, and overall quality of life.
- Chapter 4 (Prosperous Economy):
    - Elements: Economic Growth; Education; and Cost of Development
    - Community's Aspirational Statement: We envision a strong and resilient economy that supports local entrepreneurs, expands skilled trades and healthcare sectors, and priorities education

and workforce development. These efforts create opportunities for residents to find meaningful work, manage the cost of living, and build successful futures.

- Chapter 5 (Thriving Residential Areas):
  - Elements: Housing and Neighborhoods.
  - Community's Aspirational Statement: We envision thriving residential areas with affordable housing choices. Continued investment in older areas and a commitment to walkability, shade, and green spaces create opportunities for residents to live, work, and grow in a unique desert community.
- Chapter 6 (Healthy Environment):
  - Elements: Environmental Planning; Conservation Safety; Recreation; and Open Space.
  - Community's Aspirational Statement: We will safeguard our natural surroundings through thoughtful planning, shoreline preservation, water-wise practices; and proactive risk management. These actions maintain the beauty, safety, and recreational benefits of our desert and lake landscapes for future generations.

From Vision to Action

- Goal – A concise statement that supports the community's vision statements and describes a condition to be achieved and provides a focus for more specific objectives.
- Objective – A specific policy derived from a goal to guide public and private decision making. Objectives provide clarity on what needs to be accomplished and serve as progress benchmarks.
- Balanced Growth (BG) Goals & Objectives:
- BG Goal 1: Promote a balanced and efficient pattern of growth that is compatible with the community's vision and the City's projected infrastructure and services.
  - BG Objective 1.1: Lake Havasu City supports rezonings that are in concert with the community's vision articulated through its Future Land Use Map and interrelated goals and objectives.

From Vision to Action

- Implementation Tools – A set of tools designed to implement goals and objectives and put them into practice and ultimately assist in achieving the community's aspirations.
  - Community Driven Themes
  - Aspirational Statements
  - Goals & Objectives
  - Implementation Tools

- Regulatory Tools
- Long-Range Plans
- Capital Improvements Programming
- Interagency Coordination
- Monitoring and Reporting

Next Steps

- On May 20th, the P&Z Commission recommended by a vote of 7-0 for the City Council to approve the 2026 General Plan.
- Next Step – if adopted the General Plan will be placed on the November 3rd ballot for voter ratification.

Ms. Simpson thanked the City Council and noted that it has been a pleasure to be in the community and be at this point in the process. Mr. Gilbert noted that recently there have been some comments and concerns regarding the Plan and explained that a General Plan is a long-range guide for the next ten years and does not change the zoning. He added that one primary focus of the Steering Committee and staff during the Plan process was preservation of the shoreline and stated that staff would be presenting an item to the Planning and Zoning Commission at their next meeting to increase the shoreline protection buffer (referenced in the Plan) from 15 feet to 75 feet.

Mr. Gilbert reviewed next steps and said if adopted the General Plan would be placed on the November 3, 2026, General Election ballot for voter ratification.

Mr. Knudson clarified that the City has not reached an agreement with the Arizona State Land Department for 75 feet of shoreline; however, they are in ongoing conversations with a goal of moving towards preservation of shoreline on the Island and other areas in the city.

Mayor Sheehy thanked the team for their presentation and their hard work in this 14-month process.

Councilmember Lin expressed concerns regarding the low number of responses to the questionnaire and in-person participation and encouraged the community to read the proposed General Plan as there have been a lot of zoning requests over the years and said if the proposed Plan is approved by the voters she would like to eliminate that from happening as often. Councilmember Lin asked where citizens could obtain a copy of the Plan, to which Development Services Director Jeff Thuneman stated that a copy of the Plan would be available on the City's website as well as at the Mohave County Library and City Clerk's Office.

Vice Mayor Diaz spoke on the goals and objectives outlined in the Plan and said he would like to see these new goals and objectives eliminate the number of rezones. Mayor Sheehy explained that the General Plan is the land use map and the underlying zoning remains, and added that every property owner has the right to go through the rezone process.

Councilmember Moses reviewed the Future Land Use (FLU) changes from 2016 to 2026 and asked if the existing zonings would be grandfathered in and would not have to go before the City Council for a General Plan amendment, to which Mr. Gilbert explained that the FLU map was matched to the existing development in the area (reflected in the percentage of increase and decrease by FLU type).

Discussion ensued related to the FLU map and zoning for the land owned by the Arizona State Land Department adjacent to Cabana Drive. Mr. Thuneman explained that the FLU map, if adopted and ratified, would designate the area as Neighborhood Low, allowing for low density residential which is currently in the 2016 General Plan and would remain in the proposed 2026 General Plan.

Mayor Sheehy opened the public hearing.

Ms. Kathy Willett, citizen, addressed the council regarding future development of the land across from Cabana Drive and concerns regarding drainage. She said she was not opposed to the proposed 2026 General Plan, but objected to development of that parcel and anything that is not right for the community.

Ms. Toy addressed the council and suggested the 2026 General Plan be added to the City's Facebook page.

Mr. Johnson addressed the council and questioned how many City Councilmembers read the Plan and asked about the shoreline preservation at Body Beach.

Mr. Thuneman explained that as part of this process they took shoreline preservation into consideration looking at the Island/Body Beach District which covers Body Beach. He noted that, as Mr. Gilbert mentioned, staff would be going before the Planning and Zoning Commission with a text amendment in working with the Arizona State Land Department requesting 75 feet of shoreline preservation. Ms. Hogan added that the preservation of shoreline would include implementation down to zoning. She said on the FLU Map a buffer area was added and noted that there are also many goals and policies throughout the Plan that speak to shoreline preservation and implementation into the regulatory document as well.

Mr. Pat Willett, citizen, addressed the council and asked what would happen if the 2026

General Plan was not ratified by the voters.

Ms. Garry stated that if not approved the City would retain the 2016 General Plan and would come back again until a plan was adopted by the voters as required by State Statute.

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

Vice Mayor Diaz moved to adopt Resolution No. 26-3920 adopting and submitting to the voters of Lake Havasu City for ratification at the November 3, 2026, election, the 2026 Lake Havasu City General Plan: Shaping Our Future, seconded by Councilmember Moses, and carried by the following vote:

Aye:	7 -	Mayor Sheehy, Councilmember Campbell, Councilmember Coke, Councilmember Dolan, Councilmember Moses, Councilmember Lin and Vice Mayor Diaz

7.6 ID 26-5238 Discussion and Action: Ordinance No. 26-1380 Approving Amendment to the General Development Plan of the Planned Development for 5699 Highway 95, Come Together Project, Tract 2396, Lot A3-1, to Reconfigure the Residential Building Locations and Parking *(Trevor Kearns)*

City Planner Trevor Kearns advised that the subject property is located at The Shops at Lake Havasu between the movie theater and Walmart. He said in October 2025, the City Council approved a Planned Development (PD) amendment to allow multi-family residential, a 32-foot building height, and exception to the residential covered parking requirements. In February 2026, the property was split to separate the movie theater and multi-family project into separate properties which was one of the required conditions of the PD rezone. Mr. Kearns stated that the project is before the City Council due to the applicant making changes to the approved General Development Plan. He said the proposed changes included reconfiguring building locations to enhance accessibility and improve the overall site layout. Mr. Kearns displayed the existing General Development Plan and proposed General Development Plan, and explained that the proposed General Development Plan has approximately 20 fewer parking spaces than the existing approved plan; however, the parking would still be part of the existing shared parking at the mall and have approximately 547 parking spaces more than code requires after project completion. Mr. Kearns added that no other changes were made, the project is still proposed to have 102 units consisting of six buildings with a mix of one-bedroom and two-bedroom units, and noted that all other requirements and conditions of Ordinance No. 25-1373, adopted by the City Council in October 2025, would still be required.

Mr. Chad Nelson, representative on behalf of the applicant, presented a short video reviewing the project concept, materials, and design. Mr. Nelson explained that the reason for the amendment and relocation of the buildings was due to an electric easement and added that the configuration of the buildings created more ADA accessibility, ramps, bicycle parking spaces, and staircases, and widened the pathways for public safety.

Councilmember Lin asked if the buildings would have elevators, to which Mr. Nelson replied no only staircases; however, the project would have a lot of first ground units. Mr. Nelson also added that several of these projects have been completed in the Phoenix area.

Mayor Sheehy opened the public hearing.

The following individuals spoke in support of the project:

- o Mr. Dave Johnson, citizen
- o Mr. Gabriel Suarez, citizen
- o Mr. Taylor Harrison, citizen

The following individuals spoke in opposition to the project:

- o Mr. Emiliano Torres, citizen
- o Mr. Pat Willett, citizen

Ms. Sunshine-Lapham addressed the council and spoke regarding affordable housing and questioned whether the units would be affordable.

Ms. Toy addressed the council and spoke regarding the amendments to the General Plan development.

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

Councilmember Dolan spoke in support of the PD process and thanked the developers for investing in the community and creating rentals for workforce housing.

Councilmember Moses moved to adopt Ordinance No. 26-1380 approving an amendment to the General Development Plan of the Planned Development for 5699 Highway 95, Come Together Project, to reconfigure the residential building locations and parking, seconded by Councilmember Campbell, and carried by the following vote:

Aye: 7 - Mayor Sheehy, Councilmember Campbell, Councilmember Coke, Councilmember Dolan, Councilmember Moses, Councilmember Lin and Vice Mayor Diaz

7.7 ID 26-5242 Discussion and Action: Acceptance of the Construction Manager At Risk and Guaranteed Maximum Price for the Construction Phase Services of the Fire Station No. 7 Project *(Ron Foggin)*

Public Works Director Ron Foggin advised that this item is requesting the acceptance of a

Construction Manager At Risk (CMAR) and Guaranteed Maximum Price (GMP) for the construction phase services of Fire Station No. 7 with Willmeng Construction, Inc., in the amount of $8,205,605.87.

Mr. Foggin acknowledged the project team including City staff, Perlman Architects, and Willmeng Construction. He explained that the need for this project was based on a Fire Department study that identified Fire Station No. 7 to improve response times to 11,800 residents. He said the project location is at the corner of Sloop Drive and McCulloch Boulevard South, and added that Perlman Architects of Arizona was selected to design Fire Station No. 7, and Willmeng Construction, Inc., was selected as the CMAR for construction services. Mr. Foggin noted that the construction phase services would include permitting, site work, facility construction, hardscape and landscape, and project closeout.

Mr. Foggin introduced Mr. Tim Donoghue, with Willmeng Construction, Inc., who highlighted the project overview and schedule as follows:

- Building Size: 12,117 SF (total floor area)
- Apparatus Bays: 3 + 3 (active + reserve)
- Dorm Rooms: 8 beds (firefighter dorms)
- Site Area: 0.77 acres (McCulloch Boulevard)
- Construction Start: Approx. July 2026
- Construction Complete: Approx. June 2027

Councilmember Lin asked if an electrical engineer would be providing the ARC flash study for this project, to which Mr. Donoghue confirmed that it would be provided to the City as part of the close-out requirements.

Vice Mayor Diaz asked what the estimated maintenance costs would be, to which Fire Chief Pete Pilafas said staff has estimated the first-year utility costs to be $26,000 and $15,000 for supplies and have projected the estimated costs for future budget years.

Mayor Sheehy opened the public hearing.

Mr. Torres addressed the council and said he is looking forward to the completion of Fire Station No. 7.

Ms. Sunshine-Lapham addressed the council and asked about the bid process and total costs per square foot.

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

Vice Mayor Diaz moved to approve the Construction Manager At Risk

Construction Services Contract and Guaranteed Maximum Price, including Force Account, in the amount of $8,205,605.87, to Willmeng Construction, Inc., and authorize the City Manager to execute the Contract with Willmeng Construction, Inc., seconded by Councilmember Lin, and carried by the following vote:

Aye:	7 -	Mayor Sheehy, Councilmember Campbell, Councilmember Coke, Councilmember Dolan, Councilmember Moses, Councilmember Lin and Vice Mayor Diaz

8. CALL TO THE PUBLIC

Ms. Brigid Stevens, citizen, addressed the council and said years ago the City had a lobbyist that would present to the City Council on legislation and available funding and thought that was a great resource. She suggested the City Council consider naming something after former City Councilmember Dean Barlow and looked forward to continuing those conversations.

Ms. Toy addressed the council regarding the proposed traffic signal at the corner of Smoketree Avenue and Swanson Avenue that was presented at the Planning and Zoning Commission meeting. She thought a crosswalk would be a better option and safer than a traffic signal.

Ms. Swenson addressed the council and spoke regarding the bathrooms at Main Street Commons. She said the public was led to believe that the bathrooms would remain open for public use all the time; however, it has come to her attention that the bathrooms would remain locked and would only be used during events. She said she believes the residents of the community have been misled and are owed an explanation.

9. CURRENT EVENTS

Councilmember Campbell stated that the Lake Havasu Chamber of Commerce would be hosting a 2026 Candidate Forum on Wednesday, June 17, 2026, at 5:30 p.m.

10. FUTURE MEETINGS

Tuesday, June 23, 2026 @ 5:30 p.m. – Regular Meeting (Final Budget Adoption)
Tuesday, July 14, 2026 @ 5:30 p.m. – Regular Meeting (Property Tax Levy Adoption)
Tuesday, July 28, 2026 @ 5:30 p.m. – Regular Meeting

11. FUTURE DISCUSSION ITEMS

There were no requests from Council for future discussion items.

12. ADJOURN

The meeting adjourned at 9:46 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 9th day of June, 2026. I further certify that the meeting was duly called and posted, and that a quorum was present.

____

Kelly Williams, City Clerk/MMC