



City Council Regular Meeting Minutes - Final

Tuesday, June 13, 2017

6:00 PM

1. CALL TO ORDER

Mayor Nexsen called the meeting to order at 6:00 p.m.

2. INVOCATION: Captain Bob Lueras, Salvation Army

Captain Bob Lueras with the Salvation Army gave the invocation.

3. PLEDGE OF ALLEGIANCE

The Mayor led in the Pledge of Allegiance.

4. ROLL CALL

Present: 7 - Mayor Mark S. Nexsen, Councilmember Donna McCoy, Vice Mayor Jeni Coke, Councilmember Cal Sheehy, Councilmember Michele Lin, Councilmember David Lane and Councilmember Gordon Groat

5. CALL TO THE PUBLIC

Mr. Michael Eigenbrodt, President and CEO of Social Services and Interagency Council of Lake Havasu City (Interagency), addressed the Council and said that he, along with the three prior CEO's, have enjoyed a good working relationship with the City Council. He stated that the funding for Interagency comes primarily through three sources: 1) grants, 2) contracts, and 3) donations, both in-kind and cash. He said their total revenue currently is just over \$3 million, and traditionally the money Interagency receives from the City is used as a match so they can leverage community money from grants. He said this fiscal year approximately \$117,000 of the City grant money was used as a match for two federal contracts and one state contract that produced over \$546,000 in contracts for Interagency. Mr. Eigenbrodt said the grant funding received from the City represents about five percent of their total gross revenue and, over a five year average, they receive double that in cash donations; therefore, it is important that Interagency has a good reputation and that the city realizes the things they are doing in the community. Mr. Eigenbrodt announced that effective immediately Social Services Interagency Council of Lake Havasu City, in a decision of his own and with the executive board, has decided to rescind all applications and all grant funding for the next fiscal year. Mr. Eigenbrodt said

Interagency looks forward to working with the City to meet the needs of the community.

6. CONSENT AGENDA

- 6.1 [ID 17-1236](#) Approve the May 16, 2017, City Council Budget Work Session, and May 23, 2017, Regular Meeting Minutes
- 6.2 [ID 17-1219](#) Adopt Resolution No. 17-3141 Approving Intergovernmental Agreement with the Arizona Department of Housing, Office of Manufactured Housing, to Maintain Standards of Quality and Safety for Manufactured Homes and to Enforce Installation Standards in Lake Havasu City
- 6.3 [ID 17-1197](#) Adopt Resolution No. 17-3145 Abandoning a Portion of the 20-Foot by 125-Foot Public Utility and Drainage Easement Running East and West Through Parcel 11-A of Tract 2144, Block 2
- 6.4 [ID 17-1216](#) Adopt Resolution No. 17-3147 Abandoning the Northerly 10-Foot by 25-Foot Portion of a 10-Foot by 50-Foot Public Utility and Drainage Easement Along the Western Property Line of Tract 2227, Block 5, Lot 22
- 6.5 [ID 17-1217](#) Adopt Resolution No. 17-3148 Abandoning the Easterly 10-Foot by 20-Foot Portion of the 10-Foot by 50-Foot Public Utility and Drainage Easement Along the Northwest Property Line of Tract 2240 Block 5, Lot 15
- 6.6 [ID 17-1175](#) Approve Services Agreement with HAVEN Family Resource Center, Inc. for Victim Services
- 6.7 [ID 17-1233](#) Approve Amendment No. 3 to the Arizona Government Relations Consultant/Lobbyist Contract with Willetta Partners
- 6.8 [ID 17-1176](#) Approve Amendment No. 3 to the Animal Care and Shelter Services Contract with Western Arizona Humane Society
- 6.9 [ID 17-1222](#) Recommend Approval of a Special Event Liquor License Application for the Lake Havasu Area Chamber of Commerce Mixer on July 20, 2017, at 1031 Acoma Boulevard S. / Bonney
- 6.10 [ID 17-1235](#) Call for Executive Session Pursuant to A.R.S. § 38-431.03(A) 5:00 p.m. Tuesday, June 27, 2017

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

Aye: 7 - Mayor Nexsen, Councilmember McCoy, Vice Mayor Coke, Councilmember Sheehy, Councilmember Lin, Councilmember Lane and Councilmember Groat

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

7.1 [ID 17-1225](#) Announce Vacancies on Lake Havasu City Boards, Committees, and Commissions

City Clerk Kelly Williams announced the current and upcoming vacancies on various Lake Havasu City Boards, Committees, and Commissions.

7.2 [ID 17-1234](#) City Manager's Report

City Manager Charlie Cassens reported on the following:

- Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association.
- Sales Tax Updates.
- Code Enforcement Updates. There are currently 44 open cases.
- Building Permit Updates.
- Special Events:
 - o Ultra-Fest Boat Regatta on Saturday, June 17, 2017, at Rotary Park from 9:00 a.m. to 9:00 p.m.
 - o The Celebrity Softball Game on Saturday, June 24, 2017, at SARA Park from 7:00 p.m. to 9:00 p.m.

Councilmember Lin asked what the total cost was to relocate the bathroom to SARA Park, to which Project Manager Ryan Molhoek said he did not have the exact figure but it was just under \$30,000, which included the transport, plumbing for water and sewer, and the concrete pad.

8. PUBLIC HEARINGS

8.1 [ID 17-1188](#) Adopt Ordinance No. 17-1178 Amending City Code Chapter 5.12, Alcoholic Beverage License, To Delegate Approval for Special Event, Fair/Festival, and Extension of Premise Liquor Licenses to Reduce Processing Time

City Attorney Kelly Garry advised that this item was introduced at the last meeting and there were some questions brought up regarding what Mohave County (County) is doing in regards to the request from the Arizona Department of Liquor Licenses and Control. She said what the City discovered after contacting the County is that internally their staff received the request and decided to continue processing as they have been doing and it was never taken formally to the Mohave County Board of Supervisors (Board) for

consideration. Ms. Garry added that the City was made aware that Bullhead City recently adopted a process similar to what staff is proposing to the Council.

Ms. Garry said information related to the payment of revenues to the non-profits was sent to the Council, and noted that because it is not directly related to this item, the Council can request it as a future agenda item for staff to bring back for further discussion if that is the desire of the Council. Ms. Garry stated in addition, the Council received some information regarding the non-refundable versus refundable application fee. She explained that when drafting the provisions to this ordinance staff recognized a discrepancy between two of the sections; one that seemed to imply that the application fee was refundable, and another that did not imply that. She said as the provisions were made staff corrected it to say refundable, which was not correct. Ms. Garry explained that the City's OPP clearly states that it is a non-refundable fee and the City has always processed these as a non-refundable application fee. She further explained that whether the application is denied at the staff, City Council, or state level; City staff goes through the same process to analyze and make recommendation; therefore, it does not make sense logically to make it a refundable fee. Mr. Garry stated that staff is requesting that the Council correct that in the motion if the Council agrees that it should be a non-refundable fee.

Councilmember Lin asked if the County said why they did not formally take it to the Board, to which Ms. Garry replied that the City did not ask that much detail just whether it had been formally considered by the Board, which it had not. Ms. Garry reiterated that the County did say that they had decided internally to keep the process the same.

Councilmember Lin stated that she would like see an amendment for verification of payment to the non-profits. Ms. Garry advised that the Council can make that request under future agenda items.

Councilmember Lane said this ordinance is at the request of the State in an effort to reduce the processing time, to which Ms. Garry said that is correct and added that it moves the delegation of the approval of authority to the City Manager or designee. She said applications that are denied can be appealed to the City Council.

Mayor Nexsen opened the public hearing.

Ms. Frankie Lyons, Veterans United Arizona, addressed the Council and said it has been brought to her attention that there are special event liquor license applications being signed by non-organizational people and asked that the City monitor this more closely.

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

Councilmember Sheehy moved to adopt Ordinance No. 17-1178 amending Lake Havasu City Code Chapter 5.12, Alcoholic Beverage License, to delegate approval for special event, fair/festival, and extension of premise liquor licenses to reduce processing time, seconded by Councilmember Lane, and carried by the following vote:

Aye: 6 - Mayor Nexsen, Councilmember McCoy, Vice Mayor Coke, Councilmember Sheehy, Councilmember Lane and Councilmember Groat

Nay: 1 - Councilmember Lin

8.2 [ID 17-1198](#) Adopt Resolution No. 17-3146 Adopting the Five-Year Community Investment Program (CIP) for Fiscal Years 2018-2022

Administrative Services Director Tabatha Miller advised that the item before the Council was previously discussed at the CIP work session on April 27th. She reminded the Council that they are adopting a five year capital program; however, only the first year is actually included in the budget.

Ms. Miller outlined the following in her presentation to the Council:

Community Investment Program (CIP)

- No changes since May 16th work session
- Five-year program totals \$105 million
- FY 2017-18 \$33.4 million
- All projects scheduled within the first three years have funding identified and designated with the exception of a few street projects

FY 2017 CIP Summary of Changes Since April 27, 2017

- Total FY 2017-18 Proposed CIP Budget- \$32,101,000
- Changes after April 27, 2017 – Total \$1,346,027
 - o Carry forward CIP Project #WT3080 Water Main Replacement - \$870,000
 - o Increase CIP Project #SS2970 Water Conservation Implementation - \$276,027
 - o Increase CIP Project #ST3280 McCulloch from Smoketree to Acoma - \$200,000
- Total FY 2017-18 Proposed CIP Budget (After Changes) - \$33,447,047

Projects FY 2017-18 CIP - \$33,447,047

- Total Community Investment Projects - \$8,015,750
 - o Aquatic Center Rehabilitation - \$265,000
 - o Channel Bollards & Chain Replacement - \$110,000
 - o Field Needs Improvement Project - \$4,120,000
 - o Havasu 280 Infrastructure Master Plan - \$3,520,750

- Total General Government Technology - \$2,071,500
- Total Airport Projects - \$1,306,498
- Total Drainage Projects - \$3,788,156
- Total Parks Projects - \$880,000
- Total Streets Projects - \$3,898,427
- Total Wastewater Projects - \$2,863,427
- Total Water Projects - \$10,623,181

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

Councilmember McCoy moved to adopt Resolution No. 17-3146 adopting the Five-Year Community Investment Program for Fiscal Years 2018-2022, seconded by Councilmember Lane, and carried by the following vote:

Aye: 6 - Mayor Nexsen, Councilmember McCoy, Vice Mayor Coke, Councilmember Sheehy, Councilmember Lin and Councilmember Lane

Nay: 1 - Councilmember Groat

8.3 [ID 17-1230](#) Adopt Resolution No. 17-3150 Adopting the Fiscal Year 2017-18 Tentative Budget

Ms. Miller advised that this item is to adopt the Fiscal Year 2017-18 tentative budget.

Ms. Miller outlined the following in her presentation:

FY 2017-18 Tentative Budget Adoption

- Establishes a cap or limit of \$155,205,261 for the annual FY 2017-18 budget
- Council can change or reduce the amount of the final budget scheduled for adoption on June 27, 2017, but cannot increase the amount
- Includes \$33.4 million for CIP projects

FY 2017-18 Revenues & Expenditures Summary of Changes between May 4, 2017 and May 16, 2017

- Total FY 2017-18 Proposed Budget – Revenues \$118,379,521 / Expenditures \$148,495,710
- Changes after May 4, 2017:
 - o Carry forward CIP Project #WT3080 Water Main Replacement - \$870,000
 - o Carry forward fire station alerting system installation fee - \$10,434
 - o Carry forward Telestaff upgrade (Fire's shift scheduling software) - \$20,000
 - o CIP Bond Proceeds (Maximum Amount) – Revenues \$16,000,000
 - o Increase CIP Project #SS2970 Water Conservation Implementation - \$276,027

- o Increase CIP Project #ST3280 McCulloch from Smoketree to Acoma - \$200,000
- o PSPRS adjustment – change 5 employees from Tier 2 to Tier 1 – (\$9,426)
- o PSPRS adjustment for Tier 3 adding in unfunded liability rate 39.39% - \$101,812
- o Refuse payment processing will continue to be done by City –
Revenues \$2,522,000 / Expenditures \$2,572,100
- Total Changes from May 4, 2017 to May 16, 2017 Work Session –
Revenues \$18,522,000 / Expenditures \$4,040,947
- Total FY 2017-18 Proposed Budget (After Changes) –
Revenues \$18,522,000 / Expenditures \$4,090,947

FY 2017-18 Revenues & Expenditures Summary of Changes after May 16, 2017

- Total FY 2017-18 Proposed Budget – Revenues \$136,901,521 /
Expenditures \$152,536,657
- Changes after May 16, 2017:
 - o Energy Lease Payoff in November 2017 Principal & Interest - \$2,410,576
 - o Energy Lease Rebate – Revenues \$30,000
 - o Email Security Program Carry Forward - \$26,000
 - o ERP Consulting Services - \$75,000
 - o Add City Manager PTO Payoff - \$60,000
 - o Add Budget for Plans Examiner I Position (Per May 16, 2017 Meeting) - \$72,028
 - o Remove Interagency Veteran's Court Grant (Per May 16, 2017 Meeting) – (\$50,000)
 - o Professional Services / Legal Fees - \$75,000
 - o State Shared Revenue Adjustment – Revenues \$39,000
 - o Residential Trash Billing Revenue – Revenues \$65,000
- Total Changes Since May 16, 2017 Work Session – Revenues \$134,000 /
Expenditures \$2,668,604
- Total FY 2017-18 Proposed Budget (After Changes) – Revenues \$137,035,521 /
Expenditures \$155,205,261

Expenditure Limitation FY 2017-18

Expenditure Limitation Comparison	2017	2018
1. Budgeted expenditures/expenses	\$145,016,316	\$155,205,261
2. Add/subtract estimated net reconciling items	(\$47,758,316)	(\$39,860,000)
3. Budgeted expenditures/expenses adjusted for reconciling items	\$97,258,000	\$115,345,261
4. Less estimated exclusions	\$41,738,910	\$65,709,425
5. Amount subject to the expenditure limitation	\$55,519,090	\$49,635,836
6. EEC expenditure limitation	\$56,697,287	\$57,662,540

Source: Bottom of Schedule A of the Official Budget Forms \$8,026,704

Mayor Nexsen asked if the recent \$900,000 grant for Veterans Court was budgeted in the

court system, to which Ms. Miller explained that it is budgeted under non-specific grants, which are grants that the City has not specifically identified because we do not know if we are going to be successful in receiving them. She further explained that the Veterans Court grant will be moved over to the courts so that it can be tracked, and then next year and the following year it will be identified in those specific budgets. Mayor Nexsen asked if removing it will leave enough money in the non-specific grant category, to which Ms. Miller said yes because the non-specific grant category is typically over budgeted and staff does not foresee any issues.

Councilmember Sheehy asked if the expansion of services for Havasu Mobility was included in the budget, to which Ms. Miller replied yes.

Mr. Cassens said as the City looks into converting what was formerly grant services over to contract services he suggested the Council consider leaving the line item in the budget. Mr. Cassens said internally staff will be reviewing all of the formally grant funded services that Lake Havasu City government needs or wants to continue under a contract of services to bring back to the Council on whether to go out to bid for those services.

Councilmember Sheehy agreed with Mr. Cassens' recommendation that funding should stay in the budget.

Councilmember Groat asked if the \$1 million in the Ranney Collector Well Project in the Fiscal Year 2017-18 CIP Budget is to determine whether the City has the appropriate geological substrate to use the collector well. Ms. Miller said the total budget including the \$60,000 spent in prior years is approximately \$5.3 million. Assistant City Engineer Jeremy Abbott explained that staff is currently working with Arizona State Lands Department to gain access to identify if the site will work for a Ranney Well, and said if that location does not work then the City will look at other options for water resources. Mr. Abbott said the funding identified for the Ranney Well could be used for drilling new wells or rehabbing existing wells identified through the Water Master Plan update which is currently under contract.

Councilmember Groat asked when the City would have the results, to which Mr. Abbott said it depends on whether the City is granted access to the property.

Councilmember Lane said Interagency has done a great job in this community and said hopefully they can rebuild their reputation and continue to provide services to the people in Lake Havasu City. He said he would like to see the grant funding set aside for the request for proposal process to determine essential services through a contract of services.

Councilmember Lin asked how long the City has been doing grant funding, to which

Mayor Nexsen replied at least 10 ½ years. She said she would like to see all of the grant funding be allocated this year, and added that she would like to see \$53,000 go to Milemarkers to be used to train and recruit staff. Councilmember Lin said Interagency used prior grant funding to hire a counselor, and she does not see how it would be any different for Milemarkers. She added that she would like to see the extra money go to the other organizations.

Mayor Nexsen said it is not extra money; it is taxpayer dollars, to which Councilmember Lin said it has been taxpayer money for the past 10 years and thought it should continue this year until next year when the Council decides whether to continue with grant funding. Mayor Nexsen said for years the City has been trying to wean the non-profits off taxpayers' dollars that are allocated by the City. He noted that Interagency received the amount they did because they could leverage \$117,000 into more grant money to benefit the community. Mayor Nexsen added that the community has asked the Council to stop making donations with taxpayer money on their behalf and that the City should be contracting to provide essential services to the community.

Councilmember Lane said he does not think the City should be giving taxpayer dollars to these agencies, but rather create a contract for essential services where there are checks and balances.

Councilmember Sheehy clarified that \$194,000 is only a placeholder that the Council set in the budget, and not a number that must be allocated out. He said the Council had the conversation and added that he thought it would be in poor taste to withdraw the opportunities that the Council has already said they would support but agreed that the City needs to get out of the grant funding program.

Ms. Miller stated that the Council supported \$2,000 for WACOG, \$2,700 for Milemarkers, \$10,000 for HAVEN, and \$2,000 for Search and Rescue, for a total of \$16,700 for FY 2017-18.

Mayor Nexsen agreed that it is a placeholder and certainly not excess but should be used for essential services.

Councilmember McCoy agreed with Mayor Nexsen and thought the community would prefer that the City move towards funding essential services that will benefit everyone.

Councilmember Sheehy said in addition to this being a placeholder, the City was looking at other things like outsourcing the trash fees, parks projects, and whether to fund another plans examiner. He said the placeholder allowed that conversation to happen and now all the numbers have fallen and the City has been able to meet the goals of the Council and

the citizens.

Councilmember Lin disagreed and said she has received no emails or calls, nor has she seen anyone at the podium asking the Council to stop wasting taxpayer money on grant funding. Mayor Nexsen said the citizens communicate in various ways and the citizens have been asking him for over 10 ½ years to stop making donations on behalf of the citizens.

Councilmember Groat said this conversation marks a big difference between government and private business and is placed around one-tenth of one percent of the budget, yet there are parks that amount to approximately 12 percent or \$20 million of the budget, as well as the Public Safety Personnel Retirement System (PSPRS) that amounts to \$51 million in funding, and drinking water that has not been given much time and effort. He said this process has been painful in our community because it is what has traditionally or customarily been done in our community for years. Councilmember Groat said what he has heard from the community is that they would like to see the Norona Effect funded for the work that they are doing, which he does not disagree, but said this process has distracted the Council from separating the “nice-to-haves” and the “need-to-haves” and the core business of this municipality. He asked everyone to consider the message they are sending if they do not support the Norona Effect.

Councilmember Lin asked for more information regarding the \$60,000 for City Manager PTO Payoff, to which Ms. Miller explained that it is the paid-time off that the city manager has accrued since working for the City. She said when the city manager ends employment the City will pay that back to him as pay, and explained that it was added to the list of changes because they did not foresee the city manager position leaving in the upcoming fiscal year. Councilmember Lin asked if there is a maximum number of PTO hours that can be accrued, to which Human Resources/Risk Manager Shirlee Palbicki replied that the cap is currently set at 420 hours annually at December 31st. She said throughout the year employees can exceed the annual cap; however, on December 31st it is capped at 420 hours.

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

Vice Mayor Coke moved to adopt Resolution No. 17-3150 adopting the Fiscal Year 2017-18 Tentative Budget, seconded by Councilmember Lane, and carried by the following vote:

Aye:	5 - Mayor Nexsen, Councilmember McCoy, Vice Mayor Coke, Councilmember Sheehy and Councilmember Lane
Nay:	2 - Councilmember Lin and Councilmember Groat

8.4 [ID 17-1229](#) Approve Addendum No. 3 to City Manager Employment Contract with Charlie Cassens

Ms. Palbicki advised that this item is a result of the executive session and the announcement of the city manager's intent to retire at the end of the year. She said rather than approve a new contract staff crafted a third addendum to the current contract with the city manager extending the date to the end of this year.

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

Councilmember McCoy moved to approve Addendum No. 3 to City Manager Employment Contract with Clarence L. "Charlie" Cassens, seconded by Councilmember Sheehy, and carried by the following vote:

Aye: 6 - Mayor Nexsen, Councilmember McCoy, Vice Mayor Coke, Councilmember Sheehy, Councilmember Lane and Councilmember Groat

Nay: 1 - Councilmember Lin

8.5 [ID 17-1232](#) Approve City Magistrate Employment Contract with Mitchell Kalauli

Ms. Palbicki advised that this item is a result of the executive session and a satisfactory evaluation on May 23, 2017. She added that it is a two year employment contract.

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

Councilmember Lane moved to approve the City Magistrate Employment Contract with Mitchell Kalauli, seconded by Councilmember McCoy, and carried by the following vote:

Aye: 7 - Mayor Nexsen, Councilmember McCoy, Vice Mayor Coke, Councilmember Sheehy, Councilmember Lin, Councilmember Lane and Councilmember Groat

8.6 [ID 17-1231](#) Approve City Attorney Employment Contract with Kelly C. Garry

Ms. Palbicki advised that this item is a result of the executive session and a favorable evaluation on May 23, 2017.

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

Councilmember Lane moved to approve the City Attorney Employment Contract

with Kelly C. Garry, seconded by Vice Mayor Coke, and carried by the following vote:

Aye: 7 - Mayor Nexsen, Councilmember McCoy, Vice Mayor Coke, Councilmember Sheehy, Councilmember Lin, Councilmember Lane and Councilmember Groat

8.7 [ID 17-1213](#) Approve Total Expenditures Over \$50,000 for Uniform Purchases to Universal Police Supply Company for FY 2016-17

Police Captain Doug Whittaker advised that Universal Police Supply Company is the uniform vendor used by the Police Department, and added that staff is requesting the Council's approval of a one-time purchase that will exceed the \$50,000 threshold.

In response to Councilmember Lane's question, Captain Whittaker explained that Universal Police Supply Company supplies the Police Department's uniforms and gun belts, and added that the one-time purchase was for new holsters for the entire department.

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

Councilmember Sheehy moved to approve expenditures over \$50,000 with Universal Police Supply Company for FY 2016-17, seconded by Councilmember Lane, and carried by the following vote:

Aye: 7 - Mayor Nexsen, Councilmember McCoy, Vice Mayor Coke, Councilmember Sheehy, Councilmember Lin, Councilmember Lane and Councilmember Groat

8.8 [ID 17-1212](#) Approval of a Final Subdivision Plat for Villas Del Sol Condominiums Creating Eleven Residential Airspace Units

Zoning Administrator Stuart Schmeling advised that this item is approval of a final subdivision plat for the properties located at the corner of Havasupai Boulevard and Kiowa Boulevard. He said these items do not require a public hearing and are typically placed on the Consent Agenda; however, this one was inadvertently placed as a regular item. He said staff is recommending approval of the final subdivision plat.

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

Vice Mayor Coke moved to approve the Final Plat for Villas Del Sol Subdivision creating eleven airspace units on Tract 2226, Block 12, Lot 15, seconded by Councilmember McCoy and carried by the following vote:

Aye: 7 - Mayor Nexsen, Councilmember McCoy, Vice Mayor Coke, Councilmember Sheehy, Councilmember Lin, Councilmember Lane and Councilmember Groat

8.9 [ID 17-1223](#) Approve Addendum No. 2 to Cellular Tower Lease Agreement with New Cingular Wireless PCS, LLC

Community Investment Director Greg Froslic advised that the item before the Council is an Addendum No. 2 to an existing land lease agreement for a cell tower. He said the tower is located at 2711 Cisco Drive South on City-owned property. Mr. Froslic said the original lease agreement was executed in March 2012 and had a few provisions. He explained that the first provision allows for three additional term extensions for five years, and added that the recommended action tonight will execute that first extension. He said the second provision allows for an increase to the base rent by 4 percent annually. Mr. Froslic said the City is collecting \$3,041.63 with this new addendum and has verified the amount is in line with the industry standard on a national level.

Mayor Nexsen asked about the new law on small cell towers, to which Ms. Garry said she does not believe it is applicable to what the City is doing here. She said some cities are working on a model ordinance and there are some discrepancies on when that has to be in place but it must be done by February 2018. She noted that staff will be working on getting those regulations into the City Code. Mayor Nexsen asked if the new law will make this contract null and void, to which Ms. Garry replied no and said she believes it only replaces the small cell towers, which this tower is not.

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

Councilmember Lane moved to approve Addendum No. 2 to Cellular Tower Lease Agreement with New Cingular Wireless PCS, LLC, seconded by Councilmember Sheehy, and carried by the following vote:

Aye: 7 - Mayor Nexsen, Councilmember McCoy, Vice Mayor Coke, Councilmember Sheehy, Councilmember Lin, Councilmember Lane and Councilmember Groat

8.10 [ID 17-1226](#) Approve Change Order No. 1 for the Water System Improvements with ABC Asphalt, Inc.

Project Manager Ryan Molhoek stated that the item before the Council is a change order for the water main replacement project that is currently under construction, and added that the change order consists of additional asphalt replacement outside of the trench width for the mainline due to damage that was caused to the asphalt as part of the mainline breaks

that they are replacing.

Mr. Molhoek outlined the following in his presentation:

- 1,705 square yards additional asphalt replacement
- \$62,855.10
- 18 additional days
- 4 streets: Patio Simpatico, Bamboo Court, Clarke Court, and Glengarry Drive

In response to Councilmember Lane's question, Mr. Molhoek explained that in areas where there is settlement they will backfill and compact the subgrade below the new asphalt so that the subgrade is in good condition as well.

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

Councilmember Lane moved to approve Change Order No. 1 for the Water System Improvements to ABC Asphalt, Inc., seconded by Councilmember Lin, and carried by the following vote:

Aye: 7 - Mayor Nexsen, Councilmember McCoy, Vice Mayor Coke, Councilmember Sheehy, Councilmember Lin, Councilmember Lane and Councilmember Groat

9. CURRENT EVENTS

Councilmember Lane reported that Havasu Marine Association in conjunction with the Arizona Game & Fish Department will be expanding their boat and registration services in Lake Havasu City. He said offices will be open the third week of every month Monday through Wednesday.

Councilmember McCoy gave an update on the third quarter report of the Western Arizona Council of Governments (WACOG). She also wanted to thank Mohave County Electric and Unisource for helping with the weatherization funding that they donated to help low income families and outreach programs.

10. CALL TO THE PUBLIC

There were no requests to address the Council.

11. FUTURE MEETINGS

Tuesday, June 27, 2017 @ 6:00 p.m. – Regular Meeting & Final Budget Adoption
Tuesday, July 11, 2017 @ 6:00 p.m. – Regular Meeting & Adopt Property Tax Levy
Tuesday, July 25, 2017 @ 6:00 p.m. – Regular Meeting

12. FUTURE AGENDA ITEMS

Councilmember Lin requested a future agenda item to discuss a verification process of the

proceeds paid to non-profits under a special event liquor license.

13. ADJOURN

Upon motion by Councilmember Lane and seconded, the meeting adjourned at 7:21 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 13th day of June, 2017. I further certify that the meeting was duly called and posted, and that a quorum was present.

Kelly Williams, City Clerk/CMC