



City Council Regular Meeting Minutes - Final

Tuesday, June 27, 2017

6:00 PM

1. CALL TO ORDER

2. INVOCATION: Pastor David Bybee, Community Presbyterian

3. PLEDGE OF ALLEGIANCE

4. ROLL CALL

Present: 6 - Mayor Mark S. Nexsen, Councilmember Donna McCoy, Vice Mayor Jeni Coke, Councilmember Cal Sheehy, Councilmember David Lane and Councilmember Gordon Groat

Absent: 1 - Councilmember Michele Lin

5. CALL TO THE PUBLIC

There were no requests to address the Council.

6. CONSENT AGENDA

6.1 [ID 17-1256](#) Approve the June 13, 2017, City Council Regular Meeting Minutes

6.2 [ID 17-1264](#) Adopt Resolution No. 17-3159 Approving Lake Havasu City Consolidated Court Lease Agreement with Mohave County for Fiscal Year 2017-2018

6.3 [ID 17-1249](#) Approve Lease Agreement with River Cities United Way for Office Space at 145 N. Lake Havasu Avenue (Fire Station No. 5)

6.4 [ID 17-1255](#) Call for Executive Session Pursuant to A.R.S. § 38-431.03(A) 5:00 p.m. Tuesday, July 11, 2017

Vice Mayor Coke moved to approve the Consent Agenda as presented, 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

Absent: 1 - Councilmember Lin

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

- 7.1** [ID 17-1253](#) 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 17-1260](#) Presentation of The Elks Enrique Camarena Award to Lake Havasu City Police Sergeant Jake Bekkedahl

Item Withdrawn from Agenda

- 7.3** [ID 17-1261](#) Presentation of the Vietnam Veterans of America National Achievement Medal to Lake Havasu City Mayor Mark S. Nexsen and City Magistrate Mitch Kalauli

Mr. Pat Farrell, President of the Vietnam Veterans of America Mohave County Chapter 975, and Mr. Sisto Sandoval, 1st Vice President of the Vietnam Veterans of America Mohave County Chapter 975, awarded Vietnam Veterans of America National Achievement Medals to Mayor Nexsen and City Magistrate Mitch Kalauli.

- 7.4** [ID 17-1254](#) City Manager's Report

City Manager Charlie Cassens reported on the following:

- Quarterly Retirement Announcement April – June 2017
- Code Enforcement Updates. There are currently 47 open cases.
- Building Permit Updates
- Special Events:
 - o Fireworks Over the Lake on July 4, 2017, around 9:00 p.m. at Thompson Bay

8. PUBLIC HEARINGS

- 8.1** [ID 17-1211](#) Adopt Resolution No. 17-3151 Appointing Member(s) to the Lake Havasu City Airport Advisory Board

Ms. Williams advised that the City received two applications requesting consideration for reappointment as regular pilot members, one application requesting consideration for reappointment as a regular non-pilot member, and one application requesting consideration for appointment as an alternate pilot member to the Airport Advisory Board. Ms. Williams said the appointments are necessary to fill the expiring terms of regular pilot and non-pilot members, and the expired term of an alternate pilot member.

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

Councilmember Sheehy moved to adopt Resolution No. 17-3151 appointing Steve Huff and David McNary as regular pilot members, and Louis Worthy as a regular non-pilot member, and Shannon Hicks as an alternate pilot member to the Airport Advisory Board with terms to expire on June 30, 2020, seconded by Councilmember McCoy, and carried by the following vote:

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

Absent: 1 - Councilmember Lin

8.2 [ID 17-1218](#) Adopt Resolution No. 17-3152 Appointing Member(s) to the Lake Havasu City Parks and Recreation Advisory Board

Ms. Williams advised that the City received two applications requesting consideration for appointment as a regular member to the Parks and Recreation Advisory Board. She added that the appointments are necessary to fill the expiring terms of two members, and the unexpired term of one member.

Mr. Mark Zieff, applicant, addressed the Council and said he currently sits on the Parks and Recreation Advisory Board and would like the opportunity to serve another term.

Mr. Leo Biasiucci, applicant, addressed the Council and said he would love to be a part of the Parks and Recreation Advisory Board. He said he grew up in Lake Havasu City and had the opportunity to work in many recreation programs and also served four years as a summer counselor. Mr. Biasiucci asked that if appointed, because he is running for House of Representatives, he would like to be considered for the term expiring in 2019.

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

Councilmember Lane moved to adopt Resolution No. 17-3152 appointing Mark Zieff as a regular member to the Parks and Recreation Advisory Board with a term to expire June 30, 2020, and Leo Biasiucci as a regular member to the Parks and Recreation Advisory Board to fill the unexpired term ending June 30, 2019, seconded by Vice Mayor Coke, and carried by the following vote:

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

Absent: 1 - Councilmember Lin

8.3 [ID 17-1195](#) Adopt Resolution No. 17-3153 Appointing Member(s) to the Lake Havasu

City Planning & Zoning Commission

Ms. Williams advised that the City received three applications requesting consideration for appointment to the Planning & Zoning Commission. She said two appointments are needed to fill the upcoming expirations of the term of one regular member and one alternate member.

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

Councilmember Sheehy asked when the next vacancies would be for the Planning & Zoning Commission, to which Ms. Williams said the Planning & Zoning Commission members are appointed to staggered three year terms.

Councilmember Lane moved to adopt Resolution No. 17-3153 appointing Doug Hardy as a regular member, and Donald Bergen as an alternate member to the Planning & Zoning Commission with those terms ending June 30, 2020, seconded by Councilmember McCoy, and carried by the following vote:

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

Absent: 1 - Councilmember Lin

- 8.4** [ID 17-1200](#) Adopt Resolution No. 17-3154 Amending Resolution No. 16-3062 and Transferring Budget Appropriations from One Fund, Department, or Division to Another for Fiscal Year 2016-17

Administrative Services Director Tabatha Miller advised that the item before the Council is adoption of a resolution to transfer four budget appropriations. She said this is simply reallocating the funds and does not increase the budget.

Ms. Miller outlined the four FY 2016-17 budget amendments as follows:

- 1) Move General Fund allocation credits from Non-Departmental to Individual Departments
- 2) Adjustment for Tourism and Developer Agreement payments \$3,368,000
- 3) Shift excise tax bond payment split between funds
- 4) Move \$315,000 from Irrigation & Drainage District (IDD) to Refuse to cover an understated budget for trash collection and additional engineering fees for landfill

Mayor Nexsen asked what the connection is in using IDD funds for Refuse, to which Ms. Miller said there is not a connection, it is simply borrowing budget appropriation from the

IDD. She explained that once the Council sets the budget the Council has the ability to re-appropriate budget allocations but not actual funds.

Mayor Nexsen asked how the payments for the Tourism and Developer Agreements impact the Expenditure Limitation, to which Ms. Miller said unfortunately it increases the Expenditure Limitation by \$3.4 million. She said staff has run preliminary numbers for this budget year and it will eat into the carry-forwards; however, the City is still well within the \$10 million and the numbers for FY 2017-18 and 2018-19 will actually fall below.

Mayor Nexsen asked if there is any mechanism that would allow the City to not show those payments, for example if the funds were collected through an escrow agent and redistributed, to which Ms. Miller said the issue is not how the City collects it, but because of the City's taxing authority.

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

Councilmember McCoy moved to adopt Resolution No. 17-3154 amending Resolution No. 16-3062 and approving the budget amendments listed on schedule E and F for Fiscal Year 2016-17, 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

Absent: 1 - Councilmember Lin

8.5 [ID 17-1258](#) Adjourn to Special Meeting

Mayor Nexsen stated that the adoption of the final budget requires a special meeting.

Vice Mayor Coke moved to adjourn to special meeting, seconded by Councilmember McCoy, and carried by the following vote:

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

Absent: 1 - Councilmember Lin

8.6 [ID 17-1201](#) Adopt Resolution No. 17-3155 Adopting the Fiscal Year 2017-18 Final Budget

Senior Budget Analyst Cassandra Clow said the item before the Council is a resolution

adopting the Fiscal Year (FY) 2017-18 Final Budget. Ms. Clow said the tentative budget was published in the newspaper on June 18th and June 25th as required by law. She said the Council can change or reduce the amount of the final budget but cannot increase the amount, and added that changes made to the legal documents since adoption of the tentative budget include the increase for the FY 2016-17 budget amendments.

Ms. Clow said the FY 2017-18 proposed final budget is the same as the adopted tentative budget with \$137,035,521 in revenues, and \$155,205,261 in expenses. She said also included in the proposed final budget are four property tax levies, which the Council will meet on July 11, 2017, for the purpose of adopting the tax levy rates for City Property Tax and Special Districts.

Ms. Clow reviewed the four proposed rates in the FY 2017-18 Final Budget as follows:

- City Property Tax: \$0.6718 per \$100 Assessed Value; \$4,405,892 Tax Levy, which is equal to the FY 2016-17 levy amount plus new construction
- Irrigation and Drainage District: \$268.85 per Acre; \$5,684,564 Tax Levy, which is the same as the previous six fiscal years
- Improvement District No. 2: \$0.8349 per \$100 Assessed Value; \$16,000 Tax Levy
- Improvement District No. 4: \$0.5456 per \$100 Assessed Value; \$57,003 Tax Levy

Mayor Nexsen explained that the difference in the revenues and expenses for FY 2017-18 is the reserves that the City has been building over the last ten years so that the City can improve the parks system and other amenities for the community. Mayor Nexsen added that the City also has a plan in place for the unfunded liability in Public Safety Personnel Retirement System (PSPRS).

In response to Councilmember Lane's question, Ms. Miller explained that three of the levies are reduced and one is remaining the same as it has been for the past six years.

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

Councilmember Sheehy thanked City staff for their time and hard work preparing the budget.

Councilmember Lane moved to adopt Resolution No. 17-3155 adopting the Fiscal Year 2017-18 Budget in the amount of \$155,025,261, seconded by Vice Mayor Coke, and carried by the following vote:

Aye: 5 - Mayor Nexsen, Councilmember McCoy, Vice Mayor Coke, Councilmember Sheehy and Councilmember Lane

Nay: 1 - Councilmember Groat

Absent: 1 - Councilmember Lin

8.7 [ID 17-1257](#) Reconvene to Regular Meeting

The Regular Meeting was reconvened at 6:37 p.m.

8.8 [ID 17-1220](#) Adopt Resolution No. 17-3149, a Joint Resolution of the Lake Havasu Unified School District No. 1 and Lake Havasu City, Supporting a Statewide, Post-Secondary Attainment Goal and a World-Class Education for All Students

Ms. Donna Davis, with Expect More Arizona, addressed the Council and said they are a statewide education advocacy organization that believes every student across the state deserves an excellent education every step of the way. She said Expect More Arizona developed a progress meter to track eight metrics about education across Arizona, including: teacher pay, preschool enrollment, 3rd grade reading, 8th grade math, high school graduation, opportunity youth, post high school enrollment, and post-secondary attainment. She said in Arizona only 42 percent of adults have a two-year or four-year degree, or an industry credential, and in Mohave County and LaPaz County, only 23 percent of adults (between the ages of 25 and 64) have the same certifications; however, it does not include the industry credentials.

Ms. Davis explained that the workforce of the future requires that 68 percent of all jobs in Arizona will require a postsecondary education by 2020, and said a high school diploma alone will no longer be the finish line. She said if Arizona had a 10 percent increase, Arizona would more than double its current economic growth rate. She said in September 2016, the Governor of Arizona and 40 other organizations endorsed the progress meter, and the Governor of Arizona set a goal known as the “Achieve60AZ” initiative that 60 percent of adults (between the ages of 25-64 years of age) will have a professional certificate or degree by 2030 to improve the Arizona workforce and attract economic development. Ms. Davis added that the “Achieve60AZ” initiative is in cooperation with the Center for the Future of Arizona.

Ms. Davis said as a partner the City would receive priority access to Expect More Arizona staff and collateral resources, website acknowledgement, and an opportunity to influence the advisory efforts of Expect More Arizona. She said as a partner the City would commit to displaying a World-Class Education logo (electronically or window cling), using Expect More Arizona resources (requesting presentations and materials), and distribute Expect More Arizona messages to their networks.

Ms. Davis asked the City to get involved by becoming a world class education partner, adopting the 60 percent attainment goal through proclamation or resolution, and utilizing

the education progress meter to set goals in the community.

Councilmember Lane asked if there was a cost associated with being a partner, to which Ms. Davis replied no.

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

Councilmember Sheehy moved to adopt Resolution No. 17-3149, a Joint Resolution with the Lake Havasu Unified School District No. 1, supporting a statewide, post-secondary attainment goal and a world-class education for all students, seconded by Councilmember McCoy, and carried by the following vote:

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

Absent: 1 - Councilmember Lin

8.9 [ID 17-1252](#) Approve Professional Services Contract with Whitney & Whitney PLLC for Public Defender Legal Services

Mr. Cassens advised that the item before the Council is to award a professional services contract for indigent services through the law firm Whitney & Whitney. He said the City has been using Whitney & Whitney for several years and while the cost for services has increased, the City is recommending approval of the contract for an additional year. Mr. Cassens noted that at the end of this fiscal year, given the extent of the case load as well as the increasing cost of providing the service, staff will be recommending that this service go out to bid in a formal Request for Proposal (RFP).

Councilmember Sheehy asked if the quarterly reports, outlined in the contract under Paragraph 46, could be more definitive on the number of cases and the types of caseloads. He said the language also states “if requested” but would prefer to make it mandatory quarterly reporting. He stated that he would like the mandatory reports to include the number of cases, how many cases were closed, and how many cases were closed to jury trial or plea. Councilmember Sheehy said he would like to establish some metrics so that when the Council goes into this next year we know what we are going into it for.

Councilmember Sheehy asked if the motion needed to include language for established metrics. City Attorney Kelly Garry asked if Councilmember Sheehy wanted the contract amended to specifically state that, or wanted a matrix on the side that is provided to them and they are to provide to the Court Administrator. She added that if the Council wants specific language in the contract the motion will need to include that language; however, if the Council is just directing staff to create a specific matrix of what they want provided

in that report, then the Council does not need to change the motion.

Councilmember Sheehy said he would like the contract to be amended because it does not give staff any ability to get what they need if it is not amended.

Ms. Garry said if Whitney & Whitney object to the changes staff will bring the item back to Council with amendments.

Councilmember Sheehy moved to approve the Professional Services Contract with Whitney & Whitney PLLC for public defender legal services and authorize the City Manager to execute the agreement on behalf of the City, and include amending Paragraph 46 to have metrics with how many cases were serviced in the preceding quarter, and how many were closed by jury trial or by plea, seconded by Councilmember Groat, and carried by the following vote:

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

Absent: 1 - Councilmember Lin

8.10 [ID 17-1245](#) Request to Rename Hangar Way to George Molitor Way

Airport Supervisor Steve Johnston advised that this item is a request to rename Hangar Way to George Molitor Way to honor the late Mr. George Molitor who was heavily involved in the airport. He said it is a small section of street, approximately 200-feet, that does not service any businesses at the airport,

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

Vice Mayor Coke moved to approve the renaming of Hangar Way to George Molitor Way in recognition and honor of the late Mr. George Molitor and authorize City staff to take the appropriate actions to accomplish the rename, seconded by Councilmember McCoy, and carried by the following vote:

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

Absent: 1 - Councilmember Lin

8.11 [ID 17-1237](#) Approve Bid Renewal for the Calcium Nitrate Liquid Odor Management Control Program with Evoqua Water Technologies, LLC

Utilities Superintendent Andy Astor advised that this item is for approval of the bid

renewal for calcium nitrate liquid for the odor management control program, and added that the renewal includes a 1.42 percent increase in cost, with the unit price per gallon increasing from \$1.664 to \$1.89. He said a 1.42 percent increase is nominal as the current inflation rate is 1.9 percent.

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

Councilmember McCoy moved to approve the bid renewal for the Calcium Nitrate Liquid Odor Management Control Program with Evoqua Water Technologies, LLC, 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

Absent: 1 - Councilmember Lin

8.12 [ID 17-1248](#) Award Bid for Aggregate Materials to Campbell Redi-Mix

Maintenance Services Manager Mark Clark advised that this item is to award the annual bid for aggregate material supplies. Mr. Clark said only one bid was received from Campbell Redi-Mix of Lake Havasu City.

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

Councilmember Sheehy moved to award a three year multi-term purchase order price agreement for supply and delivery of Aggregate Materials to Campbell Redi-Mix for the itemized unit prices listed on the attached ITB No. B17-OP-005-2625 bid tabulation plus applicable sales tax, seconded by Councilmember McCoy, and carried by the following vote:

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

Absent: 1 - Councilmember Lin

8.13 [ID 17-1247](#) Award Bid for Redi-Mix Concrete Products to Campbell Redi-Mix

Mr. Clark advised that this item to award bid for redi-mix concrete products. He said only one bid was received from Campbell Redi-Mix of Lake Havasu City. Mr. Clark said the City has been happy with the supplies and services from Campbell Redi-Mix.

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

Councilmember Lane moved to award a three year multi-term purchase order price agreement for supply and delivery of Redi-Mix Concrete Products to Campbell Redi-Mix for the itemized unit prices as listed on the attached ITB B17-OP-006-2626, FY 2017-18 bid tabulation, plus applicable sales tax, 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

Absent: 1 - Councilmember Lin

9. CURRENT EVENTS

There were no council committee reports.

10. CALL TO THE PUBLIC

Arizona Representative Sonny Borelli congratulated Mayor Nexsen and City Magistrate Mitch Kalauli on their awards and also commended the City for having a balanced budget and lowering the tax rate.

11. FUTURE MEETINGS

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

There were no future agenda requests from Council.

13. ADJOURN

Upon motion by Vice Mayor Coke and seconded, the meeting adjourned at 6:58 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 27th 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