

Mayor Mark S. Nexsen  
Vice Mayor Cal Sheehy  
Councilmember Jeni Coke  
Councilmember Gordon Groat  
Councilmember David Lane  
Councilmember Michele Lin  
Councilmember Donna McCoy



Lake Havasu City  
Police Facility  
2360 McCulloch Blvd North  
Lake Havasu City, Arizona  
86403  
www.lhcaz.gov

## City Council Regular Meeting Minutes - Final

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Tuesday, February 27, 2018

6:00 PM

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### 1. CALL TO ORDER

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

### 2. INVOCATION: Pastor Kay Zimmerman, City On A Hill International Church

No invocation was given.

### 3. PLEDGE OF ALLEGIANCE

The Mayor led in the Pledge of Allegiance.

### 4. ROLL CALL

### 5. CALL TO THE PUBLIC

There were no requests to address the Council.

### 6. CONSENT AGENDA

6.1 [ID 18-1537](#) Approve the February 13, 2018, City Council Regular Meeting Minutes

6.2 [ID 18-1520](#) Adopt Resolution No. 18-3205 Approving the Submission of a Grant Application to the Arizona Governor's Office of Highway Safety for Traffic Enforcement and Equipment

6.3 [ID 18-1533](#) Award Agreement for Professional Services to CDS Global, Inc. for Lockbox Services

6.4 [ID 18-1538](#) Call for Executive Session Pursuant to A.R.S. § 38-431.03(A) 5:00 p.m. Tuesday, March 13, 2018

Councilmember Coke moved to approve the Consent Agenda as presented, seconded by Councilmember Lane, and unanimously carried.

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

7.1 [ID 18-1522](#) Legislative Update by Brian Tassinari of Willetta Partners

Mr. Brian Tassinari, Willetta Partners, gave a legislative update to the Council.

**7.2**     [ID 18-1535](#)     Announce Vacancies on Lake Havasu City Boards, Committees, and Commissions

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

**7.3**     [ID 18-1536](#)     City Manager's Report

City Manager Jess Knudson reported on the following:

- Lake Havasu City Urban and Community Forestry Training.
- Police Department Parking Lot Lighting Upgrades.
- Havasu Riviera State Park Launch Ramp Updates.
- On February 17, 2018, Military Aircraft made an unscheduled stop at the Lake Havasu City Airport.
- The Royal Canadian Air Force has been utilizing the Lake Havasu City Airport for training.
- A Ribbon Cutting Ceremony was held for the ASU Colleges at Lake Havasu for the Outdoor Pursuit Tuff Shed.
- A Cypress Park Ribbon Cutting Ceremony is scheduled for March 14, 2018, at 4:00 p.m.
- Road Closures on Thursday, March 1, 2018 on London Bridge Road for underground fire line flushing and on McCulloch Boulevard for the Havasu Deuces Street Show.
- Coffee with the Mayor and City Manager on Friday, March 2, 2018, from 7:30 a.m. to 9:00 a.m. at Makai Café.
- City's Fiscal Year 2017 Popular Annual Financial Report (PAFR) is available on the City's website at [www.lhcaz.gov](http://www.lhcaz.gov).
- March Madness – Spring Break Activities for Grades 6-12th will be available March 19-23rd.
- Upcoming Special Events:
  - o March 1, 2018, Havasu Deuces Street Show at 2:00 p.m.
  - o March 3, 2018, Havasu Deuces Car Show at 8:00 a.m.
  - o March 3, 2018, Little League Opening Day Ceremony at 8:00 a.m.
  - o March 3, 2018, Lake Havasu Association of Realtors Olympics Opening Day at 11:00 a.m.
  - o March 9-11, 2018, London Bridge Renaissance Faire at 10:00 a.m.
  - o March 9-11, 2018, Lake Havasu City Pickleball Association Tournament at 7:30 a.m.
  - o March 10, 2018, Annual Denise's Day at 4:00 p.m.
  - o March 11, 2018, Volleyball Tournament at 12:00 p.m.

**8. PUBLIC HEARINGS**

- 8.1 [ID 18-1521](#) Adopt Resolution No. 18-3204 Amending the Public Record Entitled the “Lake Havasu City Amendments to the 2011 National Electrical Code” Dated May 12, 2015, Relating to the Definition of Residential

Community Investment Director/City Engineer Greg Froslic advised that the Lake Havasu City Amendments to the National Electrical Code (NEC) are out of date for today’s construction practices and are behind the International Building Code (IBC); therefore, staff is requesting that the Council approve the amendments to the NEC to align it with the IBC. He explained that the electrical cable (Romex) used in residential construction determines how many stories can be built. He said the “N-M” on the cable stands for non-metallic and the Type 3, 4 and 5 constructions are combustible materials (wood construction). The NEC amendment that the City is currently applying to NEC construction allows Romex to be used in residential structures up to three stories and the IBC allows up to four stories due to advanced technology such as fire sprinklers and breakers that are required. Mr. Froslic said this amendment is a housekeeping item to clear up conflicting codes.

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

**Councilmember Coke moved to adopt Resolution No. 18-3204 amending the public record entitled the “Lake Havasu City Amendments to the 2011 National Electrical Code” dated May 12, 2015, seconded by Councilmember Lane, and carried by the following vote:**

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

- 8.2 [ID 18-1526](#) Approve Master Subscription Agreement for Legislative Management Suite and VoteCast Meeting Efficiency Suite with Granicus

Ms. Williams advised that the City has been using Granicus software since 2009. She said in 2013, the City initiated an agreement with Granicus for the Legislative Management Suite and VoteCast Meeting Efficiency Suite. Ms. Williams explained that the agreement was a one-year agreement with two additional annual renewals which commenced on January 23, 2018. Ms. Williams said the new agreement before the Council will continue the City’s current products and services with Granicus for one year with two additional annual renewals.

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

**Councilmember McCoy moved to approve the Master Subscription Agreement with**

**Granicus for one year with two additional annual renewals, seconded by Councilmember Lane, and carried by the following vote:**

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

**8.3 [ID 18-1543](#) Award Bid for Havasu Riviera Street and Utility Improvements Project to Kinney Construction LLC**

Assistant City Engineer Jeremy Abbott said the item before the Council is a contract for utility and roadway improvements within the Havasu Riviera Project with Kinney Construction LLC. He provided background information on the Havasu Riviera Project and said the project is located south of Highway 95 and is a combination of approximately 600-acres controlled by Lake Havasu City, Arizona State Parks, Bureau of Land Management (BLM), and private land ownership.

Mr. Abbott said some of the planned uses for the Havasu Riviera include the following:

- Lake Havasu City –
  - o Environmental Learning Center
  - o Botanical Gardens & Trails
  - o Municipal Golf Course
- Arizona State Parks –
  - o Havasu Riviera State Park (Marina, Boat Launch, Restaurant, Dry Storage)
  - o Future State Park Developments
- Private Development
  - o 250-Acres Mixed-Use Master Planned Community
  - o Potential Hotel

He reviewed the overall layout\* and the partners that control the following areas:

- Light Blue – Lake Havasu City (280-acres)
- White – Arizona State Parks
- Orange – Private Developers (250-Acres)
- Yellow – BLM
- Bright Yellow (Top) – Lake Havasu Sweetwater Maintenance Yard

(\*See certified minutes for copy of layout.)

Mr. Abbott said the development agreement with these partnerships was executed in October 2016 and there are certain obligations that the City has agreed to, including: procuring and constructing the infrastructure, mass grading, roadway and utilities, and Highway 95 improvements.

He said the budget for this project is \$3.2 million; however, the total combined with construction and construction management budget is \$3.5 million. Mr. Abbott said the low bidder was Kinney Construction LLC at \$4.8 million, which leaves a budget shortfall of \$1.6 million. He explained that the original budget numbers are City staff's best guess at project conception when there is not a lot of detail and staff is trying to anticipate what is needed and what is involved. He said the engineer's estimate is a current estimate that is created for all Capital Improvement Projects (CIP) with individual line items that are very detailed and precise and is based on the actual work being done. He said the difference between the low bid and the engineer's estimate for this project is about 6 percent, which is very close. He noted that the City's two responsive bidders were within 2 percent (\$100,000) of each other which tells the City that in today's market these are the actual costs.

Mr. Abbott said to cover the budget shortfall staff recommends using savings from current projects, outlined in the staff report, that are already underway, contracted or allocated, and are not needed. He said one example is the Fields Needs Improvements, which has a savings of approximately \$500,000 due to the combination of the design effort for both phases of the SARA Park Sports Complex and construction and construction management of Cypress Park. He added that there will be additional savings from the construction management portion of this project, which will be brought to Council at the next meeting. Mr. Abbott said originally staff was going to handle the entire construction management of this project in-house; however, due to the number of current projects City staff felt it was important to acquire an extension of services for a portion of the construction management services which will generate some savings.

Mr. Abbott noted that if awarded, the expected project completion is October 2018.

Councilmember Groat asked for clarification on the Water Line Replacement savings, to which Mr. Abbott explained that a portion of what was budgeted this year for that contract was used to award additive alternates to the 2017 Water Main Replacement projects. He said the streets that were added used up a little over half of what was budgeted.

Councilmember Groat asked about the savings in the Supervisory Control and Data Acquisition (SCADA) Upgrades, to which Mr. Abbott explained that the Council previously approved the Reuse Operational Plan with Carollo Engineers who shadowed the water operational staff for three weeks to study how the City operates its reclaimed water system and how it affects the treatment. Mr. Abbott said that effort has been completed and there is savings in that project that can be used but still get the improvements on the SCADA side as it relates to the reclaimed water system.

Councilmember Groat said he assumed this project would come in higher than what was

discussed during budget discussions because economies do not sit still, and added that he researched both contractors on the Registrar of Contractors (ROC) and found that both are equally good and neither of the companies have a history of cost overrides. He noted that Kinney Construction has an impressive environmental certification. Mr. Abbott said the City does its due diligence researching the contractor, insurance ratings, and other communities that the contractor has worked for.

Mayor Nexsen said this project is a collaboration of three agencies: 1) Lake Havasu City, 2) private developer, and 3) Arizona State Parks. He said it was talked about for almost two decades, but nothing got accomplished; however, several years ago, primarily with the assistance of the new Arizona State Parks Director, the agencies were able to strike an agreement that if Arizona State Parks built a park the City would build a road to the park, and if the private developer needed anything other than basic infrastructure then there would be some cost sharing with the City. He said that is what is happening now, and added that there will be a cost sharing on the shortfall of \$1.6 million where the developer will pick up a portion and pay the City back.

Mayor Nexsen said some quick calculations show that with construction estimates of \$340 million, this project will generate approximately \$4.5 million in construction sales tax over the next ten years, not including the restaurant and bar, hotel, and other amenities, which will bring in approximately \$2 million over the next ten years. He added that the Convention and Visitors Bureau (CVB) and Partnership of Economic Development (PED) would receive \$2 million in bed and restaurant tax, and city property tax would generate an additional \$385,000 each year. Mayor Nexsen added that the project could also generate up to 181 new construction jobs. He said while his numbers are conservative, it shows that this will bring an enormous economic impact to the community.

Councilmember Groat added that this project will also benefit all of the businesses in the community. He said it is important to note that the City is not pushing any critical projects aside to accomplish it.

Councilmember McCoy asked if the Arizona State Park marina will have other amenities, to which Mr. Abbott said they will have a boat launch and marina, dock space, dry storage, restaurant, public use space, and more beach space.

Vice Mayor Sheehy asked what the timeframe was between when this project was budgeted and the engineers estimate, to which Mr. Abbott said the budget for this project was established three years ago in Fiscal Year 2015-2016.

Vice Mayor Sheehy asked if there were funds budgeted for the construction management portion of the project, to which Mr. Abbott replied yes. Vice Mayor Sheehy asked if the

funds included the City taking on some additional duties in the area, to which Mr. Abbott replied yes.

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

**Councilmember Groat moved to award the Bid for Havasu Riviera Street and Utility Improvement Project to Kinney Construction LLC, seconded by Vice Mayor Sheehy, and carried by the following vote:**

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

**Nay:** 1 - Councilmember Lin

**8.4**     [ID 18-1529](#)     Approve Engineering Professional Services Agreement with CH2M Hill Engineers for Water Treatment Augmentation Feasibility Study

Operations Manager Mark Clark advised that this item is to approve a Professional Services Agreement for the Water Treatment Augmentation Feasibility Study that was previously approved in January 2018. He said the study will determine whether the City can do some effective and inexpensive treatment at the Treatment Plant and eliminate the need for reverse osmosis and or water softeners to save water.

Mayor Nexsen said it would not only save water but improve the City's effluent water.

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

Vice Mayor Sheehy said it is important to note that the City received a grant and this is only approving the City's portion of that funding.

**Vice Mayor Sheehy moved to approve and authorize the City Manager to execute the Engineering Professional Services with CH2M Hill Engineering for a Water Treatment Augmentation Feasibility Study, seconded by Councilmember Groat, and carried by the following vote:**

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

**8.5**     [ID 18-1531](#)     Approve Cooperative Purchase Agreement for a Standard Rover X System with VC200 Pendant with Haaker Equipment Company through National Joint Powers Alliance Cooperative

Mr. Clark said the item before Council is a replacement of the City's existing television camera system that failed. He said the camera system is 21 years old and unrepairable.

Mr. Clark said the City has had to dig up some things that could have been found with the television camera. He said to contract this work would cost approximately \$9,000 per mile (5,000 feet), which is not cost efficient when a new unit can be purchased and used by the City to do 20 to 30 miles each year. He said the City also explored the possibility of purchasing a used model; however, the price was in the \$50,000 to \$60,000 range and did not have a warranty.

Mr. Clark said this will also save time in that the new unit is a one-man unit versus a two-man unit, and added that the previous purchase included a truck which will be used to transport the new unit.

Councilmember Groat asked how far the camera will travel, to which Mr. Clark said the cable length is 1,000 feet. Councilmember Groat asked if 1,000 feet accommodates the needs of the city, to which Mr. Clark replied yes as there is only 300 to 500 feet between manholes.

Mr. Clark added that another benefit in the City doing this work is that the City can be responsive right away versus having to contract the work and wait several weeks.

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

**Councilmember Groat moved to approve the Cooperative Purchase Agreement for a Standard Rover X System with VC200 Pendant with Haaker Equipment Company through NJPA Cooperative in the amount of \$68,000 plus shipping and taxes, seconded by Councilmember Lane, and carried by the following vote:**

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

## **9. CURRENT EVENTS**

Vice Mayor Sheehy reported that the Royal Canadian Air Force will be at the Lake Havasu City Airport through March 4, 2018. He added that the Embry-Riddle Flight Training will take place March 23, 2018, through March 28, 2018, and the EAA Young Eagle Flights will be there on March 31, 2018.

## **10. CALL TO THE PUBLIC**

There were no requests to address the Council.

## **11. FUTURE MEETINGS**



Tuesday, March 13, 2018 @ 6:00 p.m. – Regular Meeting

Tuesday, March 27, 2018 @ 6:00 p.m. – Regular Meeting

**12. FUTURE AGENDA ITEMS**

There were no requests for future agenda items.

**13. ADJOURN**

Upon motion by Councilmember Coke and seconded, the meeting adjourned at 7:11 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 February, 2018. I further certify that the meeting was duly called and posted, and that a quorum was present.

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Kelly Williams, City Clerk/CMC