

Mayor Cal Sheehy
Vice Mayor David Lane
Councilmember Jeni Coke
Councilmember Jim Dolan
Councilmember Gordon Groat
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

Tuesday, February 26, 2019

6:00 PM

1. CALL TO ORDER

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

2. INVOCATION: Pastor Andrew Cave, Lamb of God Lutheran Church

Pastor Andrew Cave with Lamb of God Lutheran Church gave the invocation.

3. PLEDGE OF ALLEGIANCE

The Mayor introduced the Lake Havasu Sea Scouts who led in the Pledge of Allegiance.

The Lake Havasu Sea Scouts introduced themselves to Council and stated they have been in Lake Havasu City for seven years and are involved in a variety of activities to serve the community.

4. ROLL CALL

Present: 7 - Mayor Cal Sheehy, Vice Mayor David Lane, Councilmember Jeni Coke, Councilmember Gordon Groat, Councilmember Michele Lin, Councilmember Donna McCoy and Councilmember Jim Dolan

5. CALL TO THE PUBLIC

Mr. Walter Spawr, citizen, addressed the Council concerning an element that he believes is a violation to the Lake Havasu City Zoning Code. Mr. Spawr said the Zoning Code was changed pursuant to the authority of the General Plan and referenced Page 1 of the General Plan which reads "...this should not be confused with a zoning action and the General Plan does not change zoning." He said his issue is whether service was made regarding the zoning change, as the City cannot change the zoning without notifying the property owners. Mr. Spawr referenced Arizona Revised Statutes (A.R.S) 9-462 and read the following into the record "In proceedings that are not initiated by the property owner involving rezoning of land that may change the zoning classification, notice by first class mail shall be sent to each property owner." He said this was not accomplished and believes the element to be uncontroverted. Mr. Spawr also referenced and read A.R.S. 9-462.05 titled "Enforcement" into the record. Mr. Spawr stated that on February 8, 2019, he

presented a notice of demand to the City's Building Department and gave the City a deadline of February 14, 2019, to respond. He said his notice stated that current zoning is identified as Light Industrial formerly M1-P, and the property was not posted indicating a zone change from M1-P to Light Industrial. He said after review of this from a quantum-analysis viewpoint, he believes the current code has a lot of problems and there are too many areas subject to interpretation, including the title for "Light Industrial" which is for public institutional uses. He said the word "public" in law means "government" and does not mean the general population or people; therefore, without the word "general" it prohibits a citizen from using their property for any of these uses. Mr. Spawr suggested that the City Council establish a commission to review the zoning code.

Ms. Bonnie Toy, citizen, addressed the Council concerning pedestrians using the crosswalks in the downtown construction areas at night and during the day. Ms. Toy suggested that the City use regular stoplights during the day and use the flashing stoplights at night when there is less traffic.

6. CONSENT AGENDA

- 6.1 [ID 19-1914](#) Approve the February 12, 2019, City Council Regular Meeting Minutes (Kelly Williams)
- 6.2 [ID 19-1910](#) Approve Ground Lease Agreement with Campbell Cove Investments, LLC, for Gate Improvement/Encroachment (Kelly Garry)
- 6.3 [ID 19-1915](#) Call for Executive Session Pursuant to A.R.S. § 38-431.03(A) 5:00 p.m. Tuesday, March 12, 2019 (Kelly Williams)

Councilmember Dolan said for the record, the agreement with Campbell Cove Investments, Consent Agenda Item 6.2, is not his business and he has no financial interest in this business.

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

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

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

- 7.1 [ID 19-1912](#) Announce Vacancies on Lake Havasu City Boards, Committees, and Commissions (Kelly Williams)

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

7.2 [ID 19-1913](#) City Manager's Report (Jess Knudson)

City Manager Jess Knudson reported on the following:

- Recognized the Lake Havasu City Public Works Department for assisting the Sunrise Rotary Club with an emergency generator during the Brews & Brats Festival.
- Recognized the Sunrise Rotary Club for donated and installing an electrical box at Pima Wash for events on McCulloch Boulevard and Querio Drive.
- Construction of two new bocce ball courts at Rotary Park.
- Sales Tax Updates.
- The next Coffee with the Mayor and City Manager will be held on March 1, 2019, at the Lake Havasu Fire Station No. 2, at 8:30 a.m.
- Teen Break will be held March 12 through 14, 2019, from 12:00 p.m. to 5:00 p.m. for participants enrolled in 6th grade through 12th grade.
- Spring Break Youth Camp will be held on March 11 through 15, 2019, from 7:30 a.m. to 5:30 p.m. at Starline Elementary School for participants attending Kindergarten through 6th grade.

8. PUBLIC HEARINGS**8.1** [ID 19-1911](#) Adopt Resolution No. 19-3285 Appointing Member(s) to the Lake Havasu City Board of Adjustment (Kelly Williams)

Ms. Williams advised that the City received one application requesting consideration to fill a regular member vacancy on the Board of Adjustment with a term ending June 30, 2020.

Ms. Robin Hill, applicant, addressed the Council and said she has lived in Lake Havasu City since 2009. Ms. Hill added that she is looking to be invested and actively involved in community planning and development.

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

Vice Mayor Lane moved to adopt Resolution No. 19-3285 appointing Robin Hill as a regular member to the Board of Adjustment with a term ending June 30, 2020, seconded by Councilmember Dolan, and carried by the following vote:

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

8.2 [ID 19-1916](#) Adopt Ordinance No. 19-1213 Amending Lake Havasu City Code Chapter 13.28 to Make Necessary Changes Regarding Lot Ties, Lot Alterations, and Lot Splits (Stuart Schmeling)

Zoning Administrator Stuart Schmeling addressed the Council and stated this item was introduced at the last Council meeting. Mr. Schmeling said this is an amendment to the subdivision code, Section 13.28, which creates one process and one procedure for all lot splits, lot ties, and lot alterations.

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

Councilmember Dolan moved to adopt Ordinance No. 19-1213 amending Lake Havasu City Code Chapter 13.28 to make necessary changes to Chapter 13.28 regarding Lot Ties, Lot Alterations, and Lot Splits, seconded by Councilmember McCoy, and carried by the following vote:

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

8.3 [ID 19-1905](#) Approve Consulting Agreement from Albert Holler & Associates to Provide Sales Tax Desk Review Audits (Jill Olsen)

Administrative Services Director Jill Olsen advised that the item before Council is to approve the consulting agreement with Albert Holler & Associates to provide sales tax desk review audits to ensure that businesses are complying with the City tax code by reporting and submitting the proper paperwork and remitting the proper amounts. She said this will involve a standard desk audit which includes files and reports on hand that will be reviewed with any applicable documentation that may be requested of the business. Ms. Olsen stated that business owners will be notified for any questions, updates, or changes in the filing. She said at the end of the audit, the tax laws and appeal rights will be explained to the taxpayer, and provided with all the information necessary to report correctly in the future. Ms. Olsen added that confidentiality of all taxpayer information will be strictly maintained. Ms. Olsen said the cost for the remainder of Fiscal Year 2018-19 will be \$16,000, and approximately \$60,000 for Fiscal Year 2019-20. She said the City estimates a minimum of \$130,000 in additional ongoing revenue from the corrections that are made in the new reporting.

Councilmember Groat asked how the estimates in revenue are projected, to which Ms. Olsen said the estimates are based on audit trends from businesses that are not reporting correctly, or under reporting and under remitting. She said on average with the number of businesses and the gross receipts, the City estimates an additional revenue of \$130,000. Ms. Olsen added that it could be more; however, the City does not want to overestimate on the revenue side.

Councilmember Groat said essentially the City is doing a trend-line analysis and asked how

many years the City uses, to which Ms. Olsen said five years. Councilmember Groat asked about the percentages that would be gained year over year and if those percentages are increasing or decreasing every year, to Ms. Olsen said it is not done every year; however, if it was, they would estimate an average of three to five percent.

Councilmember Groat asked if there would be any burden on the business owners and the amount of time involved, to which Ms. Olsen said the City estimates that the process should not be burdensome to the taxpayer because it involves documentation that they should already have, and involves the City comparing the records on file and following up with the taxpayer on the numbers that are being audited.

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

Vice Mayor Lane moved to approve the Consulting Agreement with Albert Holler & Associates for auditing services in Fiscal Year 2018/19 in the amount of up to \$16,000 and an amount not to exceed \$60,000 in Fiscal Year 2019/20, seconded by Councilmember Coke, and carried by the following vote:

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

9. CURRENT EVENTS

Mayor Sheehy welcomed Mr. Tristen Bartel, student with Arizona State University Lake Havasu, who was in the audience. He said Mr. Bartel has been following the Council and City staff in learning about local government process.

10. CALL TO THE PUBLIC

There were no requests to address the Council.

11. FUTURE MEETINGS

Tuesday, March 12, 2019 @ 6:00 p.m. – Regular Meeting

Tuesday, March 26, 2019 @ 6:00 p.m. – Regular Meeting

12. FUTURE AGENDA ITEMS

There were no requests for future agenda items

13. ADJOURN

Upon motion by Vice Mayor Lane, and seconded, the meeting adjourned at 6:31 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 26th day of February, 2019. I further certify

that the meeting was duly called and posted, and that a quorum was present.

Kelly Williams, City Clerk/CMC