

Mayor Cal Sheehy
Vice Mayor Jim Dolan
Councilmember Nancy
Campbell
Councilmember Jeni Coke
Councilmember David Lane
Councilmember Michele Lin
Councilmember Cameron
Moses



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

City Council Regular Meeting

Minutes - Final

Tuesday, November 22, 2022

6:00 PM

1. CALL TO ORDER

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

2. INVOCATION: Pastor Dean Wiles, Abundant Grace Church

Pastor Dean Wiles, Abundant Grace Church, gave the invocation.

3. PLEDGE OF ALLEGIANCE: River Riders Motorcycle Club

Mr. Paul Blazer, River Riders Motorcycle Club, led in the Pledge of Allegiance.

4. ROLL CALL

Present: 6 - Mayor Cal Sheehy, Councilmember Nancy Campbell, Councilmember David Lane, Councilmember Michele Lin, Councilmember Cameron Moses and Councilmember Jeni Coke

Absent: 1 - Vice Mayor Jim Dolan

5. CALL TO THE PUBLIC

Mr. David Leslie, citizen, addressed the council and spoke concerning the AZ Pride Show event.

6. CONSENT AGENDA

- 6.1 [ID 22-3540](#) Approve the November 8, 2022, City Council Regular Meeting Minutes *(Kelly Williams)*
- 6.2 [ID 22-3528](#) Adopt Resolution No. 22-3618 Approving and Authorizing Execution of Instruments Necessary to Vacate and Convey Parcel B, Approximately 5,000 Square Feet of Roadway in Tract 2211, Block 2, 2905 Maricopa Avenue *(Luke Morris)*
- 6.3 [ID 22-3544](#) Approve Lease Agreement with the Lake Havasu Metropolitan Planning Organization for Office Space in the Transit Building (Renewal) *(Kelly Garry)*
- 6.4 [ID 22-3530](#) Approve Master Subscription Agreement for Public Information Request, Redaction and Discovery Software with Granicus *(Chief Doyle)*

- 6.5** [ID 22-3541](#) Call for Executive Session Pursuant to A.R.S. § 38-431.03(A) 4:00 p.m., Tuesday, December 13, 2022 (*Kelly Williams*)

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

Aye: 6 - Mayor Sheehy, Councilmember Campbell, Councilmember Lane, Councilmember Lin, Councilmember Moses and Councilmember Coke

Absent: 1 - Vice Mayor Dolan

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

- 7.1** [ID 22-3539](#) 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. She stated that applications are available at City Hall and on the City's website at www.lhcaz.gov.

- 7.2** [ID 22-3542](#) City Manager's Report (*Jess Knudson*)

City Manager Jess Knudson reported on the following:

- Announced various ceremonies and events.
- Acknowledged the Lake Havasu City Fire Department's Engine Refurbishment Program completion.
- Congratulated Bob MacMillan, Community Emergency Response Team (CERT) for receiving the "2022 CERT Leader Award".
- Announced various city employee milestones and retirements.
- Applications for the Community Resources Program are available on the city's website at www.lhcaz.gov. The deadline to apply is Friday, December 9, 2022, by 5:00 p.m.
- Announced upcoming community events.
- City offices will be closed on Thursday, November 24, 2022, through Friday, November 25, 2022, in observance of the Thanksgiving holiday.
- The next Coffee with the Mayor and City Manager will be held on Friday, December 2, 2022, at 8:30 a.m. at the Police Facility Meeting Room.

8. PUBLIC HEARINGS

- 8.1** [ID 22-3511](#) Series #10 Beer and Wine Store Liquor License, Roadhouse Market & Butcher, 2011 Swanson Avenue/Ferrato (*Kelly Williams*)

Ms. Williams advised that Mr. Matthew James Ferrato has applied for a Series #10 Beer and Wine Store Liquor License for Roadhouse Market & Butcher located at 2011

Swanson Avenue. 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 #10 liquor license.

Mayor Sheehy asked the applicant when they anticipate opening, to which Mr. Ferrato stated that they anticipate opening around the end of December or early January.

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

Councilmember Lane moved to recommend that the Arizona Department of Liquor Licenses & Control approve a Series #10 beer and wine store liquor license for Roadhouse Market & Butcher, 2011 Swanson Avenue, seconded by Councilmember Campbell, and carried by the following vote:

Aye: 6 - Mayor Sheehy, Councilmember Campbell, Councilmember Lane, Councilmember Lin, Councilmember Moses and Councilmember Coke

Absent: 1 - Vice Mayor Dolan

8.2 [ID 22-3527](#) Class B Bingo License Application for Veterans United/Lyons (*Kelly Williams*)

Ms. Williams advised that Frankie Lyons with Veterans United has applied for a Class B Bingo License located at 5601 Highway 95, Unit #F (The Shops at Lake Havasu). Ms. Williams stated that the bingo games will be held five days a week from 10:00 a.m. to 10:00 p.m. Tuesday through Saturday. She added that this application was reviewed internally, and no objections were received.

Councilmember Moses asked for more information on the bingo games, to which Mr. Larry Woodrum, representative on behalf of the applicant, responded that the bingo will be played on slot machines.

Councilmember Lane asked if the funds generated would remain in Lake Havasu City, to which Mr. Woodrum replied yes.

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

Councilmember Lane moved to recommend that the Arizona Department of Revenue approve a Class B Bingo License for Veterans United, at 5601 Highway 95 (The Shops at Lake Havasu), seconded by Councilmember Campbell, and carried by the following vote:

Aye: 6 - Mayor Sheehy, Councilmember Campbell, Councilmember Lane, Councilmember Lin, Councilmember Moses and Councilmember Coke

Absent: 1 - Vice Mayor Dolan

- 8.3** [ID 22-3536](#) Adopt Ordinance No. 22-1297 Declaring the Document Entitled “2022 Amendments to the Lake Havasu City Code Chapter 5.20, Vacation Rentals, November 22, 2022” a Public Record and Amending Chapter 5.20 by Adopting by Reference Multiple Text Amendments to: Revise Definitions; Require Annual Permit; Include Notification Requirements; Include Additional Requirements of a Vacation Rental; and Revise Violations (*Anthony Kozlowski*)

Assistant to the City Manager Anthony Kozlowski stated that the ordinance before the council is to adopt changes to short-term rentals, and outlined the following in his presentation:

Legislative History

- SB 1350 (2016) – preempted local authority to regulate or restrict short-term rentals
- HB 2672 (2019) – gave cities and towns the ability to collect contact information from property owners and established civil penalty structure/reporting requirements
- SB 1168 (2022) – was signed by the Governor on July 6, 2022, and went into effect on September 24, 2022. The law (A.R.S § 9-500.39) limits how cities can regulate short-term rentals.

Short-Term Rental Ordinance

- Requires:
 - o Permitting or licensing regulation process
 - o Compliance with City Codes and applicable laws
 - o Emergency contact information of person responsible for responding to complaints and emergencies
 - o Notification to neighboring properties
 - o City license number displayed on advertisement
- Includes prohibited uses per statute:
 - o Housing sex offenders
 - o Sober living homes
 - o Selling liquor or illegal drugs
 - o Obscenity
 - o Special events
 - o Retail
- Grounds and process for denial and suspension of license and

civil penalties

Short-Term Rental Application

- Application information:
 - o Name, address, phone, email of owner and emergency contact
 - o Address of short-term rental
 - o TPT number
 - o Agreement to comply with laws
- Grounds for denial:
 - o Failure to provide application information or fee
 - o Owner has a suspended license for that property
 - o False information
 - o Owner or designee was convicted sex offender or convicted of felony

Emergency Point of Contact

- Owner must disclose the emergency point of contact and must keep the information updated
- Included as part of notification to neighbors (adjacent to, directly & diagonally across the street for single family residential and those on the same floor of a multi-family residential building)
- Contact information must be posted in the short-term rental
- Emergency point of contact shall be available 24 hours per day, 7 days per week for the purpose of responding in a timely manner to any complaints

Suspension

- Three (3) verified violations within a rolling 12-month period; or
- One (1) verified violation resulting in:
 - o A felony offense
 - o A serious physical injury or wrongful death
 - o Sexual offender or adult oriented business use
 - o Short-term rental owner knowingly or intentionally allows a non-residential use

Penalties

- Against owner who violates:
 - o \$500 first violation or an amount equal to one nights rent within 12-month period
 - o \$1000 second violation or an amount equal to two nights rent within 12-month period
 - o \$3500 for third violation or an amount equal to three nights rent within 12-month period

- Additional penalty against owner:
 - o \$1000 per month for failure to apply for a permit
 - o \$1000 per month for failure to provide contact information

Mr. Kozlowski added that if adopted the changes would go into effect on March 1, 2023.

Mayor Sheehy stated that this item was introduced at the November 8th meeting and is before the council tonight for final adoption.

Councilmember Lin asked if a background check would still be required on the owner or responsible party, to which Mr. Kozlowski stated that the city would conduct a background check on the applicant once they apply for a permit. Councilmember Lin asked why the ordinance does not include language regarding the background check, to which City Attorney Kelly Garry explained that to be able to determine whether what is required under the statute is met, a background check would be necessary. She said it would be part of the application process, as the city does not need a legislative directive for that to happen.

Mayor Sheehy said citizens will have the option to file complaints on the city's website, HavasuNow app, as well as through code enforcement or by contacting the non-emergency Police Department line; however, he encouraged citizens to utilize the emergency contact number first to try and resolve any issues.

Mayor Sheehy opened the public hearing.

Ms. Bonnie Toy, citizen, addressed the council and requested clarification on whether a registered sex offender could own a short-term rental property, to which Mayor Sheehy said based on parameters that have been put into state law, a registered sex offender or a person with a felony cannot own a short-term vacation rental.

Mr. Don Rhodes, citizen, addressed the council and congratulated the city for taking a proactive approach with short-term rentals, but was concerned that these changes would end up costing the city a lot of money. He suggested that before the council goes any further, they look at doing a cost analysis to determine the costs associated with short-term rental enforcement and complaints. He said he does not believe it is the taxpayers' responsibility to police short-term rentals, and asked why the city is not citing tenants at the time of the action?

Mayor Sheehy said to address some of Mr. Rhodes comments and questions, short-term rentals are already costing the city a lot of money; however, with these additional guardrails in place the goal is for peaceful co-existence between short-term rentals and

neighbors. He said if a short-term rental tenant is breaking the law, they will be cited accordingly; however, when it comes to the short-term rental owners, state law made it very difficult to take any action prior to the changes that went into effect in September 2022, which is what the council is looking to correct tonight through this ordinance.

Mr. Matt Hunter, citizen, addressed the council and said he owns several rental properties in Lake Havasu City and supports regulation in this form. He asked for further clarification on the various violations and penalties.

Mr. Kozlowski reviewed the violations resulting in suspension of a short-term rental license. Mr. Hunter said he just recently had a barbeque in his backyard with a few friends and music and received a call regarding a noise complaint. He asked how the city handles these types of calls as he believes it is a bad use of city resources.

Mr. Kozlowski said ideally the emergency point-of-contact would be able to address those types of issues before they are escalated.

Mr. Hunter said he would like to have some clarity as they do not want to fall victim to violations or suspension when it is an issue with one specific neighbor that they are not able to appease.

Mayor Sheehy said the city has a noise ordinance; therefore, any complaint of noise would be addressed through that ordinance.

Mr. Hunter requested clarification on what would qualify as a special event under the short-term rental ordinance, to which Mr. Kozlowski said a special event would consist of an event where a person is charging at the home or there is a large number of individuals at a location that would result in a number of vehicles taking up street access for the residents.

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

Councilmember Campbell said she has received concerns from citizens regarding short-term rental occupancies and asked if there is a way for the city to address occupancy in the proposed ordinance, to which Mr. Kozlowski stated that unfortunately occupancy was not included in the current legislation and is very difficult to enforce.

Councilmember Coke moved to adopt Ordinance No. 22-1297 declaring the document entitled “2022 Amendments to the Lake Havasu City Code Chapter 5.20, Vacation Rentals, November 22, 2022” a public record and amending Chapter 5.20 by reference, seconded by Councilmember Lane, and carried by the following vote:

Aye: 6 - Mayor Sheehy, Councilmember Campbell, Councilmember Lane, Councilmember Lin, Councilmember Moses and Councilmember Coke

Absent: 1 - Vice Mayor Dolan

- 8.4 [ID 22-3526](#) Approve the Statements of Work with Camptra Technologies LLC for Oracle Cloud Human Capital Management HCM & Benefits Health Check, Help Desk, Health and Safety, Recruiting and Onboarding, and Knowledge Base Training Modules and the HCM Managed Services Support Contract (2022-2023) to Provide Technical Help Desk Support for Oracle Cloud HCM Support (*Bobbie Kimelton*)

Human Capital Management Director Bobbie Kimelton advised that before the council is approval of the statement of work with Camptra Technologies, LLC, to assist with the implementation of the Human Capital Management (HCM) modules of the city's current Oracle Cloud platform. She said the city currently holds licenses for the human capital management, benefits, help desk, health and safety, recruiting and onboarding, and knowledge-based training modules, and is requesting approval for a statement of work related to an annual managed services contract to provide technical help desk support for all these modules including the core HCM. Ms. Kimelton said the implementation of these modules will allow the city to improve utilization and effectiveness of the Oracle platform as presently many of the processes associated with the modules are performed manually. She said although Oracle was the system of record for the city, by not utilizing these modules the city is forced to create redundance systems that do not effectively integrate information and increase the possibility of human error. She added that implementing the Oracle module will also eliminate the annual subscription cost for NeoGov (\$45,000 savings). Ms. Kimelton said the help desk and knowledge-based modules will enhance the city's ability to utilize the self-service aspect of Oracle improving the employee's ability to resolve personnel needs at their convenience, and the health and safety modules will provide a convenient way for the department to track health and safety incidents and provide the analytics and information about the types of incidents and follow-up to ensure the city has adequate information and identify trends. She said by proactively managing health and safety of our employees the city anticipates a 35 percent reduction in savings to the city's risk pool (estimated \$200,000 savings). Ms. Kimelton added that the implementation of the HCM and benefits module will allow the city to fully utilize the HCM core module currently in use, promote more effective reporting, and eliminate current costs of approximately \$7,000 to \$10,000. She said the total cost of the agreements (technical expertise and service ticket resolution) is \$310,700, and added that the project is anticipated to take approximately one year to complete.

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

Councilmember Lane moved to approve the Statements of Work with Camptra Technologies LLC for the Oracle Cloud Human Capital Management HCM & Benefits Health Check, Help Desk, Health and Safety, Recruiting and Onboarding and Knowledge Base Training modules and the HCM Manage Service Support Contract (2022-2023) to provide technical help desk support of Oracle Cloud HCM Support in an amount of \$310,700, and authorize the City Manager to sign the Statements of Work, seconded by Councilmember Lin, and carried by the following vote:

Aye: 6 - Mayor Sheehy, Councilmember Campbell, Councilmember Lane, Councilmember Lin, Councilmember Moses and Councilmember Coke

Absent: 1 - Vice Mayor Dolan

- 8.5** [ID 22-3534](#) Approve the Perpetual Enterprise LMS License Agreement, Support and Maintenance Agreement and the LMS Hosting Agreement with MaintStar, Inc. for the Land Management Software (LMS) System Used for Permitting, Planning and Zoning Cases, Code Enforcement Cases, and Business Licenses (*Jeff Thuneman*)

Development Services Director Jeff Thuneman advised that this item is for the purchase and implementation in support of a new land management software system to replace the existing city's Sungard H.T.E. system for permitting, planning and zoning, code enforcement, and business licenses. He said the city's current land management system was originally installed in 2002, and the reporting and permitting systems are out of date, ineffective, and require additional staff time to administer and use. Mr. Thuneman said the purchase of a land management system was included with the development services budget for the current fiscal year and requests for proposals (RFP) that specified the minimum specifications and evaluation criteria were sent out in May. He said eight proposals were received and through the selection committee and live demonstrations from the three most qualified vendors, the committee's evaluation tabulation determined that MaintStar Inc., met all the specifications and is the most comprehensive product to meet the city's needs. Mr. Thuneman said the implementation of the MaintStar system will improve the efficiency of the city's permit process in record management while significantly decreasing the annual licensing fee and the amount of paper accompanying permit applications. He said \$500,000 was budgeted for the purchase of the new land management software system and the total cost for the MaintStar implementation is \$187,500 with an annual maintenance and licensing fee of approximately \$50,000. He added that implementation is anticipated to take one year and is estimated to save the city \$137,000 in annual licensing fees.

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

Councilmember Campbell moved to approve the Perpetual Enterprise LMS License Agreement, Support and Maintenance Agreement, LMS Hosting Agreement and the Statement of Work between Lake Havasu City and MaintStar, Inc. in an amount of \$187,500 and authorize the City Manager to execute the agreements on behalf of the City, seconded by Councilmember Lane, and carried by the following vote:

Aye: 6 - Mayor Sheehy, Councilmember Campbell, Councilmember Lane, Councilmember Lin, Councilmember Moses and Councilmember Coke

Absent: 1 - Vice Mayor Dolan

8.6 [ID 22-3538](#) Approve Cooperative Purchase Agreement and the Purchase of Security Infrastructure from Stone Security (*Jonathan Baskette*)

IT Division Manager Jonathan Baskette advised that this item is requesting approval of a cooperative purchase agreement and purchase of security infrastructure from Stone Security for the new courthouse. He said this item focuses on the cameras, access controls, panic buttons, cabling installation, and equipment configuration. He added that the infrastructure will be an extension of the city's current security infrastructure and will tie into the city's software and data center.

Mr. Baskette spoke on the design, security, and data requirements from the Administrative Office of the Courts (AOC).

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

Councilmember Lane moved approve the Cooperative Purchase Agreement and purchase of security infrastructure in the amount of \$186,301.05 from Stone Security, LLC, seconded by Councilmember Coke, and carried by the following vote:

Aye: 5 - Mayor Sheehy, Councilmember Campbell, Councilmember Lane, Councilmember Moses and Councilmember Coke

Nay: 1 - Councilmember Lin

Absent: 1 - Vice Mayor Dolan

8.7 [ID 22-3543](#) Approve the Cooperative Purchase Agreement and Purchase of Audio-Visual Products from E1 Audiovisual Technologies (*Jonathan Baskette*)

Mr. Baskette advised that this item is requesting approval of a cooperative purchase agreement and purchase of audio-visual products from E1 Audiovisual Technologies (also known as ExhibitOne). He stated that E1 is one of the largest municipal audio-visual (AV) contractors in Arizona. He said this contract includes the installation, configuration, and

support of the AV equipment for the courtrooms, jury rooms, multi-use spaces, and lobby for the new courthouse.

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

Councilmember Lane moved to approve Cooperative Purchase Agreement with E1 Audiovisual Technologies utilizing the Arizona State Contract for the purchase of audio-visual equipment in the amount of \$584,776.52, seconded by Councilmember Coke, and carried by the following vote:

Aye: 5 - Mayor Sheehy, Councilmember Campbell, Councilmember Lane, Councilmember Moses and Councilmember Coke

Nay: 1 - Councilmember Lin

Absent: 1 - Vice Mayor Dolan

9. CURRENT EVENTS

Councilmember Lin reported that she attended the Arizona Town Hall last week in Tempe, Arizona, that addressed mental health, substance use, and homelessness.

Councilmember Moses gave an update on the Nomadic Co-Workspace which is anticipated to be completed in January or February 2023. He said citizens interested in the co-workspace business-model can contact the Partnership for Economic Development.

10. FUTURE MEETINGS

Tuesday, December 13, 2022 @ 6:00 p.m. – Regular Meeting

11. FUTURE DISCUSSION ITEMS

There were no requests from council for future discussion items.

12. ADJOURN

Upon motion by Councilmember Lane and seconded, the meeting adjourned at 7:20 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 22nd day of November, 2022. I further certify that the meeting was duly called and posted, and that a quorum was present.

Kelly Williams, City Clerk/MMC