



Mayor Mark S. Nexsen
Vice Mayor Don Callahan
Councilmember Crystal Alger
Councilmember Dean Barlow
Councilmember Donna Brister
Councilmember Jeni Coke
Councilmember David McAtlin

Lake Havasu City
Regular Meeting Minutes - Final
City Council

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

Tuesday, June 10, 2014

6:00 pm

Regular Meeting - REVISED

1. CALL TO ORDER

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

2. INVOCATION: Staff Minister Warren Holton, Redemption Hill Calvary Chapel

Staff Minister Warren Holton, Redemption Hill Calvary Chapel, 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 Dean Barlow, Councilmember Crystal Alger, Councilmember Donna Brister, Vice Mayor Don Callahan, Councilmember Jeni Coke and Councilmember David McAtlin

5. CALL TO THE PUBLIC

There were no requests to address the City Council.

6. CONSENT AGENDA

- 6.1** [ID 14-0297](#) Approval of May 20, 2014, City Council Budget Work Session, and May 27, 2014, City Council Regular Meeting Minutes
- 6.2** [ID 14-0302](#) Approve FY 2014-15 Havasu for Youth Grant Agency Agreement
- 6.3** [ID 14-0295](#) Call for Executive Session Pursuant to A.R.S. 38-431.03(A) 5:00 p.m. Tuesday, June 24, 2014.

Councilmember McAtlin moved to approve the Consent Agenda as presented and seconded by Councilmember Barlow. The motion carried by the following vote:

Aye: 7 - Mayor Nexsen, Councilmember Barlow, Councilmember Alger, Councilmember Brister, Vice Mayor Callahan, Councilmember Coke and Councilmember McAtlin

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

7.1 [ID 14-0291](#) Quarterly Investment Report at March 31, 2014

Administrative Services Director Valerie Fenske stated that this item was informational purposes only.

7.2 [ID 14-0294](#) City Manager's Report

City Manager Charlie Cassens reported on the following:

- ☐ Lake Havasu City will be hosting a Volunteer Fair on Saturday, June 14, 2014, from 8:30 a.m. to 11:00 a.m. at the Lake Havasu City Police Department.
- ☐ Since the last report of May 27, 2014, Code Enforcement staff has performed 27 new complaint inspections, 80 re-inspections, 7 violation notices, and closed 27 cases. There are currently 46 active and open cases.

7.3 [ID 14-0296](#) Announce Vacancies on Lake Havasu City Boards, Committees, and Commissions

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

8. PUBLIC HEARINGS

8.1 [ID 14-0306](#) Discussion and possible action, if necessary, to comply with Arizona Open Meeting Law following the executive session noticed above regarding

- A) Annual Evaluation of City Magistrate
- B) Employment Contract Negotiations with City Manager
- C) Employment Contract Negotiations with City Attorney

Possible actions include, but are not limited to, finding of satisfactory or unsatisfactory performance, salary adjustment, or any direction or action necessary to place an item on a future agenda relating to the City Magistrate, City Manager, and City Attorney's evaluation, salary adjustment, or employment contract.

Mayor Nexsen stated that the City Council reviewed the City Magistrate and followed up on a few items that were important from the previous year. He added that the City Magistrate has done an outstanding job in correcting some of the things in terms of communication. Mayor Nexsen said the City Council is very pleased with the level of support and work that he has done with the new Veteran's Court and added that it is the only rural Veteran's Court in Arizona. He noted that the United States is looking at what Lake Havasu City is doing in terms of putting together other Veteran's Courts. He added that the City Magistrate's performance has been excellent and the City Council is appreciative for all the hard work he has put in throughout the year. Mayor Nexsen noted that the extension of the contract was only for one month because the contract was on an off budget cycle and staff wanted to get it on the budget cycle. He further noted that the City Magistrate contract does not expire until 2015 and there will also be a small increase to the annual salary.

Councilmember Alger moved to make a finding of satisfactory performance and direct the City Attorney to draft an addendum to the City Magistrate's employment agreement to extend his term from May 28, 2015, to June 30, 2015, to align with the budget cycle and increase his salary to \$130,000 for the City Council's consideration at the June 24, 2014, meeting, seconded by Councilmember McAtlin. The motion carried by the following vote:

Aye: 7 - Mayor Nexsen, Councilmember Barlow, Councilmember Alger, Councilmember Brister, Vice Mayor Callahan, Councilmember Coke and Councilmember McAtlin

Mayor Nexsen explained that the City Manager requested his compensation not be changed; therefore, his salary compensation would be the same as the prior year which included the restoration of the 5 percent that was taken from City employees several years ago. He added that the City Manager's salary would remain the same as it was in 2013.

Councilmember Callahan moved to direct the City Attorney to draft a City Manager employment contract with Charlie Cassens as discussed in Executive Session including keeping current salary at \$154,875 and prepare updates for the existing agreement for City Council consideration at the June 24, 2014, meeting, seconded by Councilmember Brister. The motion carried by the following vote:

Aye: 6 - Mayor Nexsen, Councilmember Barlow, Councilmember Brister, Vice Mayor Callahan, Councilmember Coke and Councilmember McAtlin

Nay: 1 - Councilmember Alger

Mayor Nexsen stated that the City Council was pleased with Ms. Garry's performance. He explained that they compared salaries of City Attorneys throughout the area as well as throughout the State and the average was \$158,000; however, they were unable to determine a sense for how many years they served as City Attorneys. He added that the City Council increased Ms. Garry's

salary to \$142,000, and said that was not a reflection on her performance, but noted that she started at a lower base salary.

Councilmember Brister moved to direct City staff to draft the City Attorney employment contract with Kelly Garry as directed in the Executive Session including increasing salary to \$142,000 a year and preparing general updates to the existing agreement for Council consideration at the June 24, 2014, meeting, seconded by Councilmember Coke. The motion carried by the following vote:

Aye: 7 - Mayor Nexsen, Councilmember Barlow, Councilmember Alger, Councilmember Brister, Vice Mayor Callahan, Councilmember Coke and Councilmember McAtlin

8.2 [ID 14-0301](#) Approve Annual Renewal of MOU between Lake Havasu City and the Lake Havasu Professional Firefighters

Fire Chief Dennis Mueller stated that the only change to the Memorandum of Understanding (MOU) was based on verbiage, eliminating the request for absence language due to the Executime payroll software program. He added that there were also a few minor formatting changes.

Councilmember Barlow said on Page 14 of the MOU it states “upon completion of the salary survey” and questioned if a salary survey had been done, to which Chief Mueller replied that the salary survey would be done through the Human Resources Department. He added that they would also be evaluating the City’s evaluation process.

Councilmember Barlow said on Page 17, there is a section relating to bidding for shift and station vacancies and about e-mails that are sent to all fire suppression applicable personnel within the Fire Department. Councilmember Barlow clarified if those e-mails only were sent to existing employees of the Fire Department, to which Chief Mueller replied yes and explained that it is basically allowing existing employees to put a bid in to work at a different station and fill a position if they are qualified.

Councilmember Barlow asked if there are any positions in the Fire Department that are advertised outside of Lake Havasu City, to which Chief Mueller replied yes and added that when it is an internal promotion, staff tries to keep it internal to build up the experience and bring that level up within the organization.

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

Councilmember Brister moved to approve the annual renewal of MOU between Lake Havasu City and the Lake Havasu Professional Firefighters from July 1, 2014 to June 30, 2015, seconded by Councilmember Alger. The motion carried by the following vote:

Aye: 7 - Mayor Nexsen, Councilmember Barlow, Councilmember Alger, Councilmember Brister, Vice Mayor Callahan, Councilmember Coke and Councilmember McAtlin

8.3 [ID 14-0300](#) Approve Fiscal Year 2013-14 Budget Amendment

Ms. Fenske advised that the budget amendment is generally a housekeeping item where as it gets close to the end of the year, staff needs to move appropriations around. She added the budget amendment does not increase the overall total budget.

Ms. Fenske reviewed the budget amendments.

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

Councilmember Callahan moved to approve a budget amendment for Fiscal year 2013-14 as listed on the schedules D, E, and F, seconded by Councilmember Coke. The motion carried by the following vote:

Aye: 7 - Mayor Nexsen, Councilmember Barlow, Councilmember Alger, Councilmember Brister, Vice Mayor Callahan, Councilmember Coke and Councilmember McAtlin

8.4 [ID 14-0298](#) Adopt Resolution No. 14-2828 Adopting the Ten-Year Community Investment Program (CIP) for Fiscal Years 2015-2024

Ms. Fenske advised that this is the adoption of the Ten-Year CIP that was previously discussed at the work sessions on April 15th and May 20th. She said there is only one change which has to do with the Wayfinding program as a result of the May 20th work session. She added that the City's portion of the Wayfinding program would be \$520,000; however, because the City is responsible for paying the vendors or the labor internally, the City needs to appropriate to pay out all of those expenditures. She said staff appropriated a higher amount to include projected contributions from ASU, other organizations, and private people that would be making donations. She added that staff increased the revenues as well as the expenditures.

Councilmember Callahan said the minutes of one of the past meetings indicated that the Wayfinding signs would be done in phases, to which Mr. Cassens replied that the project could be done in phases; however, the project cannot be started if it is not in the budget. He clarified that what the City expects other entities to pay for have to be shown as a separate revenue source in the budget.

Mayor Nexsen said his concern is that although Wayfinding may have a return on investment, from the emails that he is receiving, the community either does not fully understand the meaning of this

project and how it will be done, or they prefer that it not be done at all. He said it is his opinion that the city needs an education program before doing this program. Mayor Nexsen said after getting so many emails about Wayfinding he feels as if he has an obligation to listen and not spend the money. He said he believes with education the community may say better understand that Wayfinding is a program to encourage tourists to stay longer and see what Lake Havasu City has to offer. Councilmember Callahan agreed with Mayor Nexsen.

Councilmember Brister said the Wayfinding program will be a good thing for the City but added that it is very hard to spend a large amount of money when so many people are complaining about transit. She stated that Mr. Traub has been great about putting information out there and explaining it to the citizens but they just do not understand what Wayfinding can do for the city.

Councilmember Alger suggested more work sessions or "Coffee with the Mayor" meetings in the evenings to educate the community on City Transit and Wayfinding.

Mayor Nexsen agreed with Councilmember Alger. He said what people are saying is that they would like to see the Wayfinding money be spent on transit, which is not a forever fix. He explained that transit is a reoccurring cost and was costing the community \$800,000 annually from the General Fund for 300 regular riders. Mayor Nexsen stated that the City did not disband or abandon transit but reduced the hours and went to a curb-to-curb service that is going to cost \$400,000. He added that after speaking with the City Manager, he requested that the staff explore what it would cost to do the same curb-to-curb service but expand the hours to operate 8 a.m. to 5 p.m. Monday through Friday.

Mayor Nexsen stated that he would like to hear from the community on transit because when the City Council was not talking about transit, he was getting e-mails on why have transit when the buses are empty, and then the moment the City tried to fix the program to reduce the amount being spent on transit he received complaints on why the City was taking away transit. He said he would like to hear from the community and what they want because the City Council is trying to represent what the community wants as a whole. He added that the City is not abandoning transit but trying to design a program to deliver services to the most vulnerable in the community.

Councilmember Coke said she has served on the City Council for the past two years and has not received as many e-mails about any other subject, minus transit, as she has about Wayfinding. She said the City Council understands it but is not sure how to make everyone else understand. She added that it has been very difficult and she wanted the constituents to know that the City Council does listen.

Mayor Nexsen said he has received a lot of e-mails opposing Wayfinding for a variety of reasons but has not received any emails from the business community that are in favor of it. He said he

understands why the Chamber of Commerce, Convention and Visitors Bureau, Partnership of Economic Development, Tourism Bureau and the Marine Association believe Wayfinding is an important project but he would like to know what the business community has to say about the direction the City ought to go because if they are convinced that it will bring more dollars to their coffers then that means it will bring more jobs to the citizens.

Mr. Cassens said staff could leave it in the budget but defer initiating or implementing Wayfinding until there is sufficient public outreach and then come back to the City Council with a recommendation based upon what staff has been able to accomplish within the community. He said with regard to the transit issue, staff has embarked on the Havasu Mobility Program and so far it seems to be working fairly smoothly and filling the hours that are available. He added that staff has not initiated the low income portion yet as they are still working on the details and the agreements through Interagency and the shuttle providers. He said he would like an opportunity to have some time and experience under the designed program and what the Council has authorized for the funding to determine if we are not meeting the demand and then talk to the people who are using the system and Interagency to determine the needs of those people who really need this service. He added then staff would come back to the City Council with some recommendations on how we might expand the program in the right areas.

Mayor Nexsen stated that if the community thinks transit is a priority, while he does not like taking any money out of contingency this is one of those times that he would take \$750,000 out of contingency and put it in the budget on an annual basis. He said a lot of people put Wayfinding just on the CVB but that is not fair because it is five of the largest business groups in town that have endorsed the program.

Mayor Nexsen opened the public hearing.

Mr. Doug Traub, President/CEO of the CVB, said on behalf of the five different economic development agencies for the City, there is a saying that, "typically communities are down on what they are not up on." He said they may be guilty of maybe focusing on the benefits of it rather than explaining it. He said everybody who has sat down with him, including candidates who have made this part of their agenda to be opposed to, once he sat down and actually took an hour to go through it; he was told they are not opposed to it anymore. He said the CVB will help explain this project better to the community and also help manifest e-mails and other kinds of things that display that there is quite a bit of support for the project.

Mr. Chuck Vaughn asked if this discussion was on Wayfinding or transit, to which Mayor Nexsen stated the reason it was brought up is because he has received a lot of e-mails stating if they did away with Wayfinding it would fix transit. He said his is not accurate because Wayfinding is a one-time expenditure and transit is an annual expenditure. He added that the City has spent around

\$8 million dollars to keep transit afloat over the past 10 or 11 years and if the funding for Wayfinding was put towards transit that would fix it for 2015 but not any year after. He said the City needs to find a solution because Federal grants and State money has disappeared and what they are really trying to do is to serve the most vulnerable in the community.

Mr. Vaughn stated that he did not have a problem with Wayfinding and asked if staff would still use the vouchers through Interagency, to which Mayor Nexsen replied yes. Mr. Vaughn stated that he would like to restrict those vouchers to Friday and Saturday when transit is not running. Mayor Nexsen explained that City's program will serve the seniors and those with disabilities and the low income citizens will be served through a \$5 voucher program that can be obtained through Interagency for a public shuttle.

Ms. June Vaughn asked about the number of transit riders and low income riders. Mr. Cassens explained that staff has to be prepared to accommodate those in wheelchairs and provide complete Americans with Disabilities Act (ADA) service during those hours. He said the 300 riders was an estimate of the regular users on a daily basis and is based on the total number of rides where they originated and ended. He added that staff does not have the data with respect to whether the riders are low income. He said if there is enough time under the Havasu Mobility Program and the voucher program using commercial shuttles, staff can collect that kind of data and gather feedback on how the system is working.

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

Councilmember Callahan said it was his understanding that all of the Wayfinding money needed to be appropriated in the budget if the City Council wanted to spend any of it.

Councilmember Callahan moved to adopt Resolution No. 14-2828 adopting the Fiscal Year 2015-2024 Community Investment Program, seconded by Councilmember Barlow. The motion carried by the following vote:

Aye: 6 - Councilmember Barlow, Councilmember Alger,
Councilmember Brister, Vice Mayor Callahan, Councilmember
Coke and Councilmember McAtlin

Nay: 1 - Mayor Nexsen

8.5 [ID 14-0299](#) Adopt Resolution No. 14-2830 Adopting the Fiscal Year 2014-15
Tentative Budget

Ms. Fenske stated that the item before City Council is a summary of changes as a result of the May 20th work session. She said staff inadvertently left out the additional \$50,000 for the Veterans services that would be funded through Interagency. Ms. Fenske noted that this amount was placed back in the budget. She added that \$20,000 was also included for Havasu for Youth and there was a

reduction of \$2,017 in the Wayfinding budget. She said the CIP fund reflects an increase in revenue of \$81,767 and an increase in expenditures for \$79,750 which is related to Wayfinding as previously discussed where the City is responsible for paying for all of the expenditures. She said the difference of approximately \$2,000 had to do with a small change in the numbers where the City had budgeted \$520,000 in Wayfinding for expenditures and the expenditure is \$518,733. She noted that there was one other movement for the transit item where staff moved an Interagency line item for the shuttle voucher program into the Havasu Mobility Division within the General Fund.

Councilmember Callahan said he wanted to clarify that the information presented was \$3 million plus difference between revenues and expenditures in the General Fund, to which Ms. Fenske stated that was correct. She said a lot of the difference has to do with budgeting positions at full medical coverage assuming there are no vacant positions. She added that they also budget for contingency items which typically result in no expenditures out of that fund. Mr. Cassens added that it also includes the grant projects that would come in as a funding source; however, if those grants do not come in then those projects do not get done.

Mayor Nexsen noted that the City budgets for these because they do not know exactly which items staff will be able to accomplish. He added that the City Council promised the community, after building reserves during the recession putting the City in a very healthy financial condition, that they would spend some of the reserves on projects such as parks, fire, police, and improved roads. He said although the budget is \$42 million in expenditures, he estimated the City would come in around \$39 million in expenditures.

Ms. Fenske said after doing some comparisons over the past 5 and 10 years, City has never spent 100 percent of the expenditures.

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

Councilmember McAtlin moved to adopt Resolution No. 14-2830 adopting the Fiscal Year 2014-15 Tentative Budget, seconded by Councilmember Barlow. The motion carried by the following vote:

Aye: 7 - Mayor Nexsen, Councilmember Barlow, Councilmember Alger, Councilmember Brister, Vice Mayor Callahan, Councilmember Coke and Councilmember McAtlin

8.6 [ID 14-0303](#) Adopt Ordinance No. 14-1112 Authorizing the Exchange of a City Owned Parcel on Park Avenue per A.R.S. § 9-407 with an Adjacent Parcel of Substantially Equal Value

Senior Planner Stuart Schmeling advised that the item before the City Council is the adoption of an ordinance which will authorize staff to move forward with an exchange of two properties along

Park Avenue, more commonly known as the Aquatic Center. He said the benefit in doing this is the City will have the opportunity to access the lower parking lot that was created around Rotary Park.

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

Councilmember Barlow moved to adopt Ordinance No. 14-1112 authorizing the exchange of property of substantially equal value located on Park Avenue as allowed by Arizona Revised Statutes § 9-407 with Dr. Faibisoff including completion of parcel plat and the creation of deeds, seconded by Councilmember Callahan. The motion carried by the following vote:

Aye: 7 - Mayor Nexsen, Councilmember Barlow, Councilmember Alger, Councilmember Brister, Vice Mayor Callahan, Councilmember Coke and Councilmember McAtlin

- 8.7** [ID 14-0270](#) Renew Bid for Bulk Sodium Hydroxide (Caustic Soda 50%) for Odor Management, ITB No. B12-WW12-01, with DPC Enterprises for FY14-15

Wastewater Division Manager Doug Thomas stated this was the components for the odor scrubbers at the wastewater facilities and also one of the larger pump stations. He said this is an annual award and because it exceeds the spending threshold, staff is asking for approval to renew the contract.

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

Councilmember Callahan moved to renew the bid for Sodium Hydroxide 50% with DPC Enterprises for FY 2014-15, seconded by Councilmember Coke. The motion carried by the following vote:

Aye: 7 - Mayor Nexsen, Councilmember Barlow, Councilmember Alger, Councilmember Brister, Vice Mayor Callahan, Councilmember Coke and Councilmember McAtlin

- 8.8** [ID 14-0271](#) Award Bid for Calcium Nitrate Liquid Odor Management Control Program, WW14-02, to Evoqua Water Technologies, LLC for FY14-15

Mr. Thomas said the price staff is requesting the City Council approve for calcium nitration is lower than the initial price that the City paid for in 1992. He said the City is saving approximately \$100,000, which is almost \$60,000 less than the next bidder. He added that calcium nitrate liquid has been used since 1992 for controlling sulfites at the force mains.

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

Councilmember Alger moved to award the bid for Calcium Nitrate Liquid Odor Management Control Program to Evoqua Water Technologies, LLC, at the gallon price of \$1.789 for FY 2014-15, seconded by Councilmember Barlow. The motion

carried by the following vote:

Aye: 7 - Mayor Nexsen, Councilmember Barlow, Councilmember Alger, Councilmember Brister, Vice Mayor Callahan, Councilmember Coke and Councilmember McAtlin

8.9 [ID 14-0272](#) Award Bid for Wastewater Bulk Sodium Hypochlorite 12.5% (Liquid Bleach) to Thatcher Company of Arizona, WW14-03

Mr. Thomas stated that this item is to award bid for the bleach solution which is the second component that works in conjunction with the odor scrubbers.

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

Councilmember Callahan moved to award the Wastewater Bulk Sodium Hypochlorite 12.5% bid to Thatcher Company of Arizona at the gallon price of \$1.04 for FY 2014-15, seconded by Councilmember Barlow. The motion carried by the following vote:

Aye: 7 - Mayor Nexsen, Councilmember Barlow, Councilmember Alger, Councilmember Brister, Vice Mayor Callahan, Councilmember Coke and Councilmember McAtlin

9. CURRENT EVENTS

There were no council committee reports.

10. CALL TO THE PUBLIC

There were no requests to address the City Council.

11. FUTURE MEETINGS

Tuesday, June 24, 2014 @ 6:00 p.m. - Regular Meeting

12. FUTURE AGENDA ITEMS

There were no requests for future agenda items.

13. ADJOURN

Upon motion by Councilmember Brister and seconded, the meeting adjourned at 7:07 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 10th day of June, 2014. I further certify that the meeting was duly called and posted, and that a quorum was present.

Kelly Williams, City Clerk