

Upon notice duly given under Arizona Revised Statutes, Section 38-431, et seq., as amended, the City Council of the City of Bullhead City held a Special Meeting on Thursday, August 7, 2014 in the Council Chambers, 1255 Marina Blvd., Bullhead City, Arizona.

**CALL TO ORDER**

Mayor Hakim called the special meeting to order at 12:00 Noon.

**ROLL CALL**

Council Present

Bruck (via telephone), Duvall, Hakim, Medrano, Ring, Shutts

Council Absent

Clark

Staff Present:

CITY MANAGER: Toby Cotter

CITY ATTORNEY: Garnet Emery

CITY CLERK: Susan Stein

FINANCE DIRECTOR: Rudy Vera

**DISCUSSION ITEM**

1. Discussion and possible action to adopt RESOLUTION NO. 2014R-46 referring a citizen initiative measure known as "Contract for Prosperity" (Initiative No. I14-03) to the qualified electors of Bullhead City at the November 2014 General Election. (City Attorney Emery)

Mayor Hakim stated this meeting was a continuation of their previous discussion from the City Council meeting held on August 5, 2014.

Mayor Hakim stated that Marc Goldstone, a proponent of the citizen's initiative, requested permission to speak, as well as answer questions from Councilmembers. Mayor Hakim said he told Mr. Goldstone that he would be allowed the time. He read an email from Mr. Goldstone to the City Attorney asking why the city measure on the primary election ballot was not limited to 50 words. He said the City Attorney responded that initiative and referendum measures were limited to 50 words. He said the email also expressed Mr. Goldstone's displeasure with the City Attorney.

Mayor Hakim said he was upset that, in an email, Mr. Goldstone accused him of "skewing" the language because he said it was vague. He said the City Attorney sent a draft of the proposed ballot language to both Mr. Lipshultz and Mr. Goldstone, as a courtesy, before the August 5<sup>th</sup> meeting. He said it was OK for both of them to make changes, but said the City Council could not. He said this was very disconcerting to him.

Mr. Goldstone apologized for sending the email. He said the proposed ballot language was changed since the August 5 meeting. He said his impression was that the Council felt that the language was too favorable, and they wanted it to read more negatively. He said exemptions for property tax and annexation of the fire district were minor exemptions. He said the major things were included in the official title. He said they wanted to present ballot language that was fair, accurate and impartial to the public. He said the "Contract for Prosperity" was about limiting city revenue by establishing baseline revenue and does not increase city revenue or bring a property tax. He said the city would have to refund revenue in excess of the limit through a reduction in sales tax.

He said the current proposed descriptive title is so far skewed and not representative of this measure.

Mayor Hakim said he did not believe that a good number of people who signed the petition actually knew what was in it. He said the initiative petitions indicated the Council could change fees “on a whim,” which was not true. He read a 2008 email from Mr. Goldstone sent to a previous City Manager asking for consideration of implementing a property tax in absorbing the Bullhead City Fire District. He said, at that time, Mr. Goldstone lobbied all of the Councilmembers to take over the fire department. He read a recent email from Mr. Goldstone referencing the possibility of privatizing ambulance service in the event the city annexed the fire department.

Mr. Goldstone stated the “Contract for Prosperity” was not a property tax measure, and said he thought the city could do a better job for less money in providing municipal fire services, which would eat up most of the property tax, but leave some to fix the roads.

Councilor Medrano said there was no reason to put language into a proposition with exemptions for certain situations unless they wanted to have separate rules for those particular instances. He said Mr. Goldstone implicated that as such in his recent email. He said this measure would require two-thirds vote for increases in revenue (fees and sales tax), yet does not change the simple majority vote the city would need to implement a property tax and/or annex a taxing district. He read a 2009 email he received from Mr. Goldstone which indicated the city could instantaneously increase the general fund to over \$100 million by annexing the fire district and those funds could be allocated as the Council sees fit. He said they created a situation whereby the path of least resistance leads to a property tax and makes it the easier to implement than any other revenue source in this city. He said Mr. Goldstone already has proven that he has a separate agenda. He said they want special rules for the way they want things done, and said he wanted people to understand what they signed when they signed the petitions.

Vice Mayor Duvall stated he agreed with Mayor Hakim and Councilor Medrano that this measure would make it impossible for the Council to get anything done because it would handcuff them. He asked Mr. Goldstone who the initial group was that started the measure. Mr. Goldstone said it was Mike Lipshultz and himself. Vice Mayor Duvall said their motivation was to hamstring the Council, and said when he first took office, Mr. Goldstone met with him to consider annexing the fire department. He said he was also concerned about the way the signatures were gathered. He said he doubted that many people took the extra step to ask to have their names removed from the petitions. Mr. Goldstone said one person requested to take her name off the petition.

Councilor Shutts said the title of “Contract for Prosperity” was strictly chosen to confuse the public. She said she was also contacted by Mr. Goldstone to consider annexing the fire department, and said she believed the bottom line was that Mr. Goldstone wanted to take over the fire department. She said Mr. Goldstone said the city needed the measure to keep the Council in line, but he turned around and said the Council would be in a good position to use the extra money to run the fire department. She said the Council does a good job only if it was something Mr. Goldstone wanted. She said the initiative should be titled, “Should we annex the fire department?” She said if people read the full text of the measure, they would not have a clue about what this measure was all about.

**MOTION:** Councilor Medrano made a motion to adopt Resolution No. 2014R-46 setting a citizen initiative measure to the qualified electors of Bullhead City at the November 2014 General Election, and that the Descriptive Title read as follows: "The "Contract For Prosperity," a measure proposed by initiative petition, establishes revenue limitations using a 2013 baseline, includes revenue exemptions from any 2% property tax and annexation of a taxing district, requires voter authorization to increase revenues and mandates refunds in excess of the limitations through a fluctuating tax rate. A "YES" vote will have the effect of approving the "Contract For Prosperity" and amending the Bullhead City Code Title 3 by adding Chapter 3.54. A "NO" vote will have effect of rejecting the "Contract For Prosperity" and the proposed amendment to Title 3, Chapter 3.54 of the Bullhead City Code." Councilor Bruck seconded the motion.

**VOTE:** AYES: Bruck, Duvall, Hakim, Medrano, Ring, Shutts    NAYS: None  
ABSENT: Clark

**MOTION CARRIED**

**ADJOURNMENT**

Mayor Hakim declared the special meeting adjourned at 12:49 p.m.

**CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct record of the minutes of the special meeting of the City Council of the City of Bullhead City held on the 7<sup>th</sup> day of August 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 2<sup>nd</sup> day of September 2014.

  
Susan Stein, MMC, CPM  
City Clerk