

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 May 16, 2017, in the Council Chambers, 1255 Marina Blvd., Bullhead City, Arizona.

CALL TO ORDER

Mayor Brady called the special meeting to order at 3:00 p.m.

ROLL CALL

Council Present

Brady, Bruck, Clark, Ring, Shutts, Wegmann

Council Absent

D'Amico

Staff Present:

CITY MANAGER: Toby Cotter

CITY ATTORNEY: Garnet Emery

CITY CLERK: Susan Stein

CITY MAGISTRATE: Peter Psareas

FINANCE DIRECTOR: Rudy Vera

CHIEF CITY PROSECUTOR: Martin Rogers

RECREATION MANAGER: Dave Heath

DISCUSSION ITEM

Discussion relating to the proposed City of Bullhead City Budget for the Fiscal Year beginning July 1, 2017, including proposed revenues, expenditures, and programs for all governmental funds.

City Manager Cotter clarified the total project budget for the Gary Keith Park improvements was \$80,000, and said \$35,000 was a carryover from last year's budget.

Culture-Recreation

Recreation Manager Heath said the city's special events impacted the economy and said they worked hard to provide a high quality experience for both residents and visitors. He said the cost for each of the events was offset by a like amount of revenue through vendors and sponsorships.

Fishing Derby

Recreation Manager Heath said the projected budget for the Fishing Derby was \$48,228 including staff cost, marketing the event, awards, and cash prizes. He said this was a new program.

BHC Street Fest

Recreation Manager Heath said they patterned this event to be similar to Lake Havasu's Street Fest. He said the total budget was \$19,992 including marketing and supplies for the event. He said this event would include music, arts and crafts, and food vendors to be held during the month of May. Event Coordinator Catalfamo said Trane Road would be blocked off and the event would feature food vendors, entertainment, and a bounce house. He said they would be looking for community involvement.

Bluegrass Festival

Recreation Manager Heath said the budget for this event was \$57,693. Event Coordinator Catalfamo said they planned to hold country western nights on Friday and Saturday with the hope of increasing the sponsorship level in order to grow the event and hire more bands. He said staff would attend other festivals to get the word out in order to draw more attendees to the event.

Best of the West Soccer Tournament

Recreation Manager Heath said this new event was similar to the high school girls' softball tournament in bringing the best teams from Arizona and California. He said this was a new event and the budget was \$26,488 including officials and marketing costs.

Farmers' Market

Recreation Manager Heath said the event had grown each year, and said they were pleased with the success. He said the budget amount was \$13,506.

Park Rangers

Recreation Manager Heath said the park rangers' budget fell under the Recreation Division. He said the program was created to add more supervision at the parks and had stayed the same over the past few years. He said the rangers patrolled the parks 365 days per year, and said the parks were getting busier each summer. He said the budget for park rangers was \$75,529.

Recreation Services

Recreation Manager Heath said 14 ongoing programs were run through this division. He said the biggest change was in wages due to the increase in the minimum wage rate (\$209,497). He said most of the staff worked part-time and said the swimming pool would now be open year-round requiring additional lifeguards. Council Member Wegmann asked about the number of recreation department staff. Recreation Manager Heath said there were approximately 40 employees on staff, both full and part-time. City Manager Cotter said there was a reduction in the concession lease budget from \$30,000 to \$10,000.

River Regatta

Recreation Manager Heath said zero dollars were budgeted this year due to the Council's decision to not hold the event this year.

Senior Games

Recreation Manager Heath said there were 140 attendees for the first year of this event. He said the feedback was incredible, and said they anticipated this event would grow quickly. He said the total budgeted amount for this event was \$404,705.

Suddenlink Community Center

Recreation Manager Heath said the community center was an incredible success for the city with a budget of \$50,523. He said an increase was due to the increase in the minimum wage rate.

Winter Festival

Recreation Manager Heath said the event would continue this year and said the budgeted amount was \$8,692.

Human Services

Human Services Director Betts said this budget represented only four percent of the overall budget, but said they touched the lives of many people in the community. She said they were able to help low income homeowners, promote good health and independence, enhance the quality of life by controlling insects, and provide accessible and affordable transportation. She said the housing rehab program was funded by federal grants, the senior nutrition center received funding from state and federal sources, and said funding also came from other sources such as donations, in-kind credits for volunteers, and donations of water and food. She said the pest abatement program received funding under an intergovernmental agreement with the Bullhead City Pest Abatement District. She said the transit division received funding from the 5311 Federal Transit Grant and local sponsorships. She said the city's general fund filled the gaps to fully fund the programs to meet the needs of the community.

Community Development Block Grant (CDBG)

Human Services Director Betts said this account provided funding sources for the new CDBG grant to complete the road construction program in Old Bullhead, and funds to finish the food bank project for a budget amount of \$650,000.

HOME Program

Human Services Director Betts said the HOME grant was augmented by the housing trust fund through the Department of Housing for a total budget of \$570,514.

Housing Rehabilitation

Human Services Director Betts said the budget was zero as the two homes in this category had been leased by Interagency to help homeless veterans.

Human Services

Human Services Director Betts said this budget included funding for the Western Arizona Council of Governments (WACOG) rural transportation liaison, Section 8 Housing IGA with Mohave County, and funds for the Homeless Resource Center operated by Catholic Charities for a total budget of \$63,126.

Pest Abatement Program

Human Services Betts said over the past nine months, they had formulated a structured program, hired personnel, and acquired materials for surveillance and abatement focused on mosquitoes and caddis flies. She said the total budget for this category was \$155,413.

Senior Transportation

Human Services Director Betts said they anticipated an increase in vehicle repair maintenance in this category and the transit budget. She said they would issue a request for proposal for those services in the next fiscal year. She said this budget amounted to \$84,435.

Senior Nutrition Center

Human Services Director Betts said the demand for home delivered meals increased each year. She said WACOG helped out with the Fort Mohave clients which helped the city redirect resources to Bullhead City residents. She said the total budget for this category was \$342,004.

Transit

Human Services Director Betts said there was an increase in overtime to cover shifts and additional training time for a total line item of \$6,000. She said they were requesting \$16,000 for a planning grant that would cover 80 percent of the cost for professional services for another five years of transportation planning. She said there was a capital outlay request in the amount of \$17,000 for a local match to pay for a new \$170,000 bus, and said they requested \$12,000 for new tie down systems to secure wheelchairs which would be reimbursed at \$10,800.

Mayor and Council

City Manager Cotter said this budget had not substantially changed over the past year. He said funding included conferences, a possible trip to Washington, D.C., and meeting expenses.

City Clerk

City Clerk Stein said no funding was included for election expenses this year, and said the budget had not substantially changed over the past year. She said funding for education was included, as it was important for the clerks to attend election training to keep up with the changes in legislation.

Financial Administration and Technology

City Manager Cotter stated the city had continued to invest in technology within the departments and community-wide. He said the things necessary for employees to do their jobs were expensive. He said it was incumbent to have equipment that functioned in a productive manner.

Finance

Finance Director Vera said this budget had not substantially changed since last year. He said funding for legal notices increased because currently there was only one option for publications in the city.

Technology Services

Information Technology Manager Scheffert joined the meeting via a telephonic conference call. He said \$24,000 was included for network cabling in administration and the police department; \$18,000 to support the police department phone system migration from IPS to SV; \$19,000 to replace computers in the police department; \$20,000 for a camera system in the jail cell booking area; \$34,000 for network security firewalls; \$32,000 for police department VMware server, \$90,000 to replace network switches; and \$80,000 to replace wireless data links for the 911 emergency system. He said \$39,800 in funding was included to encrypt the city's server in order to protect its database.

Legal Services

City Attorney Emery thanked the Council for their support and said the city had a great administrative staff.

City Attorney Emery said there were nominal changes to the overall budget. Chief City Prosecutor Rogers said the Victims of Crime Act (VOCA) grants funded one half of the full-time legal services victim's coordinator position and three part-time victim advocate positions. He said the other half was funded through grants made through the police department. He said the VRP grants came from state funding to fund the coordinator's salary, and said additional federal grant funding helped to pay for these services.

Municipal Court

City Magistrate Psareas said a security system with cameras and monitors was installed in the court rooms and court administrator's office; a Warrant Amnesty Day was held that went very well; and the Veterans' Court had started over the past year. He said funding was included to remodel Courtroom "A" (\$14,000) and continue the Veterans' Court (\$35,000) which had proved to be very successful. He said the prison inmate costs were less than last year, and said the remainder of the budget had not substantially changed.

Council Member Bruck asked why funding was not included for home detention electronic monitoring. City Magistrate Psareas said the Arizona Office of the Court had required them to use county probation services, which was cost prohibitive.

Revenues

City Manager Cotter said local sales tax revenue showed a 9.8 percent increase based on a number of factors including new businesses moving in and new homes being constructed. He said urban revenue sharing (state sales tax and auto lieu tax) also showed an increase. He said there were anticipated decreases in building fees due to the proposed extension of the suspension of fees for

another six months to December 2017. He said the budget was balanced based on the extension of the building fee suspension. He said five or more businesses were looking at expansion, and said there was real energy behind this program. Finance Director Vera said they did not address sales tax collected from Amazon sales because not enough information was available at the time.

City Manager Cotter said the budget schedules would be published in the *Mohave Valley Daily News* and said two additional public hearings would be held before the final budget was adopted on June 20th. He said this meeting completed their budget sessions for this fiscal year, and said the Council would not meet tomorrow as originally scheduled.

ADJOURNMENT

Mayor Brady declared the special meeting adjourned at 4:34 p.m.

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct record of the special meeting of the City Council of the City of Bullhead City held on the 16th day of May 2017. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 6th day of June 2017.


Susan Stein, MMC, CPM
City Clerk

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 regularly scheduled meeting on Tuesday, May 16, 2017, in the City Council Chambers, 1255 Marina Boulevard, Bullhead City, Arizona.

CALL TO ORDER, INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Brady called the meeting to order at 5:30 p.m. and invited Pastor Dr. Josiah Drawhorn of the Amazing Grace Fellowship to deliver the invocation. Council Member Ring led the assembly in the Pledge of Allegiance to the Flag.

ROLL CALL

Council Present

Brady, Bruck, Clark, D'Amico, Ring, Shutts, Wegmann

Council Absent

None

Staff Present:

CITY MANAGER: Toby Cotter

CITY ATTORNEY: Garnet Emery

CITY CLERK: Susan Stein

POLICE CHIEF: Brian Williamson

FINANCE DIRECTOR: Rudy Vera

PUBLIC WORKS DIRECTOR: Pawan Agrawal

HUMAN SERVICES/TRANSIT DIRECTOR: Susan Betts

PRESENTATIONS AND PROCLAMATIONS

1. Presentation of a check in the amount of \$250,000 from the BHHS Legacy Foundation and a check in the amount of \$10,000 from Los Matadors to the city for soccer field lighting.

Dr. Price from the Los Matadors civic organization presented a \$10,000 check, and Dan Oehler from the BHHS Legacy Foundation presented a \$250,000 check to Mayor Brady for the installation of soccer field lighting in Rotary Park.

2. Proclamation recognizing the distribution of "VFW Buddy Poppies" on May 27, 28, and 29, 2017; and November 10, 11, and 12, 2017.

Mayor Brady read the proclamation and presented it to Mike Thompson representing VFW #10005 in Bullhead City.

3. Retirement of Military Banners Presentation by the Tri-State Military Moms, Inc.

Mayor Brady presented "Welcome Home" certificates and members of the Tri-State Military Moms presented retired highway banners to six members of the military returning home to the tristate area.

Mayor Brady called for a short break at 6:05 p.m. and reconvened the meeting at 6:10 p.m.

OPEN CALL TO THE PUBLIC

Mayor Brady opened the call to the public.

Greg Miller said he appreciated the city's response in striping Bullhead Parkway, but said the manhole cover patches seemed to be a temporary fix. He complimented the metal artwork installed at some intersections throughout the city.

Mr. McClure said he had an issue with Allied Waste Services, and said he was not allowed to speak at the Franchise License Commission public meeting because the Allied Waste representative was not present.

Eva Corbett invited the public to attend the Colorado River Republican Women's luncheon to be held on May 17th at Chaparral Country Club.

Royanne Ortiz suggested that members of boards and commissions provide an annual report to the public regarding their activities and accomplishments over the past year.

Having no one else present wishing to speak, Mayor Brady closed the call to the public.

AGENDA MODIFICATIONS

None

WAIVER MOTION

MOTION: Vice Mayor D'Amico made a motion to waive the reading in full of all ordinances and resolutions presented for adoption at this meeting. Council Member Bruck seconded the motion.

VOTE: AYES: Brady, Bruck, Clark, D'Amico, Ring, Shutts, Wegmann NAYS: None
ABSENT: None

MOTION CARRIED

MANAGER'S REPORT

1. ADOT Laughlin Bridge Intersection Maintenance

City Manager Cotter said the Arizona Department of Transportation (ADOT) bridge maintenance contractor withdrew from the project, but said the project should start up again in early June.

2. Street Maintenance Program

City Manager Cotter said the street maintenance program was progressing very well, and said the city should be able to meet their goal of resurfacing 20 percent of the city's streets this year.

3. Summer Water Safety Program

Police Chief Williamson said the summer season had begun, and said their water safety program would begin on Memorial Day weekend and run through Labor Day weekend. He said the key to avoiding any tragedy in water sports was prevention, and urged the public to make good decisions when operating a watercraft or swimming in the river.

City Manager Cotter said the mandatory water safety video for those renting personal watercraft was available to the public at each rental operation and on the city's website.

4. Proposed City Budget for Fiscal Year 2017-2018

City Manager Cotter said the Council spent six hours reviewing the proposed line item budget, and said the entire budget document was posted online. He said the public would have two additional opportunities to provide comments on the budget at the June 6th and June 20th Council meetings.

MAYOR AND COUNCIL MEMBERS' REPORTS ON CURRENT EVENTS

None

ITEMS WITHDRAWN FROM CONSENT AGENDA

None

CONSENT AGENDA

MOTION: Council Member Clark made a motion that Item No. 1 on the consent agenda be approved in accordance with the reports, certifications and recommendations furnished each Council Member and without further discussion. Council Member Wegmann seconded the motion.

VOTE: AYES: Brady, Bruck, Clark, D'Amico, Ring, Shutts, Wegmann NAYS: None
ABSENT: None

MOTION CARRIED

Items on the consent agenda were approved as follows:

1. Approval of the Minutes of the Special Council Meeting held on May 2, 2017; and the Minutes of the Regular Council Meeting held on May 2, 2017. (City Clerk Stein)

PUBLIC HEARINGS ON ITEMS PULLED FROM CONSENT AGENDA

None

BOARD/COMMISSION/COMMITTEE APPOINTMENTS

None

PUBLIC HEARINGS ON LIQUOR LICENSE APPLICATIONS

None

ACTION ITEMS

Building, Planning and Zoning Items

2. Discussion and possible action to approve: 1) the Final Plat for Canyon Trails at Fox Creek, Tract 5190 (Unit 3); 2) the Financial Assurance through the Property Escrow Agreement between Brookfield Canyon Trails, LLC, and the City of Bullhead City; and 3) authorize the Mayor to sign all accompanying documents. (Public Works Director Agrawal)

Public Works Director Agrawal said this subdivision contained 13 acres to be subdivided into 35 residential lots with a number of open space areas. He said staff recommended approval.

Mayor Brady asked if anyone from the public wanted to speak.

Don Anderson from Anderson Nelson Engineers said he represented the developer, and said the lots were basically the same size as the lots in Canyon Trails Units 1 and 2.

MOTION: Council Member Ring made a motion to approve: 1) the Final Plat for Canyon Trails at Fox Creek, Tract 5190 (Unit 3); 2) the Financial Assurance through the Property Escrow Agreement between Brookfield Canyon Trails, LLC, and the City of Bullhead City; and 3) authorize the Mayor to sign all accompanying documents. Council Member Bruck seconded the motion.

VOTE: AYES: Brady, Bruck, Clark, D'Amico, Ring, Shutts, Wegmann NAYS: None
ABSENT: None

MOTION CARRIED

Bid Awards, Contracts, Intergovernmental Agreement, and Purchases

3. Discussion and possible action to approve: 1) Lease Agreement for Development and Operation of Hotel and Recreational Water Facilities at 1300 Silver Creek Road Lot No. 1; 2) Lease Agreement for Development and Operation of Conference Center and Restaurant at 1300 Silver Creek Road Lot No. 2; 3) Lease Agreement for Development and Operation of Hotel at 1300 Silver Creek Road Lot No. 3; 4) Termination of Lease Agreement for Development and Operation of Hotel/Conference Center and Water Park at 1300 Silver Creek Road subject to the finalization of parcel legal descriptions; and 5) Authorizing the City Manager to execute the lease agreements and termination to be effective on a date subsequent to the finalization of the parcel legal descriptions, and take all actions consistent with implementation of the actions authorized. (City Manager Cotter)

City Manager Cotter said the city had been trying to develop the site of the old sewer plant at Silver Creek Road and Highway 95. He said in March 2012 the city received a clean closure letter from the Arizona Department of Environmental Quality (ADEQ) stating the site was fully clean and appropriate for development. He said, at that time, Steve Sunde approached the city to develop a Holiday Inn Express and water park on that site. He said Mr. Sunde had not developed the project, but introduced the project to Jeff Lamont from the Lamont Companies in South Dakota.

Jeff Lamont joined the meeting via a telephonic conference call.

City Manager Cotter said over the past 18 years, Mr. Lamont with his partners had developed, owned, and managed many hotels such as Holiday Inns, Hilton Hotels & Resorts, Marriott International, and Intercontinental Hotels Group. He said he had met with Mr. Lamont and appreciated his desire to invest in the community. He said the development agreements included all of the contract terms on the city's leased land. He said Arizona law did not allow the city to gift land or give land away. He said the city had to extract some value from the land lease, and said the value came from the use of the indoor swimming pool and convention center. He said the direct benefits to the city would be construction sales tax, increased retail sales tax and transit occupancy tax collections, convention center space, permanent jobs, and a new upper mid-scale hotel on a clean parcel of land owned by the city.

Mr. Lamont said he and his partners were excited about bringing this opportunity to the city, and thanked the city for working with them throughout the process. He said there would be a new event center and restaurant with possibilities for expansion in the future.

Mayor Brady said he had spent many hours reviewing the agreements and said he had major concerns. He said they were voting on three separate lease agreements with three separate LLCs, and said he was told the banks that were financing the project required them for their own protection. He said there would be complications should each project fail, and said he was more concerned about protecting the city. He said the agreements were for 50 years with a 50-year option, and said effectively they were approving a 100-year lease. He said the original agreement from 2012 had a 40-year lease with the ability to renegotiate. He said future City Councils would have to deal with issues 100 years from now. He said the value the city was receiving was for in-kind services, not money. He said the city would get 280 hours of use of the 650 square foot swimming pool at a cost of \$200 per hour for a total value to the city of \$56,000 in credit. He said the original agreement included the use of a 10,000 square foot water park, not a swimming pool. He said the pool would not be used very much as it would only be available for use before 10:00 a.m., and only accommodate a small number of swimmers with no changing room. He said the city would get six days' of use of the 7,500 square foot conference room at a credit of \$3,000 per day for a total credit value of \$18,000. He said he learned that most conference center facilities were normally free as long as the full price was paid for the banquet services. He said he did not see the benefit of the conference center use. He said the developer had three years to build the hotel and conference center and five years to build the second hotel, and said while the project was being built; the city would get no money but in-kind deferred services. He said that did not make sense. He said there were no provisions if the project was not completed or did not open within the stated time frames, except for default or termination.

Mayor Brady said the Council would also be voting to cancel the original development agreement of 2012. He said since that time, nothing had happened on the property for the last four and one-half years with nothing in return. He said if the project construction stopped, there was no provision in these agreements that offered the city any compensation. He said the city could require demolition of the building, but said if the developer walked away the only option was to sue through a lengthy and costly lawsuit, as no performance bonding was required. He said insurance obligations called for a policy not less than \$10 million with no provisions for inflation over the next 100 years. He said this was unacceptable. He said if the lessee failed to maintain or abandoned the property, the city could enter and fix it up if the economic value had diminished, or if the property became a public safety concern the city could bill the owner. He said in reality, if a fire

occurred on the property and it was not re-built, the city could either repair and bill the owner or default which would result in a lawsuit. He said during that entire time, the property could sit vacant.

Mayor Brady said the 50-year plus 50-year option was a 100-year lease, and said no government body should tie the hands of future City Councils to such a large degree. He said they received no cash but in-kind services of a tiny swimming pool and conference room that was no use to the city or its citizens. He said the city did not need those in-kind services. He said by entering into these agreements, the city would be favoring a company that would compete directly with existing hotels in Bullhead City. He said for the next 100 years, the city would be named in numerous lawsuits on the property used as a hotel/conference center or a possible nursing facility in the future. He said the agreements had no provisions for performance bonds or cash assurances to be used to demolish the hotel such as what happened with the Emerald River hotel property, and said their only option would be to tear it down or refurbish it and take over its operation. He said the city would receive nothing if construction never started. He said the Mohave County Assessor placed the value of the land at \$154,000. He said for the city to enter into a 100-year lease over a \$154,000 land value on a \$10 million facility was totally unacceptable. He said if the lessee failed to perform as written, the only option would be to default the agreement which was not likely if there was money invested or construction started.

Mayor Brady displayed some newspaper articles about a former Holiday Inn in Pennsylvania that was a top tax generator in 2003, but sat vacant over five years due to a sprinkler system break in 2008. He said the article discussed the possibility of the hotel becoming a senior living facility, and said the same thing could happen in this community. He said another newspaper article included information about a construction worker found dead in the same facility after the building caught fire due to an electrical problem. He said these events could easily happen to the city over the next 100 years, and said there were no corrective provisions but to terminate the lease and fight the owner in a court of law. He said the hotel would reach an age when it was no longer viable to maintain, and said if the owner walked away the city would inherit the property and pay for the demolition at taxpayer expense. He said all of this for 280 hours of swimming pool use and six days' of conference room use. He urged his fellow Council members to vote "no." He said he hoped Mr. Lamont would consider buying the land and constructing the hotel, but keep the government out of the project for the next 100 years.

Vice Mayor D'Amico stated he could not support the project as presented, but said he would vote "yes" if the developer agreed to purchase the property and leave the city out of it.

Council Member Clark stated the city was in a great position and said many new businesses were moving into town. He said the city had worked hard to enhance the business climate of the community and add jobs. He said the hotel project would enhance the area and said the project would be developed on a clean brownfield. He said the location would provide 30 new permanent jobs plus additional jobs during special events. He said some individuals did not want to stay in the casinos and said there was a need for this hotel. He said the hospital had visiting doctors and nurses that stayed on a regular basis that did not want to stay in the casinos. He said the developer did a lot of due diligence on the project, and said they were experts in the hotel and convention business. He said Mr. Lamont started his company in 1998 and said it was not a fly-by-night operation. He said the developers would put \$15 million into building a facility that would provide \$160,000 in construction sales tax and an additional \$160,000 per year in TPT and TOT tax or \$10 million in

additional tax revenue to the city, as well as provide additional revenue to the county and other taxing districts. He said he did not think the developer would be walking away from a \$15 million investment, but rather be protecting it.

Council Member Ring said she agreed with Council Member Clark, and said the Lamont group would not be making the investment unless they believed the project would be a success.

Council Member Shutts said she questioned the fact the company could purchase the property for \$150,000, but refused to. She said there were properties in this country with a history of causing cancer. She said she worked in a building in California with connections to causing cancer that had been since closed down. She said she believed that she came down with cancer because of it, and said the city could be involved in future lawsuits. She said she did not think the hotel could maintain the occupancy rates due to the competition from Laughlin. She said she voted in favor of the project the first time when it had an enclosed water park. She said she did not think the hotel would be successful, and said she was not in favor of a project with a 100-year lease.

Council Member Wegmann said this was an incredible opportunity for the community. She said she concurred with Council Member Clark, and said the community needed this. She asked Mr. Lamont if his company was involved in similar leases. Mr. Lamont confirmed, and said in order to obtain financing for their projects; their banks required the land lease to have the same term as the building. Council Member Wegmann thanked Mr. Lamont for working with the city on this project.

Vice Mayor D'Amico asked Mr. Lamont why they did not want to purchase the property. Mr. Lamont said the lease was the most attractive package.

Council Member Bruck said she agreed with Council Member Clark, and said this project was necessary for the city.

Mayor Brady said Mr. Lamont could sell or assign the lease tomorrow to anyone which did not require the city's consent.

Mayor Brady asked if anyone from the public wanted to speak.

Royanne Ortiz said there were arguments for both sides. She said she would like to see the developer purchase the property to eliminate some risk. She said the in-kind services for hotel room use was not previously mentioned, and asked if the city could sell the use of the in-kind services.

Eva Corbett spoke in opposition to the proposed lease agreements.

Jack Hakim said in 2014 more than 100 business owners, chamber members, citizens, civic organizations, and Council members attended the ground breaking ceremony for the new Holiday Inn Express hotel and convention center. He said it had been 27 years since the city had a new hotel. He said some original 25-year franchise agreements had been extended to more than 50 years by now. He said he could not believe the negativity he was hearing, and said they needed to have pride in the city and think of positive things.

Sam Medrano said he was a City Council member when they considered the original project. He said their most important job was how to provide benefits to the public. He said he originally voted in favor of the project because the water park would have been a benefit to the community. He said the city needed to go back and negotiate on this project a little more

Ed DeLisle spoke in opposition to the proposed lease agreements. He said the existing hotels in the city did not need the city helping the competition, and said the new conference center would also be competing for existing business.

Mayor Brady said the hotel would be a wonderful addition to the community and said he agreed with Council Member Clark that they would love to see them come to the city. He said he did not agree with the current terms of the agreements.

City Manager Cotter said one of the major terms included in the agreement was the developer would have the right to purchase the property at any time.

Council Member Ring said she spoke to the Holiday Inn in Orlando and said it was the only Holiday Inn with a water park. Mr. Lamont said other hotels have a water slide feature. He said many members of the community had expressed strong interest and support for the proposed convention center and meeting facility. Council Member Ring said there was a strong economic development momentum, and said she believed it was time for a Holiday Inn Express for Bullhead City.

MOTION: Council Member Ring made a motion to approve: 1) Lease Agreement for Development and Operation of Hotel and Recreational Water Facilities at 1300 Silver Creek Road Lot No. 1; 2) Lease Agreement for Development and Operation of Conference Center and Restaurant at 1300 Silver Creek Road Lot No. 2; 3) Lease Agreement for Development and Operation of Hotel at 1300 Silver Creek Road Lot No. 3; 4) Termination of Lease Agreement for Development and Operation of Hotel/Conference Center and Water Park at 1300 Silver Creek Road subject to the finalization of parcel legal descriptions; and 5) Authorizing the City Manager to execute the lease agreements and termination to be effective on a date subsequent to the finalization of the parcel legal descriptions, and take all actions consistent with implementation of the actions authorized. Council Member Wegmann seconded the motion.

VOTE: AYES: Bruck, Clark, Ring, Wegmann NAYS: Brady, D'Amico, Shutts
ABSENT: None

MOTION CARRIED

Council Member D'Amico left the meeting at 7:20 p.m. and re-joined the meeting via telephonic conference call at 7:21 p.m.

4. Discussion and possible action to approve a contract for the Section 10 Wastewater Treatment Plant Injection Wells Wellhead Manifold and Injection Equipment Installation with Keith Cotter, Inc., dba Laveen Pump Company, in the amount of \$269,300; and authorize the City Manager or his designee to sign resulting documents and issue payments on behalf of the city. (Public Works Director Agrawal)

Public Works Director Agrawal said this was the third and final construction phase of the project. He said they held a public bidding process and received one bid from Laveen Pump Company. He said this phase was specialized and not many contractors provided this type of work. He said this contractor had performed several similar installations in Arizona and said they were experienced in this type of work. He said the project was 100 percent grant funded at \$1,400,000; and said they were committed to injecting all available treated wastewater from the Section 10 facility. He said after the project was completed and they met the injection requirements; the city could market the available effluent.

Council Member Clark said the project would allow the city to put additional effluent into the Colorado River which would be a great new revenue source to the city in the future.

Mayor Brady asked if anyone from the public wanted to speak. No one from the public spoke.

MOTION: Council Member Wegmann made a motion to approve a contract for the Section 10 Wastewater Treatment Plant Injection Wells Wellhead Manifold and Injection Equipment Installation with Keith Cotter, Inc., dba Laveen Pump Company, in the amount of \$269,300; and authorize the City Manager or his designee to sign resulting documents and issue payments on behalf of the city. Council Member Ring seconded the motion.

VOTE: AYES: Brady, Bruck, Clark, D'Amico, Ring, Shutts, Wegmann NAYS: None
ABSENT: None

MOTION CARRIED

5. Discussion and possible action to adopt Resolution No. 2017R-17 approving the Intergovernmental Agreement between the City of Phoenix and the City of Bullhead City; and authorizing the City Manager to execute the agreement on behalf of the city. (Finance Director Vera)

Finance Director Vera said the City of Phoenix had developed in a tax data repository and business intelligence system. He said their system included dashboards for financial reporting, analytics, enforcement, and audit of Arizona Department of Revenue transaction privilege tax data. He said the dashboards contained queries and reports for analyzing remittance and licensing data. He said the City of Phoenix had invested more than \$2 million to develop this system and were offering participation to other Arizona cities and towns. He said the cost to cities and towns was based on the 2015 census populations. He said there was a one-time payment of \$5,000 with recurring annual maintenance costs of \$900 for Bullhead City. He said their current system was Microsoft Excel.

Council Member Clark said there had been inconsistencies in the past with the Department of Revenue. He said this would be a good tool to help the city determine the correct amount of revenue coming from the state.

Mayor Brady asked if anyone from the public wanted to speak.

Royanne Ortiz asked if the current data collected from the state would provide the same information. Finance Director Vera said additional information with better reporting would be received.

City Manager Cotter said the city had done its own collecting but the state law changed. He said everyone had paid to the same place which was supposed to make it easier for businesses throughout the state. He said when the city had contracted with RDS, they could look at trends but said now that was more difficult. He said it was critical that the city looked at the tax revenue received every day.

MOTION: Council Member Bruck made a motion to adopt Resolution No. 2017R-17 approving the Intergovernmental Agreement between the City of Phoenix and the City of Bullhead City; and authorizing the City Manager to execute the agreement on behalf of the city. Council Member Wegmann seconded the motion.

VOTE: AYES: Brady, Bruck, Clark, D'Amico, Ring, Shutts, Wegmann NAYS: None
ABSENT: None

MOTION CARRIED

6. Discussion and possible action to approve Addendum No. 5 to the Employment Agreement with City Clerk Stein; and direct the Mayor to execute the addendum and city staff to take all actions consistent with the intent of the addendum. (Human Resources/Risk Manager Richardson)

City Manager Cotter said City Clerk Stein had completed her annual evaluation with the City Council.

Mayor Brady asked if anyone from the public wanted to speak. No one from the public spoke.

Council Member Wegmann thanked City Clerk Stein for her reliability, leadership, and her desire to continue to grow.

MOTION: Council Member Wegmann made a motion to approve Addendum No. 5 to the Employment Agreement with City Clerk Stein; and direct the Mayor to execute the addendum and city staff to take all actions consistent with the intent of the addendum. Council Member Bruck seconded the motion.

VOTE: AYES: Brady, Bruck, Clark, D'Amico, Ring, Shutts, Wegmann NAYS: None
ABSENT: None

MOTION CARRIED

Other Business

7. **PUBLIC HEARING.** Discussion and possible action to approve Resolution No. 2017R-18 approving technical changes to the Bullhead City Municipal Code, Appendix 3.40, Comprehensive Fee Schedule for Fiscal Year 2017-2018. (City Manager Cotter)

City Manager Cotter said each year during the budgetary process the City Council reviewed the fee schedule in order to stay current. He said the recommended fees were consistent and comparable to other government entities and not in need of increases this year. He said there were a few technical changes and minor adjustments to some language. He said the Council approved a suspension of building fees in October, and said they would be coming back to the Council to request a six-month extension of the suspension of building fees in the near future.

Mayor Brady opened the public hearing. Having no one present wishing to speak, Mayor Brady closed the public hearing.

MOTION: Council Member Shutts made a motion to approve Resolution No. 2017R-18 approving technical changes to the Bullhead City Municipal Code, Appendix 3.40, Comprehensive Fee Schedule for Fiscal Year 2017-2018. Council Member Ring seconded the motion.

VOTE: AYES: Brady, Bruck, Clark, D'Amico, Ring, Shutts, Wegmann NAYS: None
ABSENT: None

MOTION CARRIED

8. Discussion and possible action to consider rescheduling the Tuesday, July 4, 2017, Regular Council Meeting to be held on Wednesday, July 5, 2017, at 5:30 p.m. or another date. (City Clerk Stein)

MOTION: Council Member Clark made a motion to reschedule the Tuesday, July 4, 2017, Regular Council Meeting to be held on Wednesday, July 5, 2017, at 5:30 p.m. Council Member Ring seconded the motion.

VOTE: AYES: Brady, Bruck, Clark, D'Amico, Ring, Shutts, Wegmann NAYS: None
ABSENT: None

MOTION CARRIED

COUNCIL REQUESTED ITEMS

None

ADJOURNMENT

MOTION: Council Member Wegmann made a motion to adjourn. Council Member Bruck seconded the motion.

VOTE: AYES: Brady, Bruck, Clark, D'Amico, Ring, Shutts, Wegmann NAYS: None
ABSENT: None

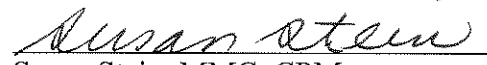
MOTION CARRIED

There being no further business to come before the Council, the Mayor declared the meeting adjourned at 7:35 p.m.

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct record of the regular meeting of the City Council of the City of Bullhead City held on the 16th day of May 2017. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 6th day of June 2017.


Susan Stein, MMC, CPM
City Clerk