

**TOWN OF FOUNTAIN HILLS  
MINUTES OF THE SPECIAL SESSION OF THE  
FOUNTAIN HILLS TOWN COUNCIL  
MARCH 8, 2016**

\* **CALL TO ORDER AND ROLL CALL**

Mayor Kavanagh called the Special Session to order at 5:30 p.m. in the Fountain Hills Town Hall Council Chambers.

Present for roll call were the following members of the Town Council: Mayor Linda Kavanagh, Vice Mayor Henry Leger, Councilmember Cecil Yates, and Councilmember Alan Magazine. Councilmember Nick DePorter attended the meeting telephonically.

Councilmember Dennis Brown was absent. Councilmember Cassie Hansen arrived at 5:33 p.m.

Town Manager Grady E. Miller, Town Attorney Andrew McGuire, Finance Director Craig Rudolph, Director of Development Services Paul Mood, Director of Community Services Mark Mayer and Town Clerk Bevelyn Bender were also present.

**AGENDA ITEM #1 – DISCUSSION WITH DIRECTION TO STAFF REGARDING UPDATING AND PRIORITIZING CAPITAL IMPROVEMENT PROJECTS.**

Grady Miller stated that one of the most important tasks the Council had was planning for the future and the Town's infrastructural needs through the Capital Improvement five year program. Mr. Miller asked Director of Development Services Paul Mood and Director of Community Services Mark Mayer to review the proposed Capital Improvement Plan.

Mr. Mood reviewed the information in a PowerPoint Presentation (available on-line and in the office of the Town Clerk) showing the different ongoing and proposed projects for the next fiscal year currently in the Capital Improvement Plan. Mr. Mood explained that most of the detail would be explained in the project slides.

Mr. Mood began with the Ashbrook Wash Drainage Improvement Project currently under construction and stated it included six new box culverts across Saguaro Boulevard and six across Bayfield Drive. He noted this was a joint project with the Maricopa County Flood Control District as the lead agency with a total cost at roughly \$2.3M including \$900,000 coming from a Flood Control Grant and the balance mostly paid out of the Town's Capital Improvement Fund. Mr. Mood pointed out there would be some cost sharing with ECOR and the Sanitary District involved. Mr. Mood presented a recent update from Flood Control staff and noted that the portion on Bayfield Drive should be substantially completed by the end of May and the south bound lines located on Saguaro Boulevard should be substantially completed and open to traffic by the end of April with the north bound scheduled to be completed by the end of July.

Mr. Mood reviewed the Fire Station #2 Relocation Project noting that in the Capital Improvement Plan was \$3.8M with \$254,000 coming out of Development Fees and \$150,000 from a cost sharing agreement with EPCOR involving a strip of land as a driveway back to their facilities. He added that staff anticipated presenting the architect's contract and the EPCOR's reimbursement agreement to Council in April. Mr. Mood reported that the firm of Hunt and Caraway Architects was chosen by the committee and he showed a PowerPoint slide of their current rendering for the fire station, which was design to fit the architecture of the surrounding neighborhood.

Mr. Mood asked Mark Mayer to speak to the Fountain Park Improvements Phase VI Project. Mr. Mayer announced that the construction was basically completed and in the warranty period with only one exception. He added that on the March 17<sup>th</sup> staff would present a request to the council to utilize left over funds not used for the recent design and designate those funds to pouring new disc golf tee pads at Fountain Park totaling \$8,000. He explained that \$7,000 would come from those left over funds along with \$1,000 from the Capital Improvement Project Contingency Fund. Mr. Mayer added that the bollard lighting was still an issue and was being addressed along with who will be held responsible. Mr. Mayer explained that components for the park improvements were monument signs and lighting bollards along with a complete renovation of the east parking lot, which had deteriorated; the lack of lighting had been rectified.

Mr. Miller asked Mr. Mayer to address the issue with the monument signs. Mr. Mayer explained that moisture appeared to be coming from the concrete poured at three monuments in Fountain Park. He stated that the subcontractor that poured the concrete and a representative from the supplier of the materials assured him that the problem would be resolved and rectified. Mr. Miller added that one of the solutions discussed internally was to not paint the finish and leave the surface sandblasted with black lettering, which could eliminate some future maintenance.

Mr. Mood continued that the Shea Boulevard Widening Project had been completed and in the warranty period and announced that the Saguaro Boulevard Reconstruction and the Palisades and Saguaro Traffic Signal projects were completed with only a couple of punch list items and was also under warranty.

Mr. Mood stated that the lights at the intersection of Avenue of the Fountains and Saguaro were installed and staff was testing them before activating the dusk to dawn timer.

Mr. Mood discussed the bumpy curve going out of Town past the school on the McDowell Mountain Road was scheduled for a mill and overlay at the cost of \$75,000 with \$65,000 from the Capital Improvement Project Fund and \$10,000 from HURF. He added staff would bring a contract to Council in the future, but he pointed out that because of unforeseen delays, the project may be carried forward to the FY16-17. Mr. Mood indicated that the balance remaining for the 2015/16 Capital Projects was \$1,156,721.

Mr. Mood presented the proposed FY16-17 Capital Improvement Projects and noted that Miscellaneous Drainage Improvements were listed each year in the CIP as a place holder. He explained when a Developer adds extra fill unused the Town would use that fill in areas such as Balboa Wash for drainage improvements.

Mr. Mood stated that project E8502 was renamed to Downtown Public Improvement as part of the Downtown Vision Master Plan. He added that any streetscapes, sidewalks, lighting improvements listed in the vision plan and approved by Council would be used from the Downtown Strategic Fund. Mayor Kavanagh requested clarification on the \$400,000 project cost for E8502 and Mr. Mood answered that \$200,000 was for this year, including a two year period and shown as a lump sum into one year to allow Council more flexibility. Councilmember Magazine asked for an explanation on how the funds could be used and Mr. Mood answered if Council wished to do a project in the downtown area, funds would be available. Councilmember Yates clarified that these funds could only be used for the downtown. Vice Mayor Leger asked if these funds could be used to pave the downtown area. Mr. Mood answered that he felt it could be used for that purpose. Town Attorney McGuire stated to use these funds as an economic development tool to improve the roads in the downtown area could be justified. Mr. Mood added that these funds should not be used for maintenance, but would be acceptable for a mill and overlay.

Mr. Mood continued with a request to install a third chiller in the physical plant and explained that when the Library and Community Center was built two chillers were installed, but when Town Hall was built the third chiller was not installed. He pointed out that the current chillers were 15 years old with a lot of run time and both units must run near 100% capacity in the warmer months and with a third chiller staff would have redundancy in case one chiller broke down the flexibility to cycle through the chillers taking run time off the older units. Mr. Mood also pointed out that staff must repair valves on current chillers before the summer months.

Mr. Mayer spoke to the Tennis Courts Rehabilitation Project and noted the \$200,000 grant that the Town received for this project. He mentioned that the Town was the sole source of tennis courts and the current courts were the original installation. Mr. Mayer explained that staff had repaired ongoing cracks but now the courts needed a complete replacement. He reported that a post-tension concrete with a high-tech surface was available preventing cracking that could last 50 years compared to the 10-20 years currently seen. Mr. Mayer pointed out that the product was more expensive but had benefits. The project cost was \$390,000 with a \$211,000 grant and \$179,000 from the Capital Improvement Project Fund and would include funds remaining construction funds from the Fountain Park Phase VI Project. Mayor Kavanagh asked which courts were included and Mr. Mayer answered four at Golden Eagle Park and if the budget allowed and bids come in as projected the two at Four Peaks Park. He stated that work would begin in the fall after the busy season. Mayor Kavanagh asked about the courts at the high school and Mr. Mayer said those were the responsibility of the school district. Councilmember Magazine supported the court rehabilitation but inquired on how left over funds were allocated and the possibility of directing them to other priorities. Mr. Mayer answered that there was a need to find additional funds to cover the cost of this project to complete Fountain Park and this would also keep the funding in the park and that the Council could decide if they agreed with the proposal or would like to use the funds

elsewhere. Mr. Miller explained that in all cases recommendations on the use of funds other than their previous approved allocation would come back to Council to make an informed decision. Councilmember Hansen stated she believed that staff's recommendation was within the guidelines of maintaining the existing amenities within the community. Mayor Kavanagh agreed and pointed out if the Town received a grant and was unwilling to add funds, the grant would be lost. Councilmember Magazine stated he was not questioning the recommendation but questioned the process and stated he would like to have other options presented so Council could decide where best the funds would be allocated.

Mr. Miller referred to the retreat discussion regarding the Capital Reserve Study and the need to save for facility maintenance and as a part of the proposed budget this year recommended Council through the appropriation process transfer \$1M from the General Fund Reserve to the new Facilities Reserve account. He added that it was understood until other financial deficiencies were addressed this allocation could not be done each year and noted he saw this as one of the Town's financial weaknesses.

Mr. Mayer addressed the Fountain Lake Water Quality and explained the Sanitary District approached the Town requesting them to take water directly from them and not from the lake for their irrigation purposes. He explained that the positive was the water quality would be substantially better because the water would not sit in the lake and deteriorate with increasing high levels of salt. He added the negative was that the lake would have little or no water circulation taking place. Mr. Mayer added that the Sanitary District had proposed building a dam within the pump house area to receive water and pump out of the dam instead of the lake. Mr. Mayor explained would alternately cause a decline of the lake if no water was removed and water evaporation would be the only way to lose water. He stated that a consultant was reviewing the possibilities and a report was due by the end of the month. Mr. Mayer suggested ways to possibly eliminate problems were additional aerators; horizontal water movers at each of the coves to push the water away from the coves and towards the aerators, which would help eliminate algae that caused odors. Mayor Kavanagh asked if running the fountain longer had been discussed. Mr. Mayer answered that one of the benefits to consider was with the additional increase of water movement with aerators, the running time of the fountain could be reduced and save substantial dollars. Mayor Kavanagh remarked that she did not believe that would be a good idea. Mr. Mayer stated that the intention was to upgrade from 12 to 36 aerators. Mr. Miller added that cutting the running time of the fountain would be a policy issue discussion. Mayor Kavanagh asked what the \$205,000 budgeted would be used for. Mr. Mayer answered to add aerators and water movers with an additional cost for dam construction estimated by the Sanitary District to be \$300,000.

Councilmember Magazine asked how the aerators worked and Mr. Mayer explained that the water would be pulled from below the surface, but the aerators themselves were located on the surface. Councilmember Magazine stated he had experience with aerators and added aerators could be very attractive if installed correctly; Mr. Mayer agreed.

Mr. Mayer addressed the Adero Canyon Trailhead Project, which was in process with \$20,000 budgeted for preliminary items needed before the main source of funding became available on July 1<sup>st</sup>. He added that the original estimate in 2005 did not include the restroom building, picnic ramada, a low seating wall or a bump-out area for scenic viewing. He noted that the \$1.5M previously allocated did not include these items and was the main reason for the estimate going from \$1.5M to \$2.2M. Mr. Mayer noted that after July 1<sup>st</sup> the architect would complete the design from 95% to 100% and then the bidding of the project would begin. Councilmember Yates stated that hopefully the bid would come in lower during that process. Mr. Mayer agreed and added that any amount saved would remain in the CIP Fund.

Mayor Kavanagh inquired to the trailhead at Eagles Nest that was opened at the interim until our own trailhead access was completed and noted at Eagles Nest there was a full restroom and parking. Mr. Mayer answered it was the intent to leave Eagles Nest in place since this would allow access from the southern part of the property and Golden Eagle would allowed access from the northern end. Mayor Kavanagh asked if the Town had an agreement to continue using these facilities; Mr. Mayer responded yes, under a long term plan and that an agreement with MCO existed. He noted that the Town had also contributed to the funding of the Eagles Nest improvements.

Mr. Miller clarified that the Town collected \$1.8M in Development fees and that the Town would attempt to stay within that amount requiring no additional funds. Mr. Miller added that the extra funds were added because the architect believed the cost would be at \$2.2M, but that when the bid came in staff hoped the cost would be under the estimated cost.

Councilmember Hansen stated that the design proposed would not necessarily be the design needed and the project could be valued engineered to keep the project within the requested budget. Mr. Miller pointed out that the project could be

adjusted. Mr. Mayer added that Town staff would also review the plans and Mr. Miller noted the proposed design would come to Council to be awarded.

Mr. Mayer discussed the Fountain Park Access Improvements Project to create access into the park. He added that due to a steep hill and drainage areas located at the bottom presented some challenges. Mr. Mayer noted that after requesting a site plan and estimated design proposals from architects, a recommendation would be presented to Council for their input. Mr. Mayer stated the \$375,000 was staff's estimate, which included ADA accessibility for walkways and paths. Mr. Miller added that a concept previously discussed had included a viewing deck for taking pictures overlooking the fountain and since many events included both areas the focus was mobility from the park to the avenue.

Mr. Mayer reviewed the Four Peak Park Phase I Bus Barn Demolition project at a cost of \$75,000 and stated test results on the Level I Environmental Assessment were received and were being discussed with Kimley-Horn; it appeared there were no contaminants on the site, which was the main concern. He added the next step would be the approval for demolition, followed by temporary re-vegetation in the bus barn location, and permanent re-vegetation along the roadway with native plants. He commented the architect felt the funds were adequate to finish the project. Mayor Kavanagh expressed the neighborhood's appreciation for the removal of an eye sore. Councilmember DePorter concurred with the Mayor and added residents from the area also wanted him to express their appreciation.

Councilmember Magazine requested to revisit the Fountain Park Improvements Plan and the \$375,000 cost involved and wonder why no other options for these funds were given to Council. Mayor Kavanagh explained that in the previous Swaback plan on the vision for the area, connectively from the Avenue to the lake was suggested but the topography made it difficult. Councilmember Magazine questioned the process on choosing the particular project to fund. He noted that there were other costly items needed in the future but were put off and he would like the opportunity to review all of the projects and decide what was most important.

Councilmember Hansen explained that this was the tool process and this project aligns with the Downtown Fund connecting the avenue to the park since hosting more events was beneficial and a priority. She added that proposed costs would help the Council when making the decision to proceed with a project. Mr. Mayer promised that before any action was taken plans would come back to Council with different concepts and costs. Mayor Kavanagh expressed that the business community had requested this project since many events were held in the park and connectivity would help draw people to the downtown area. Mr. Miller added that the funding used for this project could only be used for the downtown area.

Mr. Mood continued with the Alley Paving Phase IV Project stating it was approved by Council in 2007 in Resolution 2007-45, and was part of the MAG-PM10 reduction addressing the unpaved alleys in Town. He noted the completion of three phases and the fourth located behind the Messenger Funeral Home extending to Colony Wash. He noted a Salt River Project box must be relocated and the alley would be graded and paved along with proper drainage. Mr. Mood predicted this project would begin next year.

Mr. Mood addressed the Fountain Hills Boulevard Shoulder Paving Project and noted the Town previously received a grant but due to the lack of staffing the project was placed on hold. He explained the project was at 60% design and the consultant had been re-engaged and requested to calculate a cost estimate to continue. ADOT Administer needed to be contacted to find out the process required for the Town to receive the grant that would add five feet of paved shoulder on Fountain Hills Boulevard to allow for additional room for walkers and bikers. Mayor Kavanagh asked if we could lose the grant and Mr. Mood answered that we could since we were close to the end date and the Town had referred the project several times with a sunset date of 2017. Councilmember Yates asked if the grant could be used for a different section of Fountain Hills Boulevard and Mr. Mood answered the grant was for this specific dirt shoulder section and was part of air quality. Councilmember Hansen added that there were other benefits as there was an erosion issue during a rain.

Mr. Mood reviewed the available funding with carry forwards and said Mr. Rudolphy would be able to address any questions at the end of this presentation. Vice Mayor Leger expressed concerns on the low balance in the Capital Budget and noted it was the lowest in 10 years. He questioned deferring some of the projects until next year; he understood grant projects were date sensitive. Vice Mayor Leger expressed the need to watch the balance over the year and the timing of some of the projects.

Mr. Mood addressed the Fire Station #3 Project and mentioned this was listed on the Fire Department's Master Plan with the station proposed location on Town owned property at Sunridge Drive and Desert Canyon. Mr. Mood explained this was one of two projects being funded with Development fees for fire service and reported the fund currently had \$46,000 and expressed that \$2.7M was unfunded for the project. Mr. Mood stated that in 2021 it was projected as a need in the community and to fund this may take a bond to cover the unfunded portion. Mayor Kavanagh asked what foreseen projects would make this fire station a critical need. Mr. Mood answered if Eagles Nest or State Trust Land built out. Mr. Mood referred the question to Fire Chief Randy Roberts who explained the need would be access related in 2021 and emergency response times to the new developments.

Mr. Mood stated that the projected cost of Fire Station #3 equipment was an unfunded \$1,122,000 and would include a fire engine and major emergency equipment. Mayor Kavanagh pointed out that all the fire department's equipment belonged to the Town.

Mr. Mood discussed the Civic Center Improvements, which involved the concrete around monuments that was heaving; he noted that they have been grinding down the concrete in an effort to defer this project but were keeping track of the surface that could be ground down before resurfacing was needed. Councilmember Magazine ask the age of the Centennial Circle and Mr. Mood answered that it was fairly new and his opinion the issue was the location of the trees and grassy areas creating over spraying of water causing the heaving of the concrete. Mr. Mood added that during the future resurfacing of the concrete, replacement of the grassy areas with desert landscaping would be recommended.

Mr. Mood stated the Pocket Park West Project was an identified need for a small park in the General Plan located next to the proposed Fire Station #3 and would include ramada and playground equipment. He added the Town was also currently collecting Development Fees to help fund this project. Councilmember Yates questioned why this location and Mr. Mood answered this was the only Town owned piece of land located in this particular area. Councilmember Hansen questioned funding a new park when current Town amenities were in need of maintenance. Mr. Mood noted that the park was listed in the five year plan and since the Town was collecting Development Fees partly for this project, those funds by statue must be used for the specific park project and within a certain timeline. He explained that Fire Station #3 and the Park were identified in the System Development Fee Report for calculating Development Fees allowed to be collected by the Town. Mr. McGuire explained that Development Impact Fees were allowed only for impact created by new growth and cannot improve current parks. Mr. McGuire stated that any changes in location must include the same service area and explained the Town had only one area so a different location could be chosen.

Mayor Kavanagh asked if a park was planned for the Ellman Property. Mr. McGuire answered that a significant park was included but was not in the current Development Fee Study. Mayor Kavanagh inquired if the Ellman Property was turned over to the Town, could these funds be used for a park in that area. Mr. McGuire stated that Council would need to include the item in the Infrastructure Improvement Plan and have fees modified to match the cost of the revised plan by Statue regulations. He added that the Capital Improvement Plan was the basis for the Infrastructure Improvement Plan (IIP) and if a request to make a change was made or the Town's wished to collect Development Fees for future use, their decision must be stated in both places. Councilmember Yates asked if a current park could be expanded. Mr. McGuire answered only allowed if determined to be a growth expansion and that per the Arizona Revised Statute an accounting of current needs was required in the study and the deficiencies made up in Town dollars.

Mr. Mayer addressed Four Peaks Park Phase II Project at \$800,000 and unfunded. He explained this project would replace the bus barn demolition area eventually adding tennis and pickle ball courts and would include group ramadas, and a parking area for a total estimated project cost of \$3.5M. He noted this was the last park the Town had in their Master Plan Development that was not developed to the extent that the Master Plan showed. Mr. Mayer stated that after taking out the \$800,000 there would be a balance of \$2.5M and he explained a bond would possibly required to pay for this project. Mayor Kavanagh asked about the current grassy area and Mr. Mayer answered the area would remain the same except for the relocation of the basketball courts. Mayor Kavanagh asked if the school building was removed at some point, would there be a change in the plan and Mr. Mayer answered that the Town did not own the school property and the plan could only change if the property was deeded over to the Town.

Mr. Mood addressed the Alley Paving Phase V Project and explained this was the last of the Town's unpaved alleys and would include rapping around Glenbrook Drive to Fountain Hills Boulevard and located closely behind the Glenbrook Creamery and added the location included a Salt River Project Substation. He noted that this area was currently being

used for staging equipment for road projects. Mr. Mood stated this project was the last part of the approved Resolution 2007-45 to be completed.

Mr. Mood explained the Fountain Hills Boulevard Widening Project was a new project at \$100,000 to cover the cost of a design concept report identifying needs for widening including drainage improvements necessary for construction in the amount of \$4M - \$6M. This report would also address some serious drainage issues around Emerald Wash and other areas, which would give Council back-up and good information for the cost if they decided to request a bond to widen the road. Councilmember Yates asked if other funding sources were available for this major artery. Mr. Mood responded no other funding sources were available.

Mr. Mood continued to the Shea Boulevard Widening Project including Technology Drive to Palisades Boulevard for a project cost of \$6.580M. He pointed out that the widening from the Beeline to Technology Drive was finished and this project would complete the area from Technology Drive to Palisades Boulevard. He explained that both sides of Shea Boulevard from Palisades to Fountain Hills Boulevard also needed to be widened. Mr. Mood remarked that this project was identified in MAG Prop 400 and showed this as a funding project with a time-line for design in 2017-18 at \$100,000 and a requested project sharing of 70% MAG with a 30% Town match of \$70,000 in 2017 and \$750,000 over 2018-19 for design work and \$3.6M of MAG portion in 2020-21 for construction. Mr. Mood estimated the Town's 30% portion to be \$2M with \$30,000 as CIP Funds for the match of the design report. Mr. Mood explained that design reports with cost estimates have not been requested because of the total cost of the project.

Mr. Miller asked Council if this was a project they wanted or felt necessary for the Town, pointed out that traffic projections were possibly driving this project, and the project would be more viable in the future stating growth in Fountain Hills and the surrounding communities who would use the Beeline Highway. Mayor Kavanagh pointed out that MAG had stated that the Shea area in Town was going to be a major corridor someday; she expressed it would be good for Fountain Hills. She explained that future growth was planned around the Shea Boulevard area within the next 20 years and would bring traffic down Shea to the Beeline Highway to attend entertainment venues in the surrounding areas and noted MAG had stated Fountain Hills needed these improvements on Shea Boulevard. Mr. Mood added that after the Saguaro Boulevard bond was paid off in the next four to five years and after receiving the design report Council may want to go out for a bond package and include one or more projects.

Mr. Mood explained the Intelligent Transportation System (ITS) Project had been added back into the CIP this last year since the Town received a grant to install conduit in the ground for fiber optics tying the traffic signals together. Mr. Mood maintained the lack of benefits for the Town in this project since Saguaro Boulevard would be torn up to place the conduit. He added that lights on Shea Boulevard could possibly be linked since conduit was currently in place. Vice Mayor Leger mentioned that larger cities had their lights tied together with a central control board location. Mr. Mood suggested that the Town's portion for this project would be \$290,000 and if removed, those funds could be shifted to another priority. Councilmember Magazine questioned removing the project since there was talk of significant future increases in traffic on Shea Boulevard. Mr. Mood stated the funds were allocated if Council wished to proceed.

Mr. Mood explained that the budget was front loaded and when CIP projects were budgeted staff created their budget all in one year and rolled over those funds if a project was not completed in the current time frame and extended into the following year. He explained that the Town's fiscal year began on July 1<sup>st</sup> and all the funding for Fire Station #2 would be carried over and he acknowledge Vice Mayor Leger's comment on the Town's fund balance and pointed out that Council had allotted \$200,000, as priority from the CIP Funds each year for pavement maintenance.

Bill Myers and a member of the McDowell Presentation Commission (MMPC) concurred with staff's recommendations and thanked Mr. Mayer for involving three members of the Commission allowing them to review the architectural and landscaping plans for the preserve. He described those members reviewing the plans as two Civil Engineers and that he experience was in real estate. Mr. Myers stated the members were going to submit a list of items for staff to address on this project. Mr. Myers hoped the project cost would come in less than expected and their comments and suggestions would help with Council decisions. He was thrilled the project was moving forward and expressed the opinion that the Town would see an economic benefit. Mayor Kavanagh asked Mr. Myers replied the total cost incurred for the preserve was approximately \$17M. Mayor Kavanagh stated the need for the Town to complete the trailhead so people can access the preserve.

Councilmember Magazine brought up under the proposed Capital Projects T-5004 – T5016 on traffic signals. He proposed to add a signal to the list at the Avenue of the Fountains and La Montana. Mr. Miller responded that a traffic study would be needed and acknowledged that the Mayor and some citizens had expressed concerns involving several additional signal locations. Mr. Miller explained that funds were currently in the Engineering Budget and set aside for those studies and noted additional funding as supplements were in next year's budget. Mr. Mood added that to install a traffic signal the area must meet certain warrants, which included accidents, volume of traffic and wait times statistics. He stated that a signal placed where it was not warranted could also cause problems. Mr. Mood believed the Town acquired a complete study in 2008 and noted the configuration of the Avenue of the Fountain and La Montana intersection had not changed. He noted that constructing a round-a-bout at that location could result in major drainage issues and needed further review regarding the future development on the lot behind the Basha Center location. Councilmember Magazine requested to see the study; Mr. Miller indicated that it would be provided to the Council.

Councilmember Magazine proposed to add lights in the downtown on the trees and should be paid for using Downtown Development funds. Mr. Miller answered stated that he understood that Downtown Funds were for infrastructure improvements and if there were a consensus from Council, staff would add this request as a potential project as a place holder until the cost was known. Mr. Mood noted that staff had an estimate for lighting in the palm trees from Nesbit Contracting of \$140,000 as power would have to be brought in to finish off the pedestrian lights on the south side of the Avenue down to Verde River and would include receptacle outlets from the MCSO parking lot down Saguario Boulevard. Mr. Mood added that Downtown funds could be used and there would be on-going maintenance costs to be budgeted at \$20,000 to \$25,000 per year. Mr. Miller asked if Council was requesting a study to determine alternatives focusing on the downtown area; Councilmember Magazine stated he would like to see what alternatives were available. Mr. Miller stated that staff would investigate the options and bring back information to Council. Mr. Mood added that the funds could come from the \$400,000 project for the Downtown Public Improvements Infrastructure and \$200,000 could be added for downtown lighting from the Downtown Fund. Mr. Miller noted that since there was a consensus from Council staff would amend and make the changes. Mayor Kavanagh requested to review different options for lighting in downtown area not just tree lighting.

Mr. Miller asked Council if they had further thoughts on concepts or changes in priority.

Councilmember DePorter asked if staff could investigate and see if any of the utilities would like to partner and sponsor the fountain helping to defray the operating cost. Mayor Kavanagh answered they could try.

Vice Mayor Leger stated he was comfortable with staff incorporating the items discussed into the budget and, if necessary, Council could take another look in the future.

Mr. Mood requested verification on action items and stated he heard Council was happy with items as presented, but they wanted to delete the Intelligent Signal Traffic Project and include an additional project for lighting on the Avenue of the Fountains at \$200,000 from the Downtown Fund.

Councilmember Hansen moved to **MOVED** to approve the priorities in the Capital Improvement Fund 2016-17 per Council's discussion. Vice Mayor Leger **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (6-0), by those present.

Councilmember Magazine congratulated staff on their presentation and the ease to follow and noted that in the last issue of the "Times" the headline stated the Town had a \$5.5M deficit and he was concerned that the public would take issue to Council's direction on funding projects such as the tennis court project. He asked someone to explain the funding process to the media so they could pick it up and report the facts. Vice Mayor Leger agreed and explained that tough decisions had to be made moving forward and citizens did not understand municipal funding, which was very complex. Mayor Kavanagh pointed out the Bob Burns at the "Times" had been with the Town along time and understood the process and she felt Mr. Burns could explain the funding details in an article. She also asked staff to give Mr. Burns the information needed for the public.

Councilmember Hansen wanted the public to know that some costs were identified to maintain current amenities and expressed the fact that 52% of the Town's budget funds were fore public safety.

Councilmember Magazine wanted Council to consider not having dedicated funds for those items not legislatively mandated and possibly suspend those funds for a period of time by placing the funds in the General Operating Fund. He added then priorities could be made based on the entire fund. Councilmember Magazine proposed a discussion on his suggestion in the future or possibly during the budget process.

**AGENDA ITEM #13 - ADJOURNMENT**

Councilmember Yates **MOVED** to adjourn the meeting and Vice Mayor Leger **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0), by those present. The Special Session adjourned at 7:04 p.m.

**TOWN OF FOUNTAIN HILLS**

By \_\_\_\_\_  
Linda M. Kavanagh, Mayor

ATTEST AND  
PREPARED BY:

\_\_\_\_\_  
Bevelyn J. Bender, Town Clerk

**CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Session held by the Town Council of Fountain Hills in the Town Hall Council Chambers on the 8<sup>th</sup> day of March, 2016. I further certify that the meeting was duly called and that a quorum was present.

DATED this 7<sup>th</sup> day of April, 2016.

\_\_\_\_\_  
Bevelyn J. Bender, Town Clerk