

**MINUTES OF THE REGULAR SESSION OF THE  
FOUNTAIN HILLS TOWN COUNCIL  
MAY 1, 2018**

• **CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

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

- **INVOCATION** – Reverend Dr. Cathy Northrup, Verde Community Church was not present. Mayor Kavanagh requested a moment of silence.

- **ROLL CALL** - Present for roll call were the following members of the Town Council: Mayor Linda Kavanagh, Vice Mayor Dennis Brown, Councilmember Nick DePorter (via conference call), Councilmember Alan Magazine, Councilmember Cecil Yates, Councilmember Art Tolis, and Councilmember Henry Leger. Town Manager Grady E. Miller, Interim Town Attorney Mitesh Patel and Town Clerk Bevelyn Bender were also present.

• **MAYOR'S REPORT**

- i) **THE MAYOR WILL READ A PROCLAMATION DECLARING MAY 3, 2018, AS FOUNTAIN HILLS DAY OF PRAYER IN THE TOWN OF FOUNTAIN HILLS.**

Mayor Kavanagh read the proclamation and asked the prayer group in attendance to join her at the dais. It was announced that a prayer meeting would be held on Thursday, May 3, 2018 at the Fountain Hills amphtheater, with refreshments provided and attended by Mayor Kavanagh who would officially present the prayer group a plaque to celebrate the 67<sup>th</sup> anniversary of the “National Day of Prayer”.

- ii) **THE MAYOR WILL READ A PROCLAMATION DECLARING MAY 6-12, 2018, AS MUNICIPAL CLERKS WEEK IN THE TOWN OF FOUNTAIN HILLS.**

Mayor Kavanagh read the proclamation and asked Town Manager Miller to comment. Mr. Miller acknowledged Fountain Hills’ Town Clerk, Bevelyn J. Bender for her years’ of service to the Town as Town Clerk since 2003. Mr. Miller noted her professionalism and assistance to everyone in Town and presented Ms. Bender with flowers as a token of appreciation from Mayor, Council and staff.

Councilmember Yates mentioned how well known Ms. Bender’s reputation was in other municipalities across the valley by her peers. Mayor Kavanagh also spoke highly of her work and dedication.

**\*Mayor Kavanagh announced that regular agenda item #9 had been removed from tonight’s agenda at the request of the applicant.**

• **SCHEDULED PUBLIC APPEARANCES/PRESENTATIONS**

- i) **THE MAYOR AND/OR COUNCIL MAY REVIEW RECENT EVENTS ATTENDED RELATING TO ECONOMIC DEVELOPMENT.**

Mayor Kavanagh reported on the Maricopa Association of Government (MAG) Economic Development meeting held today that included a presentation from a representative from Arizona State University (ASU) “Fulton’s School of Engineering” and added ASU had one of the largest Engineering programs in the United States with over 21K students representing all 50 states and many other countries and created a high volume of income for the valley.

Mayor Kavanagh spoke to the cost of living in the “Silicon Valley” compared to the Phoenix area along with graduation rates, income and home purchase costs and high that gave Arizona the ability to attract businesses compared to the California area.

Councilmember Yates reported on the Maricopa Association of Government (MAG) Regional Council Meeting and noted the recent high growth rate in the valley. Councilmember Yates pointed out that areas in Phoenix had planned to address the growth through infrastructure, which ultimately raised construction

costs due to the increase of awarded contracts. He also mentioned the lack of available apartments at this time and acknowledged the apartments being built in Fountain Hills.

Councilmember Yates also reiterated the “911” texting element now available for emergency calling for Town residents and if someone was unable to speak into their phone.

### **CALL TO THE PUBLIC**

Mayor Kavanagh asked if there were any requests to speak and Town Clerk Bender answered two requests were received.

Jim Judge, a 14-year resident of Fountain Hills, spoke in support of the proposed Primary Property Tax and expressed that he was impressed with Town Manager Miller and Financial Director Craig Rudolph for their professionalism, knowledge, and courtesy when answering citizen’s questions.

Bo James, a Fountain Hills resident, spoke in support of the proposed Primary Property Tax and encouraged Town voters to support the tax.

### **CONSENT AGENDA**

**AGENDA ITEM #1 – CONSIDERATION OF APPROVING THE TOWN COUNCIL MEETING MINUTES FROM AND MARCH 13, MARCH 20, AND APRIL 3, 2018.**

**AGENDA ITEM #2 – CONSIDERATION OF APPROVING RESOLUTION 2018-17, ABANDONMENT OF PORTIONS OF THE PUBLIC UTILITY AND DRAINAGE EASEMENTS ON PLAT 107, BLOCK 12, LOT 16 (15049 N. CALLE DEL PRADO), AS RECORDED IN BOOK 141, PAGE 18, RECORDS OF MARICOPA COUNTY, ARIZONA. (EA 2018-02)**

**AGENDA ITEM #3 – CONSIDERATION OF APPROVING RESOLUTION 2018-19, ABANDONMENT OF A PORTION OF THE PUBLIC UTILITY AND DRAINAGE EASEMENTS ON PLAT 202, BLOCK 8, LOT 30 (14218 N. NEWMARKET COURT), AS RECORDED IN BOOK 141, PAGE 17, RECORDS OF MARICOPA COUNTY, ARIZONA. (EA 2018-04)**

**AGENDA ITEM #4 – CONSIDERATION OF APPROVING RESOLUTION 2018-33, GRANTING A POWER DISTRIBUTION EASEMENT TO SALT RIVER PROJECT (SRP) AT THE FIRE STATION NO. 2 RELOCATION SITE (FOUNTAIN HILLS BOULEVARD AT MUSKRAT DRIVE) (EAA 2018-02)**

**AGENDA ITEM #5 – CONSIDERATION OF APPROVING A SPECIAL EVENT LIQUOR LICENSE APPLICATION SUBMITTED BY THE ARIZONA MUNICIPAL CLERKS ASSOCIATION (LYNDA BUSHONG), FOR THE MUNICIPAL CLERKS CONFERENCE TO BE HELD AT THE FOUNTAIN HILLS COMMUNITY CENTER, 13001 N. LA MONTANA DRIVE, FOUNTAIN HILLS, AZ FROM 8:00AM TO 5:00PM ON TUESDAY, JULY 24, 2018, 8:00AM TO 5:00PM ON WEDNESDAY, JULY 25, 2018, AND 8:00AM TO 5:00PM ON THURSDAY, JULY 26, 2018.**

**AGENDA ITEM #6 – CONSIDERATION OF APPROVING A SPECIAL EVENT LIQUOR LICENSE APPLICATION SUBMITTED BY THE FOUNTAIN HILLS & LOWER VERDE VALLEY MUSEUM & HISTORICAL SOCIETY (LOUISE URSINI), FOR A FUNDRAISING DINNER EVENT TO BE HELD IN THE GRAND BALLROOM OF THE FOUNTAIN HILLS COMMUNITY CENTER, 13001 N. LA MONTANA DRIVE, FOUNTAIN HILLS, AZ FROM 5:00 PM TO 10:00 PM ON SATURDAY, AUGUST 18, 2018.**

Councilmember Magazine **MOVED** to approve the consent agenda items as listed and Councilmember Yates **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0).

Mayor Kavanagh requested a roll call vote.

Mayor Kavanagh	Aye
Vice Mayor Brown	Aye
Councilmember Yates	Aye
Councilmember DePorter	Aye
Councilmember Magazine	Aye
Councilmember Leger	Aye
Councilmember Tolis	Aye

The motion **CARRIED UNANIMOUSLY** (7-0).

### **REGULAR AGENDA**

#### **AGENDA ITEM #7 – CONSIDERATION OF A REQUEST BY THE LA STRADA CONDOMINIUM HOME OWNERS’ ASSOCIATION FOR A WAIVER OF A CONDITION OF APPROVAL TO ALLOW RESIDENTIAL EGRESS AT N. MOUNTAINSIDE DRIVE VIA THE WEST GATE OF THE LA STRADA CONDOMINIUM DEVELOPMENT.**

Mr. Miller introduced Director of Development Services Bob Rodgers who reviewed information in the staff report and PowerPoint presentation (available on-line or in the office of the Town Clerk).

Mr. Rodgers explained this request related to residential access to enter and exit the La Strada Condominium development from Fountain Hills Boulevard to the east and allow emergency and sanitation access on the west-side only. Staff recommended Town Council approve their request for a waiver of a condition of approval to all residential egress at North Mountainside Drive via the west gate of the Las Strada Condominiums and subject to completion of a Traffic Engineer’s full analysis of the intersection, analyzed and approved by the Town Engineer and the completion of its recommendations. Mr. Rodgers pointed out that the applicants were present to answer Council questions.

Vice Mayor Brown asked why the stipulation was added originally to the plat at the time of development and Mr. Rodgers replied staff had researched the 2002 plat approval and found the developer requested the issue not be required, but was left as a stipulation, with no explanation discovered and was not a condition for approval, but stayed in place.

Councilmember Leger understood some people were concerned with opening the gate and the possible impact on traffic. Councilmember Leger also was told staff met with those concerned and committed to additional steps to address their concerns. Mr. Miller replied that Villa de Es, a neighboring community and represented by Rita Higgins who met with Town Engineer Randy Harrel and Public Works Director Justin Weldy where the Town committed to painting stripes so the street appeared narrower and to slow down traffic and installation of the addition of speed signs to improve safety.

Councilmember Magazine questioned the timing of opening the gate and Mr. Rodgers replied the gate would not be opened until the Town received a traffic study along with any mitigation measures. Councilmember Magazine stated he visited the site and noticed there were homes in the La Strada Condominium community that appeared to be 12 feet from the gate and requested staff monitor the decimal levels and Mr. Rodgers replied the decimal level was approximately 32 decimals and between 50 to 70 decimals when cars drove by. Mr. Rodgers added that voice decimal level was 50 decimals. Councilmember Magazine understood a lot of people had issues with this request and the measures the Town was taking to address concerns and wanted to know if there was any thought to the addition of electronic speed signs and Mr. Miller replied that the request tonight was for Las Strada only and not the Villa de Es community. Mitesh Patel, Interim Town Attorney, added Council needed to address the gate issue and La Strada. Councilmember Magazine responded he believed the two issues were connected and recommended not opening the gate until changes were made. Mr. Rodgers replied that changes may or may not be part of the engineer’s recommendation. Mr. Miller added the Town Engineer would be reviewing vehicle impact coming out of the gate with a provided traffic study and the Public Works Director had proposed to stripe the street after evaluation and with Council’s approval and until then, the gate would remain closed.

Mayor Kavanagh was familiar with the area and had visited the La Strada Condominium site to review the traffic situation and found the street was extra narrow with garbage cans in place ready for pick-up and appeared to only

accommodate the garbage truck using the egress out of the gate and she could see there was a problem. Mayor Kavanagh discussed the location and noticed the site obstruction from trees and added there were also parked cars on the sidewalk and on the other side of the street parked in the dirt. Mayor Kavanagh believed there should be no parking on the main road. Mayor Kavanagh found it was safe to egress with trimming for line of site issues.

Mayor Kavanagh asked if the road width was original and Mr. Rodgers replied that the Town Engineer stated it was not. Mr. Rodgers added this gate had been open for 12-years and now the Town had received a complaint and staff had followed-up. Mayor Kavanagh also added that very few people appeared to use the gate to egress and many La Strada Condominium owners were winter visitors only.

Mr. Rodgers pointed out the Town's collected traffic counts for this area with the gate open it was very low in volume on a minor collector street.

Councilmember Yates expressed he liked the egress and but acknowledged speed was a concern with an average speed posted in the range of other Town streets at 25 mph and Bob Rodgers replied the average speed recorded was approximately 33 mph and not uncommon.

Mr. Miller and Council along with input from Town Attorney Patel discussed what was being voted on and it was pointed out that the striping and signage was separate from the La Strada request. Mayor Kavanagh would also like to see no parking with or without the gate opened

Mayor Kavanagh asked if there were any speaker cards and Ms. Bender stated two had been received.

Ron Cosler, President of the La Strada Homeowners' Association (HOA), thanked Town staff for their hard work on their request and added two additional and serious issues not mentioned that involved the safety of the residents living in Las Strada. Mr. Cosler pointed out the risk of an emergency and the allowed one entrance/exist available that also involved a narrow street finding so residents had no way to exist the development since the back gate was closed creating a cul-de-sac and putting residents at risk. Mr. Cosler added long vehicles also could not turn around and would back into Mountainside Drive to exist the development. Mr. Cosler stressed the HOA was willing to comply with the results of the traffic study and Town Engineer's recommendations and requested Council approved their current request to begin the study.

Councilmember Tolis replied he would be supporting this request and Mayor Kavanagh added her support.

Mayor Kavanagh requested Council discussion.

Mayor Kavanagh requested a motion.

Councilmember Leger **MOVED** to approve the request by the La Strada Condominium HOA for a waiver of a condition of approval to allow residential egress at N. Mountainside Drive via the west gate of the La Strada Condominium Development subject to completion of a traffic engineer's full analysis of the intersection, analyzed and approved by the Town Engineer, and completion of its recommendations and Vice Mayor Brown **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0).

**AGENDA ITEM #8 – CONSIDERATION OF PROFESSIONAL SERVICES AGREEMENT C2018-093, WITH AMEC FOSTER WHEELER, FOR STORM WATER SUPPORT SERVICES, IN THE AMOUNT OF \$33,270.00, WITH FOUR (4) ADDITIONAL 1-YEAR OPTIONAL RENEWALS. (TABLED FROM THE APRIL 3, 2018 COUNCIL MEETINGS.)**

Vice Mayor Brown thanked Mr. Miller and Facilities Maintenance and Environmental Supervisor Raymond Rees for their time to explain all the reports and requirements the Town was mandated by law to be in compliance with by recently issued EPA/ADEQ Small Municipal Separate Storm Sewer System requirements to obtain the Town's permit. Vice Mayor Brown explained the requirements involved inspections, monitoring, mapping, documentation, public outreach and education, reporting and enforcement activities, all actions required an increase in staff's workload. Vice Mayor Brown said would now support Council's consideration for a Professional Services

Agreement with AMED Foster Wheeler and allow staff to do a better job with all current environmental requirements and also focus on responsibilities and other job duties as Facilities Maintenance Supervisor.

Mayor Kavanagh asked if there were any speaker cards and Ms. Bender stated none had been received

Mayor Kavanagh asked for Council discussion and none was initiated.

Mayor Kavanagh requested a motion.

Vice Mayor Brown **MOVED** to approve Professional Services Agreement C2018-093, with AMEC Foster Wheeler for storm water support services, in the amount of \$33,270.00 with four (4) additional 1-year optional renewals and Councilmember Leger **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0).

**AGENDA ITEM #9 – DISCUSSION AND POSSIBLE DIRECTION TO STAFF REGARDING GRANT AND CAPITAL IMPROVEMENT PROGRAM (CIP) FUNDING TO REDEVELOP OPEN SPACE WITHIN FOUNTAIN PARK, WITH BOCCE BALL COURTS ADJACENT TO PLAZA FOUNTAINSIDE.**

\*Mayor Kavanagh had previously reported the removal of this agenda item at the request of the applicant.

**AGENDA ITEM #10 – CONSIDERATION OF A GRANT APPLICATION REQUEST TO APPLY FOR THE PROP 302 ARIZONA OFFICE OF TOURISM (AOT) GRANT MONIES IN THE AMOUNT OF \$40,000.00.**

Mr. Miller introduced Grace Guetter, Marketing and Communications Coordinator, who gave a review of the staff request to move forward and apply for grant funding. Ms. Guetter noted this would be the 4<sup>th</sup> year in a row, if approved, and would supplement the Town's Marketing Strategy for fiscal year 2018-19 accounting for approximately 1/3 of the funding for marketing.

Councilmember Yates complimented Ms. Guetter on applying for this grant and wanted to clarify there would be no Town matching funds required and Ms. Guetter replied no matching funds and would be spent as outlined in the grant.

Mayor Kavanagh asked if there were any speaker cards and Ms. Bender replied none had been received. Mayor Kavanagh requested a motion.

Councilmember Yates **MOVED** to approve as written and Vice Mayor Brown **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0).

**AGENDA ITEM #11 – CONSIDERATION OF PROFESSIONAL SERVICES AGREEMENT C2018-094, WITH BROWN & ASSOCIATES, FOR THE PURPOSE OF COVERING THE COST OF THIRD-PARTY PLAN REVIEW AND BUILDING INSPECTION SERVICES FOR THE COPPERWYND RESORT PROJECT, IN AN AMOUNT NOT TO EXCEED \$350,000.00 AND TO DIRECT THE TOWN MANAGER TO EXECUTE THE CONTRACT.**

Mr. Miller stated the Copperwynd Resort project was moving forward and due staffing limitations to undertake plan reviews and inspections, staff would be using a 3<sup>rd</sup> party for these services, Brown and Associates, who would be working on behalf of the Town with services billed directly to the Copperwynd Resort Development. Mr. Miller introduced Bob Roaders who gave further details.

Mr. Rodgers reiterated this agreement was at no cost to the Town (a pass-through) and the agreement would state a "not to exceed" cost for Copperwynd Phase I. Mr. Rodgers added that Mr. Hines, owner of the Copperwynd Resort, had informed him that staff would be receiving plans the following day.

Mayor Kavanagh asked if there were any speaker cards and Ms. Bender stated none had been received. Mayor Kavanagh requested a motion.

Councilmember Yates **MOVED** to approve contract #C2018-094 with Brown & Associates n an amount not to exceed \$350,000 for plan review and inspection services during the Copperwynd Resort expansion project as presented and to direct the Town Manager to execute the contract and Councilmember Magazine **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0).

**AGENDA ITEM #12 – CONSIDERATION OF RESOLUTION 2018-07, APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH MARICOPA COUNTY, RELATING TO REGIONAL EMERGENCY OPERATIONS MANAGEMENT AND DISASTER SERVICES.**

Mr. Miller stated Maricopa County was integrated in the Town’s emergency response to disasters and provided common defense against disasters. Mr. Miller added that Fountain Hill’s Fire Chief Dave Ott, who was also the official Emergency Operations Chief for the Town, had worked with Maricopa County to review these services and believed this was a good program for the community. Mr. Miller introduced Chief Ott who provided additional information.

Chief Ott stated this program (Intergovernmental Agreement) was important for the community and would cost only \$2,400 annually and that covered a five-year period with numerous levels of government assistance available to Fountain Hills. Chief Ott added that drills in the future would be scheduled after the finalization of the Town’s Emergency Plan.

Mayor Kavanagh asked for Council questions and none were initiated.

Mayor Kavanagh asked if there were any speaker cards and Ms. Bender stated none had been received.

Mayor Kavanagh requested a motion.

Councilmember Leger **MOVED** to approved Resolution 2018-07, an intergovernmental agreement with Maricopa County for regional emergency operations management and disaster services and Councilmember Yates **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0).

**AGENDA ITEM #13 – CONSIDERATION OF THE FOURTH AMENDMENT TO CONTRACT C2017-002, WITH POWER TECH CONTRACTING, IN THE AMOUNT OF \$15,000.00 WITH AN AGGREGATE OF \$71,700.00, FOR ON-CALL AND CALL-OUT TRAFFIC SIGNAL SERVICES.**

Mr. Miller explained the contract was for on-call services for the Town’s traffic signals when there were problems and signals stopped working after hours or on week-ends. Mr. Miller introduced Public Works Director Justin Weldy who explained the current contract with Power Tech that was approved late last fall by Council. Mr. Weldy explained that due to a staffing change in the Town’s own Traffic Signal Technician and the fact that the prior approved contract was only for on-call services, Mr. Weldy was requesting to continue with Power Tech Contracting and have them take over signal maintenance and on-call services. Mr. Weldy added Power Tech Contracting services also included State, Federal and local government’s regulations and would cover twenty-four hours a day and seven days a week for a period covering the current fiscal year only. Mr. Weldy explained staff would eventually request Council’s approval for a long-term contract that would cover the Town’s thirteen traffic signals for maintenance and emergency on-call services.

Mayor Kavanagh asked for Council questions and none were initiated.

Mayor Kavanagh asked if there were any speaker cards and Ms. Bender stated none had been received.

Mayor Kavanagh requested a motion.

Councilmember Leger **MOVED** to approve the fourth Amendment to the Professional Service Agreement C2017-002.4 with Power Tech Contracting, LLC and Vice Mayor Brown **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0).

**AGENDA ITEM #14 – CONSIDERATION OF RESOLUTION 2018-26, SETTING FORTH THE TENTATIVE BUDGET AND ESTABLISHING THE MAXIMUM BUDGET AMOUNT FOR THE TOWN OF FOUNTAIN HILLS FOR FISCAL YEAR BEGINNING JULY 1, 2018, AND ENDING JUNE 30, 2019. THE COUNCIL MAY ADDRESS ANY OR ALL ITEMS CONTAINED IN THE BUDGET DOCUMENT AND INITIATE ANY CHANGES PRIOR TO THE ADOPTION.**

Mr. Miller noted the recent Special Session regarding the budget where all the changes requested by Council were now addressed and incorporated. Mr. Miller briefly discussed the final proposed budget process and introduced Finance Director Craig Rudolphy who gave a brief PowerPoint presentation (available on-line or in the office of the Town Clerk).

Mr. Rudolphy stated that after Council's changes were made for the fiscal year 2018-19 the tentative Town Manager's budget totaled \$38,914,866.00. Mr. Rudolphy presented the following slides with information.

- Previous Fiscal Year Budget Totals: Council was being asked to approve the total maximum budget amount and this action would allow Council to make changes, move money around or reduce the amount, noting the Council would be unable to increase the total amount approved.
- FY18-19 Budget Core Services from all Funds
- Budget Assumptions: No change and noted no Copperwynd Resort revenues were included.
- FY18-19 Capital Improvements: Totaled \$4,173,672.00. Councilmember Magazine asked for information on the Wayfinding signs \$25K and Mr. Rudolphy replied this amount was a carryover from the monies owed for the current design contract and nothing else had been funded.
- Outstanding Bonds – 7/1/2019
- FY18-19 Budget Highlights: Departmental funding requests from the General Fund and other funds. Councilmember Magazine asked Mr. Rudolphy to explain the accumulated revenue; and Mr. Rudolphy responded the accumulated revenues came from the Court Enhancement Fund and funds available through the Community Services, Park and Recreation Division.
- FY18-19 Budget Summary: Broken down by fund and would use \$7M from prior years.
- Summary of Changes FY18-19: Budget-by category with a 10% increase seen due to the inclusion of the proposed Primary Property Tax of \$7M, otherwise there would be a decrease in the expenditures.
- General Fund Operating Budgets: Broken down by departments with the General Government increase of \$1,845,000.00 and \$1.5M allocation for Public Safety from the proposed Primary Property Tax.
- Reserve Funds (Fund Balances): Showed the end of the fiscal year balance.
- Town of Fountain Hills Organization: Chart.
- Personnel: one additional position proposed for an IT Specialist with 56.19 Full Time Equivalent Town employees.
- Personnel and Benefits: Showed allocation in various funds and a proposed 2.5% increase for employees.
- FT18-19 Annual Budget: Tentative budget \$38,914.866.00 and slightly less than previously proposed.

Mr. Rudolphy mentioned he emailed a recap of the requested changes to Council and the budget was now under the "Expenditure Limitation" by approximately \$2K. Councilmember Magazine pointed out with or without the approval of the \$7M proposed Property Tax, the budget would be reduced to \$31,914,000.00 and the lowest budget in the last five-years and Mr. Rudolphy agreed and continued with the presentation.

- FY18-19 Budget Adoption Steps
- Operating Costs per Capita: Recap comparison.
- General Fund Projections: Recap comparison.

Councilmember reiterated that without approval of the \$7M proposed Primary Property Tax that this budget was lower than in previous years and it did not account for inflation and Councilmember Yates added that even with if the \$7M were to be approved with the total of Fountain Hills' assets, the operating cost was unbelievable low and expressed the budget was well done.

Mayor Kavanagh asked if there were any speaker cards and Ms. Bender stated none had been received.

Councilmember Tolis asked about the grocery sales tax of 2.6% and Mr. Patel interrupted and pointed out that any discussion that was not ajenized could not be discussed, but could be brought back at a future date. Councilmember Tolis asked what the impact was from the grocery tax on the Town's revenue and Mr. Rudolph replied the sales tax was not broken down by the Department of Revenue, but he could give him an aggregate number of what was collected by the major grocery stores in Town and Councilmember Tolis stated he would like to see that information.

Councilmember Yates pointed out medical marijuana was already taxed and Mr. Patel agreed and noted taxed under a different tax structure and he could review and reported back to Council.

Mayor Kavanagh asked for additional questions for Mr. Rudolph and none were initiated.

Mayor Kavanagh asked if there were any speaker cards and Ms. Bender stated none had been received. Mayor Kavanagh requested a motion.

Vice Mayor Brown **MOVED** to approve Resolution 2018-26 and Councilmember Leger **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0).

**AGENDA ITEM #15 - DISCUSSION WITH POSSIBLE DIRECTION TO STAFF RELATING TO ANY ITEM INCLUDED IN THE LEAGUE OF ARIZONA CITIES AND TOWNS WEEKLY LEGISLATIVE BULLETIN OR RELATING TO ANY ACTION PROPOSED OR PENDING BEFORE THE STATE LEGISLATURE.**

Mayor Kavanagh remarked nothing happened except the work on teacher issues and the "Digital Bill" was sent back with changes, which was still unacceptable to the League of Cities and Towns.

**AGENDA ITEM #16 - COUNCIL DISCUSSION/DIRECTION TO THE TOWN MANAGER.**

Town Manager Miller reported that some residents were concerned about the proposed EPCOR's consolidation of service areas and proposed rate adjustments at just under 20%, which was a huge impact. Mr. Miller requested Town Attorney Patel provide an update on some of the options staff was reviewing on behalf of the residents. Mr. Patel noted that the Town had scheduled a Council Executive Session for June 5, 2018, where additional information would be provided and allowed Council to provide direction.

Mr. Patel stated EPCOR filed for a rate increase adjustment and "Service Agreement of Consolidation" in August 2017 and since then the ACC's utility staff and EPCOR had been submitting documents into the docket certain data and analysis concerning the rate increase, which was expected to be phased in over a five-year period. Mr. Patel continued that they were currently moving forward with a hearing date scheduled for May 10, 2018, which included a 10-day hearing phase beginning on May 14, 2018. Mr. Patel added that several opportunities for the Town and concerned citizens were given the opportunity to submit consumer statements to the Commissioners' and placed in the record added to the docket for the ACC's review. Mr. Patel pointed out that the first day of the hearing was reserved for public comment in that forum.

Mr. Patel stated that his firm had reached out as the Town's Attorney to the lead Counsel for the ACC to stay updated on what was transpiring or opportunities to voice any concerns and contacted the "Residential Utility Commission" (RUCO) to find out how the Town could communicate and receive information on developments in this case. Mr. Patel mentioned that Mr. Miller had requested he attend the pre-hearing conference to gather information assuming that Counsel filed a statement ahead of time was given the opportunity to speak.

Mayor Kavanagh asked if Council had any questions and none were initiated.

**AGENDA ITEM #17 - SUMMARY OF COUNCIL REQUESTS AND REPORT ON RECENT ACTIVITIES BY THE MAYOR, INDIVIDUAL COUNCILMEMBERS, AND THE TOWN MANAGER.**

Councilmember Yates stated the "Chamber Gala" was held recently with the "Mayor's Award" presented to Juan Gonzales, restaurant owner of "Senior Taco" and Past Mayor Jay Schlum won "Business Man of the Year".



Councilmember Yates reminded Councilmembers they would not meet in two weeks due to "Election Day".

Councilmember Leger mentioned the "Dark Sky" event and said it was amazing and hoped this would be an annual event. Councilmember Yates added that the scientists in attendance were amazed at the number of people in-line to use the telescope.

Councilmember Tolis stated he attended the "East Valley Institute of Technology" (EVIT) golf outing fundraiser on Saturday at the Desert Canyon Golf Club and noted his golfing group won the tournament. Councilmember Tolis pointed out that the EVIT campus was a great asset to the community.

**AGENDA ITEM #18 - ADJOURNMENT**

Mayor Kavanagh requested a motion to adjourn.

Councilmember Yates **MOVED** to adjourn the meeting and Vice Mayor Brown **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0). The Regular Session adjourned at 6:55 p.m.

**TOWN OF FOUNTAIN HILLS**

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

ATTEST AND  
PREPARED BY:

\_\_\_\_\_  
Town Clerk Bevelyn Bender

**CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Session held by the Town Council of Fountain Hills in the Town Hall Council Chambers on the 1<sup>st</sup> day of May, 2018. I further certify that the meeting was duly called and that a quorum was present.

DATED this 26<sup>th</sup> day of June, 2018.

\_\_\_\_\_  
Town Clerk Bevelyn Bender