



NOTICE OF MEETING
REGULAR MEETING
FOUNTAIN HILLS TOWN COUNCIL

Mayor Ginny Dickey

Vice Mayor Art Tolis

Councilmember Dennis Brown

Councilmember Sherry Leckrone

Councilmember Alan Magazine

Councilmember Mike Scharnow

Councilmember David Spelich

TIME: 5:30 P.M. – REGULAR SESSION

WHEN: TUESDAY, FEBRUARY 5, 2019

WHERE: FOUNTAIN HILLS COUNCIL CHAMBERS
16705 E. AVENUE OF THE FOUNTAINS, FOUNTAIN HILLS, AZ

Councilmembers of the Town of Fountain Hills will attend either in person or by telephone conference call; a quorum of the Town's various Commission, Committee or Board members may be in attendance at the Council meeting.

Notice is hereby given that pursuant to A.R.S. §1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the Town Council are audio and/or video recorded and, as a result, proceedings in which children are present may be subject to such recording. Parents, in order to exercise their rights may either file written consent with the Town Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the Town will assume that the rights afforded parents pursuant to A.R.S. §1-602.A.9 have been waived.

REQUEST TO COMMENT

The public is welcome to participate in Council meetings.

TO SPEAK TO AN AGENDA ITEM, please complete a *Request to Comment* card, located in the back of the Council Chambers, and hand it to the Town Clerk prior to discussion of that item, if possible. Include the **agenda item** on which you wish to comment. Speakers will be allowed three contiguous minutes to address the Council. Verbal comments should be directed through the Presiding Officer and not to individual Councilmembers.

TO COMMENT ON AN AGENDA ITEM IN WRITING ONLY, please complete a *Request to Comment* card, indicating it is a written comment, and check the box on whether you are FOR or AGAINST an agenda item, and hand it to the Town Clerk prior to discussion, if possible.

REGULAR MEETING

1. **CALL TO ORDER AND PLEDGE OF ALLEGIANCE** – Mayor Ginny Dickey
2. **INVOCATION** – Pastor David Taylor, First Baptist Church of Fountain Hills
3. **ROLL CALL** – Mayor Ginny Dickey
4. **MAYOR'S REPORT**
 - A. PROCLAMATION declaring February 2019 as *Go Red for Women Month* in the Town of Fountain Hills.
5. **SPECIAL PUBLIC APPEARANCES/PRESENTATIONS**
 - A. PRESENTATION by Strategic Planning Advisory Commission.
 - B. PRESENTATION on status update regarding Golden Eagle Park.
6. **CALL TO THE PUBLIC**

Pursuant to A.R.S. 38-431.01(H), public comment is permitted (not required) on matters NOT listed on the agenda. Any such comment (i) must be within the jurisdiction of the Council and (ii) is subject to reasonable time, place, and manner restrictions. The Council will not discuss or take legal action on matters raised during "Call to the Public" unless the matters are properly noticed for discussion and legal action. At the conclusion of the Call to the Public, individual councilmembers may (i) respond to criticism, (ii) ask staff to review a matter, or (iii) ask that the matter be placed on a future Council agenda.
7. **CONSENT AGENDA ITEMS**

All items listed on the Consent Agenda are considered to be routine, non-controversial matters and will be enacted by one motion and one roll call vote of the Council. All motions and subsequent approvals of consent items will include all recommended staff stipulations unless otherwise stated. There will be no separate discussion of these items unless a councilmember or member of the public so requests. If a councilmember or member of the public wishes to discuss an item on the Consent Agenda, he/she may request so prior to the motion to accept the Consent Agenda or with notification to the Town Manager or Mayor prior to the date of the meeting for which the item was scheduled. The items will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

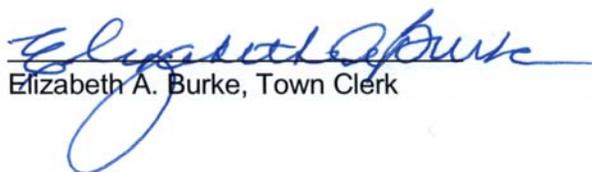
 - A. APPROVAL OF the minutes of the Regular Meeting of January 15, 2019.
 - B. CONSIDERATION OF a budget transfer from the Economic Development Fund to the Tourism Fund in the amount of \$10,000.
8. **REGULAR AGENDA**
 - A. CONSIDERATION of appointing four (4) citizens to serve on the Strategic Planning Advisory Commission for a term ending on November 5, 2020; and one (1) citizen to fill the vacancy for a term ending on June 30, 2019.
 - B. DISCUSSION with possible direction relating to any item included in the League of Arizona Cities and Towns' weekly Legislative Bulletin(s) or relating to any action proposed or pending before the State Legislature.
9. **COUNCIL DISCUSSION/DIRECTION to the TOWN MANAGER**

Item(s) listed below are related only to the propriety of (i) placing such item (s) on a future agenda for action or (ii) directing staff to conduct further research and report back to the Council:

10. **SUMMARY OF COUNCIL REQUESTS and REPORT ON RECENT ACTIVITIES** by the Mayor, individual Councilmembers, and the Town Manager.
11. **ADJOURNMENT.**

AGENDA POSTED:

January 31, 2019
Date


Elizabeth A. Burke, Town Clerk

The Town of Fountain Hills endeavors to make all public meetings accessible to persons with disabilities. Please call 480-816-5100 (voice) or 1-800-367-8939 (TDD) 48 hours prior to the meeting to request a reasonable accommodation to participate in the meeting or to obtain agenda information in large print format. Supporting documentation and staff reports furnished the Council with this agenda are available for review in the Clerk's Office.

*TOWN OF FOUNTAIN HILLS
PROCLAMATION*

WHEREAS, in the United States, heart disease is the number one killer of women, causing one in three deaths each year, approximately one woman every 80 seconds; and

WHEREAS, in Arizona, on average nearly 16 women die every day from heart disease or stroke each day; and

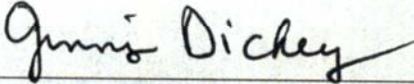
WHEREAS, women have a higher lifetime risk of stroke than men, with different heart attack symptoms that are often misunderstood; and

WHEREAS, an increase in community awareness is necessary to encourage everyone to GO RED, because 80 percent of cardiac events can be prevented with education and lifestyle changes;

NOW, THEREFORE, I, Ginny Dickey, Mayor of Fountain Hills, do hereby proclaim February 2019 as **Go Red for Women Month** and encourage Fountain Hills' residents to be a part of the American Heart Association's national movement to end heart disease and stroke in women because it's not just a man's disease. Citizens are encouraged to make a change for better health with physical activity, healthy eating, lowering their blood pressure, and teaching children the importance of staying active and making healthy food choices. People can show their alignment to the cause by registering at www.goredforwomen.org

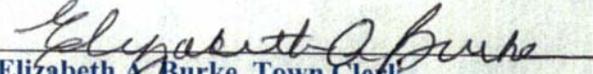
IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the official seal of the Town of Fountain Hills, Maricopa County, Arizona this 5th day of February, 2019.





Ginny Dickey, Mayor

Attest:



Elizabeth A. Burke, Town Clerk

ITEM 5-A

#	Task	Total Points	Ranking
		(7 to 24)	(1 to 14)
4.1c	Increase revenues to meet community needs including addressing projected operating shortfall	24	1
4.1b	Identify revenue options	24	1
2.1a	Develop and implement an investment plan to bring streets, buildings, and parks up to established standards	22	2
4.1a	Adequately fund all identified reserve funds	20	3
3.1a	Work with State Land Trust to increase residential density	19	4
1.2c	Rezone un-platted land for greater density and affordable family homes	18	5
1.4a	Explore higher education opportunities in Fountain Hills	17	6
3.2c	Include family branding in marketing plan	16	7
3.2b	Expand use of social media and on-line messaging	15	8
1.1a	Develop a community brand/vision/marketing plan	15	8
5.3a	Utilize effective volunteer skills and talents	14	9
5.1a	Include local school strengths in marketing plan	14	9
2.2a	Develop and adopt a comprehensive environmental plan	13	10
1.2a	Rezone undeveloped commercial property to residential where feasible	13	10
5.1c	Explore selling/leasing unused properties	12	11
5.1b	Work with FHUSD to maximize property values	12	11
3.2f	Support youth club sports	11	12
3.2e	Organize specialty youth camps	11	12
1.3a	Create and expand destination events	11	12
3.2a	Distribute Town's marketing plan to local businesses	10	13
1.2b	Adopt a text amendment that allows residential uses on commercially rezoned properties	10	13
5.2a	Increase community efforts to lobby for municipal issues	8	14
2.2b	Research and report on economic and logistic feasibility of electric car charging stations	7	15



2017 STRATEGIC PLAN

STRATEGIC GOALS

VISION

Fountain Hills is a distinctive community with long term economic sustainability and vitality anchored with an active and vibrant town citizenship that serves to invigorate a rich cultural, social, and economic quality of life.

VALUES

Preserve the health, well being, and safety of all residents and visitors.

Champion the diversity of experiences our residents bring to our community and rely on this depth of experience to innovatively address our challenges and continually improve our community.

Take responsibility for our Town's success by building partnerships and investing in our talent and resources.

Steward this unique enclave, dedicated to preserving the environment and visual aesthetic and to living in balance with the Sonoran Desert.

Encourage a strong community that meets the needs of a growing, balanced demographic.

1 Economic Growth

1.1 Market Fountain Hills

- 1.1a Develop a community brand/vision/marketing plan
- 1.1b Develop a new business resource package
- 1.1c Increase funding for business accelerator programs

1.2 Sustain Commercial Businesses

- 1.2a Rezone undeveloped commercial property to residential where feasible
- 1.2b Adopt a text amendment that allows residential uses on commercially rezoned properties
- 1.2c Rezone un-platted land for greater density and affordable family homes

1.3 Promote Tourism

- 1.3a Create and expand destination events

1.4 Higher Education

- 1.4a Explore higher education options and opportunities in Fountain Hills

2 Infrastructure Maintenance

2.1 Invest in Fountain Hills

- 2.1a Develop and implement an investment plan to bring streets, buildings, and parks up to established standards
- 2.1b Commission a study to identify gap between actual and subdivision ordinance specifications and determine cost of meeting ordinance specifications

2.2 Promote Environmentally Friendly Initiatives

- 2.2a Develop and adopt a comprehensive environmental plan
- 2.2b Research and report on economic and logistic feasibility of electric car charging stations

3 Demographic Balance

3.1 Attract Demographic

- 3.1a Work with State Land Trust to increase residential density

3.2 Market and Promote

- 3.2a Distribute Town's marketing plan to local businesses
- 3.2b Expand use of social media and on-line messaging
- 3.2c Include family branding in marketing plan
- 3.2d Organize a young professionals group or organization
- 3.2e Organize specialty youth camps
- 3.2f Support youth club sports

4 Financial Stability and Sustainability

4.1 Identify Sources of New Revenue

- 4.1a Adequately fund all identified reserve funds
- 4.1b Identify revenue options
- 4.1c Increase revenues to meet community needs including addressing projected operating shortfall

5 Community and Quality of Life

5.1 Promote Education System

- 5.1a Include local school strengths in marketing plan
- 5.1b Work with FHUSD to maximize property values
- 5.1c Explore selling/leasing unused properties

5.2 Utilize Intergovernmental Relations to Achieve Priorities

- 5.2a Increase community efforts to lobby for municipal issues

5.3 Leverage the Talents of Residents to the Town's Advantage

- 5.3a Utilize effective volunteer skills and talents

STRATEGIC OBJECTIVES AND TASKS



Town of Fountain Hills 2017 Strategic Plan

May 18, 2017

TOWN OF FOUNTAIN HILLS 2017 STRATEGIC PLAN

Goal # 1: Maximize Economic Development Opportunities in Fountain Hills

Objective #1 – Create or Utilize Tools to Help Market Fountain Hills for Economic Development Opportunities

<u>Tasks</u>	<u>Lead Responsibility</u>	<u>Projected Completion Date</u>	<u>Completion Date</u>
<input type="checkbox"/> Develop a community brand/vision/marketing plan for Fountain Hills	Scott Cooper	June 2019	In progress
<input type="checkbox"/> Develop a new business resource package	Scott Cooper	June 2017	Completed
<input type="checkbox"/> Increase funding for business accelerator programs	Scott Cooper	July 2018	Completed
<input type="checkbox"/> Explore higher education opportunities in Fountain Hills	Scott Cooper	December 2019	In progress/working with EVIT & CC

Objective #2 – Increase Population and Residential Densities to Sustain Existing and Future Commercial Businesses in Town

<u>Tasks</u>	<u>Lead Responsibility</u>	<u>Projected Completion Date</u>	<u>Completion Date</u>
<input type="checkbox"/> Rezone undeveloped commercial property to residential where feasible	Scott Cooper/ Bob Rodgers	Ongoing	As opportunities present themselves
<input type="checkbox"/> Adopt a text amendment that allows residential uses on commercially zoned properties	Bob Rodgers	June 2017	Completed
<input type="checkbox"/> Rezone unplatted land for greater density and affordable family homes	Bob Rodgers	Ongoing	As opportunities present themselves

Objective #3 – Market/Promote Tourism to Generate Hotel Stays and Higher Dollar Expenditures During Visits to Fountain Hills

<u>Tasks</u>	<u>Lead Responsibility</u>	<u>Projected Completion Date</u>	<u>Completion Date</u>
<input type="checkbox"/> Create and expand destination events	Rachael Goodwin/Grace Rodman-Guetter	June 2019	Ongoing St. Patrick's Day / Fourth at the Fountain Turkey Trot / Craft Classic / Disc Golf Tournament

Yellow – High Priority Blue – Medium Priority White – Low Priority

TOWN OF FOUNTAIN HILLS 2017 STRATEGIC PLAN

Goal # 2: Ensure that Infrastructure in Fountain Hills is Well-Maintained and Safe

Objective #1 – Invest in and Maintain the Community’s Infrastructure

<u>Tasks</u>	<u>Lead Responsibility</u>	<u>Projected Completion Date</u>	<u>Completion Date</u>
<input type="checkbox"/> Develop and implement an investment plan to bring streets, buildings, and parks up to established standards	Grady Miller/ Craig Rudolph/Justin Weldy	June 2019	Pavement Analysis Report completed (Facilities Replacement Fund)
<input type="checkbox"/> Commission a study to identify gap between actual and subdivision ordinance specifications and determine cost of meeting ordinance specifications	Justin Weldy/ Bob Rodgers	June 2019	Reviewed/Identified options to discuss

Objective #2 – Promote Environmentally Friendly Initiatives

<u>Tasks</u>	<u>Lead Responsibility</u>	<u>Projected Completion Date</u>	<u>Completion Date</u>
<input type="checkbox"/> Develop and adopt a comprehensive environmental plan for Fountain Hills	Justin Weldy/Raymond Rees	June 2019	In progress
<input type="checkbox"/> Research and report on economic and logistic feasibility of electric car charging stations	Justin Weldy	June 2018	Review

Yellow – High Priority

Blue – Medium Priority

White – Low Priority

TOWN OF FOUNTAIN HILLS 2017 STRATEGIC PLAN

Goal # 3: Attract Families and Working Professionals to Fountain Hills

Objective #1 – Utilize Landuse Planning to Attract Families to Fountain Hills

<u>Tasks</u>	<u>Lead Responsibility</u>	<u>Projected Completion Date</u>	<u>Completion Date</u>
<input type="checkbox"/> Work with State Land Trust to increase residential density	Council/Staff	December 2018	Ongoing efforts

Objective #2 – Market and Promote Fountain Hills as a Unique Place for Families and Working Professionals

<u>Tasks</u>	<u>Lead Responsibility</u>	<u>Projected Completion Date</u>	<u>Completion Date</u>
<input type="checkbox"/> Collaborate with businesses in promoting town’s marketing plan	Scott Cooper/Grace Rodman-Guetter	July 2019	Ongoing
<input type="checkbox"/> Expand use of Social Media and on-line messaging	Grace Rodman-Guetter	Ongoing	Facilitating nine social media pages; Recreation Instagram account-August 2018
<input type="checkbox"/> Include family branding in marketing plan	Grace Rodman-Guetter/ Scott Cooper	June 2019	In progress
<input type="checkbox"/> Organize a young professionals group or organization	Scott Cooper	June 2018	Completed/Formed FH Young Community
<input type="checkbox"/> Organize specialty youth camps (robotics, coding, arts, etc.)	Rachael Goodwin/ Corey Povar	Summer 2018	Created first summer youth camp/ongoing Spring camp/Community Center take-over
<input type="checkbox"/> Support youth club sports	Rachael Goodwin/ Corey Povar	Ongoing	Use of Town facilities at no cost Expand programs

Yellow – High Priority

Blue – Medium Priority

White – Low Priority

TOWN OF FOUNTAIN HILLS 2017 STRATEGIC PLAN

Goal # 4: Ensure that Fountain Hills Finances are Stable and Sustainable

Objective #1 – Identify Sustainable Sources of Revenue to Sustain Funding of Town Core Services

<u>Tasks</u>	<u>Lead Responsibility</u>	<u>Projected Completion Date</u>	<u>Completion Date</u>
<input type="checkbox"/> Adequately fund all identified reserve funds	Town Council/Town Manager/ Craig Rudolphy	December 2027	
<input type="checkbox"/> Identify revenue options	Town Staff/Town Manager/Town Council	September 2017	Completed/October 2017
<input type="checkbox"/> Increase revenues to meet community needs including addressing projected operating shortfall	Town Manager/Town Council	November 2018	Town Election-Property Tax/May 2018

Yellow – High Priority

Blue – Medium Priority

White – Low Priority

TOWN OF FOUNTAIN HILLS 2017 STRATEGIC PLAN

Goal # 5: Focus on Strengthening the Community and Improving Town's Quality of Life

Objective #1 – Partner with the Fountain Hills Unified School District to Promote FH Education System

<u>Tasks</u>	<u>Lead Responsibility</u>	<u>Projected Completion Date</u>	<u>Completion Date</u>
<input type="checkbox"/> Include local school strengths in marketing plan	Scott Cooper/Grace Rodman-Guetter	June 2019	Ongoing
<input type="checkbox"/> Work with FHUSD to maximize its property values	Town Staff/Council/FHUSD	December 2017	Addressed at 2/21/17 Joint Meeting
<input type="checkbox"/> Explore selling/leasing unused properties	Town Staff/Council/FHUSD	December 2017	Addressed at 2/21/17 Joint Meeting

Objective #2 – Utilize Intergovernmental Relations to Achieve Fountain Hills Priorities

<u>Tasks</u>	<u>Lead Responsibility</u>	<u>Projected Completion Date</u>	<u>Completion Date</u>
<input type="checkbox"/> Increase community efforts to lobby for municipal issues	Town Manager/Town Council	January 2018	Joined RPTA East Valley Partnership National League of Cities-July 2018 Continue to work with League of Cities & Towns to oppose Bills that are harmful to cities & towns

Objective #3 – Leverage the Talents of Residents to the Advantage of Fountain Hills

<u>Tasks</u>	<u>Lead Responsibility</u>	<u>Projected Completion Date</u>	<u>Completion Date</u>
<input type="checkbox"/> Utilize effective volunteer skills and talents	Heather Ware	Ongoing	Ongoing/over 900 volunteers <ul style="list-style-type: none"> • Make A Difference Day • Home Delivered Meals • Give A Lift Program • Activities & Volunteer Expo • Mayor's Youth Council • Save Our Sculptures Program • Community Center Christmas Decorating & Celebration • Commissioners

Yellow – High Priority
 Blue – Medium Priority
 White – Low Priority



TOWN OF FOUNTAIN HILLS

TOWN COUNCIL AGENDA ACTION FORM

Meeting Date: 2/5/2019

Meeting Type: Regular

Agenda Type: Consent

Submitting Department: Administration

Staff Contact Information: Elizabeth A. Burke, Town Clerk, 480-816-5115; eburke@fh.az.gov

REQUEST TO COUNCIL (Agenda Language): CONSIDERATION OF approving the Town Council Meeting Minutes from the Regular Meeting of January 15, 2019.

Applicant: NA

Applicant Contact Information: NA

Owner: N/A

Owner Contact Information: NA

Property Location: NA

Related Ordinance, Policy or Guiding Principle: A.R.S. §38-431.01

Staff Summary (background): The intent of approving previous meeting minutes is to ensure an accurate account of the discussion and action that took place at that meeting for archival purposes. Approved minutes are placed on the Town's website and maintained as permanent records in compliance with state law.

Risk Analysis (options or alternatives with implications): NA

Fiscal Impact (initial and ongoing costs; budget status): NA

Budget Reference (page number): NA

Funding Source: NA

If Multiple Funds utilized, list here:

Budgeted; if No, attach Budget Adjustment Form: NA

Recommendation(s) by Board(s) or Commission(s): NA

Staff Recommendation(s): Approve

List Attachment(s): Minutes of the Regular Meeting of January 15, 2019.

SUGGESTED MOTION (for Council use): MOVE to approve the consent agenda as listed.

Prepared by:

Approved:


Elizabeth A. Burke, Town Clerk 1/24/2019


Grady E. Miller, Town Manager 1/24/2019

**TOWN OF FOUNTAIN HILLS
MINUTES OF THE REGULAR MEETING OF THE
FOUNTAIN HILLS TOWN COUNCIL
JANUARY 15, 2019**

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE – Mayor Ginny Dickey

Mayor Dickey called the Regular Meeting of January 15, 2019, to order at 5:30 p.m.

2. INVOCATION – Dr. Bobby Brewer, Pastor of North Chapel

Pastor Brewer gave the invocation.

3. ROLL CALL – Mayor Ginny Dickey

COUNCILMEMBERS PRESENT: Mayor Ginny Dickey; Vice Mayor Art Tolis; Councilmembers Mike Scharnow, Dennis Brown, Alan Magazine, Sherry Leckrone and David Spelich.

COUNCILMEMBERS ABSENT: None.

STAFF PRESENT: Town Manager Grady Miller, Town Attorney Aaron D. Arnson, and Town Clerk Elizabeth A. Burke.

4. MAYOR'S REPORT

A. RECOGNITION of MCSO Deputy Chief Henry Brandimarte.

Town Manager Grady Miller read the biography of MCSO Deputy Chief Henry Brandimarte, who had served as Commander of the Fountain Hills substation until his recent promotion. He said that he was a pleasure to work with and wished him the best. Several Councilmembers agreed.

Chief Brandimarte thanked everyone stating that it had been a pleasure working in Fountain Hills. He said that he appreciated the support of the Council, Town staff and the public. He said that he has never worked anywhere where staff worked together as a team and he credits that to the leadership of Town management.

5. SPECIAL PUBLIC APPEARANCES/PRESENTATIONS

A. PRESENTATION by Republic Services to Fearless Kitty Rescue for the Republic Services' Community Grant.

Stephen Herring with Republic Services said that they were the current contractor for solid waste collection services in town for residential pick-up and as part of their contract they provide a grant program for nonprofits. This year he presented a check in the amount of \$10,000 to the Fearless Kitty Rescue. Members came forward and accepted the check and had their picture taken.

6. CALL TO THE PUBLIC

Pursuant to A.R.S. 38-431.01(H), public comment is permitted (not required) on matters NOT listed on the agenda. Any such comment (i) must be within the jurisdiction of the Council and (ii) is subject to reasonable time, place, and manner restrictions. The Council will not discuss or take legal action on matters raised during "Call to the Public" unless the matters are properly noticed for discussion and legal action. At the conclusion of the Call to the Public, individual councilmembers may (i) respond to criticism, (ii) ask staff to review a matter, or (iii) ask that the matter be placed on a future Council agenda.

None

7. CONSENT AGENDA ITEMS

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- A. APPROVAL OF the minutes of the Special Meeting of December 18, 2018, and the Regular Meeting of December 18, 2018.
- B. CONSIDERATION OF approving a Special Event Liquor License application submitted by Boris Biloskirka representing the Fountain Hills VFW Post No. 7507 Veterans who will be hosting a beer garden located at North Saguardo Blvd. and Avenue of the Fountains, in conjunction with the Great Fair on February 22-24, 2019, from 7:00 AM to 10:00 PM.
- C. CONSIDERATION OF approving a Special Event Liquor License application submitted by Debra Biloskirka representing the Fountain Hills VFW Post No. 7507 Veterans Foundation who will be hosting a beer garden located at North Verde River Drive and Avenue of the Fountains, in conjunction with the Great Fair on February 22-24, 2018, from 7:00 AM to 10:00 PM.
- D. CONSIDERATION OF approving a Special Event Liquor License application submitted by Merita Kraya representing Euro Pizza Café located at 12645 North Saguardo Blvd, Fountain Hills, AZ who will be hosting a beer garden in conjunction with the Mountain 2 Fountain race on March 3, 2019, from 7:00 AM to 12:00 PM.
- E. CONSIDERATION OF approving a Fair/Festival License Application for Desert Diamond Distillery, Inc. (John Patt) to participate as a vendor along the Avenue of the Fountains, in conjunction with the Fountain Hills Art and Wine Affaire, from 10:00 AM to 5:00 PM daily, Friday, March 8 through Sunday, March 10, 2019.
- F. CONSIDERATION OF approving a Special Event Liquor License application submitted by Kim Kamins representing Fearless Kitty Rescue located at 16832 E. Avenue of the Fountains, Fountain Hills, AZ for the purpose of a fundraiser to be held on March 1, 2019, from 5:30 PM to 8:00 PM.
- G. CONSIDERATION OF approving a Fair/Festival License application for Odyssey Cellars (John McLoughlin) to participate as a vendor along the Avenue of the

Fountains, in conjunction with the Fountain Hills Art and Wine Affaire, from 10:00 AM to 5:00 PM daily, Friday, March 8 through Sunday, March 10, 2019.

- H. CONSIDERATION OF adopting Resolution 2019-01, abandonment of the 10' Public Utility and Drainage Easement at the rear of Plat 505-B, Block 1, Lot 57 (15846 E. Tepee Drive), as recorded in Book 158, Page 43, records of Maricopa County, Arizona, with stipulation. (EA 2018-20)

Councilmember Brown MOVED to approve the Consent Agenda items 7-A through 7-H; SECONDED by Councilmember Leckrone; passed unanimously.

With regard to the number of special event liquor licenses approved via Consent, Councilmember Magazine asked if that was something they should consider having staff do administratively. Mr. Miller said that it is something that the larger communities oftentimes have staff approve. He added that staff had recently approached him regarding that thought and they are doing further research. He suggested that they discuss this further at the Retreat.

8. REGULAR AGENDA

- A. PUBLIC HEARING and PRESENTATION on the Development Impact Fee Final Report for Fiscal Years 2017 and 2018.

Mayor Dickey opened the Public Hearing. Mr. Miller said that under state law they were required to have either a committee or an outside firm conduct an audit to ensure they are in compliance with state law. He said that Willdan was there to give a brief presentation. There was no action to be taken.

Kevin Burnett with Willdan Associates said that their firm conducted the audit and it was the second time they had worked with the Town of Fountain Hills. He said that, as stated, Arizona Revised Statutes requires that if a city or town collects impact fees that they must either have a committee to review or have an audit performed to address three specific areas. These are: 1) development projections; 2) expending money on things included in the impact fee study; and 3) level of service.

He said that in the audit they found that the residential impact was lower than projected and commercial was a little higher. They did collect impact fees over the two-year period and did not expend any on any projects or debt service. He said that the level of service ties back into expenditures, and the town was not programmed to do anything until 2022 or 2023 so the level of service is where it should be.

Mr. Burnett said that a fourth component, which is not required, was to look at permits issued to double-check math and they found that the fees applied were appropriate. He said that everything looked good overall.

Mr. Burnett was asked if they had noticed any trend in terms of income compared to prior years. He replied that it is not something they look at.

Mayor Dickey closed the Public Hearing at this time.

- B. CONSIDERATION OF awarding contract 2018-002 to Allied Waste Transportation, Inc., dba Republic Services of Phoenix for the Town of Fountain Hills' residential curbside solid waste collection services.

Mr. Miller said that about ten years ago the Town Council had the insight to consolidate all of the private haulers they had in town for residential trash collection. The reason was that they had up to eight haulers driving on the roads, causing wear and tear. He said that staff recently went through a new Request for Proposals and received three proposals; the successful proposal was from Republic Services, the current provider.

Raymond Rees, Facilities and Environmental Supervisor, said that during the past eight years they have been contacted by residents with concerns and they listened and implemented those into the Request for Proposal for new services. He then gave a brief presentation which addressed:

SERVICE LEVEL COMPARISON

He said that the Town asked to have at least a few days' separation between those having trash collected twice a week, so they will now be picked up on Monday/Thursday and Tuesday/Friday. He said that they will continue with the annual Hazardous Waste Collection pickup and also an annual Electronics Recycling.

PRICING

The current once a week pick up is \$11.58 and the new proposed rate is \$14.37, which is still lower than other communities.

At this time, Marek Crabbs with Republic Services, gave a brief presentation.

WHO WE ARE

Mr. Crabbs thanked the Town Manager, Mr. Rees and the new Town Attorney for their assistance with the process. He said that Republic Services is based in Phoenix with over 1,500 people in Arizona, and over 32,000 people nationally. He said that many with Republic Services live and/or have retired in Fountain Hills and there is a connection and economic development within the community. He said that they recently acquired the recycling center at the Salt River Landfill.

WE ARE A COMMUNITY PARTNER

- Recycling and Trash

- Service provider

- Community partner

- Invested and donated a lot to different events

- Make a Difference Day - Independence Day - Christmas Ice Rink

- Chamber of Commerce

- Support Community Activities

RATES COMPARISON –Old/New

REASON FOR INCREASE

He said that they have had a great agreement for the past eight years, over which time the rates have only increased \$.24. He said that when they first signed, trucks were \$200,000; now they are \$400,000. Additionally, there have been major changes in the recycling market driven by China who is no longer accepting recycling materials. He said that they have increased capital and have had changes to minimum wages, etc.

Mr. Crabbs said that they have pulled some of the other contracts within the state to see where services lay compared to others. He said that the largest city is Buckeye at \$16.87 (with less services) and the HOA in Anthem pays \$18.09.

Mr. Crabbs thanked staff, the Council, and all of the residents. He said that it has been a pleasure and honor to be partners.

Mr. Crabbs was asked what they were doing for recycling with China refusing to accept materials. He replied that they are finding different markets. He said that the big change is that when they shipped back to China, costs were near zero; now they are paying shipping costs.

Mr. Miller said that both the town and Republic Services negotiated in good faith, but with all of the back and forth of the contract, the most recent copy that was signed included an annual increase associated with CPI, rather than the agreed-upon annual flat rate of 3.5%. With Council's approval, staff was requesting that clarification be made in the motion.

Mr. Rees said that at the end of the five-year contract the rate would be at \$16.49, which is still far below any of the original bids received.

Mayor Dickey said that she was recently asked if it was possible to get smaller containers for those with limited space. Mr. Crabbs said that they do have smaller bins and if the residents prefer, they can request those, but there would be no cost difference.

Councilmember Brown MOVED to award contract 2018-002 to Allied Waste Transportation, Inc. dba Republic Services of Phoenix for the Town of Fountain Hills' residential collection services as presented, with the one correction that rates will be increased annually at 3.5% rather than tied to CPI; SECONDED by Councilmember Magazine; passed unanimously.

- C. CONSIDERATION OF approval of two budget transfers: 1) Development Services in the amount of \$44,413 to contractual services from salaries and benefits to allow for more third-party inspections; and 2) Town Clerk in the amount of \$11,827.50 to part-time salaries from professional services to allow for the use of a temporary employee.

Mr. Miller said that from time to time needs change and before the Council were two requests for changes. He said that they are requesting to move \$44,413 from salaries/benefits in Development Services to contractual services so they may continue to utilize a contractor for inspection services. He said that this was the second request to do this in this year, and they will probably be back with a further request before the end of the fiscal year. He said that they will be holding further discussions during the Retreat as they will be requesting funding for full-time staff.

He said that the second request is for the Town Clerk's Office which had budgeted funds for the preparation of minutes, but she would prepare to do that herself and use those funds for optical imaging of permanent records.

Councilmember Leckrone MOVED to approve the budget transfers as presented; SECONDED by Councilmember Scharnow; passed unanimously.

- D. CONSIDERATION OF Ordinance 18-15 amending Section 5.06.G of the Fountain Hills Zoning Ordinance relating to large detached accessory buildings in single-family residential zoning districts; amending Section 1.12 to create a definition for the front plane of a primary building and the street side plane of a primary building; and amending Sections 1.12, 5.06.F, 5.06.H, 5.09.B, 10.03.A.8 and 15.03.A.8 for consistency. (Case #Z2018-08)

Mr. Miller noted that the Council discussed this item last month and a few members were uncomfortable with moving forward at that time. Since then, staff has met with them to further explain the proposal and also to provide a tour.

Senior Planner Marissa Moore gave a summary from last time. She said that one change was in the colors and materials, there was a difference between "match" and "same". She said that after further conversations, it was noted that it was a subtle difference, but given their line of work, they make a difference. She said that "match" meant that they could complement a color, while "same" meant that the material and color had to be the same.

Ms. Moore said that the other issue related to kitchen facilities. She said that this is something that staff would like to investigate further. She said that because of the laws on how they publish public hearing notices, such a change would need to go through the Planning and Zoning Commission and come back to the Council.

She said that after their meetings over the past few weeks, she believed that the confusion had been clarified. She said that she did have the previous presentation if anyone wished to see it again.

Councilmember Spelich asked for Councilmember Brown's perspective as to the "match" versus "same" issue. Councilmember Brown said that in his opinion it is more government regulations; however, he thought that what was being proposed was reasonable.

Councilmember Spelich said that his concern is with a neighbor wanting to build a structure out of aluminum or time, like a shed, which could "match" but definitely would not be the "same." He said that he is "Mr. Non-government" but he would also like to protect people's property. Councilmember Brown said that he appreciated that and would totally support the change.

Councilmember Scharnow said that he thought they could argue that it was one more regulation, but it is also a mechanism to allow something that before could not occur.

Staff was directed to bring back through the process the discussion of kitchens in accessory buildings.

Councilmember Leckrone MOVED to adopt Ordinance 18-15 (noting the change from “match” to “same” for both material and color); Councilmember Spelich SECONDED; passed unanimously.

E. CONSIDERATION OF adopting Resolution 2019-06 approving the Town of Fountain Hills' Lottery Fund Grant application for the Fiscal Year 2018-19.

Administrative Services Director David Trimble briefly reviewed the program, noting that this was a yearly process whereby 26 different cities and towns, and Maricopa County, can claim their share of the portion of the Arizona Lottery Funds designated for public transportation.

He said that Fountain Hill's portion is approximately \$65,000. He said that the “applications” are made to Valley Metro. This year they had a short window to make application with the process opening up on December 18, 2018, and having until the end of January 2019, so this was the only meeting where it could be brought to Council.

Mr. Trimble said that the projects listed in the application are definitely not set in stone and they do expect that they will change. As long as the money is spent on public transportation they are fine. Each year when it ends in October, Fountain Hills is required to put forth a report to show where the money is spent. He said that as a member of the RPTA, they are entitled to a transit planning study and Valley Metro staff has begun working on it. The priorities they bring forward may drive where the funds are spent.

Councilmember Scharnow MOVED to adopt Resolution 2019-06; SECONDED by Councilmember Leckrone; passed unanimously.

F. CONSIDERATION OF approving a three-year Cooperative Purchase Agreement (C2019-061) with Pipe Line Video Inspections, LLC for storm drain pipe, structure cleaning and television services in the amount of \$150,000.00.

Public Works Director Justin Weldy briefly reviewed the item, noting that it was not only videotaping of the lines, but also cleaning with water and a 12” vacuum to remove debris, as well as removing debris built up in the box culverts.

Councilmember Brown MOVED to approve the three-year Cooperating Purchase Agreement (C2019-061) with Pipe Line Video Inspections, LLC for storm drain pipe, structure cleaning and television services in the amount of \$150,000.00; SECONDED by Councilmember Magazine; passed unanimously.

G. CONSIDERATION of status report on old Fire Station #2 property located at 16821 E. Saguaro and other related matters.

Mr. Miller said that near the end of last year Vice Mayor Tolis had asked about the status of the old Fire Station #2, and he told him that there would be a presentation regarding that status at this meeting.

Mr. Weldy said that staff secured a contract for abatement of asbestos. They had a survey completed and are waiting on the final report. The survey is required as part of state law before the Council makes a decision on what to do with the building. He said that preliminary reports show that they have no asbestos and lead; when final it will then be cleared for sale.

He said that Arizona Revised Statutes require that the Town do a sealed bid to sell after advertising which they will do with Fountain Hills Times, Business Gazette, and on the Town's website.

He said that the main question for Council will be whether to clear the site at an estimated cost of \$50,000 or leave it as is. Staff's recommendation is to leave as is.

Mr. Weldy said that they have had discussions with one of the larger realty companies regarding value, and there have been previous discussions about proceeds going back into the capital fund, which would be nice. He said that it will ultimately be the Council's decision and they may have to come back in executive session to discuss specifics.

Councilmember Magazine MOVED to direct staff to begin steps to sell the property, leaving the structure in place; SECONDED by Councilmember Brown.

Vice Mayor Tolis asked why it would have to go out to bid. Mr. Arnson said that statutes require either an auction or sealed bid. He was not sure if there could be a minimum bid with an auction, but he would find out and report back to Council. Vice Mayor Tolis said that he has always said that they have to evaluate all of the property in the community and try to zone it for the highest and best use. He said that the adjacent property to this is owned by the Maricopa County Sheriff's Office, but it appears to not be used as it used to be when they had the Posse activity. Staff should contact MCSO and try to package both parcels.

Mr. Miller said that they had that discussion about two years ago and staff made contact with MCSO. He said that all of their properties are managed by the County Real Estate Department. At that time, they had no interest, but timing is good to

check in with them again. Mr. Miller said that he would get with the County and attorney and they will schedule an executive session to share that information.

Motion passed unanimously.

- H. DISCUSSION with possible direction to staff relating to any item included in the League of Arizona Cities and Towns' weekly Legislative Bulletin(s) or relating to any action proposed or pending before the State Legislature.

Mayor Dickey reported that the Legislative Session just started and the Town will be getting legislative bulletins each week to keep them abreast of potential legislation. She said that she had requested that the Policy Statement be provided with this item and as new bulletins come in they will be placed on the agenda for Council discussion. Additionally, from time to time items may come up that have not yet made it into the bulletin but are being discussed by the Legislature, so they may discuss those as well during this item.

Mayor Dickey explained how the Policy Statement is developed each year. She said that there are 91 cities and towns, and they each have one vote. Resolutions are presented for consideration and are voted on during the Annual Business Meeting. The adopted resolutions form the basis for the Policy Statement.

She noted that the proposed resolution on short-term rental came from Fountain Hills last year and she congratulated the former Mayor and Council as they are not often accepted. She said that as the Council is out and about, they should be advocating for these issues.

9. COUNCIL DISCUSSION/DIRECTION to the TOWN MANAGER

Item(s) listed below are related only to the propriety of (i) placing such item (s) on a future agenda for action or (ii) directing staff to conduct further research and report back to the Council:

None

10. SUMMARY OF COUNCIL REQUESTS and REPORT ON RECENT ACTIVITIES by the Mayor, individual Councilmembers, and the Town Manager

Mayor Dickey thanked everyone involved with the holiday activities, including the Balloon Glow and others.

She reported that she was happy to be invited to meet with Senator Martha McSally along with the east valley mayors. They discussed public safety, transportation, infrastructure, housing, opioids, and water. She said that it was a good meeting and the Senator was very receptive.

Mayor Dickey reported that she attended the Opening Day of the State Legislature with State Representative Butler, who had also invited Paradise Valley Mayor Jerry Bien-Willner. She said that these are all good opportunities to communicate the things that are important to them.

She reported that the State of the Town is scheduled for Thursday, January 17, 2019, at 7:30 a.m. at the Community Center and it is sold out. She said that it will be live-streamed on Facebook. The next Regular Council Meeting will be February 5, 2019, and the Retreat will be February 7, 2019, from 9:00 a.m. to 3:00 p.m. at the Community Center. She encouraged members of the public to attend the Retreat.

11. ADJOURNMENT.

Councilmember Brown MOVED to adjourn; SECONDED by Councilmember Magazine; passed unanimously.

The Regular Meeting of the Fountain Hills Town Council held January 15, 2019, adjourned at 6:58 p.m.

TOWN OF FOUNTAIN HILLS

Ginny Dickey, Mayor

ATTEST AND PREPARED BY:

Elizabeth A. Burke, Town Clerk

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 15th day of January 15, 2019. I further certify that the meeting was duly called and that a quorum was present.

DATED this 5th day of February, 2019.

Elizabeth A. Burke, Town Clerk

NOTE: For further details on the discussion of a particular agenda item, please visit <http://www.fh.az.gov/agendacenter> to view a video of the entire Council Meeting.



TOWN OF FOUNTAIN HILLS

TOWN COUNCIL AGENDA ACTION FORM

Meeting Date: 2/5/2019

Meeting Type: Regular Session

Agenda Type: Consent

Submitting Department: Administration

Staff Contact Information: Craig Rudolphy, Finance Director, 480-816-5162; crudolphy@fh.az.gov

REQUEST TO COUNCIL (Agenda Language): CONSIDERATION OF a budget transfer from the Economic Development Fund to the Tourism Fund in the amount of \$10,000.

Applicant:

Applicant Contact Information:

Owner:

Owner Contact Information:

Property Location:

Related Ordinance, Policy or Guiding Principle:

Staff Summary (background): Both the Economic Development Fund and the Tourism Fund applied for a Proposition 202 grant from the Fort McDowell community. The spending authority was budgeted in the Economic Development Fund but not in the Tourism Fund. The grant was awarded to the Tourism Fund which had not budgeted for the grant. This transfer will move the budgetary spending authority from the Economic Development Fund to the Tourism Fund.

Risk Analysis (options or alternatives with implications): Without this transfer, the Tourism Fund will be unable to spend the grant money.

Fiscal Impact (initial and ongoing costs; budget status): None

Budget Reference (page number):

Funding Source: Tourism Fund

If Multiple Funds utilized, list here: Economic Development fund

Budgeted; if No, attach Budget Adjustment Form: Yes

Recommendation(s) by Board(s) or Commission(s):

Staff Recommendation(s): Approve

List Attachment(s): Budget transfer document

SUGGESTED MOTION (for Council use): Approve budget transfer from Economic Development Fund to Tourism Fund.

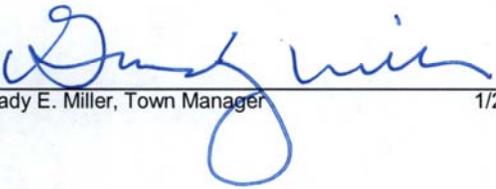
Prepared by:

NA 8/2/2017

Director's Approval:


Craig Rudolph, Finance Director 1/28/2019

Approved:


Grady E. Miller, Town Manager 1/28/2019



TOWN OF FOUNTAIN HILLS

16705 E. Avenue of the Fountains - Fountain Hills, AZ 85268

01/24/2019 17:57
BBogdan

TOWN OF FOUNTAIN HILLS BUDGET AMENDMENTS JOURNAL ENTRY PROOF

P 1
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LN	ORG ACCOUNT	OBJECT	PROJ	ORG DESCRIPTION	ACCOUNT DESCRIPTION LINE DESCRIPTION	EFF DATE	PREV BUDGET	BUDGET CHANGE	AMENDED BUDGET	ERR
YEAR-PER	JOURNAL	EFF-DATE	REF 1	REF 2	SRC JNL-DESC	ENTITY AMEND				
2019	08	2 02/05/2019		GRANT XFR	BUA G5204	1 7				
1	DEAD 4430	G1100	ECON DEVELOP-ADMIN	310-10-10-107-100-0106-4430-G1100	PROP 202/GAMING REV TRANSFER TO TOURISM G5204		-10,000.00	10,000.00		.00 B
							02/05/2019			
2	DEAD 6426	G1100	ECON DEVELOP-ADMIN	310-10-10-107-100-0106-6426-G1100	MARKETING TRANSFER TO TOURISM G5204		10,000.00	-10,000.00		.00 B
							02/05/2019			
3	TOURAD 4430	G5204	TOURISM ADMINISTRATION	320-50-50-506-100-0106-4430-G5204	PROP 202/GAMING REV TRANSFER FROM ED G1100		.00	-10,000.00	-10,000.00	
							02/05/2019			
4	TOURAD 6410	G5204	TOURISM ADMINISTRATION	320-50-50-506-100-0106-6410-G5204	ADVERTISING/SIGNAGE TRANSFER FROM ED G1100		10,000.00	10,000.00	20,000.00	
							02/05/2019			
** JOURNAL TOTAL								0.00		

MAYOR

DATE



TOWN OF FOUNTAIN HILLS

TOWN COUNCIL AGENDA ACTION FORM

Meeting Date: 2/5/2019

Meeting Type: Regular Session

Agenda Type: Regular

Submitting Department: Administration

Staff Contact Information: Grady E. Miller

REQUEST TO COUNCIL (Agenda Language): CONSIDERATION OF appointing four (4) citizens to serve on the Strategic Planning Advisory Commission for a term ending on November 5, 2020 and one (1) citizen to fill the vacancy for a term ending on June 30, 2019.

Applicant:

Applicant Contact Information:

Owner:

Owner Contact Information:

Property Location:

Related Ordinance, Policy or Guiding Principle: Town Council Rules of Procedure 2014-9, Resolution 2009-09 SPAC By-laws

Staff Summary (background): The terms of four (4) Commissioners ended on November 5, 2018. There is one (1) vacancy with a term ending on June 30, 2019.

Risk Analysis (options or alternatives with implications):

Fiscal Impact (initial and ongoing costs; budget status):

Budget Reference (page number):

Funding Source: NA

If Multiple Funds utilized, list here:

Budgeted; if No, attach Budget Adjustment Form: NA

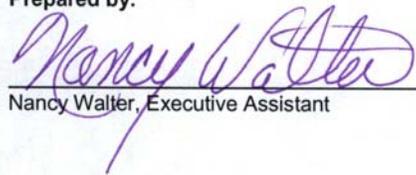
Recommendation(s) by Board(s) or Commission(s):

Staff Recommendation(s):

List Attachment(s):

SUGGESTED MOTION (for Council use): Move to appoint _____, _____, _____, and _____ to serve on the Strategic Planning Advisory Commission for a term ending on June 30, 2020 and _____ to fill the vacancy for a term ending on June 30, 2019.

Prepared by:



Nancy Walter, Executive Assistant

1/22/2019

Approved:



Grady E. Miller, Town Manager

1/29/2019

Director's Approval:

NA

Date



TOWN OF FOUNTAIN HILLS

TOWN COUNCIL AGENDA ACTION FORM

Meeting Date: 2/5/2019

Meeting Type: Regular

Agenda Type: Regular

Submitting Department: Administration

Staff Contact Information: Elizabeth A. Burke, Town Clerk, 480-816-5115; eburke@fh.az.gov

REQUEST TO COUNCIL (Agenda Language): DISCUSSION with possible direction relating to any item included in the League of Arizona Cities and Towns' weekly Legislative Bulletin(s) or relating to any action proposed or pending before the State Legislature.

Applicant: NA

Applicant Contact Information: NA

Owner: N/A

Owner Contact Information: NA

Property Location: NA

Related Ordinance, Policy or Guiding Principle: A.R.S. §38-431.01

Staff Summary (background): This agenda item will appear on the Regular Meeting agendas through the end of this year's Legislative session. It is intended to provide an opportunity for Council to discuss any proposed or pending legislation before the State Legislature, and possibly take action in response thereto.

Risk Analysis (options or alternatives with implications): NA

Fiscal Impact (initial and ongoing costs; budget status): NA

Budget Reference (page number): NA

Funding Source: NA

If Multiple Funds utilized, list here:

Budgeted; if No, attach Budget Adjustment Form: NA

Recommendation(s) by Board(s) or Commission(s): NA

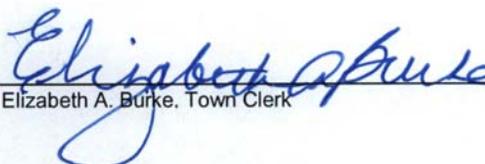
Staff Recommendation(s): Approve

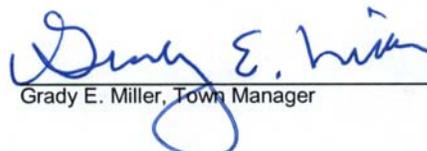
List Attachment(s): Legislative Bulletin Issue 3 – January 25, 2019; Notes from Legislative Calls of 01/22/19 & 01/28/19

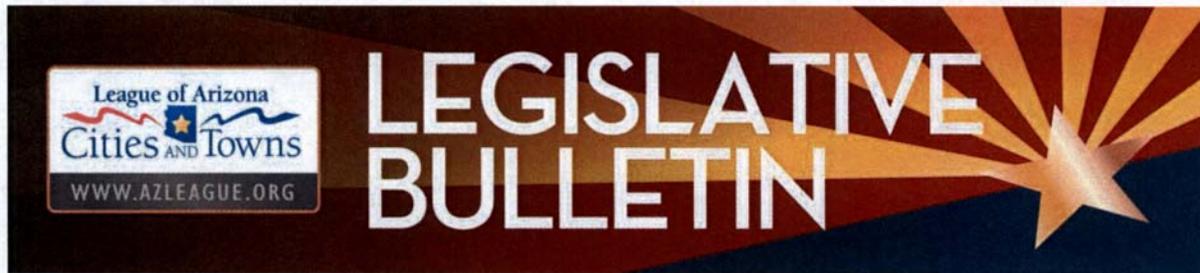
SUGGESTED MOTION (for Council use): Council may give direction to the Town Manager to express a position to the Legislature or other body with respect to any item on the League update.

Prepared by:

Approved:


Elizabeth A. Burke, Town Clerk 1/31/2019


Grady E. Miller, Town Manager 1/31/2019



Issue 3 – January 25, 2019

Legislative Overview

Today marks the 12th day of the legislative session. To date, 749 bills and 44 memorials have been introduced. The focus of the coming week will likely be approving the Drought Contingency Plan prior to the deadline of Jan 31 established by the Bureau of Reclamation. No agendas for hearings on the package of bills have been posted, but there are rumors of a special meeting to act on the bills that may take place early next week.

Distracted Driving Bills

Senator Kate Brophy McGee (R-Phoenix) held a press conference this week with the family of Officer Clayton Townsend, the Salt River police officer that was struck and killed by a distracted driver while using a cell phone, to introduce SB1165 prohibition; texting while driving, that enacts a statewide ban on using cell phones while driving. For years the state legislature has resisted efforts to enact a ban for fear of creating a "nanny state" and instead cited existing distracted driving laws they believed already addressed the issue. Cities and towns in Arizona have taken the lead on this issue by adopting their own local hands-free ordinances and texting bans due to the lack of a statewide ban. It wasn't until two years the legislature took the first step to enact a ban with the adoption of SB1080 teenage drivers; communication devices prohibited, prohibiting young drivers from using a cellphone while driving. However, the recent death of Officer Townsend has re-energized the discussion on this issue, leading to a total of five proposed measures, including SB1165, that lawmakers have introduced that may lead to the passage of a statewide ban this legislative session.

SB 1165 prohibits driving while holding, typing, or manually operating a portable device unless the driver is stopped at a red light, a railroad crossing, or is parked. The bill will take the place of already existing local hands-free ordinances or texting while driving bans. Drivers may operate their device that is attached to a windshield, center console or dashboard so long as it does not hinder the driver's view of the road and it is operated with a single tap or a swipe of their hand. Exceptions are provided for

emergency situations (calling 911) and using a device fixed to the vehicle for occupational duties, such as contacting a dispatcher or communicating through a software application. The bill exempts emergency and law enforcement personnel from the provisions and associated penalties if acting in their official capacity.

Fines range between \$75 to \$149 for the first offense and \$150 to \$250 for subsequent offenses. The Arizona Department of Transportation must post signage on highways to notify the public of the law and must include in driver education courses the effects of using portable devices while driving.

Other measures that have been introduced include:

HB2069 text messaging while driving; prohibition - Representative John Kavanagh, R-Fountain Hills

The bill makes it a civil traffic violation to use a wireless communication device to manually write or send a written message while driving on a highway. Violations are subject to a penalty of \$100 for a first violation; \$300 for a second or subsequent violation; \$500 for causing an accident; and \$10,000 if the accident results in a death. HB2165 distracted driving; reckless driving – Representative Kelly Townsend, R-Mesa
The act of participating in an activity that willfully distracts a driver from safely operating a vehicle is a class 2 misdemeanor, which is a presumptive 4-month jail sentence and up to \$750 in fines plus surcharges and possible revocation of driving privileges.

HB2537 hands-free wireless communication devices; driving – Representative César Chávez, D-Phoenix

Prohibits the use of wireless communication devices (device) while driving unless the device is equipped and is operated with hands-free or voice operated features. Drivers may use their hand to activate and deactivate a feature with a single swipe or tap of the device if it is mounted to a windshield, dashboard or center console in a manner that does not block a driver's view of the road. The bill provides certain exemptions, including for emergency or law enforcement personnel acting in an official capacity. Violations may only be prosecuted if committed in the presence of or within view of a peace officer or established by other evidence. Violators may be subject to a petty offense with fines between \$25 and \$99 for the first offense, and \$100 to \$200 for subsequent offenses. Violations that cause serious bodily injury or death is a Class 2 misdemeanor, subject to a fine of not more than \$4,000 plus applicable surcharges and up to 4-months in jail.

SB1141 distracted driving – Senator J.D. Mesnard R-Chandler

Proscribes and defines distracted driving as operating a vehicle within the view of a peace officer while engaged in an activity unrelated to and that interferes with the safe operation of the vehicle, creating an immediate hazard to another person or property. The bill does not stipulate a penalty for violation.

Highway Safety Fee

During the 2018 legislative session HB2166 vehicle fees; alternative fuel VLT was passed allowing the director of the Arizona Department of Administration to set a highway safety fee that would cover 110% of the costs to fund the state's highway patrol budget. The League supported last year's bill viewing it, once and for all, as an opportunity to have a dedicated funding source that resulted in an end to HURF sweeps. The governor's 2019 proposed budget was the first to end the HURF sweeps. However, there are multiple bills in the legislature attempting to repeal the fee because oppose the process by which it passed, they were told by JLBC the fee would be \$18 per vehicle as opposed to the ultimate fee of \$32 per vehicle, or because they feel the fee is a regressive tax.

This week, in the Senate Appropriations Committee, the League testified in opposition to SB1001 highway safety fee; repeal; VLT, sponsored by Senator Ugenti-Rita (R-Scottsdale). We see the highway safety fee as an end to HURF sweeps returning much-needed funds to our cities and towns to address essential road projects. The Senate was appreciative of our comments and willing to include language in statute indicating that the Highway Patrol would be funded through the state general fund but ultimately the bill passed the committee 9-0.

Election Issues

There are many bills regarding elections that have dropped this year. We are working closely with the county elections personnel and our city clerks to make sure that we are well versed on how these bills affect local elections.

Tuesday, January 22, 2019 – 10:00 A.M.

I. HB 2069 and others bills – text messaging while driving; prohibition

- ❖ Currently 13 cities and towns in Arizona have ordinances that regulate text messaging and/or cell phone use while driving. This bill, sponsored by Rep. John Kavanagh, would impose a statewide ban on texting while driving. There are at least two other related bills that would also ban texting and other distracted driving. It is likely one of these will pass this session and establish a statewide standard. Senate President Karen Fann and Sen. Kate Brophy McGee, both League legislative champions, have asked for League support of this concept. We will keep you informed on specific language as these bills move forward.

II. Wayfair Implementation/Digital Goods

- ❖ Wayfair: The League is part of a coalition of groups including retailers that is supporting the adoption of an economic threshold for online retail transactions to be subject to TPT. The goal is to promote tax equity for Arizona businesses, as brick and mortar businesses are at a disadvantage. Opponents claim we should study this issue for two years, but 37 other states have already adopted an economic standard following the US Supreme Court decision. We are getting a good response to our proposal from legislators but no bill has been introduced yet.
- ❖ Digital Goods: Last year, the League opposed bills exempting many digital goods from taxation. We expect the issue to come back this year but limited to exempting “software as a service” from taxation. However, this is one of the fastest growing sectors of digital goods and we believe the transaction is taxable, whether done physically, by downloading software or using it online. We have not seen bill language yet.

III. Governor’s Budget

- ❖ The Governor’s proposed budget contained no surprises for cities and towns. There is good news regarding full funding of HURF—no more sweeps—due to the implementation of the Public Safety Fee on vehicle registrations. (Some legislators want to repeal the fee and a hearing is scheduled today for SB 1001 which does that.) The Governor’s budget does continue the assessment to local governments for DOR operations.

IV. Short Term Rentals

- ❖ Rep. Kavanaugh plans to introduce a bill that will allow some authority for cities to address abuses of online short-term rentals such as “party houses” by requiring special event licenses and having an owner’s TPT license suspended or revoked for multiple violations. Legislative Associate Alex Vidal will send out an email of the draft once it drops.

Monday, January 28, 2019 – 10:00 A.M.

I. SB1165: prohibition, texting while driving

- ❖ Currently 13 cities and towns in Arizona have ordinances that regulate text messaging and/or cell phone use while driving. There are currently four bills in the legislature that would enact a statewide law on the use of phones while driving. It is generally agreed that SB1165, sponsored by Rep. Brophy McGee, will be the bill that moves forward. It would prohibit a driver from holding their phone to talk or text while the vehicle is moving, as well as preempting all local ordinances. We will keep you informed as this idea moves forward.

II. SB1001: highway safety fee; repeal, VLT

- ❖ Last year, a public safety fee was passed to pay for the operations of DPS and highway patrol and eliminate the HURF sweeps. The fee was expected to be around \$18 but was eventually set at \$32 per vehicle per year. This bill repeals the fee. Last week, Nick Ponder, our Legislative Director, testified on behalf of the League in opposition to the fee repeal out of concern that the HURF sweeps would start up again. Nevertheless, the bill passed out of committee 9-0.

III. League Resolutions

- ❖ HB2365: tax credits; affordable housing

Sponsored by Rep. Ben Toma (R-Peoria), this bill would incentivize the construction of new affordable housing projects in rural and urban areas of the state. The League is in support of this bill – as it's one of our resolutions for the 2019 legislative session. It has not yet been assigned to a committee, but we will keep you informed about its progress.

- ❖ HB2473: state liquor board; membership

Another League resolution, this bill is sponsored by Rep. Anthony Kern (R-Glendale). It would designate one of the five seats on the state liquor board to be nominated by the League. We also are in support of this bill.

IV. Short Term Rentals; no bill number yet

- ❖ This bill pertains to Airbnb and similar short-term rentals. It would enable cities to have some additional regulatory tools for problem properties, such as “party houses” or rentals that have repeated complaints of nuisances, by revoking an owner’s TPT license. It is sponsored by Rep. John Kavanagh (R-Fountain Hills).