

**TOWN OF FOUNTAIN HILLS
MINUTES OF THE REGULAR MEETING OF THE
FOUNTAIN HILLS TOWN COUNCIL
MARCH 19, 2019
REGULAR MEETING**

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

Mayor Dickey called the meeting of March 5, 2019, to order at 5:30 p.m.

2. INVOCATION – Pastor Clayton Wilfer, Joy Fellowship

Pastor Wilfer 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. REPORTS BY MAYOR, COUNCILMEMBERS AND TOWN MANAGER

Mayor Dickey reported that she and Mr. Miller were pulling Item 8-E as they have requested that additional information be supplied. She said that they may be discussing it further during the budget process.

She also reported that a public hearing had been posted on property regarding the Hemingway zoning reversion for this evening's meeting, but that will not come back before Council until June 4, 2019.

Mayor Dickey said that St. Patrick's Day always reminded her of their former colleague and Fountain Hills pioneer, Keith McMahan, who passed away on March 17, 2009. She then read the following quote from a friend, "*Councilmember McMahan had a passion for Fountain Hills and a love of helping the Town. He served the community well. I'll always remember his kind spirit and great smile.*" She said that it has been ten years and they miss him.

She reported that she had recently attended an East Valley Mayors' Meeting in Paradise Valley as well as the Kite Festival. She said that she read a proclamation and presented it to Mayor Oscar Gomez from Altaco, El Salvador, one of their Sister Cities, at a recent reception held in his honor at Town Hall, along with Vice Mayor Tolis and Councilmember Scharnow.

She attended a dedication to honor Jane Haynes, as the *Times* called her, "Queen of the Botanical Garden." She also met with Flagstaff Mayor Coral Evans regarding short-term rentals as well as a Sister Cities fundraiser with Mayors Kavanagh and Morgan.

Councilmember Spelich reported that he and Mayor Dickey spoke at a recent Kiwanis Dinner and they enjoyed it. They discussed a lot of substantive issues ranging from the Sheriff's Office, town infrastructure, streets, revenue, etc. It was a good meeting with a lot of questions and answers.

He said that he also wanted to personally thank Rachael Goodwin and her staff who put on a great St. Patrick's Day event which showcased the Town.

Councilmember Scharnow reported that he would be attending an upcoming transportation conference and this Thursday he would be attending a Rural Metro meeting. He said that it was good to remember Keith; he worked with him closely at the paper. One thing he remembered was his laugh; he had a great laugh and smile.

He said that it was good to see Mayor Oscar. He has been to Altaco twice and the reception was good and they had a nice dinner at Ft. McDowell Resort later that evening. He said that the Sister Cities Commission and Committee were represented and they also presented some checks to help students in Altaco.

5. SPECIAL PUBLIC APPEARANCES/PRESENTATIONS

A. Monthly Update by Captain Larry Kratzer of the Maricopa County Sheriff's Office

Captain Kratzer said that one thing they have been focusing on is increasing visibility and traffic enforcement since there have been a high number of accidents, especially involving pedestrians. They have been running the radar equipment on Saguardo and other high-volume areas and have had increases in traffic stops. He said that if residents had any locations where they would like to see increased enforcement they could contact his office. He said that in March alone they have issued over 100 warnings or citations including some for stop sign and signal violations.

He said that recently with school back in session there have been complaints with high school drivers on Bainbridge so they have conducted additional enforcement there as well.

Captain Kratzer said that they held their Coffee with a Cop on March 9, partnering with the Maricopa County Attorney's Office. They talked with residents and deputies, and provided a child identification finger printing booth. He said that it was held for two hours and they had a lot of people come and go.

He said that one thing they have been talking about is working with the Fountain Hills Times and being sure they are addressing concerns being voiced. He started meeting with Bob Burns on a weekly basis every Thursday to talk about things in the Town that residents may be interested in. He said that they will be working on public service announcements as well. One of the misconceptions in the community about lack of enforcement is that the paper no longer publishes

traffic stops and they will be looking at ways to put some of that information back in the paper.

Councilmember Spelich said that he has publicly criticized them in the past, but he would also acknowledge that two mornings this week he has reached out to Mr. Miller to report that at 5:15 a.m. he has seen radar going with two squad cars on Saguario and one on Shea. They are highly visible and he has noticed that just in the last few days leaving in the morning, people are doing the speed limit.

Councilmember Magazine asked how much a traffic ticket is and how an officer decides on whether to give a warning or a ticket. Captain Kratzer said that the ticket is based on the charge so he could not say off the top of his head, but probably around \$200 depending on the speed and whether they went to traffic school.

Captain Kratzer said that the deputies have the discretion on whether to give a warning or ticket. Some of the things they may consider are how egregious the speed is, the environment, pedestrian traffic, or whether there have been a lot of accidents at the location. He said that he currently has three to four officers on the roads at one time, but calls for service take precedence. He said that they are trying to get an undercover vehicle through a grant from the Arizona Governor's Office of Highway Safety.

Councilmember Magazine suggested that they suspend warnings for a period of three months and go straight to issuing tickets.

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.

Doug Harris, District Governor of the Lions Club in the State of Arizona, reported that they desire to reestablish a Lions Club in Fountain Hills. He said that in 1989 they had a club charter with about 45 people, but most of them have died. He said that they would like to have a stamp of approval for reestablishing the club. Mayor Dickey explained that the Council could not respond, but they appreciated them being at the meeting.

Bob Shelstrom, Fountain Hills, reported on a Public Records Request he had performed regarding the restrooms project at the lake and did not find any report regarding problems with the boxes. He believes that the Council needs to look very carefully at that project.

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 Special Meeting of March 5, 2019; and the Regular Meeting of March 5, 2019.
- B. CONSIDERATION OF approving an Extension of Premises Application submitted by Merita Kraya representing Euro Pizza Cafe located at 12645 North Saguaro Blvd, Fountain Hills, who will be hosting a beer garden in conjunction with Bone Haus Brewery on April 13, 2019.
- C. CONSIDERATION OF approval of Final Replat for Lot 4 of Palatial Estates.
- D. CONSIDERATION OF adopting Ordinance 19-05 amending Fountain Hills Town Code Article 9-5, Section 9-5-2, Definitions to reflect the recent acquisition of additional Preserve land.
- E. CONSIDERATION OF approving a grant application for the Kompan playground matching funds grant for \$50,000.

Councilmember Magazine **MOVED** to approve Consent Agenda Items 7-A through 7-E; **SECONDED** by Councilmember Leckrone; passed unanimously.

8. REGULAR AGENDA

- A. CONSIDERATION OF adopting Resolution 2019-22 amending the McDowell Mountain Preservation Commission Bylaws.

Mr. Miller said that the Council discussed Items 8-A and 8-B two meetings ago and this resolution amends the Bylaws of the McDowell Mountain Preservation Commission to provide for an eighth member as well as two emeritus positions.

Councilmember Scharnow **MOVED** to adopt Resolution 2019-22; **SECONDED** by Councilmember Brown; passed unanimously.

- B. CONSIDERATION OF appointment of additional member to the McDowell Mountain Preservation Commission and possible designation of up to two emeritus members.

Mayor Dickey **MOVED** to appoint Dr. Darrienne Slater to the McDowell Mountain Preservation Commission and designate Bill Myers and Bill Craig as Emeritus members; **SECONDED** by Councilmember Leckrone; passed unanimously.

- C. CONSIDERATION OF approving the Strategic Planning Advisory Commission recommended Reprioritization of the 2017 Strategic Plan.

Mr. Miller explained that during the recent Council Retreat they spent a considerable amount of time going over the objectives and tasks in the Strategic Plan and the reprioritization recommended by the Strategic Plan Advisory Commission. He said that five members of that commission are at the meeting

tonight and they are asking that the Council approve the reprioritization as presented.

Mr. Miller said that there is going to be a visioning process taking place this summer that will be the impetus for the next total rewrite. The SPAC is scheduled to do a complete major update in 2020.

Bob Shelstrom, Fountain Hills, voiced concern with the questions he had raised about justification for statements made in the Strategic Plan for which he received no answers. He commented on the need to address the schools and reported recent accounts of many students leaving the community to attend school elsewhere. He said that the Council needs to be asking questions or they just become a rubber stamp.

Councilmembers thanked the members of the Strategic Plan Advisory Commission. Mayor Dickey noted that she has been taking the summary sheet to speaking engagements to show that they still have these goals, although some have been reprioritized.

Discussion was held on the task related to density of housing, and that it referred to multifamily and affordable housing. John Kraft of the SPAC indicated that this centered around the Town's demographic mix. He said that with the vision that the Town has with schools being an intricate part of that they need a mix, and that begins with housing. They are looking for the Plan to recommend that the town consider appropriate development of homes for families, which means higher density.

Councilmember Spelich said that he has a problem with criticizing the schools and using that criticism to say that 300 children in Fountain Hills don't attend school here to imply that the reason is the poor quality of education. There may be other reasons why students attend elsewhere, such as Catholic families wanting their children to attend a Catholic-based school.

Councilmember Magazine said that he has no idea why students are going elsewhere, but his understanding is that they are receiving as many new students as they are losing each year.

Vice Mayor Tolis said that he had the opportunity to spend the whole day with one of the leaders of the school district and discussed the challenges being faced. He said that he can vouch for all of his children have or continue to attend school in Fountain Hills and it is an excellent district; however, they do need to be concerned about the future of the community and the aging demographics.

He said that the whole issue about the school district came up in the initial planning three years ago that they needed to have the Town more involved with the district. He said that they have had several joint meetings and he thinks it is already being reflected in their relationship.

Councilmember Scharnow said that it also needs to be pointed out that the plan was not created in a vacuum. A lot of the Plan was developed after the visioning process through Town Halls. He said that these are goals, objectives and tasks.

They do not need reams of data and statistics behind the goals. They are things they want to achieve and what the community told them they wanted to achieve.

Vice Mayor Tolis said that it is nice to have the Strategic Plan, but with regard to the state trust land, if they do not focus on the downtown and commercial growth to provide what families desire, no developer is going to come in here; they have a real challenge. He recommended that they focus on what they have, determine what they have and be the best of it.

Mayor Dickey said that the idea of schools was to draw younger families to the Town. She said that she did remember hearing that while some students go elsewhere for schooling, the percentage of students doing that is comparable to the rest of the country. She said that she was very supportive that defining their Strategic Plan to include local schools and having the Town address and serve all of the ages is the task that went forward to the Town.

Mayor Dickey **MOVED** to approve the reprioritization of the Strategic Plan as presented; **SECONDED** by Councilmember Brown; passed unanimously.

- D. CONSIDERATION OF approval of Job Order Contracts #2019-006 for trades related to construction and maintenance services, each in an amount up to \$125,000.00, with the following vendors: Utility Construction Company, Inc.; REDHAWK SOLUTIONS, LLC; T&T Construction, Inc.; Carume Contracting Quality Construction, LLC; Johnson Carlier, LLC; GCON, Inc.; CORE Construction, Inc.; Caliente Construction; JP and Sons Contracting, Inc.; Vincon, LLC; LAN-CON, INC.; SWP Contracting and Paving; FCI Constructors, Inc.; Harison/Downey Construction, Inc.; and Builders Guild, Inc. Construction Professionals.

Mr. Miller said that staff has a presentation on this item, but he wanted to give a little background. He said that they are a small organization and do not have a purchasing function in town. Each of the department directors oversees purchasing within their areas and every year they have challenges getting contracts in place for a variety of maintenance services.

A few years ago they started working with the attorney to begin using a procedure that is used by many other communities called Job Order Contracting (JOC).

Community Services Director Rachael Goodwin said that this is not limited to just community services, but throughout the organization. She then continued with a PowerPoint presentation which addressed:

WHAT IS A JOC?

It is a list of pre-vetted vendors that are "on call" for the town as needed

- Preapproved – legal review and contacts in place
- Paperwork is completed on the front end to save time when projects arise.
- "Umbrella" Concept – by having a variety of vendors, we ensure availability and wide range of services

Councilmember Magazine left the meeting at this time (6:17 p.m.)

JOC'S ARE NOT FUNDED BY 'NEW" MONEY OR ADDITIONAL MONEY

- Same money we would spend when issues or maintenance concerns arise
- Funding is already in the budget, such as our standard maintenance items

WHERE DOES THE MONEY COME FROM?

Each vendor in the JOC is authorized for up to \$125,000. That's a lot!

- This limit does not imply there will be expenditures of that amount.
- This JOC is meant to service all departments within the Town.
- This also does not imply we will spend this maximum with each vendor.
- If there is no funding, then it cannot be completed.

We can't anticipate what job will come up. Examples include:

- Plumbing Issues
- Playground Damage
- Avenue Fountain Pumps
- HVAC
- Storm Damage
- Concrete Damage
- Electrical Work

HOW DOES THE JOB WORK?

When we have a need arise:

- Contact a vendor from the approved list
- Request a quote/estimate
- Review bid for cost, timeline and availability
- Seek potential follow up from additional vendors if needed
- Seek approvals as needed, based on expenditure level
- Issue PO and proceed with work

WHAT ARE THE RISKS?

- This process does not change our check and balance mechanisms within our procurement policies.
- Thresholds still in place and requires Council approval if over \$50,000
- This is not intended to replace the procedures for large projects or new initiatives
- Budget tracking requirements are still in place.

BENEFITS

Staff Efficiency:

- When problem arises, we can address in days, not weeks
- Does not need to wait on Town Attorney or Finance review
- All the paperwork has already been done and the vendors have been approved

Cost Savings:

- Saves staff time producing individual contracts
- Reduces workloads on Finance department to track each contract independently
- Reduces workload and billable hours from legal

Community Value:

- Address community issues quickly
- Show responsiveness

- Build Trust and Reliability

WHO SUPPORTS IT?

- Finance
- Town Attorney
- Town Manager
- Public Works Department
- Community Services Department

DOES ANYONE ELSE DO THIS?

Yes – it is very common:

- State / ADOT
 - City of Mesa
 - City of Phoenix
 - City of Scottsdale
 - City of Avondale
- 12 jobs this year / 60 jobs in 5 years

HOW DID WE GET THESE VENDORS

1. Issued RFP
2. Scored
3. Accepted all with minimum qualifications
4. Includes large scale and local vendors

EXAMPLE SCENARIOS:

- Sidewalk repair in the park
- Irrigation leak
- Post monsoon clean up
- Damaged or leaking window in the Community Center
- All need to be addressed but are not considered emergencies

Councilmember Leckrone said that Ms. Goodwin provided a great presentation and it answered all of her questions. She said that she likes improvements that provide efficiency and effectiveness.

Councilmember Brown asked what department directors' authority is with contracts. Ms. Goodwin said that if a bid came back at \$3,500, it would be within her purview. She said that she could not remember that actual limit authority that department directors have available.

Vice Mayor Tolis agreed that it was a great presentation. He said that he is always advocating for local businesses being preferred for jobs in town. He asked which vendors were from Fountain Hills. Staff replied that it was TNT Contracting and Carume Contracting. Vice Mayor Tolis asked if staff knew why more local vendors do not submit.

Mr. Miller said that for a lot of local businesses, it can be a lot of work to complete the paperwork. Smaller businesses do not always respond to these. Ms. Goodwin noted that Mr. Arnson did help them simplify the contracts to make it easier for smaller businesses to respond. Mr. Miller said that sometimes it is

the insurance requirements as well, but staff is trying to protect the Town and the taxpayers' interest.

Mayor Dickey asked how they came up with the \$125,000 number. Mr. Rudolphy said that there is a state statute that limits JOC contracts at anything under \$250,000. He had spoken with the prior attorney and they did not believe it is realistic to bring a contract before Council at that amount, so they split it in half.

Councilmember Spelich said that he received an e-mail from a constituent that said that they were basically authorizing staff to spend up to \$125,000. Ms. Goodwin said that she could understand that concern, but they are not authorizing expenditures. This is to allow us the opportunity to work with these vendors up to that number. They can only spend what they have budgeted. Councilmember Spelich said that Ms. Goodwin did an excellent job.

Bob Shelstrom, Fountain Hills, said that these are only as good as the evaluation off the bid. He believed that a large percentage of the contract was subjective. With those reservations, overall he felt it was a good concept.

Ms. Goodwin said that they do not have the scoring sheets. They had 17 submissions and they accepted 15; one was late and one was incomplete.

Councilmember Scharnow said that there are six broad categories and each category has a minimum of two contractors; he thought that was good. He had full faith and confidence in staff with their recommendation; he saw no need to see the score sheets.

Councilmember Scharnow **MOVED** to approve the contracts as presented (Job Order Contracts #2019-006 for trades related to construction and maintenance services, each in an amount up to \$125,000.00, with the following vendors: Utility Construction Company, Inc.; REDHAWK SOLUTIONS, LLC; T&T Construction, Inc.; Carume Contracting Quality Construction, LLC; Johnson Carlier, LLC; GCON, Inc.; CORE Construction, Inc.; Caliente Construction; JP and Sons Contracting, Inc.; Vincon, LLC; LAN-CON, INC.; SWP Contracting and Paving; FCI Constructors, Inc.; Harison/Downey Construction, Inc.; and Builders Guild, Inc. Construction Professionals); **SECONDED** by Councilmember Leckrone; passed unanimously.

- D. CONSIDERATION OF approving the third amendment to Cooperative Purchase Agreement C2017-045 with M.R. Tanner Development and Construction, Inc. for asphalt replacement and miscellaneous work in an amount not to exceed \$8,500,000.

THIS ITEM WAS REMOVED FROM THE AGENDA AT THE BEGINNING OF THE MEETING.

- E. DISCUSSION WITH POSSIBLE DIRECTION amending or repealing the Public Art ordinance.

Mr. Miller said that this item was placed on the agenda as some of the members wanted to have a review of the public art program and ordinance as it was

related to the fees. At this point, they will bring this back at a later time with additional information that has been requested, but he believed that Dori Wittrig with the Public Art Committee wished to address Council.

Ms. Wittrig said that she wanted to let the Council know that they have been having discussions with staff on the future direction of the Public Arts Committee. She said that it was no secret that their community is fortunate to have had such a passionate group that believed in providing a public art collection with over 150 pieces located in prominent locations throughout town.

She said that she is a realtor and every time she has a new prospect she takes them in front of Centennial Center and tells them about the quality of the residents, the volunteerism, and the attitude of people. She said that it has a profound impact on them.

Ms. Wittrig said that they have had a dedicated group for 25 years, but they are tired and deserve a break. In 2018 they had a new era of leadership begin with herself and Carol Carroll, who wanted to understand what the role of the committee should be. They deemed they wanted to 1) create more oversight by Town staff and the Town Council; and 2) create more diverse public art committee; and 3) create systems and procedures for public involvement.

She said that the process in the past had been handled by a group of talented people, but much of it was not documented and she felt they needed a documented system. She is with the committee on a short-term basis to help organize and get it going in a different direction and then pull in some people that are more passionate about public art.

She said that the committee hired a public art consultant who is creating suitable forms, bringing best practices from other groups. Her initial work was completed in 2019 and they met with Rachael Goodwin.

They found during that time that the process reads more like ordinance and was not written with practice in mind and not best practices. They found that:

- 1) A maintenance contribution is common practice for municipalities where donators contribute a percentage of the value of the donated art for the future maintenance.
- 2) They wanted to improve processes for developers' contributions, as in Fountain Hills there has been some confusion about the execution and they need clearer and precise guidelines.

She said that they hoped that the Town Council would allow them to guide the public art process and they were looking forward to working with the Town so that the collection will be preserved and relevant for future generations.

Councilmember Spelich thanked her for her presentation and said that they recently met at the Kiwanis and mentioned that currently the Town incurs a cost of \$22,000 a year for insurance and maintenance of the public art. He was very glad that they have taken it upon themselves to consider the maintenance.

Councilmember Brown thanked Ms. Wittrig and said that they all have a lot of work to do. They might even hold a work session on this in the future. He said that he could not think of anyone better to take this over.

Mayor Dickey said that they appreciated all of the work they are putting into this, especially as a charter member of the Public Art Committee.

Councilmember Brown said that he did not feel they have enough information for the Council or committee to make a motion tonight. He would like to direct staff to put together a work session so they can discuss this openly, preferably before the Council break.

- F. 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.

Mr. Arnson said that he had nothing new to report. During the call last week they referenced several bills, but most directly applicable to Fountain Hills is HB2672, short-term rentals. Mayor Dickey said that it is scheduled to be in the Senate Commerce Committee, chaired by Michelle Ugenti-Rita. She said that the Town has already expressed support, but if individual Councilmembers would like to e-mail her they could express their appreciation for her support.

Mayor Dickey said that Ugenti-Rita was also working on Appropriations, and there was a bill that was going to sweep HURF again, taking money off the top. She said that it has changed to a new bill and could actually mean \$150,000 to \$200,000 coming to Fountain Hills.

Mayor Dickey said that she met earlier today with Captain Kratzer and were discussing S1165, hands-free phones, and it is moving forward. If members supported that they may want to voice their support as well.

Mr. Miller noted that those cities/towns that have enacted their own hands-free ordinances would have a 12-month period before they would go away.

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:

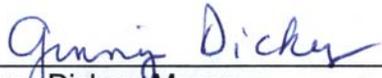
None.

10. ADJOURNMENT.

Councilmember Brown **MOVED** to adjourn; **SECONDED** by Councilmember Leckrone; passed unanimously.

The Regular Meeting of the Fountain Hills Town Council held March 19, 2019, adjourned at 7:02 p.m.

TOWN OF FOUNTAIN HILLS



Ginny Dickey, Mayor

ATTEST AND PREPARED BY:

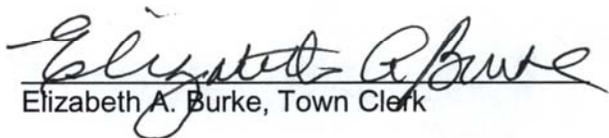


Elizabeth A. Burke, Town Clerk

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 19th day of March, 2019. I further certify that the meeting was duly called and that a quorum was present.

DATED this 2nd day of April, 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.