

Wednesday, September 19, 2018

Regular Meeting

The meeting was held in the Litchfield Park Branch Library and called to order at 7:00 PM by Mayor Tom Schoaf.

I. Call to Order

Attendee Name	Title	Status
Tim Blake	Council Member	Present
Ann Donahue	Council Member	Present
Paul Faith	Vice Mayor	Present
Peter Mahoney	Council Member	Present
Jeff Raible	Council Member	Present
John Romack	Council Member	Present
Tom Schoaf	Mayor	Present

Staff present: Bill Stephens, City Manager; Sonny Culbreth, Management Assistant; Terri Roth, City Clerk; Susan Goodwin and Whitney Harvey, City Attorneys; Lars Johnson, Director of Finance; Brian Goodman, Director of Public Works; Chris Moffitt, Administrative Assistant; Lynn Webb, Code Enforcement Officer; Pat McCoy, Youth Sports Coordinator; Jason Sanks, Planning Consultant; Tricia Kramer, Special Events Coordinator; Susan Slagle, Administrative Assistant.

II. Pledge of Allegiance & Invocation

Council Member Donahue led the Pledge of Allegiance and Invocation.

III. Mayor and Council Members Report on Current Events

Council Member Blake had nothing to report, but thanked everyone for attending.

Council Member Donahue enjoyed attending the League Conference and meeting other Elected Officials.

Council Member Raible congratulated the Mayor and Council Members Elect on the election. He is enjoying the cooler weather.

Council Member Romack congratulated the Mayor on winning the Mayoral seat in the recent election.

Vice Mayor Faith thanked Litchfield Elementary and the Southwest Chamber for the Candidate Forum. He congratulated Council Member Elects Brainard and Rosztochy and looks forward to working with them. He thinks former Vice Mayor of Goodyear, Joanne Osborne, will have a good chance at winning the seat for the State House of Representatives, which is good news for cities. She will do a fantastic job and will make herself available to us, which is rare. It will be nice to have someone on the State level to give input on municipal issues.

As he stated during the Candidate Forum, he shared his position on the City's sustainability. He is strongly against converting property from commercial to residential, whether it is for single family residences or condos. He will maintain this position based on the votes he received during the election. He presumes residents heard him and this is what they want him to do. He thanked everyone who voted for him and looks forward to serving.

He attended the League Conference and it was great. He encouraged other Council Members to attend. He thanked Council Member Donahue and the Historical Society for their hard work organizing the City's booth and was pleased the City had a booth.

He continues to work on the City Center development, and he continues to be the longest serving member on Chamber Board representing the City. He also attended the Central Arizona Project (CAP) meeting.

Mayor Schoaf echoed congratulations to all the candidates and looks forward to serving with them. He thanked the voters for their vote. He thanked Council Member Donahue, her spouse, and the Historical Society for their work during the League Conference.

He announced the City recognized the 71st birthday of the Air Force. The City recognizes all of the Armed Forces' birthdays. Attendance at these events is increasing and the Air Force flag raising included Rosie the Riveters of Sun City and the 4th and 5th grade classes from Litchfield Elementary School. He encouraged attendance to any of the six flag raisings the City celebrates.

He hopes Ms. Osborne and Tim Dunn win in the General Election. Mr. Dunn is the first individual representing our District, in the 12 years he has been Mayor, to reach out to the City and offer his assistance to build a relationship. This is a very good thing to have a Legislator do. With the relationships both candidates have with the City, they would be great representatives. He stated these relationships are important to get legislation passed that affects the City. He gave an example of how cities are preempted from creating laws regarding drones. It is these kinds of issues he thinks Ms. Osborne and Mr. Dunn can address.

1. La Loma Homestead/Litchfield Park Historical Society Working Group

Ms. Judy Cook provided an update regarding the Capital Campaign. Debbie Allen, of Edward Jones, will assist with donations of stock. Stock will be liquidated and transferred to a CD until funds are needed.

She announced the Business Plan is complete and provided Council a copy. It includes a brief Executive Summary. She hopes once the Historical Society is in their new location they can take custody of documents given to ASU by Mr. Bob Musselwhite, which pertain to the City. They will also have information about Paul Litchfield and Kenneth McMillan, the latter of whom had a dam in northwest Phoenix and an Irrigation District named in his honor, as well as information about Goodyear Farms.

The Business Plan also lists the organizations they will be competing with in the Southwest Valley. One section of interest discusses providing programs for children and students.

The Growth Strategy and Action Plan included a proposed budget for the first year, explained the hiring of staff, and detailed the managing of rental events. If marketed correctly, there is great potential to create revenue for the City. She encouraged Council to read it and bring any questions to the next regular meeting.

Council Member Raible thanked her and Ms. Schafer for spearheading this project.

Ms. Nancy Schafer congratulated those who won in the election and is happy with the results. The Historical Society awarded the project to Waltz Construction. The contract was well written, but the attorney added a 30-item addendum, which the contractor approved.

She stated they will only proceed to the second phase after Council approves the final design and 90% of the required funds are raised. Waltz Construction is donating the pre-construction fee, which is approximately 1% of the total project, as an in-kind donation. The estimated value of this donation is \$25-30,000. They will submit a letter confirming the donation and attach it to the contract as 'Attachment A'. She is pleased the Concept Design is being presented tonight.

IV. City Manager's Report on Current Events

Mr. Stephens reported the lake well pump is repaired and running. The ducks are thriving again.

The City continues to monitor the Peninsula Flood issue and the pond that collects the overflow water.

Regarding HR Actions, Mr. Lars Johnson will present his first report tonight. The first round of interviews for Assistant City Manager is complete, reducing the number of candidates under consideration from six to four.

He reported the Recreation Center upgrades are complete.

Council Member Romack asked about the Rural/Metro Fire Station lease. Ms. Goodwin stated it is not on the agenda, but can be placed on a future agenda. Mr. Romack was not concerned with placing it on an agenda.

V. Response to Call to the Community

Mayor Schoaf responded to Mr. Carter Wilson's comments regarding parking at Staggs Park. He explained the City works from a Capital Improvement Project (CIP) list and this project is on it. With reserves being low, he doesn't know if the issue will be addressed this year or the next.

The Mayor did not provide a response to Mr. Crabb's comments.

VI. Call to the Community

Mr. Rich Crabb thanked the Mayor for the promoting the Flag Raising events. He hopes to see more Council Members attend. He was surprised to see Congressional District 8 Candidate Hiral Tipirneni at the recent Air Force Flag Raising.

He stated the way the August 15, 2018, Minutes were written regarding his comment to Mr. Johnson implied an impropriety and asked that a portion be stricken. Also, like Coffee with a Cop, he thinks it would be a good idea to offer our MCSO Deputies a column in the *CityLine*, so they have an opportunity to provide their side of incidents.

Mr. David Schwake attended on behalf of two local organizations, Kiwanis of Litchfield Park and the Friends of the Rec. They received a funding request for Recreation Center Youth Leagues from Mr. McCoy. He is here to present two checks to the City. Friends of the Rec and the Kiwanis each donated \$3,750.00 , for a total of \$7,500.00.

Mr. McCoy thanked both organizations for their continued support. This will help with updating equipment and uniforms.

Mayor Schoaf thanked Mr. Schwake for his efforts and support.

VII. Presentations

A. Certificate of Appreciation

Mayor Schoaf recognized Mr. Cordner's participation on the Design Review Board, stating he resigned his position when he moved to France. Staff has already mailed his Certificate of Appreciation.

B. Domestic Violence Awareness Month

Mayor Schoaf read the proclamation and declared October as Domestic Violence Awareness Month. City Hall will be lit purple on October 2, 2018, in recognition.

C. City Center Development Update

Mayor Schoaf introduced Mr. Scott Philips as the liaison the City has been working with from Destination LP (DLP.) He is a former Planner with the City of Surprise.

Mr. Phillips stated the community process has been tremendous. Because of the uniqueness of this property, planning its sustainability is extremely important. He is planning one more public meeting prior to presenting the final project. He provided an update on this project, which included items listed below:

- JDM coordination
- Building model

- Utilities/Drainage/Traffic
- Reviewing prior feedback
- Marketing retail office space
- Architectural renderings
- Design guidelines

He stated that discussions with Staff, JDM, and residents have highlighted the following items of concern: open space, traffic impact, outdoor living, and preserving the current City Hall building.

He has received mixed feedback on roundabouts, multi-story buildings, a movie theater, parking locations, and possible future residential areas that the City would control. During this process, preserving buildings with historical value has been found to be important to the community.

He likes the model, but does not like the architecture or the massing. A drone will photograph the area in the next week so high-definition photos can be used for the model, which he will present to Council at a later date. What was presented this evening doesn't show the human scale, which needs to be appreciated.

The key development philosophy will be over-arching themes and must be market driven. He reviewed the concepts included in the packet. He noted the "Gilbert Road" concept will not work on Litchfield Road due to the reduced lanes and speed required to be walkable.

He stated the next steps, according to the timeline, are to finalize the Design/Streetscape Guidelines, refine the model, complete the financial analysis, and continue to build tenant interest.

Council Member Mahoney asked that outdoor living be seriously considered. He feels it is an important concept to the character of the City. Mr. Phillips responded that shade and mister systems are major components.

Council Member Romack asked Mr. Phillips to explain what a woonerf is. Mr. Phillips responded it is a living street element created out of permeable pavers raised and oriented to pedestrians. Lanes are defined by sustainable things, such as living plants. It removes the curb and gutter aspect, which guides water to a specific drain. Streets can be closed for special events to create more open space. These are just some characteristics that make a woonerf a living element.

Council Member Raible was encouraged to hear DLP has been working with JDM. He asked Mr. Phillips to have an open mic for the next public meeting, as there are many voices that want to be heard. Mr. Phillips stated the meeting will be sometime in October and there will be a mic session.

Council Member Mahoney stated he understands Mr. Phillips is working with JDM to make sure this is a vision not just for the City, but for the future of the Wigwam. He stated that originally, the plan was for JDM's vacant property at the NWC of Litchfield Road and Wigwam Boulevard to be part of the City Center. He now understands that Mr. Phillips is more inclined to JDM's opinion that this property should have little to no commercial use.

Mr. Phillips stated it is a challenge to weigh in on this because it addresses the existing zoning

entitlements. One reason there is concern about commercial use on the property is cohesiveness. If the retail space is bifurcated and there isn't good pedestrian flow, it won't adhere to the rest of the City Center. The City of Gilbert's design works because of the smaller streets. He would be encouraged by creating a situation that allows commercial use to grow organically, if the demand is there. There is not as much retail demand in this type of market, especially the quality that the City Center deserves. He would like to see most of the retail within the City Center and not bifurcate the retail opportunity.

Council Member Donahue asked what he recommends for total retail space. Mr. Phillips believes there needs to be at least 80,000-100,000 sq. ft. of retail space and approximately 45,000 sq. ft. of office space in the first phase. Mr. Phillips stated quite a bit of parking is planned. Retailers are more concerned about this than developers are. If retailers don't feel there is enough parking, they won't come. They also need to consider all of the events the City sponsors. DLP will do everything they can to balance these needs.

Council Member Mahoney stated it is a challenge; not having enough parking could be a problem.

VIII. Reports

A. Public Safety Services Monthly Reports

1. Goodyear Fire (GYFD)

Chief Paul Luizzi reviewed his report with nothing more to add.

Council Member Mahoney asked about the serious accident that happened on Litchfield Road. He heard one death was reported. Chief Luizzi responded he had no information, but would provide later.

Mayor Schoaf thanked him for his service.

2. Maricopa County Sheriff's Office (MCSO)

Captain Tim Palmer reviewed his report, with nothing more to add.

Mayor Schoaf asked about the reduction of traffic enforcement due to a federal court order. He has spoken with two citizens this month who are concerned about speeding. Staff provided data from the last five years showing citations have dropped significantly. When he couples the data with the complaints from residents, he needs MCSO to tell him what can be done to address these safety issues. He would like a response at the next meeting.

Captain Palmer reported an uptick in the District, and he is having an analysis performed due to concerns expressed by the City Manager. Bird Lane and Old Litchfield Road are areas of serious concern. Data would be helpful and is a good first step toward resolving the issue.

With no further comments, Mayor Schoaf thanked him for his service and stated it was not a criticism of him or MCSO. Captain Palmer stated he appreciates the feedback.

Vice Mayor Faith asked if the recent serious accident was related to Bird Lane. Captain Palmer confirmed it was not. A vehicle traveling northbound on Litchfield Road crossed into the southbound lane and collided head-on with another vehicle. A separate vehicle travelling southbound collided with the two.

B. Staff Monthly Reports

1. Finance Department

Mr. Lars Johnson prepared a PowerPoint to review with Council. He stated the numbers are budgetary, not per audit. The auditors will come in January. His presentation will be different from the previous Director's and he appreciates any feedback.

He stated FY18 General Fund Revenue ended on a positive note with \$1.2 million in revenue. He reviewed Sales Tax Trends, General Fund Expenditures, and Capital Improvement Funds.

Vice Mayor Faith asked how construction sales tax would relate to 2010, give or take a year. He would like to see what the recession did so that Council can get an idea of what will ensure sustainability. Mr. Johnson will provide this information at the next meeting.

Council Member Romack asked what was in the General Fund before the addition of money at the end of the year. Mr. Johnson stated the beginning balance was \$908,734.00. Due to revenue exceeding expectations and spending that was under budget, an additional \$2 million dollars was added. These funds are unrestricted.

Mr. Johnson addressed HURF revenue. There was \$376,970 at the beginning of the year. In identifying projects that fall under HURF, the City only spent \$68,000. Moving forward, HURF funds will be used throughout the year, instead submitting projects for reimbursement at the end of the year. Mayor Schoaf reminded Council of the former Director's practice in submitting projects for reimbursement.

Mr. Johnson stated there were some overages in several departments due to wages.

Vice Mayor Faith commented the Recreation Center budget was nearing the \$250,000 mark. He believes this Council agreed not to let it get this high.

Mr. Johnson stated that in the CIP budget, there is a contingency fund not used in its entirety. He applied for reimbursement for the Bond. This was not done prior to the former Director's departure and approximately \$1.5 million is owed to the City.

For clarification purposes, Mr. Johnson stated funds not earmarked on the 'must do' CIP list, will not be spent. If the 'must do', 'can do', and 'want to do' lists are added together, the total cost of CIP would be \$5.8 million.

Mr. Johnson stated the balance of Unrestricted Funds was \$2.9 million ending June 30, 2018. \$1.8 million is projected for the General Fund in 2019. The GFOA's Best Practice is to maintain two months' minimum of savings to operate. The City operates with six to nine months of savings.

Mr. Stephens clarified that while the City has been operating with six to nine months of contingency funding, it is not official policy. It was noted in two separate meetings, on April 15 and 21, 2015, that Council prefers not to drop below this level of savings for operating purposes. He suggested that the Council Rules and Procedures be updated to reflect this preference.

Council Member Mahoney asked Mr. Johnson for a list of projects that qualify for HURF. Mr. Johnson responded he would provide this.

Council Member Raible stated Mr. Johnson's report is excellent. Council Member Romack concurred, stating he has been on Council for 10 years and this is the best report he has seen.

Mr. Stephens stated the City should be spending HURF monies. Moving forward, Mr. Johnson will work to provide Council a better understanding of the spending.

Mayor Schoaf thanked him for his report. The remaining Staff Reports are non-verbal and any questions should be directed to the City Manager.

- 2. Code Enforcement**
- 3. Community and Recreation Services**
- 4. Crane Plume**

Council Member Raible announced the next meeting is November 1, 2018, at 6:00 PM at the Goodyear Justice Center. It is open to the public. Members of the Community Advisory Group (CAG) will tour the Crane location. CAG needs more members and he encouraged participation.

Vice Mayor Faith commented on the detection of perchlorate in the well, but not the lake. He also asked what happens to old Recreation Center equipment after it is replaced. Mr. Stephens responded the City sells useable items in a public surplus sale, with proceeds going to the General Fund.

- 5. City Engineer**
- 6. Building Safety**
- 7. Public Works**
- 8. Magistrate Court**

C. Commission/Board Reports

- 1. Planning & Zoning Quarterly Report**
- 2. Design Review Board**

IX. Consent Agenda**MOVE TO APPROVE ITEMS B, C, AND D ON THE CONSENT AGENDA.**

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Paul Faith, Vice Mayor
SECONDER:	Tim Blake, Council Member
AYES:	Blake, Donahue, Faith, Mahoney, Raible, Romack, Schoaf

B. Household Hazardous Waste Day**C. Bid Award - Legal Advertising****D. Perennial Rye Grass Purchase****A. Approval of Minutes**

Vice Mayor Faith removed Item A for discussion. During the Call to the Community portion of this meeting, Mr. Crabb read a section of his comments made at the August 15, 2018 Regular Meeting and asked that the last sentence be stricken, as he felt it implied impropriety.

Vice Mayor **moved, seconded** by Council Member Blake to approve the minutes of the August 15, 2018 Regular Meeting as amended; **unanimous passage**.

X. Business**A. La Loma Homestead Preliminary Concept Design Plans**

Mr. Sanks presented this item, as Ms. Maslowski is on vacation in Hawaii. He stated the City entered into an agreement with Litchfield Park Historical Society (LPHS) authorizing LPHS to hire a design professional for the project.

Tonight they are presenting their concept. Staff recommends Council refer this item to the Design Review Board for review, comment, and recommendation. The majority of the project relates to the interior of the home, specifically transforming it from a private residence to a public use facility. The only addition to the structure will be the elevator tower and a possible extension of the garage for additional interior space. The interior space will accommodate galleries and public space.

Mayor Schoaf stated Mrs. Blackford requested the architecture of any addition resemble the original house to maintain the character of the home.

MOVE TO REFER THE HISTORICAL SOCIETY'S PRELIMINARY CONCEPT DESIGN PLANS PROPOSED FOR THE LA LOMA HOMESTEAD PROPERTY TO THE DESIGN REVIEW BOARD FOR REVIEW AND COMMENT.

RESULT:
MOVER:
SECONDER:
AYES:

APPROVED [UNANIMOUS]
Ann Donahue, Council Member
Jeff Raible, Council Member
Blake, Donahue, Faith, Mahoney, Raible, Romack, Schoaf

B. Acquisition of Property Located at the Northwest Corner of Old Litchfield Road and W. Fairway Drive

Mayor Schoaf introduced the presenters of this agenda item as Council Members Blake, Mahoney, and Romack.

Council Member Blake began by sharing background and context about why they asked to place this item on the agenda. While working with a resident in the Cachet Development, he was asked about the Council's recent decision regarding the zoning of the property located at the NWC of Old Litchfield Road and Fairway Drive, also known as the Poyner Property. The resident summarized her understanding of the Council's decision by saying the City had promised the applicant all kinds of things, and then pulled the rug out from him at the last minute.

Council Member Blake stated he would save his feelings about this issue, as he made them very clear when he responded to the petition. He added that for anyone who has not seen the petition, the City Manager has a copy. His point tonight is that the residents' representation of what happened is inaccurate and the worst kind of malicious gossip. Council Member Blake stated she did not intend it this way; it was just the story she had heard. He asked the resident if this was just scuttlebutt, or if she knew the applicant, Mr. Poyner. She confirmed it was just scuttlebutt.

Council Member Blake stated that wasn't entirely true. The resident had his card from their business dealings and about an hour later, he received a text from Mr. Poyner saying that he would like to talk.

Vice Mayor Faith asked when this conversation occurred. Council Member Blake responded it was about two weeks ago.

Council Member Blake stated he told the resident in Cachet that he felt the entire ordeal was completely unfortunate and caused by a number of things, including a lack of communication and understanding. He thought all of the parties sitting down together could easily resolve the issue and said the Wigwam may be interested in talking to Mr. Poyner.

Council Member Blake clarified that he did not know this for sure. He had not talked to Mr. Tom O'Malley, COO for JDM, about anything to do with any development since Mr. Poyner made his presentation to Council the second time. However, he thought it would be advisable for Mr. Poyner and JDM to discuss the possibility of a deal or land swap that could benefit both parties. Council Member Blake also explained to the resident that he voted against Mr. Poyner's proposal because the design was not substantively different and he had residents express serious concerns.

Council Member Blake stated he called Mr. Poyner after receiving his text. They had a very long conversation, during which Mr. Poyner admitted that he had spoken with JDM, but nothing had

been worked out. Council Member Blake stated that during the course of their conversation, Mr. Poyner advised he was amiable to discussions about selling the property. However, Mr. Poyner expected to get his drawings back in a couple weeks and wanted to start building his house if something was not worked out.

Council Member Blake stated he spoke with Council Member Mahoney regarding the property and they recalled the City was interested in the property a long time ago. The City was not able to purchase it at the time. It does not cost anything for Council to talk, which is why they are here today.

Council Member Mahoney stated he personally thinks the best place for this house would be next to the existing house just north of the Wigwam's parking lot. He called Mr. O'Malley and asked if JDM would be interested in discussions about the property. Council Member Mahoney stated that Mr. O'Malley told him that JDM is always interested in sitting down and talking to responsible parties in a responsible way, but made it clear JDM does not want to get involved in the City's politics.

Council Member Mahoney asked Mr. O'Malley if JDM would be open to the City Council discussing an agenda item with direction to Mr. Stephens to talk to all of the parties involved to determine if there are other options for this property. Mr. O'Malley indicated to him that would be acceptable.

Council Member Mahoney stated after that conversation, he reached out to Mr. Stephens and Mr. Phillips with DLP. He had not spoken with Mr. Phillips prior to this and asked him if he thought this parcel or portions of it are important to the City Center. Council Member Mahoney reiterated his past statements that parking is a major concern for the City, especially with future plans in mind. Perhaps, through land swaps or purchases, this property could be integrated into the City Center.

Council Member Mahoney stated that Mr. Phillips told him that in his view, the Poyner Property is important to the future of the City Center. With that in mind, Council Member Mahoney stated he thought it was important for all of the involved parties to get together and discuss all options, as he was not the person to do this. He thought Mr. Stephens could get everyone together to see if something could be worked out.

Council Member Donahue stated it was her understanding that Mr. Stephens spoke with Mr. Poyner and JDM shortly after Council's vote on the property's rezoning application. Mr. Stephens confirmed that was correct. Council Member Donahue stated she also received a call from Mr. Poyner soon after the rezoning vote, and stated she had a similar conversation in which Mr. Poyner said he was amenable to discussions, but had also decided to build one house instead of three.

Council Member Romack stated he was one of the nays during the rezoning decision. A development like what was proposed, with three houses on the corner, never made sense. Now, to build a \$1-2 million house on a lot that sits between two parking lots makes no sense. In 10 or 15 years, when someone sees the house, it still won't make sense. It is not good planning. That is his opinion and he wanted Council to be able to have this discussion tonight so it is clear where everyone stands. If Council decides that it is okay for Mr. Poyner to build this home, that's okay because Council will have had the opportunity to discuss it.

Council Member Donahue agreed with Council Member Romack, stating residents who feel the same way have approached her.

Mayor Schoaf asked Mr. Stephens to tell the Council about the conversation he had with Mr. O'Malley regarding the property, in the interest of providing additional background.

Mr. Stephens stated Mr. O'Malley called him and made, in essence, three statements. First, JDM has no interest in this property; secondly, JDM has not included this property in their current or future plans; and lastly, JDM would be willing to sit down with a reasonable person to discuss how the plans of JDM and the City could work well together.

Mayor Schoaf asked Mr. Stephens to clarify if JDM meant plans for the Poyner property, or plans in general. Mr. Stephens responded that due to JDM's first two statements, it is his understanding that Mr. O'Malley was referring to JDM's plans in general, such as possible plans to renovate the Wigwam and develop the 15 acres they own. He did not take it to mean plans for the Poyner Property because it had already been established that they do not have any interest in it.

Council Member Mahoney asked to follow up these statements. He stated he called Mr. O'Malley after hearing JDM was not interested to clarify their position. He stated Mr. O'Malley told him there was a misunderstanding. Mr. O'Malley said he wanted to stay out of the politics. He doesn't want to be involved and has already been accused of Council Members being in cahoots with JDM. Council Member Mahoney stated some members of Council think that it is what is going on, but he and Mr. O'Malley have never had discussions about that. He reiterated that Mr. O'Malley told him if reasonable people want to sit down and have a reasonable discussion, JDM is fine with that.

Council Member Raible asked to clarify what specifically JDM is fine with. Council Member Mahoney clarified JDM is fine with reasonable people having a reasonable discussion about the Poyner Property.

Mr. Stephens stated he wanted to add that Mr. O'Malley wanted it to be absolutely clear that JDM is not behind this agenda item, nor are they sponsoring it.

Council Member Donahue stated she spoke with Mr. O'Malley after an event and he was initially offended that people were saying he had not spoken to Mr. Poyner or the City Manager, when he had early on. Mr. O'Malley told her that he is willing to have a conversation with the other parties about various options related to the Poyner Property.

Mayor Schoaf asked how this discussion related to the proposal that the City purchase the property.

Council Member Mahoney responded that there are all kinds of opportunity. Trading or purchasing could ultimately result in the City acquiring land for future parking for the community and Scout Park. He thought he had read somewhere that the Mayor did not think there was a municipal or City use for the property, but he looks at the purchase of this property being as much about City use as the 20 acres purchased for the City Center. There is no difference in his mind.

Vice Mayor Faith referenced the conceptual designs presented by Mr. Phillips and stated the Poyner Property is not needed because there is plenty of land set aside to be utilized for parking.

Vice Mayor Faith stated the property's zoning allows Mr. Poyner to build one house. If Mr. Poyner has given Council a two-week window to make a decision, there is no way they can meet the deadline. All Mr. Poyner needs to do is file his application and go through the Design Review process. He doesn't need to come back to Council for approval.

Vice Mayor Faith also stated he had thought Council already tasked the City Manager with meeting with JDM and Mr. Poyner to determine if something could be worked out.

Mr. Stephens confirmed this and responded that he facilitated a meeting between Mr. O'Malley and Mr. & Mrs. Poyner. Several days after the denial of the rezoning request, the Wigwam hosted a golf tournament and guests attending the tournament parked on Mr. Poyner's property. Mr. Poyner was upset because in the past, the Wigwam contacted him before large events to obtain permission to use the property and sign an agreement releasing him from liability in the event that something should happen. They did not reach out to him this time. Mr. Poyner did not have the vehicles towed, but as a result, he installed a fence around his property.

Mr. Stephens stated he asked Mr. Poyner if he had spoken with anyone at the Wigwam about the parking issue. Mr. Poyner responded that he spoke with the Hotel Manager and the PGA Golf Pro who both understood his frustrations and assured him the Wigwam had not directed anyone to park on his property, but they could not help him. Mr. Stephens asked if Mr. Poyner had spoken with Mr. O'Malley, as Wigwam employees report to him. Mr. Poyner replied that he did not know how to reach Mr. O'Malley, but he would like to meet with him. Mr. Stephens facilitated that meeting.

Mr. Stephens stated the initial discussion was about the parking issue. During the meeting, Mr. O'Malley made a comment that caused Mr. Poyner to ask if JDM was suggesting the possibility of a land swap. Mr. O'Malley replied affirmatively. It was determined that both parties would be open to further discussions. The two parties exchanged information with the intent to follow up. Mr. Stephens stated he was not present for any subsequent meeting, but understands that a follow up conversation occurred. Nothing specific was offered, accepted, or agreed to. As far as he knows, there has not been any further discussion between the two parties.

Vice Mayor Faith stated he thought during meetings of the City Manager's Working Group with DLP, Mr. Phillips said he did not think this property was important to the City Center. Mayor Schoaf confirmed Mr. Phillips had said that multiple times. Council Member Romack stated he did not recall that. Vice Mayor Faith stated this does not make sense with what Council Member Mahoney claims to have been told by Mr. Phillips. Council Member Mahoney offered to call Mr. Phillips.

Vice Mayor Faith again referenced the Conceptual Designs DLP provided, stating that the Poyner Property does not appear to be part of the City Center development.

Council Member Romack responded that it could be said that the 15 acres owned by JDM is also not part of the City Center development, but the City will try to incorporate JDM's plans for the property into the overall plans for the City.

Vice Mayor Faith agreed the property is not the best place for a house and it isn't a place he would choose to have a house. However, in response to the comments made about the house's location, there are other houses built near the Wigwam's parking lot. There are other houses in the City built by churches, others that back up to parks, and others that are built across the street from the Wigwam. He is not sure how this house is any different from other houses in the City. Some of these other houses are not particularly desirable to everyone, but they are there.

Council Member Blake replied to Vice Mayor Faith, respectfully, that all of the residents he has spoken to on Old Litchfield Road think the exact opposite. They feel they are personally affected; they hate the idea and are really upset about it. Vice Mayor Faith responded that he has spoken to residents who are not upset and prefer this use over other possible uses.

Vice Mayor Faith stated he does not think anyone he knows believes JDM was involved in the politics of the last election. Ms. Goodwin responded that this is off the subject. The agenda item is about the 2.4 acres owned by Mr. Poyner. Vice Mayor Faith replied that JDM is part of this discussion, and he wants to clarify that JDM has not been involved in the politics surrounding this issue. He spoke to JDM's legal representative, Mr. Paul Gilbert, who confirmed that JDM is not involved in bringing this item before Council.

Council Member Romack stated he thinks the suggestion that JDM was involved came from the petition sent out by the Mayor. It was completely and absolutely wrong.

Ms. Goodwin advised Council that the discussion is beginning to get off track and reminded Council that the agenda item is about whether the City should consider purchasing the 2.4 acres located at the NWC of Old Litchfield Road and Fairway Drive.

Vice Mayor Faith suggested the Council might need an agenda item to air out all of the stuff that has happened.

Council Member Mahoney replied that it is needed to address all of the things he has been accused of, adding that he has been accused of trying to get someone to run against the Mayor and of being in cahoots with JDM. He thinks there needs to be an open discussion. Ms. Goodwin reiterated that is not what this agenda item is about.

Council Member Raible stated he shares concerns expressed by the Vice Mayor regarding the parcel's desirability. He was thrilled that someone was interested in developing the parcel and supports the idea of a swap between JDM and the Poyner family. If that would require land use changes, he would be open to supporting those changes. However, the agenda item is about the City purchasing the Poyner Property and he is reluctant to believe that is in the best interest of the City. He does not believe the property is key to the development of the City Center.

Vice Mayor Faith believes the Council can unanimously agree the best use of the property would be to put a parking lot on the Poyner Property and move the Poyner house to the Wigwam parking lot parcel. However, from a practical standpoint, unless someone has a magical \$500,000-750,000 in cash to spring on the transfer, he doesn't see how it could possibly happen. The existing Wigwam parking lot would have to be destroyed and recreated on the Poyner property. The Wigwam's parking would then be further away from the entrance to Red's.

Council Member Mahoney responded JDM is aware of that. He stated the reason the discussion fell apart between the two entities is that the discussion was held a few days after Mr. Poyner was denied approval to build three homes and a lot of things were said. Things have calmed down now and people can be reasonable and have a reasonable discussion. He does not want to look back in 20 years and think that it was really stupid for the City not to have pursued this.

Vice Mayor Faith stated he does not blame Mr. Poyner for being upset and taking a couple weeks to calm down after what the City did to him. He came to the City Council and asked for a soft blessing on this project.

Council Member Blake stated that unlike other people at the table, he never promised Mr. Poyner anything. That is the point of the Council vote and that is what has him furious. He never met with Mr. Poyner privately. He did it in the light of public at a public meeting. Ms. Goodwin stated this is not related to the agenda item, which is regarding the City's purchase of a 2.4-acre parcel. Council Member Blake replied that Council is talking. They can gavel him out, he doesn't care. Mayor Schoaf stated that he will gavel him out, as they are talking about the agenda item. Council Member Blake responded that is fine.

Council Member Donahue asked for clarification on the potential swap with the parking lot. Her understanding is that the swap wouldn't be for 2.4 acres, it would be for the acre that Mr. Poyner needs to build his house. Whatever is left may be available to purchase.

Council Member Romack stated that Council could continue to debate this, but the point of this discussion is to determine if the Council wants to empower the City Manager to speak with Mr. Poyner and his wife to see if there are any makings of any kind of a deal. In the meantime, the City is getting an appraisal on the easement, which will provide an idea of what the parcel is worth on a square foot basis. Council Member Romack stated he would like to make a motion.

Mayor Schoaf stated before a motion is made, he would like to speak. When the City purchased the land for the City Center, there were two reasons they did not buy this lot, both of which Council discussed in detail at the time. First, the property was always priced significantly higher than everything else. It was priced way above market value by Dragon Crane as part of their strategy to recoup costs. It was very expensive and it was discussed by Council that it was not important to the City Center development. That has not changed. It is still an incredibly expensive piece of property, more expensive than anything else purchased for the City Center.

Mayor Schoaf stated that even though the property is downtown, it is still not important to the City Center. He has had discussions with Mr. Phillips who made it very clear that he would always love to have more property to develop, but this property is not important to the City Center

development. If it is important to anybody, it might be important to JDM. It is not true that the City could not buy it, but rather, the City decided not to purchase it.

Vice Mayor Faith clarified that these discussions occurred while the City was working on the Scout Park acquisition. Mayor Schoaf confirmed and added that the City went through several years of discussions about this property.

Mayor Schoaf stated that he is not opposed to trying one more time to set up a swap, where the City is a mediator to get Mr. O'Malley and Mr. Poyner together. However, he is absolutely opposed to the concept of the City buying this property.

Council Member Mahoney began to speak. Mayor Schoaf interrupted Council Member Mahoney, stating he provided him the opportunity to speak and expects to be allowed to speak. Council Member Mahoney asked the Mayor if he knows how many times he has been cut off over the years and told him to give him a break.

Mayor Schoaf responded he would give him a break. He struck his gavel and directed Council Member Mahoney to shut up until he is done.

Mayor Schoaf continued that he is absolutely opposed to buying this property. It is way over priced and there is no public need for it. The City has 30 acres on which to place all the parking they want. The City cannot afford it and there is not enough money in the City's reserves to justify this as a good, sound financial decision.

Council Member Mahoney responded that this is the Mayor's opinion. Mayor Schoaf replied that he does not interrupt him when he is speaking and he expects to not be interrupted when he speaks.

Mayor Schoaf stated he is not opposed to a motion to facilitate a meeting and to suggest a swap may be a good outcome. If it works, it works and if it doesn't, it doesn't. Mr. Poyner owns this property and has the right to build his house. The Council needs to get out of his way and allow him to do what he wants to do. If he thinks this is a good place to build his house, then that is his decision, not the Council's.

Vice Mayor Faith stated one problem he foresees in trying to buy this property is that it may appraise for less than Mr. Poyner paid for it. He asked Ms. Goodwin if there is a standard for how much the City can negotiate above the appraised value. Ms. Goodwin responded there is no bright line and the City can weigh the benefits of owning the property. The City may pay over the appraised value if they have a good, rational basis for doing so. However, if the City pays too much above the appraisal price, it could be considered a violation under the Gift Law.

Vice Mayor Faith stated he couldn't imagine this property appraising for much more than \$7 or \$8 a square foot. Mayor Schoaf stated he thought Mr. Poyner paid more than that.

Council Member Donahue asked Vice Mayor Faith if he thought the value of the property had gone down since Mr. Poyner purchased it and if he paid a commercial price for it. Vice Mayor Faith

replied that he paid more than commercial price for it. The problem has always been that this property was always priced way above the market value. Vice Mayor Faith thought the City paid about \$3 per square foot for the last 20 acres purchased. That comes to approximately \$130,000 per acre. Even if that number doubled, it would still fall massively short of what the City expects Mr. Poyner to ask for the lot to cover his costs.

Council Member Blake stated that according to Mr. Poyner, he paid \$8.68 per square foot, in addition to whatever costs he put into the property. He thought Mr. Poyner said he paid \$917,000. With costs incurred after the purchase, he may have around \$1,000,000 invested in the property.

Council Member Romack **moved** to empower Mr. Stephens to get in touch with Mr. Poyner, et. al, and negotiate as a representative for the City to buy the Poyner property for an amount not to exceed \$1.2 million, **seconded** by Council Member Blake.

Vice Mayor Faith stated this was an odd way to go about it. Normally, a proposal is made to authorize the City Manager to get an appraisal for the property. Council Member Romack replied the City Manager is already getting an appraisal. Mr. Stephens clarified he was getting an appraisal on the Right-of-Way portion only.

Council Member Romack stated Mr. Poyner deserved to get his money back on the property and he is not saying the City should spend \$1.2 million for it, but rather the City should not spend more than that. Vice Mayor Faith asked Council Member Romack if he wanted to put a dollar amount in the minutes, which is a public document, making it difficult to negotiate.

Vice Mayor Faith reiterated Council would normally authorize the City Manager to receive an appraisal and bring the appraisal back to Council for discussion. He provided an overview of how the City went about purchasing property in the past, which included discussing the appraisal results and the City's budget before proceeding to negotiations. They didn't place all their cards face up on the table.

Council Member Romack stated he will **rephrase his motion** to reflect a purchase price based on an appraisal, but he wants to empower the City Manager to negotiate. Council Member Donahue asked if this included empowering the City Manager to work with all parties involved.

Vice Mayor Faith replied, under the City Manager's authority, that he needs to solicit bids from appraisers and present the bids to Council so they can accept the cost of the appraisal. He asked Ms. Goodwin to confirm if this is correct. Ms. Goodwin stated she believes it is within his authority, or it would fall under the authority of Professional Services. She believes the City has retained Dennis Lopez in the past, so they could expand the scope of the motion, but she does not think this would be above his authority.

Council Member Raible asked if there was an amended motion on the table; Council Member Blake **seconded**.

Council Member Mahoney apologized to the Mayor for his outburst, but is well aware of what he was accused of over the last few weeks and it really upset him. He agrees a price should not be in

the motion because if a land swap happens between Mr. Poyner and JDM, the City may only need to purchase 1-1.4 acres instead of the full 2.4 acres. He also noted that the City would be saving about \$150,000 as they would not have to purchase the easements and Right-of-Way. Vice Mayor Faith clarified that the estimated cost of \$150,000 covered not just the purchase of the Right-of-Way, but also the cost to install sidewalks and landscaping, including engineering and construction expenses. Mayor Schoaf clarified that about 8,000 square feet of land is proposed for the Right-of-Way purchase.

Council Member Mahoney stated that if there was a way to negotiate the transfer of this property, it is his opinion that it would be the best thing for the community.

Mayor Schoaf stated it is his opinion that this is the one of the least professional things he has seen the Council embark on; it is incredibly unprofessional.

Council Member Mahoney asked if sending a petition out to residents and accusing him of being in cahoots with JDM and trying to find someone to run against the Mayor wasn't.

Mayor Schoaf responded that he was not going to engage in an argument about these things and suggested Council Member Mahoney check with his good buddy Mr. Gilbert, as he is the source of some of the things he is upset about. Mayor Schoaf stated he would leave it at that.

Mayor Schoaf stated his opinion is exactly the same: this whole process is absolutely unprofessional and not what Council is supposed to do in terms of representing the residents. It is being cavalier with their money. Mayor Schoaf reminded Council it is the residents' money they want to spend and right now Council is unsure of exactly what they will buy and what would be done with it if it is purchased. It is very, very unprofessional in terms of the approach to this issue.

Mayor Schoaf stated the concept to see if there is any interest in a swap between two private parties and letting them deal with the issues related to their private property is fine. However, going beyond that, as has been suggested, and using residents' money to try to grease the wheels to make this all work he thinks is absolutely horrendous and unprofessional.

Council Member Blake stated the Mayor's concerns have been duly noted.

Vice Mayor Faith stated he is not in favor of spending \$5,000 on an appraisal, only to find out that the cost of the property will be stupid high. He suggested waiting for the appraisal to come back on the land proposed for the Right-of-Way purchase. Council can extrapolate information to gain an idea of the lot's total value. Without that information, Vice Mayor Faith stated he is hesitant to spend even a few thousand dollars more on additional appraisal costs. This will give them a better idea if purchasing the lot is something the City can afford.

Mr. Stephens confirmed the appraisal for the Right-of-Way land has been ordered.

Council Member Raible stated a lot of conversation has occurred on this topic. He would like clarification on what exactly is proposed, what the motion is, and if it has been seconded.

Council Member Romack stated he **makes the motion** to empower the City Manager to go to the parties involved, obviously to Jason Poyner, and talk to him about the feasibility of purchasing the property at the appraised value.

Council Member Raible asked if the motion refers to the Poyner Property. Council Member Romack responded in the affirmative.

Council Member Mahoney asked if the motion refers to the entire Poyner Property. Council Member Romack responded that for now, yes, he means the whole property. If a deal to swap land is negotiated, that is different, but Council needs to start somewhere.

Council Member Donahue stated that going forward, she would love to see Council stop communicating on the side with citizens. It is important for this process that the Council get all of the information back, so they can look at it, discuss it, and then present it to the citizens. She stated it has been very uncomfortable for her to receive information from citizens that she does not know about. This will allow Council to move on in a professional way.

Mayor Schoaf stated the ability to communicate with the residents is not something he will give up. Council Member Donahue asked if he could copy the rest of the Council on his correspondence. Mayor Schoaf responded that he cannot copy the rest of Council on correspondence. Communication can be shared with two other Council Members, but no more, without violating the Open Meeting Law.

Council Member Donahue asked if she could be one of the two. She stated she has had to send her voice out because it was spoken for her and she does not want that to happen anymore.

Council Member Mahoney asked Ms. Goodwin for clarification on the Open Meeting Law. He used the example of a Council Member sending an email out to all Council Members. He asked if it is a violation of Open Meeting Law if no one responds.

Ms. Goodwin responded that it depends on the context of the email. If the email is about City business and is sent to a quorum of the Council then yes, it is a violation of the Open Meeting Law, even if no Council Members respond.

Mayor Schoaf asked if there was any more discussion on the motion made by Council Member Romack. Council Member Donahue **seconded** the motion.

MOVE TO EMPOWER THE CITY MANAGER TO GO TO THE PARTIES INVOLVED, INCLUDING JASON POYNER, AND TALK TO HIM ABOUT THE FEASIBILITY OF PURCHASING THE POYNER PROPERTY AT THE APPRAISED VALUE.

RESULT:	PASSED [4-3]
MOVER:	John Romack, Council Member
SECONDER:	Ann Donahue, Council Member
AYES:	Blake, Donahue, Mahoney, Romack
NAYES:	Schoaf, Faith, Raible

C. Appointment of Municipal Representative to Arizona State Liquor Board

Council Member Mahoney stated he was interested in serving as a representative. He called the Board to see if he would qualify as a business owner with several liquor licenses. He learned he does not qualify, as only one distributor and one retail seller can sit on the Board at a time. Currently, they have one of each. They will let him know if that changes.

Mayor Schoaf asked if anyone else on Council wished to be considered for the Arizona State Liquor Board. There were no volunteers.

MOVE TO ADOPT A RESOLUTION SUPPORTING THE APPOINTMENT OF A MUNICIPAL REPRESENTATIVE TO THE ARIZONA STATE LIQUOR BOARD.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Peter Mahoney, Council Member
SECONDER:	Tim Blake, Council Member
AYES:	Blake, Donahue, Faith, Mahoney, Raible, Romack, Schoaf

D. Extension of Contract for Financial Audit Services

Mr. Johnson stated the City’s contract has expired and he recommends extending this contract until he is able to issue a Request for Proposals in the spring.

MOVE TO APPROVE THE CHANGE ORDER EXTENDING THE FINANCIAL AUDIT SERVICES CONTRACT TO SEPTEMBER 19, 2019.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Peter Mahoney, Council Member
SECONDER:	John Romack, Council Member
AYES:	Blake, Donahue, Faith, Mahoney, Raible, Romack, Schoaf

E. Intergovernmental Agreement (IGA) with the City of Phoenix for Access to the Phoenix Business Intelligence System

Mr. Johnson stated this IGA would allow the City to access software through the City of Phoenix, which receives data from the Arizona Department of Revenue. This will allow Staff to track tax information on businesses in the City. There is a \$1,500.00 one-time fee and \$275 yearly fee. The program will also enable the City to track business licenses, saving money in Staff time. There will be confidentiality training and access to the database will be limited.

Council Member Raible asked about the approximate time saving. Mr. Johnson replied it would be significant. Currently, to apply for a City Business License the applicant must provide a hard copy of their TPT license with their application. Staff then has to contact the State to verify it is valid. With this software, Staff could immediately verify the license without a copy or a phone call.

Council Mahoney asked if trends can be identified. The response was affirmative.

MOVE TO APPROVE THE INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF PHOENIX FOR ACCESS TO THE PHOENIX BUSINESS INTELLIGENCE SYSTEM AND USE THE TAX DASHBOARDS FOR TRACKING TAXABLE ACTIVITY IN THE CITY OF LITCHFIELD PARK.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jeff Raible, Council Member
SECONDER:	Ann Donahue, Council Member
AYES:	Blake, Donahue, Faith, Mahoney, Raible, Romack, Schoaf

F. FY18 Budget Adjustments

Mr. Johnson stated he reviewed this item in his monthly report.

MOVE TO APPROVE THE BUDGET ADJUSTMENTS TO FY18 AS PRESENTED.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jeff Raible, Council Member
SECONDER:	Peter Mahoney, Council Member
AYES:	Blake, Donahue, Faith, Mahoney, Raible, Romack, Schoaf

G. Approval of Bid for Board and Commission's Thank You Gathering

As owner of the Park Café, Council Member Mahoney recused himself from this item.

MOVE TO APPROVE THE PROPOSAL FOR THE 2018 BOARD AND COMMISSION ‘THANK YOU GATHERING’ EVENT FROM PARK CAFÉ IN THE AMOUNT OF \$639.05.

RESULT:	APPROVED [6 TO 0]
MOVER:	Paul Faith, Vice Mayor
SECONDER:	Tim Blake, Council Member
AYES:	Blake, Donahue, Faith, Raible, Romack, Schoaf
RECUSED:	Peter Mahoney

XI. Executive Session

- A. An Executive Session may be called during the public meeting on any item on this agenda pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of receiving legal advice.**

This item was not held.

- B. An Executive Session pursuant to A.R.S. § 38-431.03(A)(7) for discussions or consultations with designated representatives of the Town in order to consider its position and instruct its representatives regarding negotiations for the purchase approximately 2.4 acres located at the northwest corner of Old Litchfield Road and W. Fairway Drive in Litchfield Park.**

This item was not held.

XII. Adjournment

Vice Mayor Faith **moved, seconded** by Council Member Romack to adjourn the regular meeting; **unanimous passage**. The regular meeting adjourned at 9:54 PM.

APPROVED:

CITY OF LITCHFIELD PARK

Thomas L. Schoaf, Mayor
\tr

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the City Council of the City of Litchfield Park held on **Wednesday, September 19, 2018**. I further certify that the meeting was duly called and held and that a quorum was present.

Terri Roth, CMC, City Clerk