

TOWN OF FOUNTAIN HILLS
MINUTES OF THE REGULAR SESSION
OF THE FOUNTAIN HILLS TOWN COUNCIL
MARCH 17, 2026

A Regular Session of the Fountain Hills Town Council was convened at 16705 E. Avenue of the Fountains in open and public session at 5:30 p.m.

Members Present: Mayor Gerry M. Friedel; Vice Mayor Gayle Earle;
Councilmember Brenda J. Kalivianakis; Councilmember Rick Watts;
Councilmember Hannah Larrabee

Members Absent: Councilmember Peggy McMahon

Staff Present: Town Manager Racheal Goodwin; Deputy Town Clerk Angela Padgett-Espiritu; Town Attorney Jennifer Wright



Post-Production File

Town of Fountain Hills
Fountain Hills Town Council Regular Meeting Minutes
March 17, 2026

Transcription Provided By:
eScribers, LLC

* * * * *

Transcription is provided in order to facilitate communication accessibility and may not
be a totally verbatim record of the proceedings.

* * * * *

MAYR FRIEDEL: Please rise for the pledge of allegiance.

ALL: I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

MAYOR FRIEDEL: And if you choose, please remain standing for the invocation which will be presented by Carri Schneider, director of Promiseland Preschool with Christ's Church in Fountain Hills.

SCHNEIDER: Good evening, Mayor and council members. Thank you for the opportunity of opening this meeting tonight. If you'd like, please join me in prayer. Heavenly father, we come before you with grateful and humble hearts. Thank you for the opportunity to live in such a beautiful community in a country where liberty and freedom reign. God, we thank you for all these servants here today who've been elected by the citizens of Fountain Hills to represent them. Lord, give them wisdom and discernment to lead them with integrity and make decisions that will honor you and make our beautiful town prosper. In Jesus name we pray. Amen.

ALL: Amen.

MAYOR FRIEDEL: Thank you. Town Clerk, would you please take a roll call?

PADGETT-ESPIRITU: Mayor Friedel?

MAYOR FRIEDEL: Present.

PADGETT-ESPIRITU: Vice Mayor Earle?

EARLE: Present.

PADGETT-ESPIRITU: Council member Kalivianakis?

KALIVIANAKIS: Here.

PADGETT-ESPIRITU: Council member Watts?

WATTS: Present.

PADGETT-ESPIRITU: Council member Larabee?

LARRABEE: Present.

PADGETT-ESPIRITU: Council member McMahon?

Council member Skillicorn?

SKILLICORN: Here.

PADGETT-ESPIRITU: We have a quorum.

MAYOR FRIEDEL: Thank you. We'll move right into the report by our town manager.

GOODWIN: Thank you, Mayor. Good evening, Mayor and Council, and to all of our audience out there. I have a couple of updates. I want to share a few things as we head into our busy spring season. First, happy Saint Patrick's day. I hope you guys came out and joined us for our greening of the fountain today. And thank you to everyone who came out to Irish Fest this past Saturday despite the warm temperatures. It was a great event, and we appreciate the strong community turnout.

This week, our third Thursday concert series continues at Centennial Pavilion on Thursday from 6:00 to 7:30 p.m. That's after sunset, so it should be a little cooler out there. A nice way to spend the evening. We'll be featuring a band called Znora, and they have a blues and rock performance going. So it's been a great event series out there, and we hope to see you there.

A couple of quick park and other updates. Our 250th anniversary sign is expected to be delivered and installed in Fountain Park next week. That will be down in the main lawn area. That is designed to be a photograph worthy, Instagrammable spotlight on our 250th, and another way to help celebrate the yearlong anniversary.

Additionally, this Sunday morning from 5:00 to noon, roads around the fountain will be closed for the Mountain to Fountain Run. So we encourage residents to plan ahead there as well.

Looking ahead to Saturday, March 28th -- that's not this Saturday, but the following Saturday -- we have a full day of activities planned. The morning begins at Desert Vista Park -- please note it's at Desert Vista, this is a big change -- from 9:00 to 11:00 with our annual Eggstravaganza Easter Egg Hunt. This year we're going to be combining that with our Touch-a-Truck event.

The egg hunt will include more than 15,000 eggs, and they will be split into two sessions. We'll have our little hunters -- so ages 5 and under -- at 9:45 -- bless you -- and ages 6 and older at 10:15. If you're planning to be there, be on time. If you have never seen that egg hunt before, the eggs are gone in probably less than two minutes. It is

madness, and it's a lot of fun, but don't be late because there won't be any left.

Families will also enjoy bounce houses, crafts, and again, the return of the Touch-a-Truck, where kids can explore a variety of vehicles and meet the professionals who use them.

Later that day is the Dark Sky Festival, which will take place at the community center and within the community -- the -- excuse me -- the Centennial Pavilion from 4:00 to 9:00 p.m., offering educational activities and a chance to celebrate our night skies. We encourage everyone to come out and enjoy these events. Check online for more details, and we want to remind everybody that Fountain Hills is a great place to be -- be this spring.

Mayor, that's all my updates for you.

MAYOR FRIEDEL: Thank you. We have a lot going on.

GOODWIN: We always do.

MAYOR FRIEDEL: Okay. Now we will move on to proclamations, awards, and recognitions. So we're going to start with the Veteran of the Month, and it's my distinct honor and privilege to recognize David Pappas as our Veteran of the Month. David has shared that he accepts this recognition not just for himself, but on behalf of every man and woman who has worn the uniform of the United States of America, and those who took the oath to defend our nation in times of peace and war, and who made sacrifices up -- up to and including their lives.

David entered the United States Army Reserve infantry in 1963 at just 19 years old, serving until 1969 and achieving the rank of Sergeant E-5. He completed basic and advanced infantry training at Fort Dix in New Jersey, where he trained on anti-tank weapons and earned the distinction of expert shooter. He later returned annually to serve as a firing range instructor and to help train new -- new recruits.

His service continued long after his military commitment ended. Nearly 30 years ago, the American Legion Post 58 operated out of a small, rented space here in Fountain Hills. Through the efforts of David Pappas and others, the post purchased the land and built the masonry shell of what is now Post 58 -- the -- the Post 58 building. A second lot

was later acquired, which today serves as the patio space enjoyed by our veterans.

David has been a member of Post 58 for 30 years, serving two years as second vice commander, and nine years as member at large.

David, your service to our country and your continued dedication to our veterans and our community represent the very best of Fountain Hills. On behalf of the Town of Fountain Hills, it's my privilege to recognize you as our Veteran of the Month. Thank you so much for your service. Come on up, will you, please, David?

PAPPAS: I want to thank everybody for this award. You know, it's really not for me. I've got a few things I can say off to the side here. Can I?

MAYOR FRIEDEL: Sure.

UNIDENTIFIED SPEAKER: Sure. Where do you want to start?

PAPPAS: This award's not for me.

UNIDENTIFIED SPEAKER: Hmm?

PAPPAS: This award's not for me.

UNIDENTIFIED SPEAKER: Okay.

PAPPAS: All right. I got it. Well, I'll go over here. Well, anyway, I want to thank everybody for this because I hadn't planned them reading this, and I had it all -- and I worked, and worked, and worked on it until I couldn't work anymore on it, and I'd get hoarse, and everything else like that, but I'm so proud of this -- this.

And I want to make it clear this award is not for me. It is for every soldier who has ever put on a uniform of the United States of America, and God bless them all. Some of them paid the ultimate price, and it's sad, but God has taken care of them because they gave up their life for our country. Thank you.

UNIDENTIFIED SPEAKER: If you want to read that poem, you can. Do you want to read the poem?

MAYOR FRIEDEL: Sure.

UNIDENTIFIED SPEAKER: Okay. Read the poem, okay?

PAPPAS: All right.

UNIDENTIFIED SPEAKER: Read the poem.

PAPPAS: Sorry. It's just --

MAYOR FRIEDEL: That's all right.

UNIDENTIFIED SPEAKER: Because he had -- okay. It is the soldier. Go ahead.

PAPPAS: This is a poem that was given to me about five years ago. It is the soldier, not the minister, who has given us freedom of religion. It is the soldier, not the reporter, who has given us freedom of the press. It is the soldier, not the poet, who has given us freedom of speech. It is the soldier, not the campus organizer, who has given us freedom to protest. It is the soldier, not the lawyer, who has given us a right to a fair trial. It is the soldier, not the politician, who has given us the right to vote. It is the soldier who salutes the flag, who serves beneath the flag, and whose coffin is draped by the flag, who allows the protesters to burn the flag. Thank you.

MAYOR FRIEDEL: Thank you.

And now we'll move on with the Mayor's Business Spotlight, and tonight we are spotlighting D&K Music. Today, we are proud to spotlight Kim Spence and D&K Music, a valued local business that has been providing live entertainment in Fountain Hills since 2003. Let me repeat that. Since 2003. Holy cow. For more than two decades, Kim has helped bring energy, fun, and connection to our community through live music.

D&K Music doesn't just entertain. They help create experiences that make Fountain Hills special. As a local business, Kim, and Deb, and D&K Music support our restaurants, events, and gathering places by providing entertainment that brings residents and visitors together. They really do that. They do a great job of bringing people together. Their work helps strengthen our local businesses and continues to -- and contributes to the vibrant atmosphere in our community. Businesses like D&K Music play an important role in our -- supporting our local economy and enhancing the quality of our life for our residents.

On behalf of the town, I would like to thank Kim and Deb for their continued investment in Fountain Hills and for sharing her talents in -- with our community for over 20 years.

We encourage everyone to support D&K Music and our local businesses. Thank you Kim and Deb for helping make Fountain Hills such a wonderful place to live, work, enjoy, and

entertain. Would you come on up?

MAYOR FRIEDEL: Now I know -- I know you guys are used to the microphone, so here you go.

SPENCE: Yeah. We'll be careful. Thank you, Mayor Friedel. Thank you, Town Council, for giving us this wonderful honor. Thank you to all of our friends that came today to support us. I'd like to add a few things. Debbie started this business way before me in 1986, and then Dom (ph.) joined us about 15 years ago, and we have just been terrific together ever since, but she was the mastermind behind it. But we enjoy working in this town. We're at the Alamo. We work at the American Legion Post 58. We work at the Elks Club -- Elks Lodge. So we're around town quite a bit. Come and see us. Thank you again.

You want to say anything?

UNIDENTIFIED SPEAKER: No, no, no.

MAYOR FRIEDEL: Come on, Dom. How about a song? How about a quick song?

Thank you guys -- thank you guys, again.

Okay. So now we have a presentation. Rachael?

GOODWIN: Mayor, tonight's presentation is regarding short-term rentals, STRs. STRs have been a topic of a lot of debate and conversation throughout the state. As you guys know, Arizona law prevents us from prohibiting them. We cannot prohibit them, and we have very few regulations we can apply, but those that we can include a permitting process, and Paul and his team have really taken that to heart and have made some significant strides in that process. So he's going to share an update about that.

SOLDINGER: All right. Mayor, and Vice Mayor, and Council, thank you for the opportunity tonight. Like Rachael mentioned, I'm just going to do a very hopefully brief presentation on short-term rental compliance efforts the town has made over the past couple years.

So regulatory requirements. Like Rachael mentioned, the town may not prohibit short-term rentals in town, but we may have a permitting process, so we do. We charge the maximum, which is \$250 annually, and there are some neighbor notification

requirements. They're required to provide emergency contact information to the town, liability insurance, and other safety considerations.

So in November is when the ordinance was approved by the Town Council, which created a new article of Town Code that basically mirrors what state law requires and allows us to have this permitting process in place. It also allows us to deny or suspend permits for confirmed violations and things of that nature. There's also legislation going through the legislature right now to expand the ability to do that and look at a longer time frame, so that's something we're monitoring as well.

So permitting and compliance efforts. Here's a timeline. In January, right after the ordinance was approved, we implemented a manual process to accept applications. It's an online electronic form, and we collected those applications, and we ended with about 105 active permits by December of 2024 when we implemented a new software. It's called Rentalscape through Deckard Technologies, and it's a permitting and compliance platform.

So short-term rental owners can go to our website and apply. It takes them to the electronic form that feeds into the system. They provide us information, pay the annual fee, and upload these three documents on your screen.

And it's actually an AI software that scrapes and analyzes short-term rental listings like Airbnb and Vrbo, and identifies unpermitted short-term rentals in our town, and -- and notifies us, and it also sends out warning letters to the short-term rental operators that are unpermitted.

So it's really small, but that is an example of what a warning letter looks like. It's just notifying them what they're required to do. They should be following Town Code, and register with the town, register with the County, and things of that nature. So these are very automated. Staff are not involved. The letters are sent out by the vendor, and it has helped us ramp up compliance. A lot more of the unpermitted short-term rentals have actually registered with the town since then.

So as you can see, we -- as of last week, we had about 210 active short-term rentals in town. 165 were permitted as of last week, a 57 percent increase since we implemented

the new system last year. And so we have about 45 unpermitted short-term rentals at this time, and we're still working through that process with Code Enforcement and Development Services to try to get hopefully up to a -- close to 100 percent compliance rate with that.

The system also has some other benefits. It shows you confirmed listings, confirmed bookings, and it also cross-references to reviews that renters leave on each listing. So it kind of confirms and provides additional evidence to staff that, yes, the operator is running a short-term rental. It's not permitted through the town. Not only that, it gives us some financial information. We can cross-reference to tax records and things like that. That is very helpful to the town, so I just wanted to highlight those as well.

And we also have a complaints portal, and I know some residents are familiar with it. It's also on our website under Finance, Real Property Rentals. There's a link to the complaints portal where if you're having issues with a short-term rental in your neighborhood or nearby -- if there's a lot of noise, breaking town code, and things like that, residents may submit a complaint, and our Code Enforcement staff, they'll look into it, and we'll work with Code Enforcement. And so again, we have the ability to revoke or suspend permits under certain circumstances, and that gives us the ability to track them better, and work with Code Enforcement on that.

So with that -- that was my update. We are continuing these efforts. We're working through the system to try to get better compliance. Code Enforcement is imposing certain civil citations as necessary. We've been working through that process, as well as the complaints process. And so with the new legislation, we'll -- we'll look at that when that is approved by the legislature. It looks like it will most likely be approved, and we'll -- we'll make updates as necessary. So with that, I'd be happy to answer any questions.

MAYOR FRIEDEL: Vice Mayor?

EARLE: Thank you, Mayor.

What is the fee if they are found not being compliant, and how do they go about that process, or getting that money, or whatever it is you do to them?

SOLDINGER: So Mayor, Vice Mayor, so Code Enforcement handles that. The range of civil citations is between \$250 up to \$1,000. So for example -- and we've slow rolled it. You know, we didn't even have a system in place at first. It was hard to get that in place. So once we did, and we've been giving enough warning, there have been more civil citations issued.

But for example, if they're not -- if they're an unpermitted short-term rental owner, and they're not getting the permit, they've gotten warning letters and -- Code Enforcement then we'll take the steps to put a warning -- another warning letter on their door, notify them that way. So they've had -- I guess what I'm trying to say is they've had plenty of opportunities to be notified that they need to register with the town. At that point, there have been up to \$1,000 citations applied to those types of short-term rental operators, so -- but it -- it ranges and it depends from \$250 to \$1000. Um-hum.

MAYOR FRIEDEL: I think that's it. Thank you.

SOLDINGER: All right. Great. Thank you.

MAYOR FRIEDEL: We'll move on to the Consent Agenda. Can I get a motion?

KALIVIANAKIS: Motion to approve Consent Agenda.

LARRABEE: Second.

MAYOR FRIEDEL: We have a motion and a second. Town Clerk, roll call, please?

PADGETT-ESPIRITU: Councilmember Skillicorn?

SKILLICORN: Yes.

PADGETT-ESPIRITU: Councilmember Kalivianakis?

KALIVIANAKIS: Aye.

PADGETT-ESPIRITU: Councilmember Watts?

WATTS: Yes.

PADGETT-ESPIRITU: Councilmember Larrabee?

LARRABEE: Aye.

PADGETT-ESPIRITU: Vice Mayor Earle?

EARLE: Aye.

PADGETT-ESPIRITU: Mayor Friedel?

MAYOR FRIEDEL: Aye.

PADGETT-ESPIRITU: Motion passes six to zero.

MAYOR FRIEDEL: Thank you. We'll move on to our regular agenda. I'm going to open a public hearing for this with consideration and possible action relating to a Special Use Permit to allow light assembly and storage in the C-3 Zoning District.

Rachael?

GOODWIN: Mayor, I think you summed it up. We're going to be talking about a new business that is located over off of Colony, and John is going to walk us through that.

WESLEY: Mayor, Council, good evening. Happy Saint Patrick's Day. This hopefully will go fairly quickly, but as mentioned, we're looking at a property over on Colony, just a little bit east of Saguaro, highlighted there in the blue. Chapter 12 of the Zoning Ordinance sets forth the requirements in commercial zoning districts. This particular property is zoned C-3. And in the C-3, in order to have a light assembly use, it requires approval of a Special Use Permit. The code lists a couple of requirements for that business as a precursor to consideration of the SUP.

So again, here is the facility that we're referring to, 16939 East Colony, Suite 4. One of the requirements is that the assembly use occupies less than 50 percent of the floor area, and you can see here the back portion of the shop that's used for the assembly that's less than 50 percent; and that they have no hazardous materials, and that is true for this particular business.

What they do is they -- they have the pieces, the frames, and the glass, and they assemble the windows based on the customer's orders. Here are some pictures they provided of the interior of their space. You can see it's a clean workspace, and what they have is no heavy machinery or -- or manufacturing type activities, just the assembly.

As part of a Special Use Permit, they're required to do a citizen participation process. They did contact the adjacent businesses and property owners, and they got no concerns expressed by any of those folks; and staff has not received any calls or questions from any of the public that was notified, either by their citizen participation

plan or the public notices that were sent.

Section 2.02 F 1 d sets forth the criteria for consideration and approval of SUPs. And basically, is it causing any negative impacts on the surrounding properties, neighborhood, or the community? Staff was not able to identify any negative impacts from this use.

This use actually got moved in -- it started sometime last year, August, September time frame. They applied for the business license. That's when we learned they were there, and -- and recognized the need for this process. So they've been operating now for several months. And again, we have not noted any concerns, and none of the adjacent businesses have expressed any concerns.

So with that, Planning and Zoning Commission held their hearing on this on -- on February the 9th. They found no issues, and P&Z Commission staff do recommend approval. Any questions?

WATTS: (Indiscernible) buttons.

MAYOR FRIEDEL: Councilmember Watts?

WATTS: You got to push your button.

Hey, John. You said no hazardous materials. So no adhesives, no solvents of any kind go into the production process?

WESLEY: Mayor, Councilmember, not that they've reported it anyway. I think it is just the assembly.

WATTS: Okay. And is there any fire protection in the -- in the facility? Is that required by code or not for this particular application?

WESLEY: So Mayor, Councilmembers, certainly the code requires fire sprinklers in most buildings. Some older ones don't have it. I'm not familiar with this building, if it has the fire sprinklers. The building official did not bring up any concerns in his review.

WATTS: I was just looking at some of the photos, and none of the photos showed it on the ceiling, so I was just curious if -- if it was required. And I assume that's a fire department issue?

WESLEY: It usually comes in if actually expanding, remodeling to a significant degree.

Here, this is all just any tenant improvement. So there's nothing currently that would have triggered that requirement.

WATTS: Thank you.

MAYOR FRIEDEL: Are there any comment cards, Town Clerk?

PADGETT-ESPIRITU: No, there are not.

MAYOR FRIEDEL: No? Okay. Then I'm going to close the public hearing. Oh, okay. I'm going to close the public hearing, and then I'll request a motion if somebody would like to do that.

SKILLICORN: Motion to approve is drafted.

LARRABEE: Second.

MAYOR FRIEDEL: We have a motion and a second. Can we get a roll call, please?

PADGETT-ESPIRITU: Councilmember Skillicorn?

SKILLICORN: Yes.

PADGETT-ESPIRITU: Councilmember Larrabee?

LARRABEE: Aye.

PADGETT-ESPIRITU: Councilmember Kalivianakis?

KALIVIANAKIS: Aye.

PADGETT-ESPIRITU: Councilmember Watts?

WATTS: Yep.

PADGETT-ESPIRITU: Vice Mayor Earle?

EARLE: Aye.

PADGETT-ESPIRITU: Mayor Friedel?

MAYOR FRIEDEL: Aye.

PADGETT-ESPIRITU: Motion passes six to zero.

MAYOR FRIEDEL: Thank you.

We'll move on to agenda item B, which is consideration and possible action regarding Ordinance 26-09 amending the Town Code Chapter 8, Business Regulations, by adding a new Article 8-8, Community Residences.

Rachael?

GOODWIN: Mayor and Council, I'm going to turn this one over to John as well, and I believe Jen may have a few insights as well. This action tonight is at the request of Council. There's been several conversations about updating this chapter specifically as it relates to insurances, insurance requirements, and inspections. With that, I'll let John introduce the item and go from there.

WESLEY: Thank you. Mayor and Council, as mentioned, Council directed staff to look into this issue about a year ago, and we got started on the process. Then there was some action being taken at the State level that caused us to wait and see what they did, and so it's been a little bit of a wait, but we're back now responding to the request by Council that we look for the opportunity to insert into our community residence ordinance requirements for insurance and improve our inspection requirements. As we looked at the opportunities to do that, and as the town attorney reviewed the requirements under State statute, we determined that -- well, I guess back up from there just a little bit. So currently, the regulations are in the Zoning Ordinance Section 5.13. And as we looked at what the Council was wanting to do, and looked at our regulations and State statute, it was determined that it would be better if the registration portions of our Community Residence Ordinance were located in the Town Code under business regulations. And so that's what we're doing tonight, is creating that section of the Town Code to move then those regulations to that section, as well as then addressing the provisions that Council is wanting to add to the code. So as we look at the new ordinance, so Section 8-8-1 sets forth the purpose of this section. So this is new. We didn't have this in the Zoning Ordinance. So as you look at that in -- in the ordinance, all that whole section is new, but just establishes the need and the purpose of why we're having these -- these regulations. 8-8-2 sets forth definitions. The definitions here are the same ones we have in the Zoning Ordinance, so there were no changes there from the current ordinance. Section 8-8-3 covers registration and re-registration. And so again, all this is coming over from Section 5.13 B of the Zoning Ordinance, with two exceptions. One is adding in that provision that the applicant will not -- that they will cooperate with any code

violation inspections -- investigations. They will test that at the time they make their application. And then one of the items that the Council asked us to add was the insurance provisions.

Several years ago, when the P&Z Commission was looking at these provisions, they did suggest to include in their draft ordinance to the Council insurance provisions, and this section that's been added is what was recommended by the Planning and Zoning Commission at that time, and so that's -- that's where the numbers come from that are in here.

Then continued on in section 5.13 C. Currently, the Zoning Ordinance are the reregistration requirements, so this is in 8-8-3 of the new ordinance. Again, brought over the same reregistration provisions, but with two exceptions -- or two additions. One is that we we'll review to make sure that the operator is remaining in good standing with the code, and any code violations, and so forth, and also to maintain their insurance that was required with initial registration.

And then we've also added here a Section 8-8-4 on code violations. So this, again, goes with the direction from Council that we beef up a little bit our investigations -- or inspection allowances in the code. So this does allow resident's neighbors to file complaints, but we're looking for verifiable complaints of -- of the Town Code. We're not looking for violations of the State Code because the only things that -- that are applicable are from the Town Code.

If we find verifiable evidence, then Code Enforcement staff will follow up like they do with any other case, with investigating the property, potentially going to the home for an interior inspection if that's warranted by the evidence that's been provided, and then continuing on from there.

And then in Section 8-8-5, Violations and Penalties. That's, again, pretty much the same as 5.13 F, but we did add one additional provision that a code violation fails to meet life safety standards, it could -- it's a additional thing that can be used to revoke a registration. I believe that is it as far as the changes.

So again, the ordinance you have in front of you tonight is very much the same as what's

currently in code in Section 5.13 of the Zoning Ordinance, with a few additions that have been added to address the topics raised by the Council that you want to see covered. And P&Z will be considering, at their meeting in April, an amendment to 5.13 to take those things out of the Zoning Ordinance, so then we won't have those duplicate regulations. Staff recommends approval. If you have any questions of me at this time, or the town attorney, we'll be glad to try to answer those questions.

WATTS: John, two questions. One, under the -- under the insurance paragraph, I didn't see a requirement for naming the town as additional insured. I'm not sure that that's applicable, and maybe that's a question for town attorney, to make sure that we have some protection as well as additional insured.

WESLEY: Mayor, Councilmember, again, this is what was recommended previously by the Planning and Zoning Commission, so that's why we brought it -- brought it forward for your consideration. That is how it's --

WATTS: Well, I'd like to, if we can, add naming the town as additional insured in the final draft.

WRIGHT: I'll have to check to make sure we can legally do that. Typically, an additional insured would be where they're using town property or town facilities, or we're entering into a contract with them, but I'll check to see if we can do that. I don't think that that's what's required under our -- under the Town Code regarding short-term rentals.

I'll have to see -- compare with that to see if we can do that, but what it does do is require a waiver so that they can't -- you know, the town can't be sued because, again, this isn't our property, or our -- you know, if it were -- we require the -- the additional insured when somebody uses our -- our community center because ultimately it's on our property. So I don't know that we'd have the same concerns of liability issues as the additional insured, but --

WATTS: If the waiver suffices, then I'm -- I'm fine with that. If you want to do a little more --

WRIGHT: Okay.

WATTS: The other question was, I don't see a timeline for when there's a -- there's an

out of compliance issue when either to vacate or to correct. Is there one somewhere else that we -- how long do they have to either vacate -- and that's under 8-8.5 [sic].

WESLEY: Right. Mayor, Councilmember, we don't have specific time frames in any of our codes for that. We work with people that are in violation to bring them into compliance. And then, you know, if they're not, then we follow up with the citations and take that through the Court procedures. So that's the typical way that would be handled. When we get to the re-registration -- which is only good for a year -- and they're not being compliant, that would be our opportunity then to cause it not to be reregistered and lose their -- their license.

WATTS: Okay. Thanks.

MAYOR FRIEDEL: Councilmember?

KALIVIANAKIS: Thank you, Mr. Mayor. Yeah. Just a couple of questions for you, John. I'm just curious, do we have any other businesses that we require insurance for in the town?

WESLEY: Mayor, Councilmember, I know the short-term rentals -- we've talked about that a couple of times this evening -- is one that does require that. Also, I believe the mobile food vendors also are required to provide proof of insurance. Those are the two I can think of.

KALIVIANAKIS: So that's by code?

WESLEY: Yes.

KALIVIANAKIS: Okay. So some of the businesses we're requiring insurance and some were not. Would that be a fair characterization?

WESLEY: Yes.

KALIVIANAKIS: Okay. I have a little bit of a problem with the Equal Protection Clause of the Constitution because it's supposed -- we're supposed to treat everybody fairly, and we're not supposed to be singling out any -- any businesses for any additional scrutiny. I'm a little concerned with that. This is somewhat like a bill of attainder. The Constitution outlawed picking people to write laws about.

MAYOR FRIEDEL: Excuse me one second. Town attorney?

WRIGHT: Oh, I was just going to say, isn't this the question-and-answer section, not the discussion section?

MAYOR FRIEDEL: Yeah.

KALIVIANAKIS: I'm asking him questions.

MAYOR FRIEDEL: This is discussion right now.

EARLE: Nope, not discussion.

KALIVIANAKIS: I'm asking him questions.

MAYOR FRIEDEL: Oh, okay.

KALIVIANAKIS: Okay. Thank you. So there's two sober living, 12 community residences. Generally, if we're going to rewrite an ordinance, we're going to be addressing a problem. That's why we'd go through the time, town staff, have a Council meeting, Planning & Zoning. What is the problem we are trying to cure by passing this ordinance tonight? What is the identifiable problem that we're trying to fix? What have they been doing wrong?

WESLEY: Mayor, Councilmember, I'm not aware of any violations that we've had over the last couple of years, but a few complaints we have received that we have worked to address. But this came from the Council as a desire for the code amendment, so I'm not really the one to answer that question.

KALIVIANAKIS: Okay. So we're not really moving the ball forward. We're just recodifying what's already been codified. I get that. Under new 88.1, Purpose, it says that this article's adopted to protect peace, health, safety. It also says that we are going to make sure that residences are operated and maintained in a manner that complies with state licensing regulations. That's in the packet. That's in the purpose. Shouldn't the State itself be making sure they're compliant --

EARLE: Point of order.

KALIVIANAKIS: -- with State licensing considerations?

EARLE: Point of order. Are we still in the question stage or are you just making statements here?

KALIVIANAKIS: I'm asking him a quick question.

EARLE: Well, it's not quick because it's been 2.5 minutes.

KALIVIANAKIS: Shouldn't the State make sure it's compliant -- it's complying with State licensing regulations and not the town? Because the State does have certified inspectors that have been trained on -- on what they're doing here, and it seems like we're usurping the powers of the State.

WESLEY: Mayor, do you want me to respond to the question?

MAYOR FRIEDEL: Pardon me?

WESLEY: Do you want me to respond to the question?

MAYOR FRIEDEL: Sure.

WESLEY: So Mayor, Councilmember, part of the application provision is that they submit to us their state license. So that's the part where we do check that they have followed the State requirements. Beyond that, no. We don't go in to enforce the State legislation (indiscernible).

KALIVIANAKIS: I understand that in order for them to get a business license, they have to have federal, state, and local compliance. But again, this is saying that we're going to make them comply with state licensing requirements, almost like it's an affirmative duty, and I -- I don't see how we have that jurisdiction.

WESLEY: In terms of having a license in order to register here.

MAYOR FRIEDEL: Yeah.

WESLEY: That's what that means.

KALIVIANAKIS: Well, we might want to clean that language up then, because it's -- it's contradictory to the actual written language, and so I'm a little concerned about that. The \$2 million and \$4 million occurrence, was there an analysis or a history that we arrived at those two figures? They seem to be kind of pulled out of a hat. Was there a method to arrive at those figures?

WESLEY: Mayor, Councilmember, again, back in the Planning and Zoning Commission a couple of years ago when this was discussed, one of our commissioners is in the insurance provision -- insurance industry, and he, on his analysis, recommended those numbers.

KALIVIANAKIS: So an insurance agent did it?

WESLEY: Yes.

KALIVIANAKIS: Okay. There's also one other problem, and that is the Fair Housing Act, particularly regarding housing for individuals in recovery. Has Fair Housing Act considerations been given for this particular thing, making it more difficult for people that are seeking treatment for alcoholism and the elderly to have a group home to live in? Has there been any consideration to the Fair Housing Act?

WESLEY: Mayor, Councilmember, yes. As we looked at this, we feel like these provisions are within the allowances of both state and federal law for maintaining that compliance with Fair Housing.

KALIVIANAKIS: So you don't see that as a problem?

WESLEY: No.

KALIVIANAKIS: My other concern is how's the town going to prevent repeated or biased complaints from neighbors that will trigger unnecessary inspections? Because it seems to me that could be fraught with abuse. Just neighbors don't like neighbors, and they're going to be reporting. Of course, I realize that right now you can report a neighbor for their garbage cans being overturned. You get those all the time, but this seems to lend itself to mischief. Is there anything that you are going to do to prevent this kind of mischief, reporting these facilities to try to make their life difficult?

WESLEY: Mayor, Councilmember, you're correct. We get a wide variety of complaints and occasions of neighbors picking on neighbors, and so we have a trained professional staff who -- who know how to deal with those things. And we've specifically written in the ordinance that we're looking for verifiable complaints, not just, you know, whims or -- or somebody's upset at something. So they will -- before they contact any property owners, they will investigate and see if they can verify a complaint before moving forward.

KALIVIANAKIS: But I'm sure when you send a Code Enforcement officer, you always are trying to get verified complaints, correct?

WESLEY: Um-hum.

KALIVIANAKIS: So does this change that standard at all?

WESLEY: No.

KALIVIANAKIS: Okay. My last question is -- we're going to be conducting these inspections. Are these going to be unannounced inspections that will require a warrant, or are these going to be inspections that -- they'll be noticed that we feel like you're in violation, and then on so and so date, we're going to send somebody over there to make sure you're in compliance?

WESLEY: Mayor, Councilmember, these would be similar to any other inspections that we do. We see a violation, and depending upon the situation, the code officer may go knock on the door to discuss that violation with the property owner. Other times, they may send notices or post the property. So it depends upon the nature of the violation and what is necessary at the time. When we do go knock on a door, typically that's not with prior notice to the property owner. And so that may occur here, but it will be up to them. If they refuse to allow the code officer in, then we will have to just move from that point. We can't force our way in unless we were to get some kind of warrant.

KALIVIANAKIS: So in other words, if somebody alleged that they're taking down a load bearing wall. And they showed up at the door, are you doing that? No, of course not. Would they have any recourse to enter the premises without a warrant to -- to determine if there was a code violation in -- in the premises?

WESLEY: Mayor, Councilmember, I don't believe so, but that might be one to turn to the attorney, again, to -- to verify what would be allowed and required.

WRIGHT: When they knock on the door, if they -- if the homeowner, or the property owner, or the business operator allows them to come in and inspect, they would be allowed to come in and inspect. Part of the requirement to maintain their license is that they cooperate with any investigation.

So the point here is that if somebody comes and knocks on your door, and there's a verifiable complaint -- again, it can't just be some random -- so I think, going back to what you said before, sometimes our code officers go out to try to substantiate complaints that are just based off of mere allegations. This one requires substantiated

allegations to begin with. So before the code officer's going to go out, there's going to need to be more than just a mere allegation. It has to be a substantiated allegation. And then, again, if they knock on the door, if the homeowner says no, you cannot come in, then yes, they'd have to go get a judicial warrant. If they see a health and safety issue that requires emergent circumstances, they have, as I'm sure they currently have, the option to call the police if there's -- you know, if they look inside and there is, like, a fire hazard that -- or something to such a great degree, you know, that they can see. Just like a police officer if they see an exigent circumstance. But generally speaking, a code officer is not a police officer. So a code officer wouldn't have that same authority to go in without a judicial warrant if the person were to say, you're not allowed to come in.

KALIVIANAKIS: Yeah.

WRIGHT: That answer your question?

KALIVIANAKIS: Yeah, that is my question. Because again, you know, I'm afraid that somebody could -- on any one of our homes, could say, you know, we suspect there's a code violation. And they knock on my door, and they say, you know, we're going to enter your premises. Again, I would say, absolutely not, unless you get a warrant. And this almost seems -- like, almost like a criminal deal. You know, we shouldn't -- we shouldn't want inspectors from the town to have the right to enter premises, and if we don't give them the entry, then we're going to pull their business license. That doesn't seem very -- very right to me, but that's it. Thank you, John.

MAYOR FRIEDEL: Do we have any public comment cards?

PADGETT-ESPIRITU: Yes, we do. The town received five online comment cards, all with the position of four, and two wishing to speak. So the first one up is Larry Meyers, followed by Crystal Cavanaugh.

MEYERS: Mayor, Council. I would recommend you approve this without any further discussion. This was litigated, discussed ad infinitum for the last six years. It was written by really intelligent people on our own Planning and Zoning commission. One sits on the dais right now. It was vetted through the Ninth Circuit.

The Fair Housing Act has nothing to do with anything. This is about group homes subdivided into transitional and community housing. Doesn't have anything to do with sober living. It's a misnomer anyway, because the drug houses that were proliferating in this town, which was the purpose of this ordinance in the first place, were anything but sober. They were a nuisance to neighbors. They probably could be now.

The previous administration stripped out the inspection provision for occupancy levels. I'm not going to repeat the same state statute that says that municipalities get to govern -- govern their own land use. I've said it about six times up here. Six years this has been going on, and I think it's time to finish the ordinance. It'll be just fine for those who comply. We have occupancy levels. We have code for the well-being of people. We're not doing health and -- health and well-being inspections, but we've got fire regulations. We're allowed to do all of this, and all of this other crap that's been brought up about the federal -- the feds already went through the Ninth Circuit. None of this has anything to do with our town ordinance.

And these businesses -- these are businesses, just like any other business, and some businesses require licenses and some don't. And these just happen -- with the culmination of this ordinance, they require a license, just like a short-term rental property. So I would -- I would appreciate -- after working on this with a bunch of other citizens for the last six years and the P&Z people, I would appreciate you finishing the job tonight and approving this. I thank you for your time. Thank you.

CAVANAUGH: Good evening. Crystal Cavanaugh, Fountain Hills resident. I am part of that dedicated group of citizens that have worked on this for many years, and we've had quite a journey over these years, all to protect the residents and their neighborhoods. That's all this is about. We had success in finally getting limitations on occupancy and having distance requirements between such homes. And we're talking, again, the transitional community residences and the community residence -- the longer term, which are more like the group homes, and the seniors that were referred to.

This is all about land use. This is why we needed the inspection clause, because we had these requirements about occupancy, but how are we verifying that? So we reduced it

to five or six, and we have no idea how many are in there. So no one is going to go knocking on the door to check on whether somebody's getting good treatment. This isn't even about that. We don't have anybody qualified who's going to go up and judge whether they're getting good treatment.

But when you're supposed to have five beds or six beds? Yeah, they can verify that by going. Or if the neighbors report that they see van loads of ten people showing up to a five-person group home? Yeah, they might complain. Or if people are yelling, and hooting and hollering on their balconies, and clearly under the influence of drugs at a home that they're supposed to be getting recovery in? Yeah, that might warrant a call also. But this is all about protecting our neighborhoods. Once again, these are businesses sitting in neighborhoods, which is our biggest investment.

So I appreciate that this has come back. I appreciate the majority Council. I appreciate our new attorney because our previous attorney gave us so many conflicting statements about how we couldn't do stuff, but never really helped us understand how we could do stuff. So that's why the citizens stayed on top of this, and we really appreciate you up on the dais. Thank you.

MAYOR FRIEDEL: Councilmember Larrabee?

LARRABEE: Thank you, Mayor. I agree this has been -- this horse has been beaten to death. So I'd like to just make a motion to approve.

WATTS: Second.

SKILLICORN: Am I next in line?

MAYOR FRIEDEL: Yes, Councilman.

SKILLICORN: Thank you, Mr. Mayor. You know, I just want to thank Director Wesley and staff for really putting this to paper. You know, this, to me, sounds like it protects neighborhoods. To me, it sounds like it protects our families. And to me, it sounds like it protects our property values. And that is the job that we're sworn to do up here, and to see this come across the finish line today is exciting to see. So thank you, staff, for putting this together. And I think this, you know, fulfills the promises that we made when we ran for this office, and I do appreciate that.

And it is exciting to see that, you know, we're doing some good here, and we're fulfilling our promises. And to see that the people that live in these streets in these neighborhoods that have these homes and that frankly, a lot of these homes are not very neighborly. I like to see that these people -- these residents that are our constituents have some protections now, and I do -- I do appreciate that. The staff took a lot of arrows on this one. So I just want to say thank you, and you know, thumbs up. Give applause to you guys. So thank you very much.

MAYOR FRIEDEL: Councilmember?

KALIVIANAKIS: Thank you, Mr. Mayor, and I'll make it brief. I concur with the speakers. I think a lot of good work has been done regarding this issue. The distance between homes was -- was a great thing that we got passed. I was for the occupancy limits, which we passed. I was for -- well, you know, so there's been a lot of good work on this, which I do applaud. And everybody that contributed to the process, I commend you. I'm a little concerned about my questioning Director Wesley, because this ordinance that we're passing tonight has serious concerns about fairness and legality. It singles out one type of housing, community residences, and imposes burdens that no other residential use is subject to, including excessive insurance requirements and intrusive inspections triggered by neighbor complaints.

Many of these homes serve individuals protected under federal law, and policies like this risk violating the Fair Housing Act by effectively discouraging their operation. We should be very careful not to adopt regulations that invite discriminatory behavior, unequal treatment, or costly litigation for the town. Thank you.

MAYOR FRIEDEL: Vice Mayor?

EARLE: Thank you, Mayor. I'd ask permission to ask the attorney a question.

MAYOR FRIEDEL: (Indiscernible).

EARLE: Could you explain to us the process of this, and how people would -- would they get grandfathered in, or how long this process will take so the -- the general public knows?

WRIGHT: Just to be clear, your question is for the existing businesses when -- okay. So

there are -- so the way that the -- okay. Let me back up. Right now, this -- many -- much of what's in this Town Code mirrors the -- or in this ordinance mirrors the -- the zoning code. And under the zoning code, the businesses that existed prior to that zoning code being implemented were grandfathered, have nonconforming use policies.

Once that zoning provision is taken out, then the businesses that -- once -- once the -- these provisions about the registration are taken out and put into business licensing, then those companies that exist now will have to register their business.

Now the two -- I think there's -- my understanding is there's a couple, Director Wesley, that are operating under the new Town Code; is that correct?

WESLEY: That's correct.

WRIGHT: So the two new businesses that -- or two businesses that are currently operating under the existing Town Code, for them, when this goes into effect in 30 days, then they would be subject to these regulations, but you can't just overnight require them to obtain insurance and to comply. We'd have to send out notices.

And I think -- I don't know if Director Wesley would want to talk more on how you'd send out notices, and the timelines that you'd -- you'd provide, but that would all come from Development Services saying what the -- you know, what the new requirements are, and then they'd have a period of time to comply, but --

WESLEY: Yes. Mayor, Vice Mayor, I'm not sure if you need much more detail on that. One piece I would add is because it is part of, also, business regulations, we'll be working with finance in terms of the business licenses and getting those updated, and given a timeline to get that done over the next, you know, 60 to 90 days.

EARLE: Okay. Thank you.

MAYOR FRIEDEL: We have a motion and a second. Can we get a roll call, please?

PADGETT-ESPIRITU: Councilmember Watts?

WATTS: Aye.

PADGETT-ESPIRITU: Councilmember Skillicorn?

SKILLICORN: Yes.

PADGETT-ESPIRITU: Councilmember Kalivianakis?

KALIVIANAKIS: Nay.

PADGETT-ESPIRITU: Councilmember Larrabee?

LARRABEE: Aye.

PADGETT-ESPIRITU: Vice Mayor Earle?

EARLE: Aye.

PADGETT-ESPIRITU: Mayor Friedel?

MAYOR FRIEDEL: Aye.

PADGETT-ESPIRITU: Motion passes five to one.

MAYOR FRIEDEL: Thank you. Okay. Moving on to item C, possible action related to any of the Arizona Cities and Town's Weekly Legislative Bulletin. Does anybody have anything they want to discuss on that?

Councilman Skillicorn?

SKILLICORN: Thank you, Mr. Mayor. I just wanted to say that there was actually a new representative sworn in today for our area. So we actually have a new state representative, and actually he texted me during the meeting. So yeah, we have a new person that we can -- we can -- we can lean on to do our bidding.

MAYOR FRIEDEL: Thank you. Anybody else? Okay. Then we'll move on to our call to the public.

Town Clerk, do we have any speakers?

PADGETT-ESPIRITU: Yes, we do. We have two. The first one is -- and I apologize if I mispronounce your name, Mrs. Cora Karolyi [sic].

CARALDI: I am Madhuran Caraldi (ph.). Thanks for your time. I am a Fountain Hill resident from 2010. So I raised my kids here. I wanted to raise my grandkids. So everything wrong in this town is so painful to me. The main reason I'm here is it's been extremely stressful -- really extremely stressful. Every single minute, daytime, nighttime, weekdays, weekends, above the fountain is fly private jets and helicopters. So we had no this problem before. This has been last couple of months. It's possible to avoid residential area. They can fly above the Rio Verde River or above the McDowell mountains.

So it's been really, really extremely stressful, extremely danger in case of crash. They can crash to any houses, above my house -- above any houses. So two weeks ago, a small airplane crashed in -- in Phoenix somewhere in house. So this problem needs to be -- to be -- to be stopped. So we have to find -- we have to find a way, so not just sending them the notice. I'm sure most of them they come from the Mesa City's airport, so we have to find a way to stop them. A group of us maybe to -- to go to meet the management to -- to -- to explain.

So it's been really, really stressful and really dangerous. So I have degree in biology. I know the most stressful thing is the noises -- high noises, so many other reason. And also, it's hard to run a town. Thanks for your service, for your mission, but -- so more bigger the town, more harder. So together we can do more easier. So let's see how can we -- can we stop this problem? So thanks anyway.

PADGETT-ESPIRITU: Next up, we have Susan DeGennaro.

DEGENNARO: Thank you, Mayor. Thank you, Council. Susan DeGennaro, seven-year resident of Fountain Hills. I am the chair of the silent auction for the Dark Sky Festival, so I'd like to thank Rachael for mentioning the festival on the 28th. I wanted to thank the council for continuing to support our town's dark sky description, designation, and the festival itself.

I've worked with local businesses, local artists, local entrepreneurs to fill the auction with a variety of items to highlight our town and all it has to offer. The auction is what keeps our festival free. So even if you can't go to the festival, we ask that you please go and check out our auction. It is live now. And were you to do so, you can do that by going -- texting 26 -- 26darksky to 76278. Did y'all catch that? 26darksky, all one word. 26darksky to 76278.

You can also go to fhdarksky.com. That is our festival website -- or that is the preservation society's website, and on there will be all the information about the festival. I'd just like, again, to say a big thank you to everyone who makes the events in this town possible. Thank you. Hope to see y'all on the 28th.

MAYOR FRIEDEL: Thank you. Any other speakers? No? Okay. Thank you.

Now we'll move on to council discussion and direction to the town manager. Does anybody have anything?

Rachael, in the call to the public, the gentleman was talking about planes and helicopters over the fountain and that. Do you want to -- we talked about that last week. There's been a lot of -- a lot of activity over the fountain because they're shooting videos and stuff. Do you want to expand on that a little bit?

GOODWIN: Well, I think if I understood the speaker correctly, it's the noise of the helicopters and the -- the frequency of what's going on over residential areas. And it is my understanding -- and he's correct, that they're -- a lot of that originates out of Mesa field. There are a number of flight schools. It used to be two or three flight schools. It has now -- you know, it has grown to be six or seven flight schools. So that increases the number of flights. We have been in touch with the flight school. We have been in touch with the City of Mesa requesting some considerations. And unfortunately, their cooperation was limited and stated that -- simply that they have the right to operate in that airspace.

So unfortunately, we do not have a lot of leverage in that space and in how to do that, but perhaps it would be worth having further conversation, either with this body or perhaps with the attorney, to see if there's more leverage or more ways we can explore ideas there and how we can hopefully curb that, because it's not the first time we've heard that complaint.

MAYOR FRIEDEL: And I know you and I met with a lady, and we actually worked on that about a year -- year and a half ago.

Councilman Watts?

WATTS: So the -- the correct agency to talk to, though, is the Flight Safety Standard Office out of Scottsdale.

GOODWIN: Correct. We've gone through that path as well.

WATTS: Okay. And the FAA has governance, and that's the problem, because the flight paths are all dictated by the FAA.

GOODWIN: Yes.

WATTS: So the flight schools, they use that as a landmark, and it's unfortunate because they do send their student pilots out. They have to be at specific altitudes. But that is a known flight path, and there's a practice area just north of here -- just north of the McDowells just to -- to the northeast.

GOODWIN: Yes.

WATTS: So you're not going to get them to change it, but I would make noise with -- with what's called the FSDO, and they may be able to influence the FAA.

GOODWIN: And I can hear our town attorney next to me reminding us this is not an agendized item. So if we want to have more conversation or direction on this, perhaps we would like to see this on a future agenda.

MAYOR FRIEDEL: Speaking of that, we'll move on to future agenda items. Anybody have anything for the future? Okay. Thank you. Can I get a motion to adjourn?

LARRABEE: So moved.

MAYOR FRIEDEL: Second?

SKILLICORN: Second.

MAYOR FRIEDEL: Motion and a second. All in favor?

ALL: Aye.

MAYOR FRIEDEL: Thank you.

APPROVED:



GERRY FRIEDEL, MAYOR

ATTEST:



ANGELA PADGETT-ESPIRITU, DEPUTY TOWN CLERK

Bevelyn J. Bender

CERTIFICATION

I HEREBY CERTIFY THAT THE FOREGOING MINUTES ARE A TRUE AND CORRECT COPY OF THE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF THE CITY COUNCIL, TOWN OF FOUNTAIN HILLS, ARIZONA HELD ON MARCH 17, 2026. I FURTHER CERTIFY THAT THE MEETING WAS DULY CALLED AND HELD AND THAT A QUORUM WAS PRESENT.



ANGELA PADGETT-ESPIRITU, DEPUTY TOWN CLERK

Bevelyn J. Bender