

MINUTES OF THE RETREAT OF THE SHOW LOW CITY COUNCIL HELD ON THURSDAY, OCTOBER 29, 2020, AT 9:00 A.M. IN THE PUBLIC SAFETY HEADQUARTERS, DARRIN REED COMMUNITY ROOM, 411 EAST DEUCE OF CLUBS, SHOW LOW, NAVAJO COUNTY, ARIZONA

1. Call to Order.

Mayor Seymore called the meeting to order at 9:00 a.m.

2. Roll Call.

COUNCIL MEMBERS PRESENT: Mayor Daryl Seymore; Vice Mayor Allsop; and Council members Brandt Clark, Brent Hatch, John Leech, Jr., Gene Kelley, and Connie Kakavas.

COUNCIL MEMBERS ABSENT: None.

STAFF PRESENT: Ed Muder, City Manager; F. Morgan Brown, City Attorney; Justin Johnson, Deputy City Manager; Justen Tregaskes, Planning and Zoning Director; Bill Kopp, Public Works Director; Joe Shelley, Chief of Police; Jay Brimhall, Community Services Director; Danny Milam, IS Manager; Rachael Hall, Deputy City Clerk; and Tamra Reidhead, City Clerk.

GUESTS: Councilman-elect Jon Adams, Councilwoman-elect Dawn Wilson, Police Commander Brad Provost, Brandon Woodward, and Stuart Bishop.

3. Invocation

Councilman-elect Jon Adams gave the invocation.

4. Pledge of Allegiance

Councilwoman-elect Dawn Wilson led the Council and audience in the pledge of allegiance.

5. Review/Update of Status of 2019 Retreat Items. (E. Muder)

Mr. Muder provided an update of the assignments and suggestions directed by the Council at the 2019 Council retreat. He briefly reviewed each of the following items:

- 1) Use social media platforms to show video of projects taking place around the city such as street, water and sewer projects; park improvements; moving Adams cabin; and new businesses or business expansions. -- Ongoing task that is taking place as projects arise.

- 2) For “report a problem” on the website, email notifications to two people in each department in case one person is out of the office when a problem is reported; make sure employees are following up on requests submitted through website. -- Done; all problems/issues reported through website are sent to two email addresses.
- 3) Email quarterly newsletters to all utility customers who have an email address; post link to them on social media platforms; add a link at the bottom of the utility bills to refer customers to the quarterly newsletter. -- Done; began emailing the quarterly newsletter to all utility customers; also posted on social media and added a website link to the newsletter at the bottom of the utility bills.
- 4) Approve new six-month contract for second half of FY 2019-20 with Chamber of Commerce. -- Done; approved at November 5, 2019 Council meeting.

Mr. Muder said that another six-month contract with the Chamber would be presented to the Council at its December 1 meeting.

- 5) Present Council with resolution increasing water preservation fee (requires 60-day notice on website). -- Done; approved at January 21, 2020 Council meeting.
- 6) Present Council with resolution increasing aquatic center fees; do more to advertise and promote parties and pool rentals to increase revenue. -- Done; resolution approved at December 3, 2019 Council meeting.
- 7) Create a 4th of July parade float committee; create a flyer and make face-to-face visits to invite businesses, churches, and families to participate in the parade; make changes to the parade float rules; choose new parade float categories (including City Council’s Choice); plan enhanced flag ceremony at FreedomFest. -- First committee meeting held January 10, 2020; Held second committee meeting in late January; parade theme chosen “Freedom and Family: 150 Years of Tradition”; theme for city’s float was discussed.-- Parade cancelled due to COVID-19.
- 8) Follow up with Timber Mesa regarding not using their sirens during the parade. -- Done; discussed with Timber Mesa Fire Chief at a staff meeting.
- 9) Recognize long-term City employees at Council meetings when they retire after 20 years and provide them with a gift from the Council; possibly providing access to the city gym and inviting them to the annual city picnic. -- Implemented beginning with Joe Kohler’s retirement in January 2020.
- 10) Discuss during budget planning the possibility of sending two SLHS students and a chaperone to the National League of Cities Conference (youth sessions) in Washington, D.C. -- Included in FY2020-21 budget.
- 11) Meet with property owners to gauge their interest in having a rodeo grounds on their property. – Have had several discussions with a property owner regarding a potential partnership.

- 12) Meet with car dealers regarding signage (commercial and decorative). – On hold due to COVID-19.
- 13) Explore commercial expansion and fencing (with no or minimal gates between hangars) in the airport master plan. – Addressed in the airport master plan. Aviation Advisory Committee will be making recommendations.
- 14) Present ordinance reinstating registration requirements for vacation and short-term rentals in accordance with requirements outlined in state statute. – Will incorporate as part of overall changes to Chapter 8, *Business*.
- 15) Present intergovernmental agreement and resolution to use Northland Pioneer College's microwave system to transfer dispatching information from Snowflake and Taylor. -- Done; IGA and resolution approved at December 3, 2019 Council meeting.
- 16) Include Opticom pre-emption system in FY2021 budget. -- Done; agreement with Global Traffic Tech approved at February 18, 2020 Council meeting.

6. City Council Vision, Priorities, and Goals. (J. Johnson)

Mr. Johnson said a review of the Council's vision, priorities, and goals was done annually since they drove the budget process and policy decisions.

Mr. Johnson reviewed the four major Council-identified priorities:

- 1) Infrastructure and preserving existing assets.
- 2) Economic and community development.
- 3) Organization.
- 4) Quality of life.

Mr. Johnson said the priority of Infrastructure and preserving existing assets included:

- Appearance and Image, such as beautifying and maintaining City facilities, parks, sports fields, and cemetery; pleasing landscaping features in public areas; clean and well-maintained City vehicles and equipment; maintaining open space to retain Show Low's small-town feel; maintaining amenities, and preserving and protecting the City's history.
- Protecting Investments, such as repairing and maintaining the City's infrastructure (roads, water, and sewer) through the Capital Improvements Program (CIP), pavement management plan, and job order contracts; and maintaining City facilities (e.g., police headquarters, city hall, library, aquatic center, city campus, and airport).
- Maintaining Standards, including setting aside funds annually through the five-year CIP and meeting government standards to ensure clean drinking water, an efficient sewer system, and safe roads and sidewalks; using job order contracts for specific projects (water wells and repairs, sewer

manholes, sidewalks) to provide a consistent project; and City staff adhering to legal and industry standards.

- ❑ Financial Reserves meant consistently maintaining a conservative approach to the City budget and watching expenses closely; keeping a minimum of \$1 million in reserves (currently had close to \$3 million) as established by the Council and adopted by the voters; setting aside funds annually to save for future projects (e.g., completed—sewer treatment plant upgrades and public safety building; future--\$1.7 million set aside for a water treatment plant); managing debt responsibly and prepaying debt when additional finance resources were available; and reviewing and updating the CIP annually to prioritize and fund projects valued over \$50,000.

Mr. Johnson said Economic and Community Development consisted of:

- ❑ Recreation as an Economic Development Tool, e.g., using tournaments, athletic events, and other community programs and events either sponsored or co-sponsored by the City to attract visitors and enhance economic development.
- ❑ Community Partnerships promoted economic and community development through collaborative efforts with government and nongovernment organizations.
- ❑ Focused Future (the City, through a partnership with Arizona Public Service, developed an economic development strategic plan) and education helped to expand business growth and quality of life.
- ❑ Retail and Commercial Expansion with continued efforts to attract and retain businesses. Mr. Johnson said the newest commercial developments were Culvers, Circle K, and Summit Healthcare.

Mr. Johnson said Organization was split into:

- ❑ Strategic and Master Plans, including the General Plan (with the 2018 update adopted by Show Low's voters in 2018), White Mountain Regional Transportation Plan (currently being updated), water and sewer master plans, City Park Master Plan, etc.
- ❑ City Employees, with well-trained employees serving as the foundation of the City structure and providing quality service to Show Low's citizens. A positive work environment, opportunities for advancement, etc. were found to be key elements. The City's benefits included state retirement, paid time off, a competitive insurance plan, and an attractive compensation plan.
- ❑ Emergency Preparedness plans and procedures, with cross-coordination and communication between the City, Navajo County, and area agencies, were in place to meet any emergency.
- ❑ Regional Partnerships, both public and private, formed the basis for joint collaboration to expand comprehensive services through sharing resources and/or funding.

Mr. Johnson said Quality of Life included:

- Downtown Development, including beautification and creating a destination for citizens and visitors.
- Public Information, with more ways to engage and communicate with Show Low's citizens about events, programs, news, and activities.
- A Community Focus to provide amenities, services, volunteer opportunities for community services, and community education and outreach to enhance everyone's quality of life (e.g., the library events, aquatic center activities, Community Fast, Citizens Academy, public transit system, etc.).
- Safety, with an emphasis on public safety, street design and maintenance for ease of travel, and an efficient snow management plan.

Mr. Johnson asked if the Council wanted to add or change any of the priorities or goals. Mayor Seymore said the categories had been revised over the years and had been a good guide for the community.

Councilwoman Kakavas said Show Low schools had partnered with Arizona @ Work to establish programs to provide an avenue for students graduating from high school. Mr. Muder said staff planned to meet with representatives from Arizona @ Work and the school district to discuss possible internships that would help graduating students plan for their future.

Councilman Kelley encouraged the new Council members to enroll in the next Citizens Academy. Chief Shelley said another session would begin the first part of 2021.

Councilwoman-elect Wilson said the parking lots were very dark when exiting the Council Chambers after late meetings. She asked if it would be possible to have better lighting in the parking areas. Mr. Muder said most of the lights were decorative, but staff could look at the possibility of better lighting.

Mr. Kopp said the bulbs in the decorative street lights didn't get very bright, especially when the colored bulbs were turned on. He said the City's electrician could possibly look at a way for them to put out more lumens when they were white. There might be a way to add something to the exterior of the buildings to provide more light.

Discussion turned to item no. 8, Schneider Electric Project at this time.

8. Report on Schneider Electric Project. (B. Woodward)

Brandon Woodward of Schneider Electric said the work was completed about two months ago, and he would present information showing the results of the work.

Mr. Woodward said before the project, the City was spending about \$1.1 million annually on utilities, including electricity and gas. After the project, the City's energy bills decreased significantly.

Mr. Woodward said the project's objective was to identify a solution for the City that addressed unfunded needs, modernized City infrastructure, and maximized energy and operational savings. They had considered 18 unique energy conservation measures for the project and recommended modernizations including LED lighting (interior and exterior upgrades to 15 buildings and parks and over 1,700 high efficiency LED fixtures citywide) and Building Automation Systems (upgrades at 13 City facilities provided staff with remote control, scheduling, and monitoring of HVAC equipment for optimal comfort and efficiency).

Mr. Woodward said they added LED interior and exterior lightings upgrades to 15 buildings and parks. That included over 1,700 high-efficiency LED fixtures citywide. Building automation upgrades were added at 13 City facilities, which provided remote control, scheduling, and monitoring of City HVAC equipment for optimal comfort and efficiency. It assisted in making sure that the systems weren't running after hours, nights, and weekends.

Councilwoman Kakavas asked if the lighting in some of the offices could be automated with motion sensors. Mr. Woodward said they looked into that and found that some areas already had it. No additional motion sensors were added. From a savings standpoint, it didn't seem to be needed.

Mr. Woodward said the financial overview of the project showed that this self-funding solution provided over \$700,000 in self-funding infrastructure modernization, \$84,000 per year in energy and maintenance and operation savings, and a lifecycle savings of over \$2.1 million.

Councilman-elect Jon Adams asked if Schneider would be doing other projects for the City in the future. Mr. Woodward said they would be happy to do other projects, but this project focused on some important items. There was a big savings opportunity with the streetlights if they were changed to LED. The challenge was that the City could spend \$1 million in streetlight upgrades, but the savings would be reallocated to the streetlight improvement district. The savings from the current project was allocated to the City. Mr. Muder said staff considered including the streetlights in the project, but staff knew that the savings could not be used to pay the project. The project would reduce the streetlight tax bill, but the City would have to pay for the project out of the General Fund. Mr. Woodward said it might be worth looking into at some point in the future. Mr. Muder said it was not out of question to see if the legislature would allow the City to be reimbursed if the streetlights were upgraded to LED from the General Fund.

Mr. Woodward said they had resources available where the City could actually see where the spending and overspending was occurring on a day-to-day basis. Schneider was working with the City to get this set up and would provide some training.

Councilman Kelley said if the City could afford to upgrade the streetlights to LED without sacrificing services elsewhere, he saw nothing wrong with providing a tax reduction to Show Low's residents, especially if it was a relatively small expense and easily budgeted. Mr. Muder said the streetlight project would be the most expensive at over \$1 million.

Mr. Woodward said his original conversations with the City were to focus on a project that was self-funding. He would argue that there was no other million dollar investment that would be more recognized and valued by the taxpayers than the streetlights. He would be happy to help if the City wanted to continue this conversation.

Councilman Clark asked if there was another project that could reduce the use of water and sewer. Mr. Muder said the City had not pursued that as far as fixtures, toilets, and sinks. Mr. Woodward said they do undertake water projects, but the fixtures in the City's facilities were fairly low flow. The next step would be waterless, but he would not recommend them. The City would spend far more on maintenance challenges and odor reduction.

Mr. Kopp said most of the City's wells were fairly efficient, with 80% efficiency on the pumps along with variable frequency drives.

Mayor Seymore asked if solar was available to generate electricity. Mr. Woodward said the challenge with solar was that the rates weren't great right now, and it wasn't a good financial solution.

Councilman Hatch asked if the City took down-lighting of streetlights into consideration. Mr. Muder said the City's the streetlights were down-lit, and the City had a dark sky ordinance. The next step would be to do LED streetlights, which would cost over \$1 million. If the legislature would allow the City to use the utility savings to pay for that type of energy conservation project, then it would be feasible.

Councilwoman Kakavas asked how the legislature could be enticed to make those changes. Mr. Muder said the City would have to wait until the new legislature was seated and then staff would have to begin discussions about it with them.

Councilman Clark said if the City could get that request in now, it might become a priority. Mr. Muder said such requests were processed through the resolutions committee, and staff would need to start talking to the League about it.

Mr. Kopp said about a week ago a resident said their electricity provider replaced a streetlight with LED and it was way too bright. It could be an issue going forward. Mr. Muder said there were several different types and colors of LED lights. The City would have to get a standardized one. When utility companies replaced them now, they were putting in whatever kind of bulb they had on hand.

Vice Mayor Allsop asked if changing the streetlights to LED could be phased in a few at a time. Mr. Muder said it could be done that way if the Council wanted, but it would cost more to do ten small projects rather than one large project because of contractor mobilization costs.

Mr. Woodward a large part of the cost would be to purchase the light poles just to make the improvements. Vice Mayor Allsop asked if just the lights could be replaced without replacing the poles. Mr. Woodward said the City paid \$12 per pole/fixture per month for maintenance. The City had 490 streetlights, and the cost added up quickly. When switching to LED, the maintenance was incredibly lower, and the lights should not have to be changed for the next 20 years. The City would purchase the poles but would save on the maintenance. The City could choose to just change the lights, but the larger savings would come from reducing the monthly maintenance cost.

Vice Mayor Allsop asked about the cost if the City bought the poles. Mr. Muder said Arizona Public Service and Navopache Electric owned some of the poles, but 20 years ago the City decided it wanted to own the poles. Any poles prior to that were owned by the utility companies and were charged at a higher monthly rate. If the City bought the poles, City crews would provide the maintenance.

Vice Mayor Allsop asked what the cost of changing out the poles would be compared to the City paying \$12 a month for maintenance on each pole. Mr. Muder said that information was available through the study done by Schneider. Mr. Woodward said he would be happy to compile the information for Mr. Muder and he could share it, so the Council could make a very educated decision.

Mayor Seymore said the Council could hold study session in the future to discuss the cost of changing out streetlight poles and lights.

Discussion turned to item no. 7 (budget update and trends) at this time.

7. Budget Update and Local, State, National Trends. (J. Johnson)

Mr. Johnson said in the budget process, staff kept track of what was happening with the economy. He had searched the Internet to be able to provide a good summary of what was happening with the economy.

Mr. Johnson said economic growth had picked up in the third quarter following a sharp contraction of 31.7 percent (annualized rate) in the second quarter. The U.S. economic growth was expected to continue to improve through the last month of the third quarter; however, concerns remained about the sustainability of the recovery beyond that. The pandemic-induced lockdown in March and April yielded a supply-side shock that was now transforming into a demand shock. High unemployment rates, low consumer confidence, and income disruptions were likely to limit consumer spending later in the year.

Mr. Johnson said the Index of Consumer Confidence showed a high level of confidence in the first months of fiscal year 2020, but were much lower beginning in March and continuing through September. Consumer confidence was a general consensus of how the population felt about their personal finances. A score of 100 was a good score and meant people were making money and putting it back into the economy. In January the consumer confidence score was 101 but dropped to 89.1 in March as a result of COVID-19. It dropped further in April to 71.8. There had been a slight recovery since then.

Mr. Johnson said Arizona's job growth had decelerated but remained above the U.S.'s job growth. Due to an infusion of funds through the CARES Act, Arizona personal income was forecast to increase by 3.1% this year. From March through August, unemployment alone had injected \$8.7 billion into the Arizona economy. The pandemic had generated speculation that Arizona might experience a surge of new migrants from other states, particularly if remote workers began to flee high-cost metropolitan areas in large numbers. On September 18, 2020, the U.S. Bureau of Labor Statistics released the latest market data for Arizona. Data suggested a huge drop in the state unemployment rate. The preliminary estimate fell from 10.7% in July to 5.9% in August on a seasonally-adjusted basis. Arizona was on pace to recover to pre-pandemic levels of economic activity in 2021, probably well before the nation as a whole. The overall economic outlook was contingent on the status of COVID-19.

Mr. Johnson said sales tax collections outperformed past collections with the four best months ever in June, July, August, and September. Sales tax collections were performing better than budgeted revenues.

Mr. Johnson said strong tourism numbers and increased local spending generated elevated fiscal year 2021 revenues, which were performing better than budget and better than fiscal year 2020. The City was also seeing increases in revenue from online sales taxes collected.

Councilman Leech asked if the City tracked online sales taxes. Mr. Johnson said yes, there were new codes for online retail and groceries. Those collections were included in the total, but he could add it into the summary that was sent to the Council each month. Councilman Leech said he was curious about sales taxes

that came from Amazon and would like to see the dot com sales taxes included in the report. Mr. Johnson said he couldn't release the amounts specific businesses paid in sales taxes, but he could add the total as one item in the report.

Mr. Johnson said the City expected to complete all budgeted activities this year. The City had improved reserves and fund balances in fiscal year 2021 and would maintain a conservative budget.

Mayor Seymore said the state had projected a billion dollar loss due to COVID-19, but now they had a surplus and were in really good financial position.

Mr. Johnson said early on during COVID-19, cities and towns were claiming that their budgets were down by 40% even before they actually knew what their collections would be.

Mayor Seymore called for a break at 10:10 a.m. The meeting reconvened at 10:25 a.m.

9. Discussion Items:

A. Show Low Lake. (D. Seymore / J. Tregaskes)

Mr. Tregaskes displayed a map showing the general area of Show Low Lake and outlining the city limits. The area to the east of the lake was outside of city limits, while the majority of the lake was within city limits.

Mr. Tregaskes said ten years ago Freeport was the underlying property owner and they had approached the City with a master plan and rezone request. The primary areas being discussed today were on the east and north sides. As part of the rezoning, Freeport was required, as the property developed, to put in a public trail around the perimeter of the lake.

Mr. Tregaskes said the city trails master plan had been a helpful document because the plan showed that there needed to be a trail around the lake. Because of plan, the City could require Freeport build a trail.

Mayor Seymore said Show Low Lake was a diamond in the rough. This summer it was extremely busy with campers on both sides of the dam. He felt there could be some liability because of the road going across the dam to the campground. He hoped the City would start thinking about developing more camp sites and more parking. There were a lot of people who used paddle boards, so it would be a good idea to bring in some sand for a beach area. It would be nice if people could cross over to the campground even if it rained.

Mr. Muder said the City had been working with Freeport, who owned the property further to the north, for ten years. There was no access to that property unless

another bridge was built. They had agreed to give the property to the City, which would enlarge the campground at some point. The CIP included the project to begin more development on that property, but the low water crossing would always be the only way to access that campground.

Mayor Seymore asked if there would be any way to get to the lake from the east side. Mr. Muder said there might a possibility to get access to the east side when working with a developer.

Vice Mayor Allsop asked if Freeport sold the east side of the lake. Mr. Muder said City staff had met with a couple interested parties, but the last staff heard was that they were probably not going forward with it. It would be difficult to develop without Scott Ranch Road being completed.

Vice Mayor Allsop asked if there was any way to widen the access down to where the pump house was located and build a beach in that area. Mr. Muder said the road was blocked off, and there was only a walking path to get down to the lake. It would be difficult to widen the access because of the topography. The City owned ten acres there, but some of that was in the lake.

Councilman Leech asked about the trail that Freeport was required to build around the lake. Mr. Muder said the City had a pre-annexation development agreement with Freeport, and the trail was part of the agreement.

Councilman Leech asked if people could walk down the trail and have access to have a picnic. Mr. Muder said it was private property, but people could probably stop on the trail and have a picnic.

Councilman Leech asked about the campground on the west side of the lake. Mr. Muder said the City owned the campground. Game and Fish owned some sites as well, where they had built the new restroom and fish cleaning station/. The City had an agreement with Recreation Resource Management (RRM) to manage both campgrounds.

Councilman Leech asked if another agreement would have to be established for RRM to run a new campground on the north end of the lake. Mr. Muder said there would only be between four and six campgrounds at the north end and would be incorporated into the existing use agreement.

B. Cemetery Signage. (B. Kopp)

Mr. Kopp said this year's budget included funding for signage upgrades at the city cemetery. Staff had found four possible locations for the signs, i.e. at 6th and Adams, at the entry to the hill on the east side of the cemetery, one adjacent to

the restroom entrance, and one at the four-way intersection on Old Linden Road and Central.

Mr. Kopp said landscape upgrades would be made at 6th and Adams, with a freestanding overhead sign or one mounted on a short block wall. The proposed signs would be similar to others at city facilities. The sign at Old Linden and Central could have an arrow pointing down Adams Street to the cemetery.

Mr. Kopp said the sign adjacent to the restroom entrance could include cemetery/visitor information. The sign mounted on the side of the restroom would include the same information. The sign would include a QR code that would direct users to the cemetery map on the website.

Mr. Kopp said staff was considering placing another overhead sign on the main entry to the new lower area of cemetery.

Councilwoman Kakavas asked about placing the overhead sign on Adams Street closer to the actual cemetery property entrance rather than on Central and Old Linden. Mr. Muder said the City owned a 20-foot strip of property on Adams across from the cemetery. Councilwoman Kakavas felt that would be the best place for an overhead sign.

Councilwoman-elect Wilson asked about the height of the overhead sign. Mr. Kopp said the lowest point would be about 14 feet so it would accommodate most vehicles.

Councilman Hatch asked why if the main entrance should be over the roadway leading to the new area of the cemetery. Mr. Muder said most of the plots would be located in that part of the cemetery someday. Mr. Kopp said the next phase would have the main entrance to the cemetery located just off of 6th Street.

Mr. Muder said if an overhead sign was placed on Adams, it would have to comply with public road standards. Mr. Kopp agreed and said it would be about as high as an overpass.

C. Show Low Rodeo. (J. Leech)

Councilman Leech said he had a meeting with the Deuces Wild Rodeo committee a month or so ago, and he felt the committee was getting burned out after having run the rodeo for so many years. He hoped they would go ahead and have another rodeo next year, but if anyone had any ideas of groups that were willing to help out to let him know. One problem was that the property where the rodeo grounds was located had sold and could possibly be developed into a different use between now and then. He felt the rodeo was important to the community and had been for many years. The current location of the rodeo ground wasn't

the best, especially because there wasn't enough parking. He knew Mr. Muder had spoken to a local individual that had a nice roping area that might be interested in hosting the rodeo, but the City might have to invest some money. The City was not currently putting any money aside for a rodeo grounds, but he felt it was important to think about who might be able to help run the rodeo.

Mr. Muder said the main point was that the rodeo committee needed some help. Staff had been in discussions with a family regarding a rodeo grounds, and it was possible the City could enter a partnership with them. Councilman Leech asked if the City was prepared to do that. Mr. Muder said the City would need to see what the terms of an agreement would entail.

Councilman Leech said the race track property east of the City would be easy to convert to a rodeo grounds with plenty of parking available, but it would be costly to convert into a rodeo grounds.

Mayor Seymore said a rodeo was a project that required a lot of volunteers to make it successful.

Discussion moved to Item 9-E (broadband) at this time.

E. Broadband. (D. Milam)

Mr. Milam said the rural broadband components included Internet service/capacity of 10 to 25 megabits per second (MBPS) and was provided by Internet Service Providers (ISPs). The City shared 100 mbps across all six City facilities. The delivery options were phone lines, cable, fiber, and wireless. He said 14% to 39% of residents living in rural areas like Show Low had limited access to broadband.

Mr. Milam said it was incredibly expensive to have broadband, and there weren't enough potential customers for profitability. The available rural internet options had problems of reliability, price, and speed limitation. Internet service mapping policies by government agencies were unclear and inaccurate.

Mr. Milam said connectivity options included 4G LTE (required fiber connections), 5G (required hundreds of radios), fiber (\$80 billion cost to all households), fixed wireless-radio (line of sight, band competition), BPL (broadband over powerlines) power lines (limited providers), white spaces in TV (Federal Communications Commission rules), and low earth satellite (expensive and slow).

Mr. Milam said a good place to start would be to see if the local library had applied for the federal E-rate program, as well as establish partnerships with the local telephone company, cable company, and wireless and remote providers. Cities could choose to lease rights-of-way at no or reduced cost to use for installing broadband infrastructure. Cities could also make its vertical assets available to

broadband providers at no or reduced cost for installing fixed wireless internet equipment. Another option is to pursue grant opportunities. Most grants prefer unserved areas, for which the City did not qualify.

Mr. Milam said he knew of a city network that offered services directly to the public just like a private cable company would. In 2017, voters in Lyndon Township, Michigan approved a \$7 million, 20-year tax to fund a fiber optic network and partnered with a private service provider to deliver Internet access. The Michigan Broadband Cooperative estimated the average cost per property owner would be about \$21.92 per month. Basic Internet access of 100 MBPS with no data usage caps would cost an additional \$35 to \$45 per month. In May, about 65% of voters in Sharon Township, Michigan rejected a similar proposal for a broadband tax.

Mr. Milam said ideally, the City and a partner could share both the risk and the reward. Google data showed what could happen, as it did in Kansas City, Austin, and Provo, Utah, when local governments worked with broadband providers to bring high-speed broadband to their citizens. Part of the reason Google Fiber selected Kansas City for a project was because the city's leadership moved with efficiency and creativity in working with them to craft a real partnership. In return, Kansas City now had a fiber network it couldn't possibly afford to build on its own or even maintain.

Mr. Milam said "dark fiber and conduit" was one of the lowest cost, lowest risk options. It would be a good idea to be prepared for what's to come, which would include installing conduit and fiber optics, often as part of other capital projects, making it easily available for lease to ISPs.

Councilman Hatch said with all the boring taking place along White Mountain Road, it might be a good opportunity to put in larger tubing so at some point, the City might have the opportunity to lease that back to a provider. Mr. Milam yes, the City missed a good opportunity when the powerlines were buried along the Deuce of Clubs.

Mr. Muder said on Tuesday, he and Mr. Brown met with Glenn Kephart and Bryan Layton of Navajo County, who requested the City partner with them on hiring a consultant to build a baseline from Holbrook to Pinetop-Lakeside to see who the existing providers were, what infrastructure was currently in place, and what their plans were for the future.

Mayor Seymore said it was good to know how far behind the rural areas were in relation to broadband because if the government came in with funds, a plan to proceed forward needed to be in place.

Vice Mayor Allsop said city hall was the best place to start in Show Low because Frontier Communications was located next door, and they had 12 MBPS fiber available, which could be increased to 144 fiber. The argument that he heard when he was in Washington, D.C. was that broadband was available to probably 90% of people up here but at a price most weren't willing to pay. There were already five or six companies in Show Low that had infrastructure in the ground. There were opportunities for the City because of the location of city hall, and if fiber was put in the ground, the library could be used as a hub for broadband.

Mr. Muder agreed and said it would be best to build on what was already in place.

Mayor Seymore suggested possibly requiring new subdivisions to add the required infrastructure when they developed. That would put the onus on the developers going forward instead of the City having to pay for it.

Councilman Clark said having broadband brought in would drive economic growth, which was important especially with many people working remotely.

Discussion moved to Item 9-D (electric vehicle charging stations) at this time.

D. Electric Vehicle Charging Stations. (J. Johnson)

Mr. Johnson said he received information from Arizona Public Service (APS) over a year ago regarding available grant funding for electric vehicle charging stations. The City sent the information to several businesses so they could apply for the grant. The City also recently applied with APS to have charging stations at city hall, but their queue was full. It could be a year or two before the City would know if it was eligible for the grant funding. Staff was not sure which businesses applied for the grant funding but could follow up to see whether they did or not. There could be other opportunities for the City to acquire grant money for charging stations.

Councilwoman-elect Wilson asked if charging station users had to pay to charge their vehicles. Mr. Johnson said it depended on how stations were set up. If there were charging stations at city hall, the Council would make the decision whether or not to charge. The vehicle owners would probably expect to pay because most who owned those types of vehicles had the capability to pay.

Councilman Leech said the charging station in Payson was a pay station. They had received funds from Salt River Project (SRP) even though Payson was in APS territory. Mr. Muder said APS received too many applications, so staff would follow up with SRP to see if they could fund some stations in Show Low.

Discussion moved to Item 9-F (event coordinator) at this time.

F. Event Coordinator. (D. Seymore)

Mayor Seymore said City staff recently interviewed applicants for the communications coordinator position. One of the applicants mentioned some interesting ideas for marketing the Show Low area. Mayor Seymore felt that the City could hire a professional event coordinator to do an event in Show Low and make it bigger and better by injecting new ideas. By doing that, it might induce local businesses to participate as sponsors. He thought it would be a great way to get more participation and a way to give back to the community and business owners. The City would have to pay a professional to coordinate the event, but it could be worth the effort and the risk. He felt the City would gain the cost back in the number of people who came to the event.

Councilman Leech agreed and said that hiring a professional event coordinator was a great idea. Mr. Muder said when the City planned the FreedomFest, the City was packed with people and probably couldn't handle many more. Mayor Seymore suggested making the event a two-day event, adding things like a battle of the bands, laser show, and a dance for the youth. Mr. Muder said staff could check into it and see what it would entail. He didn't agree with doing it if COVID-19 was still impactful and wouldn't want to spend the money on event planner and then not be able to have it.

Councilman-elect Jon Adams said people were moving here from other places and they were always asking what there was to do here. It would be a good idea to find out more about hiring an event coordinator.

Mr. Muder said it could be possible to try it with one of the City's existing events.

Councilman Leech said the BBQ Throwdown just hired an event coordinator for their BBQ contest. A lot of different ideas that had not been done previously were being planned.

Councilman Clark asked if an event should be chosen now. Mayor Seymore said the idea should be presented at a regular meeting. Mr. Muder said staff would do some research on event coordinators and bring some ideas back to the Council.

10. Ordinance Issues/Amendments:

A. Recreational Marijuana. (M. Brown / J. Tregaskes / J. Shelley)

Mr. Brown said medical marijuana was passed in 2010 by a voter initiative. In 2016, Arizona voters did not pass an initiative legalizing recreational marijuana. In 2018, the initiative was removed from the ballot for not complying with the law on the language for the petitions. This year the law survived the legal challenges and would be on the ballot.

Mr. Brown said in summary, the law, if approved by the voters, would legalize adult recreational use of marijuana. It would allow an individual to possess, transport, consume, purchase up to one ounce or less of marijuana for personal use, of which only five grams could be in the form of marijuana concentrate. Individuals could possess, transport, cultivate and process not more than six marijuana plants for personal use at an individual's primary residence and not more than 12 plants at a single residence where two or more individuals over 21 resided. Cultivation must not be visible to the public and must be secure to prevent access to minors. An individual could transfer less than one ounce or up to six plants to another individual without remuneration and if not advertised or promoted to the public.

Mr. Brown said an individual would be guilty of a DUI with drugs if the person had marijuana in his/her system and was impaired to the slightest degree. Under current law, drivers could be convicted if they had marijuana metabolites in their system. A person would commit a violation by possessing more than one ounce but less than 2.5 ounces and would be guilty of a civil violation on the first offense and must pay a \$100 fine to the Smart and Safe Arizona fund. The second offense was a petty offense, and the third offense was a Class 1 Misdemeanor. Also, persons under age of 21 who possessed, transported, or consumed had the same penalties.

Mr. Brown said a person who smoked marijuana in a public or open space was guilty of a petty offense. A person who cultivated in public view or unsecured place was guilty of a petty offense. The second violation was a Class 1 Misdemeanor. The law would prohibit the sale of marijuana products that resembled a "human, animal, insect, fruit, toy, or cartoon."

Mr. Brown said the Arizona Department of Health Services (ADHS) would adopt rules and regulations. Until the rules were adopted, each county without a medical marijuana dispensary could have two marijuana establishments, and each county with a medical marijuana dispensary could have one. The Department then must accept applications from qualified early applicants from January 19, 2021 to March 9, 2021. The Department could only issue one license for every ten pharmacies that had registered and obtained a pharmacy permit. Within six months after the rules were established, the Department would adopt a Social Equity Ownership program and issue 26 additional marijuana establishment licenses to entities that were qualified under the social equity ownership program (to promote the ownership and operation of marijuana establishments or testing facilities by individuals from communities disproportionately impacted by the enforcement of previous marijuana laws.)

Mr. Brown said on or after January 1, 2023 and no later than January 1, 2025, the Department would adopt rules to permit and regulate delivery by marijuana

establishments. The Department must allow dual licensees to operate a medical marijuana dispensary and recreational marijuana establishment together.

Mr. Brown said the Department would collect an excise tax of 16% on any product sold in addition to the regular sales tax. The tax would go to the Smart and Safe Arizona fund to cover the Department's and Treasurer's costs. The remaining amount would be divided, with 33% going to the community college districts, 31.4% to municipal police and fire departments, fire districts and county sheriff departments (based on members in PSPRS system), 25.4% to Arizona HURF, 10% to the Justice Reinvestment Fund, and 0.2% to the Attorney General or local grants to enforce this chapter.

Mr. Brown said municipalities did not have to allow recreational marijuana establishments or testing facilities, but the initiative would:

- Allow cities to prohibit either recreational marijuana establishments and marijuana testing facilities or both.
- Allow cities to regulate either of them through zoning like the City did with medical marijuana facilities.
- Require cities to allow medical marijuana facilities.
- If cities chose to regulate, then they could not prohibit having a recreational facility with a medical facility or a dual license and might not prohibit a dual license even if prohibited.
- If cities chose to regulate, it could not be more restrictive than with medical marijuana facilities.
- Allow cities to establish a "drug-free workplace."

Mr. Brown said the election was on November 3, 2020. The statewide canvass of the election was November 30. The Governor would then issue a proclamation, which usually happened in December. Proposition 207 said the ADHS must accept applications beginning January 19 and issue the license within 60 days. The City could enact an ordinance at the second meeting in November that would be effective in December.

Councilwoman Kakavas asked if staff had had discussions with other communities regarding their plans if the proposition passed. Mr. Brown said yes, staff had talked with representatives from the Town of Pinetop-Lakeside. The proposition only applied to cities and towns, not counties. There were no medical marijuana facilities in the county at this time.

Councilwoman Kakavas said if the City prohibited recreational marijuana and the proposition passed, it could impact the City if sales became rampant in the county.

Mr. Muder said Pinetop-Lakeside said they wanted to do adopt something but the town of Taylor had no plans to address it.

Councilwoman-elect Wilson said recreational marijuana could affect law enforcement and asked if they had any voice in changing the city code. Mr. Brown said recreational marijuana was a ballot initiative, so it was difficult for the local law enforcement to have a voice in it because it had already been crafted and done. It was up to voters on November 3 as to what would happen. The City could possibly have a voice in the rules proposed by ADHS.

Mr. Tregaskes said as staff moved forward with an ordinance, they would want to get input from the police department as to how it would affect Show Low.

Mayor Seymore said the City had approved a dispensary which prohibited someone from growing their own marijuana within a certain distance of that dispensary, but this law would allow anyone to grow up to six units. He asked how much marijuana could be derived from six plants. Chief Shelley said someone who wasn't familiar with growing marijuana could get one to three ounces three or four times per year from one plant. If someone was experienced with hydroponics, they could get four pounds per year from one plant.

Vice Mayor Allsop asked if there was anything included in the city code that would protect the citizens. Mr. Brown said the City was restricted by what the initiative stated, but something that could be added to the code was more restrictions on smoking in public places.

Councilman Kelley asked if the end result would be more home growers if the City restricted dispensaries. Mayor Seymore said yes, whether the City restricted them or not. Councilman Kelley said if it meant people could grow marijuana if the City limited the number of dispensaries. Mr. Brown said yes, people could grow it in their homes whether the City prohibited it or not.

Councilman Kelley said it sounded like prohibiting dispensaries would encourage more people to grow their own. Councilman Clark asked how many more dispensaries could be here if the City prohibited them. Mr. Brown said Show Low could have two at a maximum.

Councilman Clark asked how many more dispensaries could be in Show Low with ADHS issuing 164 permits based on the number of pharmacies. Mr. Tregaskes said city code restricted the total maximum number of dispensaries in the city limits to two. Staff's interpretation was that the City didn't have to agree to open up for more dispensaries within the City since there were already two. But if Navajo County was allowed five for the entire county, it was possible one could show up in Wagon Wheel or Linden, just outside the city limits.

Councilman Clark said the City wouldn't know the number that would be allowed in Navajo County until the rules were formed. Mr. Brown said there used to be one allowed per CHA (Community Health Assessment), but ADHS did away with

that. Now there could be two in Show Low. The ballot initiative stated that the City couldn't be any more restrictive to recreational marijuana than it was to medical marijuana.

Mayor Seymore said 80% of people using dispensaries now were for recreational purposes. They wouldn't need a prescription and could still get it.

Councilman Clark asked if there were taxes on medical marijuana. Mr. Brown said yes, just the normal sales tax rate. Councilman Clark didn't know how they would delineate whether dispensaries were selling medical marijuana versus recreational marijuana.

Mayor Seymore said people would keep their medical marijuana cards to keep from having to pay the 16% tax. Councilman Clark said people could go to their doctor and claim they had chronic pain and then be given a medical marijuana prescription. There was no test required for chronic pain.

Mayor Seymore said the City was forced by the state to keep dispensaries within the visual corridor. Mr. Tregaskes said currently, the section of city code dealing with medical marijuana-related facilities was titled "*Medical Marijuana*." The word "medical" could possibly be removed, so the same standards and requirements would apply to both types of marijuana.

B. Smoking in City Parks. (J. Brimhall)

Mr. Brimhall said currently smoking was allowed in Show Low parks, which led to a large amount of cigarette butts on the ground where people recreated and could be a fire hazard during dry conditions. Several years ago, there was some discussion about smoking in parks and based on recent citizen input and conversations with youth sports league officials, staff believed it might be time for the Council to revisit the topic.

Mr. Brimhall said staff requested information from other Arizona Parks and Recreation professionals about their community policies regarding smoking in parks. Of the 18 communities surveyed, seven communities allow smoking in parks, one allowed it with conditions, eight did not allow it, and two allowed it only in designated areas.

Mr. Brimhall said staff asked the Parks and Recreation Advisory Committee, Show Low AYSO, and Show Low Little League about their feelings regarding a smoking ban in Show Low parks, and all groups were in favor of banning smoking in city parks. The Little League didn't allow smoking at their games but it was sometimes difficult to work with people because there was a lot of smoking in the parks. It was hard to enforce anything without an ordinance behind it.

Councilman Leech said the Elks Lodge prohibited smoking. He didn't like to be around smoke or the smell of it, but he felt the government was too involved in people's lives. He was not in favor of prohibiting people from doing something they enjoyed. He knew of people from the Elks Lodge who said they would not come back because of smoking being prohibited, and there were others who would just go outside to smoke.

Vice Mayor Allsop said he agreed with Councilman Leech. People could no longer smoke in bars and restaurants, and he didn't agree with telling them they couldn't smoke in the city parks, for which they paid taxes. He was opposed to restricting people from doing what they enjoyed. There were "no smoking" signs at the Little League field and it was also announced at beginning and halfway through each game. He didn't condone smoking, but he also didn't agree with banning smoking in the city parks.

Councilman-elect Jon Adams said he supported restricting smoking to protect the parks and trees from fire danger.

Councilwoman Kakavas also supported restricting smoking. It was public property and was not a good example for children. It was a public safety issue, and protecting the parks and City property was important for the community.

Councilwoman-elect Wilson asked if there were some type of receptacles that could be placed in the parks for people to dispose of their cigarette butts. Councilman Leech said there were receptacles but people didn't use them.

Mayor Seymore said he didn't like regulations, but people went to the parks for their health and recreation. Allowing smoking defeated the purpose of being healthy. One cigarette butt in the wrong place could easily ignite a fire and burn the entire park.

Vice Mayor Allsop said even when red flag warnings were in place, people would flip their cigarettes out the window. He didn't think the City had the manpower to enforce "no smoking" at the parks, and he would not vote in favor of taking privileges away from people. Mayor Seymore suggesting putting up signs that said "please don't smoke in our parks" and then let people govern themselves.

Vice Mayor Allsop didn't see a reason to adopt an ordinance when people would probably still smoke anyway.

Councilman Kelley said most active smokers wouldn't go to a Little League game and would smoke at home or in their vehicles. He didn't like making laws for something that was otherwise lawful for a very small percentage of people, but he

leaned in the direction of passing an ordinance even though he didn't particularly like it.

Councilwoman-elect Wilson asked if the law would really be enforced if it was passed and if law enforcement had time to deal with people who were smoking in the park. She was against anything that was more work for law enforcement.

Councilman Leech agreed with putting up signs that said "please don't smoke in our park" instead of making a law.

Mayor Seymore agreed that it would be a good idea to add more receptacles for the butts and adding signing asking people not to smoke.

Mr. Muder asked if the Council wanted signs or an ordinance. Councilman Clark suggested bringing an ordinance to the Council so it could be discussed in a public meeting. Councilman Leech suggested trying the "please don't smoke" signs before making it a law. He would prefer to have a study session to discuss the issue first rather than bringing an ordinance to the Council at a regular meeting.

Mr. Muder said staff could draft something and have Mr. Brimhall present it to the Parks and Recreation Advisory Committee and then bring it to the Council for action. Councilman Clark preferred asking the Parks and Recreation Advisory Committee to tell the Council why they advised no smoking in the parks. Vice Mayor Allsop felt the people that used the parks also should be allowed to provide input. Councilman Clark said the Parks and Recreation Advisory Committee had representatives from the public on their committee.

Councilman Kelley asked if anyone would object to putting up several signs that said "please do not smoke in our park." Mr. Muder said that could be discussed at a study session. There had been problems at the Little League field with people smoking. The police had been called out a couple times, but there was currently no city code stating that smoking was not allowed in the parks.

Councilman Leech asked if Fools Hollow had smoking regulations. Mr. Brimhall said they allowed smoking in designated areas. Mr. Muder said staff would get a copy of their regulations.

Mayor Seymore called for a lunch break at 11:55 a.m. The meeting reconvened at 12:25 p.m.

C. Code Amendments/Changes to Format. (T. Reidhead / M. Brown)

Ms. Reidhead said the City Code had not been recodified since 1976. Over the years, staff had discovered several errors or omissions from when ordinances

were added to the code. The current code was housed on the website and was only searchable by chapter. The recodified code would be web-based and was being updated by a codification specialist (Code Publishing).

Ms. Reidhead said codifying ordinances was complex and required highly skilled editors to ensure that drafting and codification errors were kept to a minimum. The revised code would have a customized look and feel, with updated formatting and would match the City's website format. It would be easier to read and to make future revisions. It would have much better search options and would be searchable by key phrases to return the most relevant results.

Ms. Reidhead said staff chose to have Code Publishing perform a legal review of the code to make sure it complied with state and federal statutes. The legal review encompassed state and federal constitutional questions, case law conflicts, and court interpretations. The code was scrutinized for vagueness, fair notice to citizens, free speech infringement, danger of selective enforcement, and equal protection in view of fundamental rights. All sections of the code were reviewed for consistency, archaic language, and internal conflicts, as well as to ensure accurate references to state statutes. It also identified conflicting, duplicative, or out of date fees, fines, and penalty provisions. Following the legal review, the City received a detailed written report, including a thorough analysis and basis for amending or revising ordinances as necessary.

Mr. Reidhead said the recodification process included asking staff to review the code changes to make sure they were in sync with their daily duties.

D. Recommended Code Changes Following Legal Review. (M. Brown)

Mr. Brown reviewed the proposed changes to the city code that came to light as a result of the legal review performed by Code Publishing, including sections 1, 2, 3, 5, 7, 8, 12, 16, 17, and 19.

Mayor Seymore referred to Section 1.15.050, *Signatures required*, and asked if the wording in this section could be changed from "veto" to "dissenting vote." Mr. Brown said State Statute used the word "veto," so the word couldn't be changed, but the words "dissenting vote" could be added in parenthesis after the word "veto" for clarification

Councilman Kelley asked for clarification regarding whether an emergency ordinance would not become effective immediately if the Mayor voted "no" but would become effective 30 days after approval. Mr. Brown said yes, that was correct.

Mayor Seymore referred to Section 5.15.030, *Vaccinations, License, Impound and Adoption*, regarding providing a warning to the animal owner that if they failed to

request a hearing within ten days after the seizure, the animal would be deemed abandoned and become the property of the seizing agency, and said he knew there had been issues regarding the ten days because some people didn't know their pet had been found. Mr. Brown said this section of the code applied when the City seized the animal, knew the owner, and had given them notice of seizure.

Discussion turned to Section 7.05.010, *Fireworks*. Mr. Tregaskes said the definition was changed slightly for novelty items, which were identified but not all types were specifically called out in the city code.

Mayor Seymore referred to Section 18.25.140, *Library facilities development fee*, and asked if the library development fees could still be collected since this section was being deleted in its entirety from the code. Mr. Brown said library development fees could only be used for pledged debt, so if the City was making payments on a debt, then the development fee could be collected.

E. Accessory Structures in Residential Zones. (J. Tregaskes)

Mr. Tregaskes said the City was seeing an increase in metal buildings being built for use as garages and shops and was also seeing an increase in the size of these.

Mr. Tregaskes said an accessory building was defined as, "A building or structure which is subordinate to, and the use of which is customarily incidental to, the main building, structure, or use on the same lot or parcel." It included detached buildings such as sheds, garages, and shops. City code did not dictate maximum size or building materials for residential accessory buildings.

Mr. Tregaskes said staff's concerns included size of buildings and construction type. Zoning district R1-7 allowed a maximum lot coverage of 40% of the total building area per lot. A 7,000 square-foot-lot could have 2,800 square feet of total building area, while an acre lot (43,560 square feet) in the same zoning district could have 17,424 square feet of total building area.

Mr. Tregaskes said construction type included metal vs. traditional, depending on deed restrictions and homeowner's associations and their enforcement. City code governed non-restricted properties.

Mr. Tregaskes said possible options included leaving the code as it currently was, restricting accessory structures to a percentage of home size or a maximum size, or prohibiting placement of metal buildings in residential zones. Mr. Muder said the City was receiving more and more complaints on metal buildings and accessory structures.

Mayor Seymore called for a break at 2:00 a.m. The meeting reconvened at 2:15 a.m.

Mayor Seymore asked how often size was a problem with accessory structures. Mr. Tregaskes said it generally was not a problem.

Vice Mayor Allsop referred to property owner who had received a permit from the City to build a metal garage, but after it was built, the city inspector required that it be removed because it had not been built to engineering requirements. Mr. Tregaskes said the property owner was issued a building permit and the engineering was approved. When the inspectors went to the property, they saw that it had not been built to the engineering specifications. The owner was now in process of moving forward to get the garage built. Vice Mayor Allsop said he would get with Mr. Muder and Mr. Tregaskes to see what needed to be done to help the property owner, but he was not in favor of restrictions.

Mr. Brown said deed restrictions were usually established when a subdivision was built, and they were recorded as part of the Covenants, Conditions, and Restrictions (CC&Rs). The homeowners associations (HOA) were the ones that enforced the CC&Rs. However, even if an HOA became inactive, the deed restrictions still applied. Mr. Muder added that anyone living in the neighborhood could enforce the CC&Rs on another property owner.

Mr. Muder said the question at hand was whether to limit the size of the building and whether the building materials should match the neighborhood and comply with the CC&Rs.

Mayor Seymore suggested that if the building size was 50% of the size of the home, then the building materials should be made to match the home, which would make it more conducive to the surrounding neighborhood.

Mr. Tregaskes said if the Commission and Council ruled that there should be no metal buildings on residentially zoned property, then the buildings would have to be sided with wood or some other material that was allowed. Mr. Muder said if someone built a metal shed but never put wood siding on it, the City would have no enforcement unless the city code dictated the type of building materials that could be used.

Mayor Seymore asked if the Council wanted to specify the size and type of materials that could be used on accessory buildings. There were some cases where people had built structures larger than their homes. Currently, there was no code saying they were not allowed to do that on their residential property.

Mayor Seymore said some people wanted their out buildings to match their house and some did not.

Councilman Clark said he was in favor of property rights and asked why the City would want to ban someone with a 5,000 square foot house from building a 10,000 square foot garage in which to keep their collectibles.

Mayor Seymore said his neighbor had a house and seven out buildings on his property. All he could see when he looked across was roof tops, and any rainfall or water drained from the neighbor's property to his.

Mr. Muder said there were several issues related to this matter. The Planning and Zoning Commission could discuss possible changes to the zoning code regarding size and construction type of accessory buildings in residential zones and make recommendations to the City Council.

Mayor Seymore said if someone wanted to build a metal structure next to their site-built home, then perhaps the City could require a conditional use permit (CUP). He didn't think it made sense to completely ban those types of buildings. Mr. Muder said it would probably depend on the size of the lot. If someone put a 6,000 square foot metal building on their property right next to someone else's home, it could devalue the neighbor's house.

Mayor Seymore agreed that the Planning and Zoning Commission should discuss accessory structures and make a recommendation to the Council.

Councilman Clark felt that it made sense to require a CUP or some other process so the City could have some oversight.

Councilman Kelley said the City should be careful about making rules regarding what people weren't allowed to do with their property, while still protecting the neighboring residents.

F. Vacation Rentals/Business Licenses. (J. Tregaskes)

Mr. Tregaskes said regarding vacation rentals that there had been multiple changes to state law, which originally allowed for licensing of vacation rentals. State law later prohibited licensing of vacation rentals, which had unintended consequences. The new state law stated that cities could not require a "license," but could require "registration."

Councilman Leech asked if there would be a fee for registering vacation rentals. Mr. Tregaskes said staff's proposal was to amend the business section of the Code to include a registration requirement for which there would be no charge, but the registration would require a provision for contact information.

Mr. Tregaskes said regarding business licenses, there would be some things that weren't currently in the business license section that would be added and some

sections would be streamlined. For example, the requirements for special event permits and carnival permits were exactly the same, so those sections would be combined.

Mr. Tregaskes said another new requirement per the code would be email addresses on all applications. Email addresses were important information to have because it allowed staff to contact multiple people very quickly.

Mr. Tregaskes said businesses currently paid a \$25 fee for an initial business license. Renewals were \$10 per year. Staff was looking at purchasing business license software for approximately \$6,500 per year, which would save a lot of staff time. Business licenses revenue was approximately \$10,500 per year currently. Staff normally sent out about 1,200 business license renewal notices and 800 renewals, which took approximately one week of staff time. Notifications would allow us set up subcategories and email everyone in a certain category the information they needed to know.

Mr. Tregaskes said the City had not increased the business license fees in about 15 years. He asked if the Council felt it was time to increase the fees. Councilman Leech didn't think the fee should be increased.

Councilwoman-elect Wilson asked what the average business license fees were in other parts of the state. Mr. Tregaskes said some cities didn't require business licenses, but he knew that Pinetop-Lakeside charged \$50 per year.

Councilman Kelley asked for the definition of a vacation rental. Mr. Tregaskes said it was a house that was rented for 30 days or less.

Vice Mayor Allsop said he knew of some timeshares that were rented where the property was left in a shambles with litter everywhere. Mr. Tregaskes said that was one reason the City was looking at registration so that staff could contact the owner if needed. The owner could ultimately be cited by the City since they were the ones responsible for the vacation rentals.

Mr. Brown added that if the City cited the owner of a vacation rental, the owner could possibly lose their ability to run a vacation rental.

Vice Mayor Allsop asked if the City could charge a vacation rental registration fee. Mr. Tregaskes said he didn't think so because of the way the registration wording was written. The City could require it but not charge for it.

Vice Mayor Allsop asked about timeshares versus vacation rentals. Mr. Tregaskes said timeshares were different because people owned one week, so there was the potential to have 52 owners for a property.

Mayor Seymore asked if the business license fee was the same for all businesses. Mr. Tregaskes said yes. Mayor Seymore said he didn't have an issue charging an initial \$50 fee and \$25 to renew. The fee would help offset the costs, and he also agreed that the business license software could be a good idea.

Councilwoman-elect Wilson said if the business license fee was doubled \$50 plus a \$25 renewal fee, the average revenue per year would be about \$24,000. She asked what that money would be used for. Mr. Tregaskes said the money would go into the general fund.

Councilman Leech asked why the City should increase the fee if the new software would save so much in staff time. He didn't agree with increasing the business license fees.

Councilwoman Kakavas asked if the software could be shared with the Chamber so their process would be more efficient. Mr. Tregaskes said the \$6,500 was just for City's license and probably wouldn't extend to another entity. The Chamber would need to pay for it if they wanted it.

11. Staff Updates:

A. Regional Dispatch. (J. Shelley)

Chief Shelley said there had been discussions about regional dispatch for about ten years and had been implementing it in baby steps, accompanied by some growing pains.

Chief Shelley said the Regional Communications Center dispatched for Arrowhead EMS, Heber-Overgaard Fire District, Pinedale/Clay Springs Fire District, Pinetop Fire Department, Taylor-Snowflake Fire & Medical District, Timber Mesa Fire & Medical District, Pinetop-Lakeside Police Department, Show Low Police Department, and Snowflake/Taylor Police Department.

Chief Shelley said regional dispatch was growing. Their plans included having about 16 employees, but right now they had 14. The idea was to slowly take on more municipalities and offer more services as more employees were hired. They didn't want to diminish services for those they were already dispatching.

Stuart Bishop, Police Communications Manager, arrived at this time. He began by reviewing the 2020 dispatching statistics from January through August:

11,196	9-1-1 calls handled
94,470	Non-emergency/administrative calls answered
24,607	Calls for service dispatched
2,832	Emergency medical calls dispatched

Mr. Bishop said 2019 statistical information from January through December showed:

13,495 9-1-1 calls handled
131,169 Non-emergency/administrative calls answered
31,992 Calls for service dispatched
5,513 Emergency medical calls dispatched

Mr. Bishop said they had seven dispatchers in 2019, and they received about 10 to 20 calls per hour. This year the numbers had increased. Roughly 151,000 calls for service had been generated through the end of October. This year, they had 13 full-time dispatchers, but the police department had difficulty retaining them. They normally worked three 12-hour shifts and a six-hour shift on Wednesdays.

Mr. Bishop said the 2020 staffing allotment included 13 full-time dispatchers, 2 part-time dispatchers, 2 communications supervisors, 1 information services tech, and 1 communications manager. Current staffing included 11 full-time dispatchers (4 of which were in training), 2 part-time dispatchers, and 2 communications supervisors.

Mr. Bishop said this year 14 dispatchers had been hired since January 1, but eight were lost since then. The turnover rate was very high because of the stress level and the required graveyard shifts. He said he appreciated the City for increasing salaries from \$16.95 to \$18.60 per hour to change the perception of a dispatcher's job to a career.

Mr. Bishop said out of the current 13 dispatchers, ten of them had less than six-month's experience, which was a big liability for the department.

Councilman Leech asked what the tenure was for the dispatcher who had been here the longest. Mr. Bishop said she had been a dispatcher since May 2011, while the others had been here since 2014, 2015, 2017, and 2019. The rest began in February 2020.

Mayor Seymore asked if the dispatchers were male and female. Mr. Bishop said they had previously had one male dispatcher, but he left.

Councilwoman Kakavas asked if 12-hour shifts were too long, causing burnout. Mr. Bishop said they were currently looking at four ten-hour days, which would eliminate any overtime. Because they were short staffed, there were four shifts. The dispatchers had a tremendous workload, and the department had never had 15 dispatchers, but it was close to that now.

Councilwoman Kakavas asked if the department had ever considered a dispatch academy. Mr. Bishop said yes, they had tried to push for dispatchers to become first responders. When an academy ran for 20 weeks, it was just not effective.

Councilman Leech asked how long the ten that left had worked. Mr. Bishop said most didn't even make it through the training portion. In the past three weeks, after the salary was raised, they had received many applications.

Councilwoman Kakavas asked what the pre-assessment process entailed so the department would understand if the applicants had the personality to be 9-1-1 dispatcher. Mr. Bishop said the applicants took a critical test, including map reading, typing, and listening skills, which took about two hours. The minimum score was set at 70% to give an idea if their personality would fit the job. The department also conducted thorough background and psychological testing. Within six weeks of when a new dispatcher started, staff would know if they could handle the job. If they weren't learning and progressing and were shutting down, staff would let them know that the job was not working for them.

Chief Shelley said in order to get to a more regional level for dispatching, they would need room for more consoles. They currently had five consoles. The sixth one would be too much for the current location, so they were looking at alternative locations that would work for the next 10 to 20 years. The former police department building was completely gutted right now. The original idea was to turn it into a property room because some laws required that certain evidence be retained for 100+ years, but that building could easily fill up in six to eight years.

Chief Shelley said the former police department had about 6,500 square feet of multi-use area, and staff was considering the possibility of converting it to a dispatch center, which could be done fairly inexpensively because the infrastructure was already there. Several agencies in Apache County had approached the police department to see about dispatching for Apache County since they had a real shortage of dispatchers also. Unless the City had more dispatch personnel, it wouldn't be able to help Apache County.

Vice Mayor Allsop asked if all records had to be kept 100+ years. Chief Shelley said no, he was referring to certain types of evidence. All homicide items had to be kept in the same condition as when the department received it.

Councilman Hatch asked the average age of the dispatchers. Mr. Bishop said the average age was probably mid-30s. Councilman Hatch asked if it was possible that older individuals would have the right personality to deal with such a stressful position. Mr. Bishop said the woman who left her position yesterday was 57. Four dispatchers were older than 50, but it was usually too much stress for older individuals. The current supervisor started when she was 18.

Chief Shelley said older individuals weren't used to the technology or the speed at which they had to work. The younger ones were better at handling the speed, and the best ages seemed to be between 22 and 26 years. They weren't overwhelmed with the rate at which incidents happened and could handle the chaos. He said 36 to 40 years of age used to be the perfect candidate.

Mr. Bishop said the dispatch center had to be staffed 24 hours a day, seven days a week.

Councilwoman-elect Wilson asked if staff had tried to recruit people from the police academies at Northland Pioneer College and in the Valley. Mr. Bishop said he worked at the police academy for eight years and had reached out to them to find officers who did not make it through the academy, but it didn't work out.

B. Meadow Update. (B. Kopp)

Mr. Kopp said current projects in the Meadow included the pavilion, the Americans With Disabilities Act (ADA) trail, ADA fishing docks, and fencing. Future projects included parking expansion and additional fencing.

Mr. Kopp said construction of the Meadow pavilion was completed in July 2020 under the \$125,000 budget. Staff planned to add landscaping, picnic tables and some security cameras.

Councilman Leech asked about the proposed parking on the north side of the fence. Mr. Kopp said they planned to add parking on the north side of the building. Councilman Leech asked about the cows that were in that field. Mr. Muder said the City bought that property to have additional parking and the city would have to re-fence when the parking was expanded.

Mr. Kopp said the ADA Meadow trail at the Bluffs was funded with \$77,230 from a State Parks Grant and was completed in October 2020. The City match was in-kind, with staff performing design and paving.

Mr. Kopp said the ADA fishing docks were funded with a grant from the Arizona Game and Fish – Heritage Fund for \$9,100. They were completed in October 2020, and the City's match was in-kind, with staff performing design and construction.

Mr. Kopp said the City purchased materials for the Meadow fence, and all materials except the Gabion baskets were purchased locally. The cost of the material was under \$40,000. Navopache Equipment was the low bidder on the project at \$38,483. Construction began October 28 and will be completed in 35 to 60 calendar days. The Gabions would have a hole in the top so that flags could be flown along the length of the fence during holidays.

Mr. Kopp said future projects, besides expanding parking to the north of the existing parking lot, would be to add additional Gabion fencing.

Mayor Seymore asked about the possibility of having solar lighting for the flags at night. He said he could look into some type of solar lighting to add to the Gabion baskets.

C. City Campus Update. (B. Kopp)

Mr. Kopp said master plan upgrades included removing the deteriorated Teen Center building, police storage, and concrete basketball pad; constructing a detention pond at basketball location to reduce downstream runoff; moving the employee fitness facility from the west building to the cafeteria building; moving the Teen Center into the west building; repaving the parking area; adding landscaping and lighting; landscaping East McNeil and North 6th Street frontage; replacing exterior fencing; replacing/repairing roof on the old court building and west building; and constructing four additional pickleball courts, two ramadas, and a path to the restrooms.

Councilman Clark asked about lighting for the pickleball courts. Mr. Kopp said staff was checking on pricing. Mr. Muder said staff would see if lighting could fit in the current fiscal year budget.

Mr. Kopp said phase 1 included roof replacement on the City fitness gym for \$180,000 in fiscal year 2020. Mr. Kopp said that the City would hold off on replacing the roof until Arizona @ Work's remodel project for a community resource center was complete, and the roof would then be completed as part of the building remodel/repurpose project. The fitness gym was completed in fiscal year 2020 and included four showers, window replacement, and flooring for a total of \$76,000 for which the cost was shared with Summit Healthcare and Navajo County. The carpet had been ordered to replace the carpet in the gym.

Vice Mayor Allsop asked why another type of flooring instead of carpet couldn't be put in the gym. Mr. Kopp said the facility was a multi-purpose building and was used for events other than sports, such as gun shows. Mr. Muder said that noise was also a factor. The pickleball players preferred carpet because of the noise. Vice Mayor Allsop asked why the pickleball players didn't just using the outdoor courts. Mr. Muder said they played inside the gym in the winter.

Mr. Muder added that replacing the carpet in the gym had been in the budget for two years.

Councilman Clark asked if the carpet order could be cancelled. There was a serious lack of gyms for practice space. He thought the City would be better served with a wood floor.

Mayor Seymore asked about putting an epoxy sealant over the current concrete floor.

Councilman Clark asked about the difference in cost between carpet and a hard flooring like vinyl. Mr. Kopp said the carpet was \$28,000 and the vinyl would be \$56,000. He added that the gym would be extremely noisy if they put an epoxy sealant over the concrete.

Councilman Clark asked how much wood flooring would cost. Mr. Kopp said he didn't know. Mr. Muder said the carpet that was in the gym had lasted close to 40 years. Vinyl flooring only had a ten-year guarantee. Wood flooring would last longer but would cost much more.

Vice Mayor Allsop said he wasn't aware that the City was planning to put carpet back in the gym. Councilman Clark said carpet would limit the types of activities that could take place in the gym. He would rather have flooring that could be used with as many sports as possible.

Mr. Muder said staff would see if the carpet order could be cancelled. Mayor Seymore suggested holding a study session to discuss different flooring options.

Councilman Kelley said the carpet replacement had been in the budget for several years. It had a 40-year life, but if the order could be cancelled, then staff could look at other options. Mr. Kopp added that the line item in the budget was listed as carpet replacement.

Mr. Kopp said phase 2 included building removal and parking reconstruction in fiscal year 2020 for \$250,000. The parking was currently being designed for spring 2021 construction, and included drainage, paving, and landscaping. Building removal had been completed and conduit placed for future lighting.

Mr. Kopp said phase 3 would include landscaping, fencing, and lighting in fiscal year 2022 for \$115,000. Phase 4 in fiscal year 2023 would include four new pickleball courts, a ramada, and sidewalks with a budget of \$200,000.

Councilman Leech asked about lighting for the pickleball courts. Mr. Muder said lights would be added to the current pickleball courts before new courts would be built.

D. TPT Audit Services. (J. Johnson)

Mr. Johnson said the City contracted with the Arizona Department of Revenue (ADOR) to perform Transaction Privilege Tax (TPT) collections and audits. There had been no audits since before Mr. Johnson came because ADOR was short staffed, and they usually only audited multijurisdictional. There was no recourse for the City in dealing with ADOR. Some businesses needed assistance with TPT, which was required by law. TPT should be equitable and all businesses should participate and pay their fair share.

Mr. Johnson said there was a consulting firm in Lake Havasu called Aldridge Consulting that would assist with TPT audits and collections. They offered a no-risk contract and estimated an additional \$50,000 in collections the first year. They charged an annual fee in addition to a percentage of the funds that were collected. The annual contract fee would be \$9,900 (payable in monthly installments of \$825), and the collection fee was 20% of the taxes collected.

Mr. Johnson said taxes to be collected must meet the following criteria: taxpayer must be at least 75 days behind in paying sales tax, taxpayer would be contacted by Aldridge Consulting taxpayer via the ADOR letter system or directly, and delinquent taxes were received by ADOR. The funds would be collected for 60 days after the taxpayer was in compliance.

Mr. Johnson asked if the Council agreed that staff should pursue a contract with Aldridge Consulting. There was no risk to the City. If the consultant looked at the history and determined she wouldn't collect enough fees to cover her costs, then she would pull out and not charge the City. Paying TPT was really not an added cost to the businesses because they were collecting it from their customers, and it was supposed to be a pass-through to the City.

Vice Mayor Allsop asked how much backlash the City would receive by hiring the consultant. Mr. Johnson said there were probably not very many businesses out there that weren't paying. His vision was that the City might do it for a year and then word would get out and businesses would start paying better. It would trigger people wanting to do the right thing. Vice Mayor Allsop didn't want business owners to think the government was keeping a thumb on them.

Mayor Seymore said the City could get the opposite effect with businesses knowing that everyone was paying their fair share.

Councilman Kelley asked if the City had received any feedback from places the consultant had worked for. Mr. Johnson said yes, staff had reached out and received positive feedback. She started doing this type of work Lake Havasu and saw an opportunity to do this as a consultant. Her company had good reviews.

E. Staffing. (E. Muder)

Mr. Muder said the City had been very careful about adding full-time equivalents (FTEs) since 2008. Most additions had been related to dispatch. During the recession, the City went from 174 FTEs to less than 150.

Mr. Muder said staff had been analyzing staffing issues in all departments. In 2008, both the engineering and building departments had many more employees, but due to the recession, the administrative function for both engineering and planning and zoning/building had been combined into one position. Lately, there had been a lot of engineering projects and quite a few building permits issued. In addition, since someone had been brought over from the wastewater department to help with inspections, the wastewater department was left short staffed.

Mr. Muder said staff was proposing to add a position for an administrative assistant/building permit technician and a position in the wastewater department. Since both positions would be added in the middle of the current fiscal year, it would not affect the fiscal year 2020-21 budget. It would, however, affect next year's budget, but staff felt there was a need for these positions now.

Councilman Leech asked if the City Manager could give permission to add the positions. Mr. Muder said in the City's budget policy, the Council was required to approve any additional FTEs. Staff would present a consent agenda item at a Council meeting to add one FTE for this budget year and two for next budget year.

Vice Mayor Allsop asked if any overtime was used for these positions. Mr. Muder said no, the employees were just having to handle a much heavier work load. The code enforcement officer was having to use his time to do inspections, and the City direly needed to increase code enforcement work.

Vice Mayor Allsop asked about the number of positions in planning and zoning. Mr. Muder said planning and zoning had 4.5 FTEs right now. In 2008, there were up to 12.5 in that department. Even back when the number of permits was equal to what was being issued now, the department probably had 6 or 6.5 FTEs.

Mr. Muder said Mr. Johnson and he would work with all departments on staffing issues. Mr. Muder said this approval would simply add a half-time FTE to each department for the current fiscal year without any budget implications or increases. The current budget would absorb the cost.

F. CARES Act. (E. Muder / J. Johnson)

Mr. Muder said the City had received \$1.3 million in CARES Act funding and had expended \$35,000 for business assistance and \$50,000 for the White Mountain Coalition Against Homelessness. The CARES Act gave cities a lot of options on

how to spend the money. The whole idea of the funding was to free up general fund money to be able to take care of needs in the community.

Mr. Muder said staff had discussed options with the Council previously, and the money didn't have to be spent right now. The CARES Act funding would be used for projects the Council wanted to have done. Potential options for the funding could possibly include Frontier Park, library expansion, and the Coalition Against Homelessness. The City was in line to get a \$600,000 grant and \$235,000 in donations for Frontier Park project, which would be a \$1.2 or \$1.3 million project. The funding could be used to complete the park project. Money from the grant would be available in March.

Mr. Muder said the City had some money in the budget for the library expansion, but might be short about \$70,000. It would cost somewhere between \$50,000 and \$100,000 to complete the expansion. One of the grants the City received for the library was for \$50,000 and had to be used before June 30.

Mr. Muder said the Coalition Against Homelessness had originally asked for \$100,000, and the City gave them \$50,000 because they needed it to get their project going. They would like the City to consider another \$50,000.

Mr. Muder added there are other projects to consider, but there was no urgency to spend it. Staff would like to see what the projects would cost before further allocating.

Councilwoman Kakavas asked if any of the funding was reserved for business assistance. Mr. Muder said all businesses the City assisted were able to open again. He didn't know if that could change with the resurgence of COVID-19.

Councilwoman Kakavas said the City might want to hold the funds for a while because there was a definite surge in COVID-19 right now.

Mayor Seymore said the Community Fast had been collecting funds for eight years and had been very successful. He suggested adding extra funds to that cause, maybe \$3,000 or \$5,000. The need in the community would be greater this year. Mr. Muder said staff would add it to next week's Council agenda, and the funds could be taken out of Council Contingency.

Mayor Seymore added that he would like to give direction to extend the downtown streetscape from Old Linden Road to Central Avenue. Mr. Muder agreed about finishing the downtown streetscape, but there were more right-of-way issues going further west. Mayor Seymore said he would like to see matching light poles from downtown all the way to Central Avenue. Mr. Muder said the City received an estimate to bury the powerlines going west for \$1.4 million. Staff hoped to partner with some businesses to do it, perhaps Arizona Public Service.

Vice Mayor Allsop thanked Mayor Seymore for his eight years of service and vision as Mayor of Show Low.

Councilman Kelley said he would like to see what was available to protect the vegetation in the downtown streetscape. One significant winter with snow and salt plowed into the tree wells could cause them to die. He felt there had to be some way to protect the trees during the winter months. Mr. Muder said staff could look into something temporary to keep the salt off the trees. He said when Main Street picked out the trees, the goal was to trees that were as salt-resistant as possible. Mr. Kopp said he was not sure about the maples, but the plums were pretty salt resistant.

Councilwoman-elect Wilson reminded everyone that there was a candlelight vigil on Sunday, November 8, at 6:00 p.m. at the Public Safety Headquarters in honor of fallen officer Darrin Reed and asked if the downtown lights could be turned blue that night. Mr. Muder said the City had done that last year for a week, and he would have public works staff change them to blue on November 1 until after November 8.

12. Future Retreat Days and Times. (J. Leech)

Councilman Leech asked which day worked best for future retreats and suggested that Mondays might be best. Mr. Muder asked if the Council felt October was the right month for the retreats. Staff felt like mid to late October was good timing.

After discussion, it was determined that staff would schedule future retreats on a Monday in October beginning at 8:30 a.m. to avoid calendaring conflicts.

Councilman Leech thanked Mayor Seymore for his service and said it had been a pleasure working with him. Mayor Seymore said his 16.5 years on the Council had been one of the highlights of his life.

13. Adjournment.

There being no further business to be brought before the Council, **MAYOR SEYMORE ADJOURNED THE RETREAT OF THE SHOW LOW CITY COUNCIL OF OCTOBER 29, 2020 AT 3:59 P.M.**

ATTEST:

APPROVED:

Tamra Reidhead
City Clerk

Daryl Seymore
Mayor

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the **RETREAT** of the City Council of Show Low held on October 29, 2020. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 20__.

(SEAL)

Tamra Reidhead, City Clerk