

**MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, JUNE 1, 2021 AT 7:00 P.M. IN THE CITY COUNCIL CHAMBERS, 181 NORTH 9TH STREET, SHOW LOW, NAVAJO COUNTY, ARIZONA**

1. Call to Order.

Mayor Leech called the meeting to order at 7:00 p.m.

2. Roll Call.

**COUNCIL MEMBERS PRESENT:** Mayor Leech, Councilman Adams, Councilman Allsop, Councilman Hatch, and Councilwoman Wilson.

**COUNCIL MEMBERS ABSENT:** Vice Mayor Kakavas and Councilman Clark.

**STAFF MEMBERS PRESENT:** Ed Muder, City Manager; F. Morgan Brown, City Attorney; Justin Johnson, Deputy City Manager; Jeff McNeil, Police Commander; Cari Bilbie, Accounting Manager; Bill Kopp, Public Works Director; Shane Hemesath, City Engineer; Jacob Allen, Airport Manager; Jay Brimhall, Community Services Director; Lisa Lewis, Library Services Manager; Nicole Hudson, Deputy City Clerk; and Rachael Hall, City Clerk.

**GUESTS:** Laura Tamondong, Marty Jarvy, Doug Roberts, John Hannah, Neil Traver and others.

3. Invocation.

Councilman Adams gave the invocation.

4. Pledge of Allegiance.

Councilman Hatch led the Council and audience in the pledge of allegiance.

5. **CALL TO THE PUBLIC:**

Any citizen desiring to speak on a matter that is within the jurisdiction of the City Council may do so at this time. Comments may be limited to three minutes per person and shall be addressed to the City Council as a whole, and not to any individual member. Issues raised shall be limited to those within the jurisdiction of the City Council. Pursuant to the Arizona Open Meeting Law, the City Council cannot discuss or act on items presented at this time. At the conclusion of the call to the public, individual City Council members may (1) respond to criticism made by those who have spoken, (2) ask staff to review a matter, and (3) ask that a matter be put on a future agenda.

Laura Tamondong, 8685 Roundup Drive, said she was there to represent herself as a contestant in the Mrs. International Pageant. Her platform was Women's Rights without Frontiers, which was the organization that led her to the adoption of her daughter, Poppy, who had down syndrome. The title of her platform was Poppy's Powerful Purpose which shared a message of inclusivity, respect, and diversity.

Jack Latham, 581 South 8th Avenue, said he was the new commander of the Veterans of Foreign Wars (VFW) Post 9907, in Show Low. He thanked the City for placing flags in the Meadow. He also thanked Mayor Leech, Councilman Allsop, and City Manager Ed Muder for attending the VFW Memorial Day service. He said Saturday, June 5 at 10:00 a.m. the VFW would hold a D-Day anniversary service at the Veteran's Memorial.

Doug Roberts, 1441 North 36th Drive, said the Cruz'n the Rim Car Show would be held on Saturday, June 5 from 9:00 a.m. to 4:00 p.m. He thanked the City for the work they had done to improve Frontier Field.

6. **SPECIAL EVENTS:**

A. Presentation by Schneider Electric and APS.

Mr. Johnson introduced Brandon Woodward with Schneider Electric and Neil Traver with Arizona Public Service (APS).

Mr. Woodward thanked the City for the energy upgrades that were completed at multiple City facilities. He said APS offered rebates to the City for the energy upgrades. Mr. Woodward and Mr. Traver presented the Council with a check for the energy efficiency upgrades.

B. Presentation of Certificates of Appreciation to Outgoing Members of Planning and Zoning Commission, Parks and Recreation Advisory Committee, Aviation Advisory Committee, and Board of Adjustment.

Mayor Leech presented certificates of appreciation to outgoing Planning and Zoning Commission member Bill Bess, Parks and Recreation Advisory member Eric Podoll, Aviation Advisory Committee member Doug Riggins, and Board of Adjustment member Robert Patoni, and thanked them for their service.

C. Introduction of Airport Manager, Jacob Allen.

Mr. Kopp introduced Jacob Allen as the City's new Airport Manager.

Mr. Allen thanked the City for the opportunity to serve as the City's airport manager.

7. **CONSENT CALENDAR:**

- A. Proclamation by the Mayor Proclaiming June 14, 2021 as **Flag Day**.
- B. Consideration of Resolution No. R2021-06 Approving Submitting Application for 2021 Rebuilding American Infrastructure with Sustainability and Equity Grant Program for Scott Ranch Road Bridge Project. (Lisa Robertson)
- C. Consideration of Approval of Memorandum of Understanding with Northeastern Arizona Local Workforce Development Board. (Lisa Lewis)
- D. Consideration of Resolution No. R2021-08 Accepting Federal Aviation Administration Airport Coronavirus Response Grant Program Agreement. (Bill Kopp)
- E. Consideration of Acceptance of Flooring Replacement at Show Low City Campus Gym. (Bill Kopp)
- F. Consideration of Minutes of Show Low City Council meetings:
  - (1) Special Meeting of May 18, 2021.
  - (2) Regular Meeting of May 18, 2021.

**COUNCILMAN ALLSOP MOVED TO APPROVE THE CONSENT CALENDAR AS PRESENTED; SECONDED BY COUNCILMAN HATCH; PASSED 5 TO 0 WITH MAYOR LEECH AND COUNCIL MEMBERS ADAMS, ALLSOP, HATCH, AND WILSON VOTING IN FAVOR.**

Ms. Hall read the proclamation aloud for Flag Day.

8. **NEW BUSINESS:**

- A. Consideration of Award of Construction Contract for Show Low Lake Road Sidewalk Improvement Project, City of Show Low Project No. R-1821. (Shane Hemesath)

Mr. Hemesath said the City's fiscal year 2021 capital improvements program budget included \$185,000.00 for a sidewalk connectivity project labeled "Show Low Lake Road Sidewalk." The scope of work included installing curb, gutter, five-foot sidewalk, ADA ramps, driveways, and required drainage facilities along Show Low Lake Road. The proposed improvements were located along the west side of Show Low Lake Road from Scott Ranch Road to the Show Low Lake Campground.

Mr. Hemesath said the project was designed by City engineering staff with a construction estimate of \$238,000.00. The project was publicly bid according to statutory requirements with the following results:

<u>Contractor</u>	<u>Total Bid</u>
McCauley Construction	\$259,340.00
Rawlings Specialty Contracting	\$269,130.00

Mr. Hemesath said staff had identified bid savings from the 4th Avenue and West Cooley roadway reconstruction project and operating budget savings to help fund the overage amount to award the project.

Mr. Hemesath said staff recommended awarding the construction contract for Show Low Lake Road Sidewalk Improvement project, City of Show Low Project No. R-1821, to McCauley Construction in an amount not to exceed \$259,340.00 and approving the associated budget transfers.

**COUNCILMAN ALLSOP MOVED TO AWARD THE CONSTRUCTION CONTRACT FOR THE SHOW LOW LAKE ROAD SIDEWALK IMPROVEMENT PROJECT, CITY OF SHOW LOW PROJECT NO. R-1821, TO MCCAULEY CONSTRUCTION IN AN AMOUNT NOT TO EXCEED \$259,340.00 AND APPROVE THE ASSOCIATED BUDGET TRANSFERS; SECONDED BY COUNCILMAN ADAMS; PASSED 5 TO 0 WITH MAYOR LEECH AND COUNCIL MEMBERS ADAMS, ALLSOP, HATCH, AND WILSON VOTING IN FAVOR.**

- B. Consideration of Award of Contract for City Entry Signage, City of Show Low Project No. FM-2321. (Bill Kopp)

Mr. Kopp said the City's fiscal year 2021 budget included \$280,000.00 in funding for upgrading and adding highway signs at five locations on Arizona Department of Transportation highways and a sixth location on Penrod Road in addition to the entry sign at the Deuce of Clubs and Clark Road intersection that was completed several months ago. The signs would welcome visitors to Show Low. The graphics for the signage were presented to the Council during the October 2019 Council retreat.

Mr. Kopp said the project was publicly bid according to statutory requirements with the following results:

<u>Contractor</u>	<u>Total Bid</u>
Fluoresco Services LLC	\$313,020.00
Allegra	\$345,960.00

Mr. Kopp said the lowest bid exceeded the remaining budget amount by \$57,038.00. In order to complete the project, staff recommended using council contingency funds.

Mr. Kopp said staff recommended awarding the construction contract for the Show Low City Entry Signage project, City of Show Low Project No. R-2321, to Fluoresco Services LLC in an amount not to exceed \$313,020.00 and approving the associated budget transfers.

**COUNCILWOMAN WILSON MOVED TO AWARD THE CONSTRUCTION CONTRACT FOR THE SHOW LOW CITY ENTRY SIGNAGE PROJECT, CITY OF SHOW LOW PROJECT NO. R-2321, TO FLUORESCO SERVICES LLC IN AN AMOUNT NOT TO EXCEED \$313,020.00 AND APPROVE THE ASSOCIATED BUDGET TRANSFERS; SECONDED BY MAYOR LEECH; PASSED 5 TO 0 WITH MAYOR LEECH AND COUNCIL MEMBERS ADAMS, ALLSOP, HATCH, AND WILSON VOTING IN FAVOR.**

- C. Consideration of Approval of Agreement with Electrify America, LLC for Electric Charging Stations. (Bill Kopp)

Mr. Kopp said Arizona Public Service (APS) was conducting an Electric Vehicle Charging Pilot Program whereby APS is installing electric vehicle charging stations at selected locations. The Program was being conducted in order for APS to provide electric vehicle (“EV”) charging stations for public users. Show Low was among five cities in Arizona that have been selected by APS to participate in the program. The charging stations would be installed by Electrify America/APS and their contractors at no cost to the City. The cost for the installation was estimated at \$700,000.00. Once the installation was complete, Electrify America would assign and APS would assume all obligations under the agreement.

Mr. Kopp said the program included the installation of two pedestal mounted charging stations with two rapid chargers on each pedestal. The charging stations would be located at four parking spaces on south side of the City Hall parking lot. The electrical gear and equipment would be shielded from view by an enclosure approved by the City. The charging stations would be equipped to accept payment through a phone app. The app would also include mapping and directions to charging stations in the network. These “rapid chargers” would be capable of providing a full charge to most EVs in 30 to 45 minutes.

Mr. Kopp said staff recommended approving the agreement with Electrify America, LLC for the installation of electric charging stations.

**COUNCILMAN ALLSOP MOVED TO APPROVE THE AGREEMENT WITH ELECTRIFY AMERICA, LLC FOR ELECTRIC CHARGING STATIONS ON CITY PROPERTY, AUTHORIZE THE ASSIGNMENT TO ARIZONA PUBLIC SERVICE, AND AUTHORIZE THE MAYOR TO SIGN**

**ANY NECESSARY EASEMENTS FOR THE PLACEMENTS OF AND ACCESS TO THE EQUIPMENT; SECONDED BY COUNCILMAN ADAMS; PASSED 5 TO 0 WITH MAYOR LEECH AND COUNCIL MEMBERS ADAMS, ALLSOP, HATCH, AND WILSON VOTING IN FAVOR.**

- D. Consideration of Resolution No. R2021-07 Adopting the Tentative Budget and Establishing the Expenditure Limitation for Fiscal Year Ending June 30, 2022. (Justin Johnson)

Mr. Johnson said the budget development process began in January 2021 with departments presenting their budgets to City management. As presented in a town hall and several public City Council study sessions, the tentative budget focused on maintaining current operations and one-time capital expenses that met the Council's stated priorities.

Mr. Johnson said Resolution No. R2021-07 would adopt the tentative budget for fiscal year 2021 in the amount of \$72,817,309. All Council goals and priorities were taken into consideration when developing the budget.

Mr. Johnson said the recommended budget number that was presented to the Council previously was \$230,000 less than the number that was presented in the tentative budget. \$50,000 of the increase was for a forest health grant in partnership with Navajo County and the remaining amount increase was due to amount changes in carryover projects.

Mr. Johnson said the fiscal year 2021 adopted budget was \$60.3 million, compared to the 2022 tentative budget of \$72.8 million. The majority increase was due to unanticipated and capital carry overs.

Mr. Johnson said the beginning fund balance was \$32,710,898 from prior years' savings and reserves. Other financing sources (unanticipated) came to \$9,000,000, interfund transfers were \$4,814,176, and operating revenues were \$38,831,742 (revenue that would be collected or earned during the fiscal year).

Mr. Johnson said operating revenues of \$38,831,742 would come from local taxes (32.7%), charges for services (12.2%), intergovernmental revenues (10.4%), state-shared revenues (13.3%), utility fees (23.9%), miscellaneous (7.1%), and fines and forfeitures (0.5%).

Mr. Johnson said utility fee revenues were projected to be \$9.2 million, consisting of water at \$4.9 million, wastewater at \$3.2 million, and sanitation at \$1.1 million. Wastewater rates were due to increase January 1 to reflect the Consumer Price Index (CPI) adjustment. There would be

no CPI increase for water rates. The sanitation rate would increase from \$15.78 to \$15.92 and the increase would be effective as of July 1. The cost for a second polycart would increase from \$6.74 to \$7.03.

Mr. Johnson said local sales tax collections, the number one source of revenue, were budgeted at \$12.0 million. Year-to-date sales tax collections were \$12.3 million and sales tax revenues for FY2022 were conservatively estimated at \$12 million. He said state-shared revenues of \$5.1 million were budgeted at 95% of state estimates. State-shared revenues were currently programmed at 95% of state estimates for FY2021. State-shared revenue budget estimates were received for FY2022 had increased by \$153,085 over FY2021 estimates.

Mr. Johnson said the intergovernmental revenues were \$4.0 million, which included grant revenue and new grants that would come before the Council for approval as they were awarded.

Mr. Johnson said expenditures by type included personnel (28.3%), capital (38.0%), operational (20.1%), debt service (3.3%), reserves (9.9%), and contingency/CIP (capital improvements program) reserves (0.5%).

Mr. Johnson said personnel expenditures totaled \$18,510,407. Mr. Johnson said full-time equivalents (FTE) would increase from 166.5 to 173.5. The Arizona State Retirement System rate increased from 12.221% in FY2021 to 12.41% in FY2022. The Public Safety personnel Retirement System went unchanged.

Mr. Johnson reviewed personnel by service area and said public safety had 35% of the City's employees; community services, 15%; utilities, 15%; public works, 18%; general government, 13%; and planning and zoning, 4%.

Mr. Johnson said capital/contingencies totaled \$25 million, a \$4.9 million increase from FY2021. The increase was due to capital carryovers in the amount of \$4.1 million.

Mr. Johnson said CIP reserves totaled \$6.4 million, which included three months' operating revenues. The general fund included a \$1 million voter-required reserve, but the City had a \$2.8 million reserve, more than was legally required. The water treatment plant reserve was budgeted at \$1.9 million. The updated construction cost for the water treatment plant was \$4.1 million.

Mr. Johnson said debt service (total outstanding debt) across all funds was \$1.9 million.

Mr. Johnson said expenditures by service area were utilities (22.9%), public works (26.7%), public safety (19.5%), community services (3.2%), general government (25.3%), debt service (2.1%), and improvement districts/Community Facilities District (0.3%).

Mr. Johnson said Resolution No. R2021-07 would adopt the tentative budget and establish the City's expenditure limitation for fiscal year 2022 at \$72,817,309. The budget would be advertised in the newspaper for the next two weeks. A public hearing would be held on the final budget and the secondary property tax levy on June 15, when the final budget would be adopted. The secondary property tax levy would be adopted at the July 20 meeting.

**COUNCILMAN HATCH MOVED TO ADOPT RESOLUTION NO. R2021-07 ADOPTING THE TENTATIVE BUDGET AND ESTABLISHING THE EXPENDITURE LIMITATION FOR FISCAL YEAR 2022 AT \$72,817,309; SECONDED BY COUNCILWOMAN WILSON; PASSED 5 TO 0 WITH MAYOR LEECH AND COUNCIL MEMBERS ADAMS, ALLSOP, HATCH, AND WILSON VOTING IN FAVOR.**

AT THIS TIME, THE CITY COUNCIL RECESSED INTO A SPECIAL MEETING OF THE SHOW LOW BLUFF COMMUNITY FACILITIES DISTRICT BOARD TO ADOPT THE TENTATIVE BUDGET FOR FISCAL YEAR 2021-22 FOR THE DISTRICT.

The Show Low City Council recessed into a Special Meeting of the Show Low Bluff Community Facilities District Board at 7:48 p.m. The Show Low City Council reconvened at 7:55 p.m.

9. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Councilman Allsop said the Memorial Day service at the cemetery was heartwarming and thanked the VFW for the celebration. He thanked the businesses and homes around the City that hung flags in celebration of Memorial Day.

Councilwoman Wilson said the Cruz'n the Rim Car Show would be held on Friday, June 4 and Saturday, June 5.

Councilman Adams thanked City staff for the flags in the Meadow.

Councilman Hatch thanked Show Low Main Street for their work on the farmer's market and art walk.



B. Mayor

Mayor Leech said a steak contest would be held on Father's Day weekend.

C. City Manager

Mr. Muder said next week was the final week for Project Clean Sweep with bulky item pickup on customers' regularly scheduled trash collection day. Next week was the final week for residents to haul debris for free to the Lone Pine Transfer Station. Proof of residency was required to participate in this free program.

Mr. Muder said in addition to the Cruz'n the Rim Car Show this weekend there was also the Deuces Wild triathlon. Motorists could expect traffic control measures as the competitors used the streets for their running and biking portions.

Mr. Muder said in public works projects, the City's contractor completed the 11th Avenue waterline project and also completed the East Huning and 8th Street waterline work and were working on the asphalt patchwork. Also, the Arizona Department of Transportation mill and overlay project on the Deuce of Clubs and White Mountain Road was scheduled to begin this week or next week. The contractor would begin slurry sealing selected city streets on June 14. The schedule would be posted to the city's website and crews would put door hangers out the day before work began to alert residents when crews would be in their neighborhood. The Citywide paving project on 16th Avenue, 6th Street, 14th Loop and Hilltop subdivision would begin in the next couple of weeks.

Mr. Muder thanked the Fishers of Men organization for the flags that they placed at Circle K.

10. **SCHEDULING OF MEETINGS:**

Scheduling of meetings, which may be brought up at this time.

None.

**COUNCILMAN HATCH MOVED TO RECESS INTO EXECUTIVE SESSION TO DISCUSS THE LEASE OF MODULAR BUILDINGS AT SHOW LOW REGIONAL AIRPORT AND REVIEW THE EXECUTIVE SESSION MINUTES OF MAY 4 AND MAY 18, 2021; SECONDED BY COUNCILWOMAN WILSON; PASSED 5 TO 0 WITH MAYOR LEECH AND COUNCIL MEMBERS ADAMS, ALLSOP, HATCH, AND WILSON VOTING IN FAVOR.**

The Show Low City Council recessed in Executive Session at 8:02 p.m.

11. **EXECUTIVE SESSION.**

- A. Confidentiality Statement.
- B. Discussion or consultation for legal advice with the attorney or attorneys of the public body or with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale, or lease of real property. Pursuant to A.R.S. Sections 38-431.03(A)(3) and 38-431.03(A)(7).
  - (1) Lease of Modular Buildings at Show Low Regional Airport.
- C. Discussion or consideration of records exempt by law from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law. Pursuant to A.R.S. Section 38-431.03(A)(2).
  - (1) Executive Session Minutes of May 4, 2021.
  - (2) Executive Session Minutes of May 18, 2021.

12. **POST EXECUTIVE SESSION.**

Consideration of any item on the Executive Session portion of this agenda, which the Council may wish to take action upon in Open Session.

The Show Low City Council reconvened into Open Session at 8:16 p.m.

- A. Consideration of Approval of the Minutes of the Executive Session of the Show Low City Council Held on May 4 and May 18, 2021.

**COUNCILMAN HATCH MOVED TO APPROVE THE MINUTES OF THE EXECUTIVE SESSIONS HELD MAY 4 AND MAY 18, 2021; SECONDED BY COUNCILMAN ADAMS; PASSED 5 TO 0 WITH MAYOR LEECH AND COUNCIL MEMBERS ADAMS, ALLSOP, HATCH, AND WILSON VOTING IN FAVOR.**

13. **ADJOURNMENT.**

There being no further business to be brought before the Council, **MAYOR LEECH ADJOURNED THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL OF JUNE 1, 2021 AT 8:17 P.M.**

ATTEST:

APPROVED:

\_\_\_\_\_  
Rachael Hall, City Clerk

\_\_\_\_\_  
John Leech, Jr., Mayor

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**CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the **REGULAR MEETING** of the City Council of Show Low held on June 1, 2021. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

(SEAL)

\_\_\_\_\_  
Rachael Hall, City Clerk