

MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, SEPTEMBER 21, 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, Vice Mayor Kakavas, Councilman Adams, Councilman Allsop, Councilman Clark, Councilman Hatch, and Councilwoman Wilson.

COUNCIL MEMBERS ABSENT: None.

STAFF MEMBERS PRESENT: Ed Muder, City Manager; Morgan Brown, City Attorney; Justin Johnson, Deputy City Manager; Jeff McNeil, Police Commander; Bill Kopp, Public Works Director; Shane Hemesath, City Engineer; Rick Austin, Public Works Operations Manager; Justen Tregaskes, Planning and Zoning Director; Jay Brimhall, Community Services Director; Nicole Hudson, Deputy City Clerk; and Rachael Hall, City Clerk.

GUESTS: Derik Whipple, Dallin Williams, Brooklyn Lee, Ayden Hamilton, Kail Clark, Byron Anderson, Rebecca Hall, Kyle Dyer, Curt Fernau, Joseph Clark, John Hannah, Chris Hill, Julie Clark, Jennie Campbell, Jeannie Amato, Patty Duran, and others.

3. Invocation.

Brooklyn Lee gave the invocation.

4. Pledge of Allegiance.

Ayden Hamilton 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.

Jeannie Amato, 2000 West Hacienda Way, said she would like clarification on agenda item 8C. Mr. Brown said she could address the Council at the time that agenda item was discussed.

6. **SPECIAL EVENTS:**

A. Presentation by City of Show Low's American Disabilities Act Committee.

Jay Brimhall, Chairman of Show Low's Americans with Disabilities Act (ADA) Committee, said the five-member committee was formed in 2018 and met quarterly. The committee's purpose was to discuss and plan the responsibilities of all City departments to ensure that City assets complied with ADA requirements. The committee assisted in these efforts by identifying compliance requirements and projects that aided in furthering ADA accessibility within the City.

Mr. Brimhall reviewed some of the City's major ADA compliant projects that had been completed in the past year including upgraded transit bus stop stations, upgraded playground equipment at Archibeque Park, phase 1 of the Show Low Meadow Trail, which was funded by a Heritage grant, and ADA-accessible fishing piers, which were funded by a grant through the Arizona Game and Fish Department, the police department building entrance doors, Hall Street sidewalk infrastructure, the Senior Center kitchen expansion, which was funded by a grant through the Arizona Department of Housing, the library expansion, and the sidewalk connectivity on Show Low Lake Road.

Mr. Brimhall listed future ADA-compliant projects including a 100% ADA-compliant playground at Frontier Park, phase 2 of the Show Low Meadow Trail, City Park restroom upgrades, and an ADA-accessible boat ramp at Show Low Lake.

B. Presentation Regarding League of Arizona Cities and Towns Conference by Show Low's Youth Delegation.

Student Body President Dallin Williams said, along with Brooklyn Lee, Kail Clark, and Lauren Jones, attended the League of Arizona Cities and Towns annual conference were. He said they would summarize what they learned during the conference.

Ms. Lee said the conference held a session regarding mental health. They discussed making sure students felt heard, making help lines known and accessible, and learning different techniques to help with anxiety.

Mr. Clark said another topic that was discussed was public speaking. He said they were taught to keep things short, sweet, and to the point.

Ms. Jones said they also discussed networking. She said they learned how to approach potential contacts, how to be an active listener, how to ask open ended questions and how to end a conversation.

Mr. Williams said they spoke with Schneider Electric about the project that was recently completed for the City. He said they were able to get to know other people and they discussed how they could work together in the future.

Mr. Clark thanked the City for providing the students the opportunity to attend the conference.

Mayor Leech thanked the students for representing Show Low and Show Low High School at the League of Arizona Cities and Towns conference.

Councilman Allsop said it was humbling to see the students present the City flag at the conference.

7. **CONSENT CALENDAR:**

- A. Proclamation by the Mayor Proclaiming September 17 through 23, 2021 as **CONSTITUTION WEEK** in the City of Show Low.
- B. Proclamation by the Mayor Proclaiming October 2021 as **DOMESTIC VIOLENCE AWARENESS MONTH** in the City of Show Low.
- C. Consideration of Authorization to Purchase Ten-Wheel Dump Truck with Plow. (Rick Austin)
- D. Consideration of Acceptance of East Cooley Roadway Improvements. (Shane Hemesath)
- E. Consideration of Resolution No. R2021-26 Rescinding Resolution No. R2005-30 and Abandoning Right-of-Way to Lloyd and Ladene Reidhead. (Morgan Brown)
- F. Consideration of Minutes of Show Low City Council meetings:
 - (1) Regular Meeting of September 7, 2021.

COUNCILMAN CLARK MOVED TO APPROVE THE CONSENT CALENDAR AS PRESENTED; SECONDED BY COUNCILMAN HATCH; PASSED 7 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS AND COUNCIL MEMBERS ADAMS, ALLSOP, CLARK, HATCH, AND WILSON VOTING IN FAVOR.

Ms. Hall read aloud the proclamations for Constitution Week and Domestic Violence Awareness Month.

Mayor Leech said the Council handed out Constitution booklets to the students in attendance. He gave background information about the Constitution.

8. **NEW BUSINESS:**

- A. Consideration of Award of Contract for City Campus Parking Lot Improvements, City of Show Low Project No. R-1621 and Authorization of Associated Budget Transfers. (Shane Hemesath)

Mr. Hemesath said the City's fiscal year 2022 Capital Improvements Program budget included \$695,000.00 in funding labeled "City Campus Master Plan Phase 1." The scope of work included pulverizing the existing parking lot, installing a new three-inch asphalt overlay, expanding the parking lot with a new three-inch asphalt on eight-inch AB base, installing new curb/gutter and sidewalk, ADA sidewalk ramps, installing a new concrete stairway between the Pickle Ball courts and the gym, as well as drainage facilities necessary for the improvements. The improvements would provide 143 paved parking stalls and five additional ADA accessible parking stalls. The improvements also included installation of electrical conduit, 14 parking lot lights, and irrigation conduit for future landscaping improvements.

Mr. Hemesath said due to the existing budget allocated for the project, an additive alternate number 1 was included in the bid. The additive alternate number 1 scope of work included installing a three-inch asphalt overlay for the existing millings portion of parking along the west side of the pickle ball courts, installing electrical conduit, and installing three more parking lot lights. The additive alternate would provide 32 paved parking stalls. This would be awarded based on the submitted bids.

Mr. Hemesath said the project was designed by City engineering staff with an Engineers Estimate of \$725,000.00. The project was publicly bid according to statutory requirements with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Alternate No. 1</u>	<u>Grand Total</u>
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McCauley Construction	\$775,589.00	\$63,994.75	\$839,583.75
Sunland Asphalt	\$1,011,955.50	\$98,821.50	\$1,110,777.00
Western Grade LLC		Bid Tab Error	

Mr. Hemesath said staff recommended awarding the construction contract for City Campus Parking Lot Improvements, City of Show Low Project No R-1621, base bid and alternate no. 1 to McCauley Construction in an amount not to exceed \$839,583.75 and authorizing a transfer of \$144,583.75 in American Rescue Plan Act (ARPA) funds to the project.

Mayor Leech asked when the project would begin. Mr. Hemesath said the concrete work would begin in the next couple of months and the contractor hoped to do asphalt work as the project progressed but if that was not feasible, the asphalt work would not start until the spring.

Councilman Clark asked if any facilities on the property would be closed during the project. Mr. Hemesath said all facilities would remain open.

COUNCILWOMAN WILSON MOVED TO AWARD THE CONSTRUCTION CONTRACT FOR THE CITY CAMPUS PARKING LOT IMPROVEMENTS, CITY OF SHOW LOW PROJECT NO. R-1621, TO MCCAULEY CONSTRUCTION INC. IN AN AMOUNT NOT TO EXCEED \$839,583.75 AND AUTHORIZE THE ASSOCIATED BUDGET TRANSFERS; SECONDED BY COUNCILMAN ADAMS; PASSED 7 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS AND COUNCIL MEMBERS ADAMS, ALLSOP, CLARK, HATCH, AND WILSON VOTING IN FAVOR.

- B. Consideration of Resolution No. R2021-24 Approving Third Amendment to Torreon Development Agreement. (Justen Tregaskes)

Mr. Tregaskes said on February 18, 1997, the City and Summit Development Company, L.L.C. entered into a development agreement outlining the roles and responsibilities of each party regarding the Torreon Development. This agreement was later amended on February 3, 1998 and June 20, 2000.

Mr. Tregaskes said representatives of Torreon had approached the City regarding a third amendment to this development agreement. The purpose of this amendment was to include Torreon Lakes into the Development agreement. This would have the effect of increasing the total number of recognized permitted lots within the Torreon subdivision from 1,733 to 1,808. This agreement also certified that both parties agreed that Summit and the City have satisfied all their obligations under

the agreement. Long term agreements, such as maintenance of landscaping within the public right-of-way would remain in effect.

VICE MAYOR KAKAVAS MOVED TO ADOPT RESOLUTION NO. R2021-24 APPROVING THE THIRD AMENDMENT TO THE TORREON DEVELOPMENT AGREEMENT; SECONDED BY COUNCILMAN ALLSOP; PASSED 7 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS AND COUNCIL MEMBERS ADAMS, ALLSOP, CLARK, HATCH, AND WILSON VOTING IN FAVOR.

- C. Consideration of Resolution No. R2021-25 Approving the Sale and Execution and Delivery of Excise Tax Revenue Obligations, SERIES 2021, Evidencing a Proportionate Interest of the Owners Thereof in a Purchase Agreement from the City; Approving the Form and Authorizing the Execution and Delivery of Such Purchase Agreement and Other Necessary Agreements for Such Sale; Delegating Authority to Determine Certain Matters and Terms with Respect to the Foregoing and Declaring an Emergency. (Justin Johnson)

Mr. Johnson said at the April 2021 Council budget study session, City staff discussed the potential of issuing bonds for multiple sewer projects. This financing opportunity would allow the City to catch up on some projects that have been delayed due to lack of funding. Staff also talked about the current financing environment and low interest rates. It was recommended that staff contact the placement agent to discuss the feasibility of bond issuance.

Mr. Johnson said based on the information obtained, staff signed an engagement letter with Stifel which allows them to assess our financial situation. Once the engagement letter was executed, staff met with Mark Reader of Stifel, who had been retained by the City to serve as placement agent in connection with the transaction being contemplated, along with the City's bond counsel, Michael Cafiso with Greenberg Traurig. The current interest rate was estimated to be less than 2%.

Mr. Johnson said as discussed prior to tentative budget adoption on June 1, 2021, staff had increased the unanticipated line item in the FY2022 budget to accommodate this funding opportunity in the fiscal year 2022 budget. A project list had been attached as Exhibit A. The financing documents referenced in the Resolution had been sent to the Council for review. Staff recommended approving Resolution R2021-25 and authorizing the Mayor and staff to move forward with the funding process.

Jeannie Amato, 2000 West Hacienda Way, asked how much the bonds would cost. Mr. Johnson said the total was \$4.7 million.

Ms. Amato asked why this matter was urgent. Mr. Johnson said declaring an emergency allowed the City to lock in a rate.

Ms. Amato asked what the City planned to do with the money. Mr. Johnson said a list of projects were attached to the staff summary and the list included various wastewater projects around town.

Ms. Amato asked what was wrong with the sewers. Mr. Johnson said there were no specific issues. Repairs and maintenance were conducted on the infrastructure to keep it in working condition.

Ms. Amato asked if the work that was done to the infrastructure was inspected. Mr. Johnson said City engineering staff inspected the work.

Ms. Amato asked if there was a report on the work. Mr. Johnson said progress reports were done along the way and final walk-through reports were done when the projects were completed. Mr. Amato asked if she could see the reports. Mr. Johnson said Ms. Amato could see the reports by making a public records request to City staff.

Ms. Amato asked why the City chose to utilize bonds for these projects. Mr. Johnson said in 2014 the expansion of the City's wastewater treatment plant was completed, and the City paid cash for that infrastructure as the project progressed which prevented regularly scheduled maintenance and projects from being completed. Mr. Muder said the City hired Economists.com to conduct a rate study a few years back to determine what the City's sewer and water rates should be. The City had two options at the time of the study. One option was to raise the rates higher than they were today and the other option was to leave the rates lower, knowing that every five-to-ten years the City would have to do a bond issue to do a catch up.

Ms. Amato asked what the citizens of Show Low would be charged for the bonds. Mr. Muder said the bonds would be paid for by the current rates that citizens pay for wastewater use and no additional rate increase would be applied. Ms. Amato asked if the citizens of Show Low would see a rate increase. Mr. Muder said the rates were increased every January based on the Consumer Price Index (CPI) in accordance with a resolution that the Council approved, but the rate would not increase because of the bonds. Ms. Amato asked how much the increase would be. Mr. Brown said the increase was based on the CPI. Mr. Johnson said the increase would be approximately two-to-three percent.

COUNCILMAN CLARK MOVED TO ADOPT RESOLUTION NO. R2021-25 PROVIDING FOR THE SALE, EXECUTION, AND DELIVERY PURSUANT TO A FIRST EXCISE TAX TRUST AGREEMENT OF AN EXCISE TAX REVENUE, SERIES 2021, EVIDENCING ALL OF THE INTERESTS OF THE HOLDER THEREOF IN INSTALLMENT PAYMENTS OF THE PURCHASE PRICE TO BE PAID BY THE CITY OF SHOW LOW, ARIZONA, PURSUANT TO A FIRST EXCISE TAX PURCHASE AGREEMENT; AUTHORIZING THE COMPLETION, EXECUTION, AND DELIVERY WITH RESPECT THERETO OF AGREEMENTS NECESSARY OR APPROPRIATE AS PART OF THE REFINANCING AND PAYING RELATED FINANCING COSTS; DELEGATING TO THE MAYOR, THE CITY MANAGER, AND THE FINANCE DIRECTOR CERTAIN AUTHORITY WITH RESPECT TO THE PURPOSES HEREOF AND DECLARING AN EMERGENCY; AUTHORIZING THE CITY MANAGER TO EXPEND ALL NECESSARY FUNDS THEREFORE; SECONDED BY COUNCILMAN HATCH; PASSED 7 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS AND COUNCIL MEMBERS ADAMS, ALLSOP, CLARK, HATCH, AND WILSON VOTING IN FAVOR.

- D. Consideration of Lease Agreement with Navajo County for Property Located at 1400 North David A. Foil, Jr. Drive, Units A and B at Show Low Regional Airport. (Morgan Brown)

Mr. Brown said the City previously leased this space to the United States Forest Service for their Regional Dispatch Center. Approximately one year ago, the Forest Service vacated the buildings at the end of their lease and moved their operations to Springerville. The buildings had been vacant since that time. The City explored with the Show Low School District if they had any need for the buildings but the cost to move them was prohibitive. City staff then approached Navajo County to gauge their interest in moving the buildings. The County recently expressed a need for the buildings at their current location to house emergency operations and other Health District functions. The County was proposing a two-year lease at \$2,000.00 per month for the buildings. The County would pay for all utilities. They would eventually build permanent buildings for these services. City staff recommended approving the lease with Navajo County.

COUNCILWOMAN WILSON MOVED TO APPROVE THE LEASE AGREEMENT WITH NAVAJO COUNTY FOR PROPERTY LOCATED AT 1400 NORTH DAVID A. FOIL, JR. DRIVE, UNITS A AND B AT THE SHOW LOW REGIONAL AIRPORT AND AUTHORIZE THE MAYOR TO SIGN THE AGREEMENT AND AUTHORIZE THE CITY ATTORNEY TO APPROVE ANY MINOR REVISIONS TO THE LEASE AGREEMENT;

SECONDED BY COUNCILMAN ADAMS; PASSED 6 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS AND COUNCIL MEMBERS ADAMS, ALLSOP, HATCH, AND WILSON VOTING IN FAVOR AND COUNCILMAN CLARK ABSTAINING.

9. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Councilman Allsop thanked the students and Mr. Whipple for participating in student government day and for attending the League of Arizona Cities and Towns annual conference.

Vice Mayor Kakavas thanked the students and sponsors for participating in student government day.

Councilman Adams commended Mr. Whipple and the teachers for the time they spent teaching the students about the government.

Councilman Hatch commended Mr. Whipple for his support of student government day.

Councilwoman Wilson thanked the students for being involved in student council.

B. Mayor

None.

C. City Manager

Mr. Muder said a free movie in the park would be held on September 24, at the Ponderosa Field at City Park, with a showing of Disney's "Onward."

Mr. Muder said last month, the City received a letter of recognition for the Government Finance Officers Association "Triple Crown" award for FY2019 and staff received notice that the City would receive the Triple Crown for FY2020 as well. The Triple Crown recognized governments who had received the Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award. This recognition represented a significant accomplishment by the City's finance staff and was the highest form of recognition in governmental accounting and financial reporting. He thanked Cari Bilbie for her efforts.

Mr. Muder said in public works projects, the Citywide paving project was almost complete with the City's contractor fixing driveways and adjusting utilities. Work on the Show Low Lake Road sidewalk project was almost complete with the contractor finishing up paving entrances and installing handrails. The Arizona Department of Transportation (ADOT) mill and overlay project continued on White Mountain Road. ADOT was tentatively scheduled to pave the Deuce of Clubs in two weeks. He thanked the citizens for their patience while these improvements were made around the City.

10. **SCHEDULING OF MEETINGS:**

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

None.

11. **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 SEPTEMBER 21, 2021 AT 7:53 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 September 21, 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