

MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, DECEMBER 4, 2018 AT 7:00 P.M. IN THE CITY COUNCIL CHAMBERS, 181 NORTH 9TH STREET, SHOW LOW, NAVAJO COUNTY, ARIZONA

1. Call to Order.

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

2. Roll Call.

COUNCIL MEMBERS PRESENT: Mayor Seymore, Vice Mayor Allsop, Councilman Crittenden, Councilman Hatch, Councilwoman Kakavas, Councilman Kelley, and Councilman Leech.

COUNCIL MEMBERS ABSENT: None.

STAFF MEMBERS PRESENT: Ed Muder, City Manager; F. Morgan Brown, City Attorney; Justin Johnson, Administrative Services Director; Bill Kopp, Public Works Director; Justen Tregaskes, Planning and Zoning Director; Jay Brimhall, Community Services Director; Cari Bilbie, Accountant; Shane Hemesath, City Engineer; Tom Bahr, Airport Manager; Tamra Reidhead, Deputy City Clerk; and Ann Kurasaki, City Clerk.

GUESTS: Laura Singleton, Michael Spilker, Sharon Hatch, Debbie Allsop, Clair Thomas, Kenneth and Shirley Patterson, Lloyd Wilmes, Cary and Aaron Leach, Cliff Frederick, Curt Fernau, Dewey Ray, Janel Bullock, and others.

3. Invocation.

Councilman Kelley gave the invocation.

4. Pledge of Allegiance.

Councilwoman Kakavas led the Council and audience in the pledge of allegiance.

Mayor Seymore asked the Council and audience to pause for a moment of silence to pay tribute to President George H. W. Bush, who passed away last week.

5. **CALL TO THE PUBLIC:**

Any citizen desiring to speak on a matter that IS NOT scheduled on this agenda 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.

Cary Leach, 121 North 9th Street, thanked the City and the sponsors of the light show at city hall called “Magic on the Mountain.” He said 200 brochures promoting the light show were being printed by White Mountain Tees and would be distributed to local businesses. His son, Aaron, said he appreciated the City for allowing them to use City property for “Magic on the Mountain,” which honored first responders and military veterans.

Mayor Seymore presented the Leach family with a plaque to thank them for their contributions and service to the citizens of Show Low.

6. **SPECIAL EVENTS:**

A. Swearing in of New Council Members. (Ann Kurasaki)

Council members Allsop, Leech and Hatch recited the oath of office.

B. Designation of Vice Mayor to Two-Year Term. (Mayor Daryl Seymore)

Mayor Seymore said the Vice Mayor would be decided by a card game, with the Council member who drew the deuce of clubs named to the position. Council members Mike Allsop, Rennie Crittenden, Brent Hatch, and John Leech, Jr. expressed interest in serving and participated in the card drawing. Councilman Mike Allsop drew the deuce of clubs and was designated the new Vice Mayor for a two-year term.

C. Presentation of Annual Report by Show Low Historical Society.

Clair Thomas, Show Low Historical Society Museum Executive Director, said the 2018 season proved to be another good year with a visitor count of 4,836, which was an increase of 500 over 2017. Volunteers, without whose support the museum would be unable to function, donated 1,606 hours. The museum accessioned 170 items this year, including items on loan and donations.

Ms. Thomas said this year several pioneer members of the community had passed away, and their families had generously donated historical documents and personal items, including Elizabeth Nikolaus’ scrapbooks that included newspaper clippings of local community members who had served in World War II. Hal and Peggy Butler’s family had also donated items to the museum. The library housed documented stories and books from Jo Baeza, a local author and journalist, who passed away recently.

Ms. Thomas said the museum hosted school groups to teach children about Show Low's history and to view the train provided by the Silver Creek Railroad Club. The museum also participated in the City's Kids ROCK program for third graders and continued to host clubs and organizations during the summer months.

Ms. Thomas said the museum was honored to participate in relocating Show Low's historical jail last summer. The museum provided historical details that were included in the plaque placed at the jail site near city hall.

Ms. Thomas thanked the City, Navajo County, and other organizations for making improvements to the museum's aging building. She encouraged community members to record their family histories for future generations like Ms. Nikolaus had done.

D. Presentation of Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2018. (Justin Johnson)

Mr. Johnson introduced Michael Spilker of Hinton Burdick to present the results of the fiscal year 2018 Comprehensive Annual Financial Report (CAFR). He thanked him for scheduling the CAFR before the end of the year.

Mr. Spilker said he wanted to highlight the three most significant points in the audit. First, the City had paid off three of their debt instruments in fiscal year ending June 30, 2018, which resulted in a decrease in the City's debt service. Second, the enterprise funds had experienced an increase in net operating margins and the trend should continue. Third, the City had to implement GASB (Governmental Accounting Standards Board) 75 last fiscal year, which was accounting and financial reporting for post-employment benefits. It was only a \$20,000 adjustment to the City's net position, but it was a very significant implementation.

Mr. Spilker said the auditors issued an unmodified or "clean" opinion for the 2018 audit. In the report on compliance and internal controls, no material weaknesses and one significant deficiency related to accounting and financial reporting were noted. The auditors were required to issue a finding if they discovered audit adjustments that were significant during the audit process. Last fiscal year, the City's accounting manager retired and the City changed its accounting systems, the combination of which resulted in most of the adjustments made this year. The fact that this report was being issued in December was indicative that the financials were in order and good things were expected in the future. An unmodified or "clean" opinion with no reportable findings was issued for the state compliance report.

Mr. Spilker said government-wide financial highlights reflected total net position (equity) of \$115,047,617 as of June 30, 2018. Over time, increases or decreases in net position were an indicator of whether the City's financial health was improving or deteriorating. Total net assets increased by \$3,598,410 in the fiscal year, of which \$3,301,718 was an increase in net governmental activities and \$296,718 was an increase in business-type activities (water, wastewater, and refuse).

Mr. Spilker said governmental capital assets decreased by \$878,093. Additions were \$3,065,360 and depreciation totaled \$3,943,452. Significant governmental capital asset additions included Whipple Road Phase II (\$748,095), 10th Avenue rebuild (\$207,043), Park Valley Phase II (\$308,811), F550 diesel bus (\$129,097), and land purchase at 1321 North 16th Street (\$280,267).

Mr. Spilker said business-type capital assets decreased overall by \$493,186, with additions of \$2,132,925 and depreciation of \$2.6 million. The significant business-type capital asset additions were the sewer system extension and upgrades (\$456,332), hydrovac units (\$281,851), and water line extensions and upgrades (\$676,014).

Mr. Spilker said total governmental long-term liabilities decreased overall by \$2,084,936 to \$27,178,163 as of June 30, 2018. Regularly scheduled debt service payments for fiscal year 2018 totaled \$1,817,862, with scheduled debt service payments in fiscal year 2019 of \$591,000. Improvement District nos. 6 and 7 and the Greater Arizona Development Authority bonds, series 2006B, were paid off.

Mr. Spilker said total business-type long-term liabilities decreased by \$260,386 to \$8,409,690 as of June 30, 2018. Regularly scheduled debt service payments for fiscal year 2018 were \$255,362, with scheduled payments for fiscal year 2019 projected to be \$558,010.

Mr. Spilker said the prior fiscal year's total general fund balance increased from \$8,289,553 to \$10,558,494, with the fund balance at 79% of total general fund expenditures before transfers. The general fund reported revenues in excess of expenditures of \$2,268,941, including net transfers out and other financing sources of totaling \$1,762,108. Actual resources received in the general fund exceeded the final budget by \$3 million, mainly attributed to City sales tax collections. Actual expenditures were \$2.5 million less than the final budget.

Mr. Spilker said there was no change in the Highway User Revenue Fund (HURF) balance of \$1,435,233. All the City's enterprise funds, except for the wastewater fund, reported operating income in fiscal year 2018. Operating income was necessary to maintain and repair the systems and

equipment. Cash flows from operating activities were positive for all the enterprise funds. The overall change in net assets for all the enterprise funds increased \$296,692, a \$508,476 improvement over fiscal year 2017.

Mr. Spilker said the general fund showed a healthy and fairly consistent balance sheet, which was reported on a modified accrual basis and did not reflect long-term debt or capital assets. The fund balance increased 82% over the last five fiscal years. The general fund showed a strong cash position, and unrestricted cash represented 75% of total general fund expenditures. The majority of restricted cash was for deposits held at year's end. The general fund was normally expected to break even over time. Show Low's general fund reported excess revenues over expenditures for fiscal years 2014 through 2018. The general fund reported an overall increase in expenditures, attributed to capital outlay, and fairly consistent spending in most departments for fiscal year 2018.

Mr. Spilker said sales tax revenues increased by 23.3% over the last five fiscal years with an 11.7% increase in fiscal year 2018. Part of the fiscal year 2018 increase was attributed to a change in the state's method of reporting. State sales taxes and other tax revenues also experienced increases in fiscal year 2018 and over the last five fiscal years. Total combined tax revenues increased over the last five fiscal years by 20% and 9% for fiscal year 2018. He added that all tax revenues increased over the last five fiscal years.

Mr. Spilker said the HURF fund was expected to break even over time as resources were accumulated and expended on road projects. HURF fund cash remained fairly consistent over the last five years.

Mr. Spilker said the airport fund was reported as a special revenue fund since it was not a self-sustaining fund. The airport fund showed operating losses in fiscal years 2014, 2017, and 2018. In fiscal years 2015 and 2016, the airport fund reported net revenue. The large fluctuations in this fund were caused by fluctuations in grant revenues. For example, grant revenues in fiscal year 2014 were \$2,961,485 compared to \$169,642 in fiscal year 2015.

Mr. Spilker said the water enterprise fund was reported on a full accrual basis and should show revenues in excess of expenditures to provide for depreciation and future capital requirements. The water fund showed a strong cash position, which increased by more than 73% since 2014.

Mr. Spilker said the wastewater fund reported net losses for fiscal years 2014, 2015, 2017, and 2018, largely attributed to depreciation. In fiscal year 2016, the fund reported net income before transfers. The wastewater enterprise fund was reported on a full accrual basis and should show

revenues in excess of expenditures to provide for depreciation and future capital requirements. Cash from 2014 and 2015 was consistent mainly as a result of cash flows from operations, which did not include depreciation. The significant decrease in fiscal year 2016 was a result of approximately \$5 million in capital asset additions (the wastewater treatment plant upgrade). In fiscal year 2018, there was a decrease in cash, primarily from increased expenses and capital asset activity.

Mr. Spilker said net revenues were expected to fluctuate in the health insurance fund based on demand or claims activity. The last five fiscal years reported four years with excess revenues and one year with excess expenditures. Cash in the internal service fund had increased significantly since 2014.

Mr. Spilker said most of the City's major governmental fund balances remained fairly consistent, with the general fund and special projects fund seeing significant changes from increases in City sales tax revenues. The City's water fund reported an \$827,983 increase in equity, while the wastewater fund reported a decrease of \$530,810.

7. **CONSENT CALENDAR:**

- A. Consideration of Approval of Proposed Fiscal Year 2020 Budget Calendar. (Justin Johnson)
- B. Consideration of Reappointment of Board Member to Show Low Municipal Property Corporation. (Ed Muder)
- C. Consideration of Approval of Commercial Operating Agreement with Native Air Services Inc. to Operate at Show Low Regional Airport and Approve the Amended Sublease Agreement Between Native Air Services Inc. and Guardian Air. (Thomas Bahr)
- D. Consideration of Minutes of Show Low City Council meetings:
 - (1) Study Session of November 20, 2018.
 - (2) Regular Meeting of November 20, 2018.

VICE MAYOR ALLSOP MOVED TO APPROVE THE CONSENT CALENDAR AS PRESENTED; SECONDED BY COUNCILWOMAN KAKAVAS; PASSED 7 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, HATCH, KAKAVAS, KELLEY, AND LEECH VOTING IN FAVOR.

8. **NEW BUSINESS:**

- A. PUBLIC HEARING – Ordinance No. 2018-07 Amending the Zoning Ordinance of the City, Amending the Zoning Map, and Amending the Zoning on Property Known as A.P. No. 210-14-001H from C-2 (General Commercial) to I-1 (Light Industrial) (Joe Griswold). (Justen Tregaskes)

Mr. Tregaskes said at its regular meeting of November 27, 2018, the Planning and Zoning Commission voted 5 to 0 (Commissioners Behrends and Adams were absent) to recommend approval of the zone change request submitted by Joe Griswold to rezone property located at 780 North 16th Street, more particularly described as A.P. No. 210-14-001H from General Commercial (C-2) to Light Industrial (I-1).

Mr. Tregaskes said the applicant indicated that he wanted to build and sell portable buildings, commonly referred to as sheds, on the subject property. Constructing portable buildings was not allowed in the C-2 zone; however, constructing sheds was considered a permitted use in the I-1 zone.

Mr. Tregaskes said the applicant held a neighborhood meeting on November 1, 2018. A few neighbors who attended expressed concerns about the possibility of increased noise as they lived near the subject property. The applicant stated that he planned to keep the noise to a minimum.

Mr. Tregaskes said staff had scheduled the public hearing and possible adoption of Ordinance No. 2018-07 for December 4, 2018. The ordinance would become effective 30 days thereafter.

Mr. Tregaskes read the conditions of approval aloud.

1. All development shall comply with all federal, state, and local requirements.
2. The subject property shall comply with Section 15-1-44(S)(1), *Noise*, of the City Code.
3. The applicant shall comply with the requirements as outlined in City Code Section 15-1-61, *I-1 zone, light industrial*, including Section 15-1-61(D)(10), *Screening*, from adjacent properties. This screening shall take place at the time of the development of the adjacent properties.

Mayor Seymore opened the matter for a public hearing. There being no input, he closed the public hearing.

- B. Consideration of Ordinance No. 2018-07 Amending the Zoning Ordinance of the City, Amending the Zoning Map, and Amending the Zoning on

Property Known as A.P. No. 210-14-001H from C-2 (General Commercial) to I-1 (Light Industrial) (Joe Griswold). (Justen Tregaskes)

Councilman Leech asked what the property was being used for currently. Mr. Tregaskes said the property was vacant at this time.

Councilman Leech asked if there were homes adjacent to the property. Mr. Tregaskes said Horne Auto Repair was directly to the south of the subject property. To the north was an industrial business, and to the west was vacant property. A portion of the property to the east was zoned C-2 (general commercial) and was being used to store vehicles and another portion had a home on it. The applicant indicated at the Planning and Zoning Commission meeting that construction would take place on the west side of the property as far away from the residence as possible.

Councilwoman Kakavas asked where access to the subject property was located. Mr. Tregaskes said the only access was on East Adams. There was a very substantial grade to the south of the property, so the possibility of adding access on the south side was very slim.

Mayor Seymore asked about the condition of approval regarding screening. Mr. Tregaskes said City Code Section 15-1-61 stated where a lot adjoined a dissimilar zone, industrial and commercial uses should be screened. Section 15-1-44 stated that storage facilities should be enclosed by a masonry wall or solid fence. The required screen would have to be wood, concrete block, or concrete. Chain link with slats would not meet the definition of solid material fence.

Councilman Leech asked if screening would be required on only one side. Mr. Tregaskes said if the adjacent property to the west was developed, the applicant would be required to add a solid material wall along the west side from the edge of the bluff to the northern property line. If the property to the east was developed under C-2 zoning guidelines, the applicant would be required to build a wall along the east side. On the south side a wall would not be needed because of the 25-foot rock bluff. There would be no reason for a wall on the north side of the property.

Mayor Seymore asked if there would be any way to record the restrictions regarding requirements for solid material fencing in case the applicant sold the property to a new owner who would have no knowledge about the requirements for solid material fencing. Mr. Tregaskes said yes, it was possible to add the requirement that zoning stipulations be recorded with the property. Mayor Seymore wanted to see the stipulations recorded so they could be enforced if there was ever a new owner.

Mayor Seymore asked if the applicant agreed to the deed restrictions and fencing conditions. Mr. Griswold said yes, although the expense of building a solid material fence at the current time was cost-prohibitive.

By unanimous consent, Ms. Kurasaki read Ordinance No. 2018-07 by title only.

“AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SHOW LOW, ARIZONA, AMENDING THE ZONING ORDINANCE OF THE CITY, AMENDING THE ZONING MAP, CHANGING THE ZONING ON PROPERTY LOCATED IN SECTION 20, TOWNSHIP 10N, RANGE 22E OF THE GILA AND SALT RIVER MERIDIAN, NAVAJO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS A.P. NO. 210-14-001H FROM C-2 (GENERAL COMMERCIAL) TO I-1 (LIGHT INDUSTRIAL)”

COUNCILMAN CRITTENDEN MOVED TO ADOPT ORDINANCE NO. 2018-07, WITH THE STIPULATION THAT ALL ZONING CONDITIONS LISTED IN THE ORDINANCE SHALL BE RECORDED WITH THE PROPERTY; SECONDED BY VICE MAYOR ALLSOP; PASSED 7 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, HATCH, KAKAVAS, KELLEY, AND LEECH VOTING IN FAVOR.

- C. Consideration of Acceptance of 8th Street and McNeil Street Improvements, City of Show Low Project No. R-1218. (Shane Hemesath)

Mr. Hemesath said the City received a Community Development Block Grant (CDBG) for approximately \$242,000 which had been utilized to construct roadway and pedestrian improvements along North 8th Street and East McNeil in the downtown area. The scope of work was advertised to include installing concrete curb and gutter, sidewalk, Americans with Disabilities Act ramps, driveways, and drainage infrastructure. The improvements were bid as a base bid and an additive alternate no. 1. The base bid and additive alternate were awarded to Western Grade LLC in an amount not to exceed \$285,468.12 at the September 18, 2018, City Council meeting.

Mr. Hemesath said construction of this project was being completed this week for a final cost of \$284,824.12. The contractor had asked the City to approve the construction of this project at the December 4, 2018, Council meeting so the project could be closed out more quickly rather than waiting another month for the next Council meeting. This would allow the City to finalize the project with CDBG in this calendar year and release the contractor's bonding requirements more quickly. City staff would not

release the final payment for the project until a final walk-through was completed and a certificate of final completion was issued.

Mr. Hemesath said staff recommended accepting the 8th Street and McNeil Street improvements, City of Show Low Project No. R-1218, releasing the retainage, and initiating the two-year warranty period once the certificate of final completion was issued.

Vice Mayor Allsop asked how long before 8th and McNeil Streets would be resurfaced. Mr. Hemesath said City crews would do the asphalt work in the next couple weeks depending on the weather.

COUNCILMAN LEECH MOVED TO ACCEPT THE 8TH STREET AND MCNEIL STREET IMPROVEMENTS, CITY OF SHOW LOW PROJECT NO. R-1218, RELEASE THE RETAINAGE, AND INITIATE THE TWO-YEAR WARRANTY PERIOD ONCE THE CERTIFICATE OF FINAL COMPLETION IS ISSUED; SECONDED BY COUNCILWOMAN KAKAVAS; PASSED 7 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, HATCH, KAKAVAS, KELLEY, AND LEECH VOTING IN FAVOR.

- D. Consideration of Ordinance No. 2018-08 Amending Section 17-3-3, Rules and Regulations, of Chapter 17, Parks and Recreation, of the Show Low City Code. (Jay Brimhall)

Mr. Brimhall said recreation staff had received reports from concerned citizens and athletic coaches about animal waste littering the City's athletic fields. Animal waste created an unsanitary environment for those who used the fields for sports recreation.

Mr. Brimhall said staff surveyed other Arizona communities to determine if they had encountered similar problems and had enacted policies prohibiting animals on athletic fields. The results of the survey showed that slightly over half, or six out of eleven, municipalities had adopted policies restricting animals on athletic fields. Of the remaining five municipalities, three were in the process of developing a policy to address the issue of animal waste on fields and the health hazards it presented.

Mr. Brimhall said after discussing amending the City Code to prohibit animals on athletic fields at the Council retreat in October, staff met with the dog park users group and local dog event coordinators to discuss the proposed change. All parties expressed support for the amendment.

Mr. Brimhall said Ordinance No. 2018-08 added subsection 17-3-3(u) under Rules and Regulations to the Parks and Recreation chapter of the Show Low City Code. If the Council approved the ordinance, signs would

be posted at each park and near athletic fields informing the public of the park rules.

Vice Mayor Allsop asked about enforcing the ordinance. Mr. Brimhall said as long as signs were posted and citizens were informed, he felt there would be fewer incidents of animals on athletic fields.

Councilman Leech asked about animals being allowed on fields during special events, such as the BBQ Throwdown. Mr. Brimhall said subsection 17-3-3(u) stated that dogs would be allowed on the fields during special events, as authorized by the City.

By unanimous consent, Ms. Kurasaki read Ordinance No. 2018-08 by title only.

"AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SHOW LOW, ARIZONA, AMENDING SECTION 17-3-3, RULES AND REGULATIONS, OF CHAPTER 17, PARKS AND RECREATION, OF THE SHOW LOW CITY CODE"

VICE MAYOR ALLSOP MOVED TO ADOPT ORDINANCE NO. 2018-08; SECONDED BY COUNCILMAN HATCH; PASSED 7 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, HATCH, KAKAVAS, KELLEY, AND LEECH VOTING IN FAVOR.

- E. Consideration Ordinance No. 2018-09 Amending Chapter 18, Streets and Sidewalks, of the Show Low City Code by Adding Article 18-6, Placement of Utility Lines Underground, and Adopting Resolution No. R2018-29 Declaring as a Public Record That Document Titled "Article 18-6, Placement of Utility Lines Underground, in Chapter 18, Streets and Sidewalks, of the Show Low City Code." (Bill Kopp/Morgan Brown)

Mr. Brown said at the October 30, 2018, Council retreat, staff presented information regarding the need for an ordinance change requiring new development to align with recent projects to move power lines underground. Examples included the public safety building, Summit Healthcare project, and the Arizona Public Service project on the Deuce of Clubs. In addition to aesthetics, overhead utility lines posed a health and safety hazard to the citizens of Show Low due to increased obstructions in the rights-of-way, increased traffic safety hazards, and increased harm to animals, birds, and other wildlife.

Mr. Brown said as indicated at the retreat, this ordinance would apply to new commercial developments and any redevelopment of a property that increased the cost or floor area by 50% or more than the original

project. Placing utility lines underground in residential subdivisions was already part of the City Code. This ordinance would also apply to any utility providers that constructed new or upgraded systems or any government agencies acting as a developer. Costs could be shared between entities as part of a development project.

Mr. Brown said the ordinance allowed a developer to ask for a deferment if the project had a very small frontage that contained overhead utilities or a waiver if placing utilities underground was cost-prohibitive. The ordinance granted the public works director the authority to make the initial decision, which could be appealed to the City Council. The penalty for a violation for a first offense would be a civil violation. All service lines were required to be underground.

Mayor Seymore asked about the process for deferment or waiver to place power lines underground. Mr. Brown said the public works director would determine if placing power lines underground was cost-prohibitive to the developer. If the developer did not agree with the public works director's decision, he could appeal the decision to the Council.

COUNCILMAN CRITTENDEN MOVED TO ADOPT RESOLUTION NO. R2018-29 DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK AND TITLED "ARTICLE 18-6, PLACEMENT OF UTILITY LINES UNDERGROUND, IN CHAPTER 18, STREETS AND SIDEWALKS, OF THE SHOW LOW CITY CODE"; SECONDED BY COUNCILMAN HATCH; PASSED 7 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, HATCH, KAKAVAS, KELLEY, AND LEECH VOTING IN FAVOR.

By unanimous consent, Ms. Kurasaki read Ordinance No. 2018-09 by title only.

"AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SHOW LOW, ARIZONA, AMENDING CHAPTER 18, STREETS AND SIDEWALKS, OF THE SHOW LOW CITY CODE BY ADDING ARTICLE 18-6, PLACEMENT OF UTILITY LINES UNDERGROUND, AND ADOPTING THAT DOCUMENT TITLED "ARTICLE 18-6, PLACEMENT OF UTILITY LINES UNDERGROUND, IN CHAPTER 18, STREETS AND SIDEWALKS, OF THE SHOW LOW CITY CODE" BY REFERENCE"

COUNCILWOMAN KAKAVAS MOVED TO ADOPT ORDINANCE NO. 2018-09; SECONDED BY VICE MAYOR ALLSOP; PASSED 7 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, HATCH, KAKAVAS, KELLEY, AND LEECH VOTING IN FAVOR.

- F. Consideration of Approval of Five-Year Capital Improvements Program for Fiscal Years 2020 to 2024. (Bill Kopp)

Mr. Kopp said the City of Show Low was required by City Code to have an approved five-year capital improvements program (CIP). The CIP was a planning tool to look five years ahead to plan and prioritize the City's needs. The program was administered by an advisory committee that consisted of City staff, representatives from the Planning and Zoning Commission and City Council, and a citizen representative. Prior to the advisory committee meeting, a public notice was issued seeking recommendations for capital project requests. Every requestor that provided contact information received a written response from staff.

Mr. Kopp said the first year of the CIP (2020) included any projects that were not funded in the fiscal year 2019 budget. The 2020 projects were the committee's top priorities, however, it was understood that all of the projects could not be funded. The budget process would be the final determinant of which projects received funding.

Mr. Kopp said only projects over \$50,000 were included in the CIP. Smaller projects would be accounted for in each department's operations budget. Each project listed in the CIP had a detailed "Capital Outlay Project Sheet," which identified the project, its cost, potential funding sources, and a timetable. Detailed cost estimates and maps were also included with the worksheets when appropriate. Mr. Kopp said staff held a preliminary meeting on October 22 and the advisory committee met on November 23, at which time the CIP was approved to move forward to the Council by the committee. Staff recommended that the Council approve the five-year capital improvements program for fiscal years 2020 to 2024.

Councilman Kelley said the CIP could be adjusted depending on financial obligations or changes in circumstances. Mr. Kopp said that was correct.

COUNCILMAN HATCH MOVED TO APPROVE THE FIVE-YEAR CAPITAL IMPROVEMENTS PROGRAM FOR FISCAL YEARS 2020 TO 2024 FOR THE CITY OF SHOW LOW; SECONDED BY COUNCILMAN KELLEY; PASSED 7 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, HATCH, KAKAVAS, KELLEY, AND LEECH VOTING IN FAVOR.

9. **SUMMARY OF CURRENT EVENTS:**

- A. Council Members

Councilman Crittenden said the Show Low Chamber was holding its monthly breakfast tomorrow morning at Solterra for anyone who wished to attend.

Vice Mayor Allsop thanked those who worked on the Christmas parade and the tree lighting ceremony. He said he had heard many positive comments about the Christmas lights downtown along the Deuce of Clubs. He thanked the Arizona Department of Transportation and City crews for adjusting several manhole covers in the downtown area. He wished everyone a Merry Christmas and Happy New Year.

Councilwoman Kakavas wished the community and City employees a Merry Christmas and Happy New Year and thanked the City's employees for their hard work.

Councilman Hatch expressed appreciation to the city manager, staff, and the Council for their support during his term as vice mayor.

B. Mayor

Mayor Seymore said he received many thanks for the beautiful Christmas lights downtown. He enjoyed the parade and Christmas tree lighting and hoped local businesses would continue to make Show Low's festivities even better. He thanked Councilman Hatch for his service as vice mayor and congratulated Vice Mayor Allsop on his new position.

Councilman Kelley thanked Mayor Seymore and Councilman Hatch for the extra hours they spent serving as mayor and vice mayor, respectively. He appreciated working with the Council and staff and the thoroughness of the Council packets. He wished everyone a merry Christmas and a prosperous new year.

C. City Manager

Mr. Muder said the Show Low Regional Airport was hosting an open house on December 7 to unveil a model replica of one of the first aircraft to land in Show Low. The model was built by one of our airport linemen, with assistance from Experimental Aircraft Association members.

Mr. Muder said Christmas lights and holiday decorations were on full display for the City's Show Low Shines for the Holidays. There were several family-friendly events to celebrate the holidays, including:

- Santa and the Shoppes on Gingerbread Lane this Friday at the city campus gym.

- The library's Polar Express night this Friday, featuring a reading of the classic children's book by Show Low Police Chief Joe Shelley and Timber Mesa Fire Chief Bryan Savage with a visit by Santa.
- Deuce of Clubs Drop on New Year's Eve at Festival Marketplace.

Mr. Muder said the aquatic center remained closed for annual maintenance and would reopen to the public on December 10.

Mr. Muder said work continued on several public works projects, including sewer upgrades in the Sierra Vista subdivision, roadway reconstruction on East Thornton and in the Westwood subdivision, and road repairs around the City, including 8th Street and on Central near Burger King.

Mr. Muder said after the holidays, residents could recycle Christmas trees from December 26 through January 6 by dropping them off, with all decorations and lights removed, in the designated area at the Frontier Park parking lot north of the Deuce of Clubs on 9th Place. The trees would be taken to Novo Power in Snowflake for use as biomass fuel.

10. **SCHEDULING OF MEETINGS:**

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

Mr. Muder said tonight's meeting was the last regular Council meeting for 2018. He wished everyone a Merry Christmas and safe and happy holidays. Since the first Tuesday in January, the usual Council meeting night, was New Year's Day, the meeting was rescheduled to Wednesday, January 2, at 7:00 p.m.

COUNCILMAN LEECH MOVED TO RECESS INTO EXECUTIVE SESSION TO DISCUSS THE CITY MAGISTRATE POSITION AND EMPLOYMENT AGREEMENT; AN AGREEMENT FOR ACQUISITION OF A.P. NOS. 210-16-048C, 210-16-048D, AND 210-16-039; AND EXECUTIVE SESSION MINUTES OF OCTOBER 16, 2018; SECONDED BY COUNCILMAN HATCH; PASSED 7 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, HATCH, KAKAVAS, KELLEY, AND LEECH VOTING IN FAVOR.

The Show Low City Council recessed into Executive Session at 8:41 p.m.

11. **EXECUTIVE SESSION.**

- A. Confidentiality Statement.
- B. Discussions or consultations with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations with employee organizations regarding the salaries,

salary schedules, or compensation paid in the form of fringe benefits of employees of the public body. Pursuant to A.R.S. Section 38-431.03(A)(5).

(1) Appointment of City Magistrate and Employment Agreement.

C. 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) Agreement for Acquisition of A.P. Nos. 210-16-048C, 210-16-048D, and 210-16-039.

D. 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 October 16, 2018.

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 9:26 p.m.

COUNCILWOMAN KAKAVAS MOVED TO APPOINT SHIRLEY PATTERSON AS CITY MAGISTRATE AND APPROVE THE EMPLOYMENT AGREEMENT WITH AN ANNUAL SALARY OF \$32,500; SECONDED BY VICE MAYOR ALLSOP; PASSED 7 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, HATCH, KAKAVAS, KELLEY, AND LEECH VOTING IN FAVOR.

A. Consideration of Approval of the Minutes of the Executive Session of the Show Low City Council Held on October 16, 2018.

COUNCILWOMAN KAKAVAS MOVED TO APPROVE THE MINUTES OF THE EXECUTIVE SESSION OF OCTOBER 16, 2018; SECONDED BY VICE MAYOR ALLSOP; PASSED 7 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, HATCH, KAKAVAS, KELLEY, AND LEECH VOTING IN FAVOR.

13. **ADJOURNMENT.**

There being no further business to be brought before the Council, **MAYOR SEYMORE ADJOURNED THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL OF DECEMBER 4, 2018 AT 9:27 P.M.**

ATTEST:

APPROVED:

Ann Kurasaki, City Clerk

Daryl Seymore, Mayor

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 December 4, 2018. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 20____.

(SEAL)

Ann Kurasaki, City Clerk