

MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, MAY 17, 2022, 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 Hatch, and Councilman Judd.

COUNCIL MEMBERS ABSENT: Councilman Clark.

STAFF MEMBERS PRESENT: Ed Muder, City Manager; Morgan Brown, City Attorney; Justin Johnson, Deputy City Manager; Brad Provost, Police Chief; Bill Kopp, Public Works Director; Shane Hemesath, City Engineer; Jacob Allen, Airport Manager; and Rachael Hall, City Clerk.

GUESTS: Doug Roberts, John Hannah, Jodi Whitehead, Curt Fernau, Billy and Kymbrianne Rova, Julie and John Stoner, Jarom and Julie Owens, David Merrell, 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.

Doug Roberts said the Cruz'n the Rim Car Show would be held on June 4 at Frontier Fields. On June 3, the cruise on the Deuce of Clubs would start at the Church of Jesus Christ of Latter-Day Saints Stake Center on the corner of

Highways 60 and 260 and would go to Hatch Toyota where there would be a hamburger burn.

6. **SPECIAL EVENTS:**

- A. Recognition of Winners of the Kids ROCK Poster Contest and Presentation of Prizes.

Ms. Hall said the Kids ROCK program was an educational outreach program designed to teach third grade students about city government and what it meant to be a good citizen. The students received tours of different City facilities and City staff explained how each facility operated. The program finished with a pool party and a poster contest for students to illustrate their idea of what community pride meant to them with prizes for the top three winners.

Mayor Leech presented prizes to third-place winner Brogan Rova, second-place winner Damon Owens, and first-place winner Maxwell Perkins.

- B. Presentation of Changes to Fiscal Year 2023 City Manager's Recommended Budget for Fiscal Year Ending June 30, 2023.

Mr. Johnson said staff was directed by the Council to make a few changes to the recommended budget. Tonight, he would review the draft tentative budget. Then the tentative budget would be presented to the Council for adoption on June 7 and would establish the expenditure limitation for next fiscal year. The tentative budget and a notice of a June 21 public hearing for the final budget would be advertised twice in the local paper, and the final budget would be adopted at the June 21 Council meeting. The secondary property tax levy for the streetlight improvement district would be adopted at the July 19 meeting.

Mr. Johnson said budgeted expenditures for fiscal year 2022 were \$72.8 million vs. \$45.1 million in actual expenditures. The City historically underspent its budget every year.

After moving budgeted carryovers to the fiscal year 2022-23 budget, the fiscal year 2023 budget with modifications totaled \$73 million.

Mr. Johnson said the recommended budget presented in April was \$67,601,220. With revenue modifications of \$5,612,056, the total draft tentative budget revenues would be \$73,213,276. Not included in that total were unbudgeted reserves of \$8,013,512, including \$4,201,323 in the General Fund, \$605,147 for wastewater operations, \$1,107,042 for water operations, and \$2,100,000 for a water treatment plant.

Mr. Johnson reviewed the revenue changes. The fund balance increased by \$724,293, operating revenues increased by \$5,182,683, and operating transfers increased by \$429,373. Total revenue changes came to \$6,336,349.

Mr. Johnson said recommended budget expenditures totaled \$91,292,530 but there were \$6,821,790 in modifications including \$100,000 for the City Park lighting project as requested by the Council in a budget study session, which increased the draft tentative budget expenditures to \$98,114,320. Expenditure modifications from capital carryovers totaled \$5,010,319 and other various expenditure modifications totaled \$1,686,605.

Mr. Johnson said there were capital carryovers every year. The full balance of any project that was not completed in the current year was carried over into the new fiscal year. If a project was completed before June 30, the numbers would change because the project would not carry over.

Mr. Johnson said most of the expenditure modifications were items that were requested in the budget by departments but were not initially approved. Mr. Johnson reviewed the expenditure modifications.

Mr. Johnson said staff would continue to monitor revenues and economic activity. Changes to the budget could be made until the tentative budget was adopted and once the tentative budget was adopted only reductions to the budget could be made.

Mr. Johnson said sanitation rates, including regular and recycling fees, were currently \$15.92 per month, and customers with an extra regular cart paid an additional \$7.03. Regarding rate increases, the monthly fees would increase by \$1.58 to \$17.50, with the fee for an extra cart increasing by \$0.22 to \$7.25. The additional costs associated with fuel changes and the regular Consumer Price Index (CPI) increase made up the rate increases.

Vice Mayor Kakavas asked if the City had a staff retention strategy to attract new employees and show them a career pathway to grow within the City. Mr. Johnson said the City currently had a strategy in place but said it could use some improvements and could be shared more often.

7. **CONSENT CALENDAR:**

- A. Proclamation by the Mayor Proclaiming June 8 through June 11, 2022, as **America Village West – Run For Freedom Days** in the City of Show Low.

- B. Consideration of Noncommercial Ground Lease with The Coombe Living Trust and Termination of Noncommercial Ground Lease with J & R Property Holdings, LLC at Show Low Regional Airport. (Jacob Allen)
- C. Consideration of Approval of Agreement with BPOE Lodge 2090. (Morgan Brown)
- D. Consideration of Resolution No. R2022-09 Approving and Authorizing Intergovernmental Agreement Regarding Regional Special Response Team. (Brad Provost)
- E. Consideration of Appointment of Directors to Show Low Industrial Development Authority. (Ed Muder)
- F. Consideration of Minutes of Show Low City Council meetings:
 - (1) Regular Meeting of May 3, 2022.

COUNCILMAN ALLSOP MOVED TO APPROVE THE CONSENT CALENDAR AS PRESENTED; SECONDED BY COUNCILMAN ADAMS; PASSED 6 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, AND COUNCIL MEMBERS ADAMS, ALLSOP, HATCH, AND JUDD VOTING IN FAVOR.

Ms. Hall read the proclamation aloud for the American Village West – Run for Freedom Days.

8. **NEW BUSINESS:**

- A. Consideration of Appointment of Planning and Zoning Commission Member. (Rachael Hall)

Ms. Hall said due to the resignation of Planning and Zoning Commissioner Sue Hilgart, there was a vacancy on the Commission with the term expiring March 2023. Staff advertised the vacancy and received six applications. Five applicants were interviewed by the Council at a special meeting on May 17, prior to the regular meeting, with one applicant being unavailable for an interview.

Ms. Hall said a ballot was attached showing the names of the six applicants. Council members should mark one choice on the ballot for the individual they wish to appoint. After the Clerk tallied the results and indicated the individual with the most votes, a formal motion could be made based on the results. Council members' votes would be reflected in the minutes.

Selections by the Council:

- ▶ Councilman Adams

David Merrell

- ▶ Councilman Allsop
David Merrell
- ▶ Councilman Hatch
Jodi Whitehead
- ▶ Councilman Judd
Anna Atencio
- ▶ Vice Mayor Kakavas
Jodi Whitehead
- ▶ Mayor Leech
Jodi Whitehead

Ms. Hall said the individual with the most votes was Jodi Whitehead.

VICE MAYOR KAKAVAS MOVED TO APPOINT JODI WHITEHEAD TO THE SHOW LOW PLANNING AND ZONING COMMISSION FOR TERM EXPIRING MARCH 2023; SECONDED BY COUNCILMAN JUDD; PASSED 6 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, AND COUNCIL MEMBERS ADAMS, ALLSOP, HATCH, AND JUDD VOTING IN FAVOR.

- B. Consideration of Award of Construction Contract for 2022 Slurry Seal Project, City of Show Low Project No. R-5522, and Authorization of Associated Budget Transfers. (Shane Hemesath)

Mr. Hemesath said the 2022 Capital Improvement Plan included funding for the 2022 annual slurry seal project. The City's current pavement preservation plan included a minimum maintenance of crack-filling, patching, and resurfacing every City street and parking lot with a slurry seal every six years. City crews were currently crack-filling and patching repairs for the areas identified for slurry sealing this year.

Mr. Hemesath said rehabilitation included furnishing all labor, equipment, and materials required to place approximately 235,000 square yards of type II polymer-modified asphalt slurry seal on selected City streets as well as replacing the pavement markings for the roadways after the slurry seal placement.

Mr. Hemesath said the engineer's construction cost estimate for the work was \$425,000.00. The invitation to bid was published as required and sealed bids were opened publicly, with the following results:

<u>Contractor</u>	<u>Total Bid</u>
American Pavement Preservation	\$415,453.00
VSS International	\$492,000.00
Sunland Asphalt	\$497,770.00

Mr. Hemesath said staff recommended awarding the 2022 Slurry Seal Project, City of Show Low Project No. R-5522, to American Pavement Preservation in an amount not to exceed \$415,453.00 and authorizing the associated budget transfers.

VICE MAYOR KAKAVAS MOVED TO AWARD THE CONSTRUCTION CONTRACT FOR THE 2022 SLURRY SEAL PROJECT, CITY OF SHOW LOW PROJECT NO. R-5522, TO AMERICAN PAVEMENT PRESERVATION, IN AN AMOUNT NOT TO EXCEED \$415,453.00, AND AUTHORIZE THE ASSOCIATED BUDGET TRANSFERS; SECONDED BY COUNCILMAN ADAMS; PASSED 6 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, AND COUNCIL MEMBERS ADAMS, ALLSOP, HATCH, AND JUDD VOTING IN FAVOR.

- C. Consideration of Award of Construction Contract for Frontier Park Grass and Irrigation Improvements, City of Show Low Project No. FM-2622C. (Shane Hemesath)

Mr. Hemesath said upcoming Frontier Park improvements include a parking lot expansion, splash pad, and an all-inclusive playground. The parking lot expansion was complete, and the splash pad was currently under construction. The area surrounding the splash pad and future playground would need landscaping to provide a safe recreational area for the public. A plan to install topsoil, grass sod, landscape rock and the required irrigation system had been developed.

Mr. Hemesath said the City requested sealed quotes from multiple landscape companies to perform the work. The following quotes were received:

<u>Contractor</u>	<u>Total Bid</u>
Tim's Landscape Creations	\$52,681.25
It's Magic Inc.	\$57,812.00

Mr. Hemesath said staff recommended awarding the construction contract for Frontier Park Grass and Irrigation Improvements, City of Show Low Project No. FM-2622C, to Tim's Landscape Creations in an amount not to exceed \$52,681.25.

MAYOR LEECH MOVED TO AWARD THE CONSTRUCTION CONTRACT FOR THE FRONTIER PARK GRASS AND IRRIGATION IMPROVEMENTS, CITY OF SHOW LOW PROJECT NO. FM-2622C, TO

TIM'S LANDSCAPE CREATIONS IN AN AMOUNT NOT TO EXCEED \$52,681.25; SECONDED BY COUNCILMAN HATCH; PASSED 6 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, AND COUNCIL MEMBERS ADAMS, ALLSOP, HATCH, AND JUDD VOTING IN FAVOR.

- D. Consideration of Noncommercial Ground Leases with Big Dog Development, LLC, at Show Low Regional Airport. (Bill Kopp/Morgan Brown)

Mr. Kopp said the City of Show Low advertised for interested bidders to lease a parcel of ground in the south general aviation hangar area in December 2021. A bid opening was held in January. David Hansen and Bill Powell, as owners of Big Dog Development, LLC, were the only respondent.

Mr. Kopp said Big Dog Development was proposing to construct taxiways and improvements in order to construct eight hangars. The hangars would be approximately 6,375 square feet in addition to leasing apron and setbacks for a total of approximately 7,950 square feet of ground lease for each hangar. These hangars would accommodate Group II aircraft which included larger planes or jets such as Citations, King Air, etc. In order to construct the hangars, utilities would need to be extended and additional taxiways and apron would need to be constructed. As the City did not have this additional work in the budget, Big Dog Development was proposing that they pay for the infrastructure to be extended, including a site survey, and they would be reimbursed through the City giving credit for lease payments until the cost of the infrastructure had been repaid. This was reflected in each lease agreement. It was anticipated that the cost of the infrastructure was around \$579,000.00. This would be paid back in approximately 20-to-25 years which included a yearly consumer price index increase on each lease. The final cost of the infrastructure would be determined when the infrastructure was completed and approved by Council. The City would bid out the work on the infrastructure and it would be inspected by the City.

Mr. Kopp said staff recommended approving the noncommercial ground leases with Big Dog Development, LLC, and authorizing the Mayor to sign all documents on behalf of the City to lease the property.

VICE MAYOR KAKAVAS MOVED TO APPROVE THE NONCOMMERCIAL GROUND LEASES (EIGHT TOTAL) WITH BIG DOG DEVELOPMENT, LLC, AT SHOW LOW REGIONAL AIRPORT, AND AUTHORIZE THE MAYOR TO SIGN ALL DOCUMENTS ON BEHALF OF THE CITY FOR THE LEASE OF THE PROPERTY; SECONDED BY COUNCILMAN ADAMS; PASSED 6 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, AND COUNCIL MEMBERS ADAMS, ALLSOP, HATCH, AND JUDD VOTING IN FAVOR.

9. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Councilman Judd congratulated the Show Low Junior High School girls and boys for their placements during the state track events.

Councilman Allsop congratulated his grandson on his graduation from the United States Air Force as an airman. He also gave his condolences to the Virginia Evans family for the former Councilwoman's passing.

B. Mayor

Mayor Leech thanked the citizens for attending the annual BBQ Throwdown event last Saturday.

C. City Manager

Mr. Muder said the City's 24th annual Project Clean Sweep continued this week. Show Low residents could dump green waste for free at Dirty Deeds Green Waste through May 21. Bulky item pickup would begin June 6 through June 10. Citizens could also haul debris for free to the Lone Pine Transfer Station from June 6 through June 11.

Mr. Muder said Show Low Main Street's weekly Saturday farmers' market and art walk began last Saturday and would run through September 24 at Festival Marketplace along Cooley.

Mr. Muder said this week was National Public Works Week and he wanted to recognize and thank the City's public works employees for the incredible job they did providing clean water and an efficient sewer system, building and repairing roads, removing snow, controlling ice, and maintaining facilities. City crews are known for putting customers first, staying late or working on weekends as needed to respond to calls for service. The City commends them for their public service.

Mr. Muder said the City received a final order from the U.S. Department of Transportation stating that Southern Airways Express LLC was selected to provide Essential Air Services at the Show Low Regional Airport. Southern Airways Express LLC would begin service on July 1, 2022.

Mr. Muder said in public works projects, the city's contractor continued working on the new portion of the Meadow path and would be paving it this week and work continued on the sewer project on McNeil from 4th to 8th Avenue. Paving was also completed on the Frontier Park parking lot

expansion project. He thanked the citizens for their patience as important improvements were made around the city.

10. **SCHEDULING OF MEETINGS:**

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

None.

VICE MAYOR KAKAVAS MOVED TO RECESS INTO EXECUTIVE SESSION TO DISCUSS A.P. NO. 210-30-007, AND REVIEW THE EXECUTIVE SESSION MINUTES OF MARCH 1, 2022, AND APRIL 19, 2022; SECONDED BY COUNCILMAN JUDD; PASSED 6 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, AND COUNCIL MEMBERS ADAMS, ALLSOP, HATCH, AND JUDD VOTING IN FAVOR.

The Show Low City Council recessed into Executive Session at 7:48 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) A.P. No. 210-30-007.

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 March 1, 2022.

(2) Executive Session Minutes of April 19, 2022.

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 8:08 p.m.

A. Consideration of Approval of the Minutes of the Executive Session of the Show Low City Council Held on March 1, 2022, and April 19, 2022.

The Council would review minutes at next Executive Session meeting.

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 MAY 17, 2022, AT 8:08 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 May 17, 2022. 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