

MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, JUNE 7, 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 Clark, Councilman Hatch, and Councilman Judd.

COUNCIL MEMBERS ABSENT: Councilman Allsop.

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; Justen Tregaskes, Planning and Zoning Director; Shane Hemesath, City Engineer; Jacob Allen, Airport Manager; Rick Austin, Public Works Operations Manager; Nicole Hudson, Deputy City Clerk; and Rachael Hall, City Clerk.

GUESTS: Zach Barlow, Chris Hudson, Bruce Ironside, Doug Roberts, Curt and Victoria Fernau, Jodi Whitehead, Randy and Cassie Chevalier, Daryl Seymore, Gary Martinson, Bill and Jan Skibbe, Michael and Julie Crane, and others.

3. Invocation.

Councilman Hatch gave the invocation.

4. Pledge of Allegiance.

Vice Mayor Kakavas 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.

Bill Skibbe expressed concerns about speeding vehicles, transport trucks, and freight trucks on East Owens Street between the Deuce of Clubs and Central Avenue.

Doug Roberts, on behalf of Rim Country Cruisers, thanked the City and the community for their support for the Cruz'n the Rim Car Show event.

6. **SPECIAL EVENTS:**

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

Justen Tregaskes, Coordinator 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. Tregaskes reviewed some of the City's major ADA compliant projects that had been completed in the past year including upgraded transit bus stop stations which included concrete pads and room under the shelter for a wheelchair, phase 2 of the Show Low Meadow Trail, parking lot upgrades at Frontier Field, City Park restroom upgrades, the library expansion, and the sidewalk connectivity on Show Low Lake Road.

Mr. Tregaskes reviewed future and under construction ADA-compliant projects including a 100% ADA-compliant playground and splash pad at Frontier Park and the Arizona Department of Transportation (ADOT) sidewalk connectivity along White Mountain Road.

Vice Mayor Kakavas asked about the sidewalk locations on the ADOT White Mountain Road sidewalk connectivity. Mr. Hemesath said the sidewalk, curb, and gutters began at the Petsense location and extended up past Home Depot to approximately the Navajo County line on both sides of the highway.

Mayor Leech asked if more handicapped parking stalls would be required at Frontier Park with the addition of the ADA-compliant playground and splash pad. Mr. Tregaskes said ADA guidelines provided specifications for ADA-compliant parking stalls based on the total number of parking stalls available in the area. The number of ADA-compliant parking stalls at Frontier Park met those guidelines.

7. **CONSENT CALENDAR:**

- A. Consideration of Approval of Declaration of Surplus Property for June 2022 Auction. (Rick Austin)
- B. Consideration of Acceptance of City Campus Parking Lot Improvements, City of Show Low Project No. R-1621. (Shane Hemesath)
- C. Consideration of Acceptance of Supervisory Control and Data Acquisition Control System. (Bill Kopp)
- D. Consideration of Acceptance of Reidhead House Foundation Repair, City of Show Low Project No. FM-2522. (Bill Kopp)
- E. Consideration of Noncommercial Ground Lease with La Copious, L.L.C. and Termination of Noncommercial Ground Lease with Doug Riggins at Show Low Regional Airport. (Jacob Allen)
- F. Consideration of Approval of Final Development Plan for Woodside Recreational Vehicle Park. (Justen Tregaskes)
- G. Consideration of Approval of Final Plat for Silver City at Buffalo Bill's Located on A.P.N. 309-52-028F. (Justen Tregaskes)
- H. Consideration of Approval of Final Plat for Buffalo Bill's Resort Villas Located on A.P.N. 309-52-028E. (Justen Tregaskes)
- I. Consideration of Acceptance of Bison Pass. (Justen Tregaskes)
- J. Consideration of Resolution No. R2022-11 Granting Utility Easement to Arizona Public Service. (Shane Hemesath)
- K. Consideration of Acceptance of Sunken Manhole Repair Project, City of Show Low Project No. S-2722. (Shane Hemesath)
- L. Consideration of Approval of License Agreement with Kachina Amateur Radio Club. (Morgan Brown)
- M. Consideration of Approval of List of City-Owned Vehicles as Exempt Vehicles from Registration Requirements in Accordance with A.R.S. §§ 28-2511, 38-538, and 38-538.03 (Brad Provost)
- N. Consideration of Minutes of Show Low City Council meetings:
 - (1) Special Meeting of May 17, 2022.
 - (2) Regular Meeting of May 17, 2022.

VICE MAYOR KAKAVAS 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, CLARK, HATCH, AND JUDD VOTING IN FAVOR.

8. **NEW BUSINESS:**

- A. Consideration of Award of Contract for Commercial Trash Dumpster/Roll-Off Services in City of Show Low, City of Show Low Project No. FM-5722. (Bill Kopp)

Mr. Kopp said the City had commercial dumpster/roll-off services for eight years by Larson Waste Inc. The contract had reached its final year of renewal. In April 2022, City staff advertised for bids for commercial trash dumpster/roll-off services at various City facilities. The contract term would be for three years with the option of additional two one-year renewals.

Mr. Kopp said on May 10, 2022, bid packages were publicly opened at City Hall. Three responsive bid packages were received as shown on the bid tabulation. Staff determined that Waste Management was the most cost-effective bid.

Mr. Kopp said the City currently had one two-yard dumpster, two four-yard dumpsters, nine six-yard dumpsters, one 15-yard dumpster, and two 30-yard dumpsters. The bid proposal would give staff the flexibility to determine service frequency and size of container at each location.

Mr. Kopp said staff recommended awarding the contract for commercial dumpster/roll-off collection services to Waste Management, Inc., effective July 1, 2022.

COUNCILMAN CLARK MOVED TO AWARD THE COMMERCIAL TRASH DUMPSTER/ROLL-OFF CONTRACT TO WASTE MANAGEMENT, INC., FOR AN INITIAL TERM OF THREE YEARS BEGINNING JULY 1, 2022, WITH TWO ADDITIONAL ONE-YEAR OPTIONS, AND AUTHORIZE THE MAYOR TO SIGN THE CONTRACT; SECONDED BY COUNCILMAN ADAMS; PASSED 6 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, AND COUNCIL MEMBERS ADAMS, CLARK, HATCH, AND JUDD VOTING IN FAVOR.

- B. Consideration of Resolution No. R2022-10 Adopting the Tentative Budget and Establishing the Expenditure Limitation for Fiscal Year Ending June 30, 2023. (Justin Johnson)

Mr. Johnson said the budget development process began in January 2022 with departments presenting their budgets to City management. As presented in a town hall and several public City Council study sessions, the tentative budget focuses on maintaining current operations and one-time capital expenses that met the Council's stated priorities.

Mr. Johnson said Resolution No. R2022-10 would adopt the tentative budget for fiscal year 2023 in the amount of \$98,607,479. 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 \$493,159 more than the number that was presented in the tentative budget. The increase was due carryover projects including \$150,000 for city entry signs, \$130,000 for the rehabilitation of the tennis courts at the City Park, \$109,556 for lighting at the BMX track, and \$103,603 for the Taxiway A overlay project at the airport.

Mr. Johnson said the fiscal year 2022 adopted budget was \$72.8 million, compared to the 2023 tentative budget of \$98.6 million. The majority of the increase was due to capital carry overs, and streets and wastewater bonding projects.

Mr. Johnson said the beginning fund balance was \$40,336,653 from prior years' savings and reserves. Other financing sources (unanticipated) came to \$9,000,000, interfund transfers were \$8,333,637, and operating revenues were \$55,877,176 (revenue that would be collected or earned during the fiscal year).

Mr. Johnson said operating revenues of \$55,877,176 would come from local taxes (26.3%), charges for services (9.4%), intergovernmental revenues (16.7%), state-shared revenues (12.3%), utility fees (16.9%), miscellaneous (18.1%), and fines and forfeitures (0.3%).

Mr. Johnson said utility fee revenues were projected to be \$9.4 million, consisting of water at \$5.1 million, wastewater at \$3.1 million, and sanitation at \$1.2 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 \$15.92 to \$17.50, and the increase would be effective as of July 1. The cost for a second polycart would increase from \$7.03 to \$7.25.

Vice Mayor Kakavas asked if there was a cap amount that could be placed on the CPI adjustment. Mr. Muder said there was not a cap on the water and wastewater CPI adjustment.

Mr. Johnson said local sales tax collections, the number one source of revenue, were budgeted at \$14.0 million. Year-to-date sales tax collections were \$17.05 million and sales tax revenues for FY2023 were conservatively estimated at \$14 million. State-shared revenues were currently programed at 95% of state estimates for FY2022. State-shared revenue budget estimates had not been received from the State.

Mr. Johnson said the intergovernmental revenues were \$9.3 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 (21.3%), capital (43.9%), operational (21.8%), debt service (3.6%), reserves (9.0%), and contingency/CIP (capital improvements program) reserves (0.3%).

Mr. Johnson said personnel expenditures totaled \$19,016,208. Mr. Johnson said full-time equivalents (FTE) would increase from 173.5 to 177.9. The Arizona State Retirement System rate decreased from 12.41% in FY2022 to 12.17% in FY2023. The Public Safety Personnel Retirement System went unchanged.

Mr. Johnson reviewed personnel by service area and said public safety had 35.2% of the City's employees; community services, 14.9%; utilities, 15.8%; public works, 17.5%; general government, 12.6%; and planning and zoning, 4%.

Mr. Johnson said capital/contingencies totaled \$39.3 million, a \$15.6 million increase from FY2022. The majority of the increase was due to capital carryovers.

Mr. Johnson said CIP reserves totaled \$5.9 million, which included three months' operating revenues. The general fund included a \$1 million voter-required reserve, but the City had a \$4.2 million reserve, more than was legally required. The water treatment plant reserve was budgeted at \$2.1 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 \$3.0 million.

Mr. Johnson said expenditures by service area were utilities (25.5%), public works (27%), public safety (15%), community services (2.7%), general government (27.4%), debt service (2.2%), and improvement districts/Community Facilities District (0.2%).

Mr. Johnson said Resolution No. R2022-10 would adopt the tentative budget and establish the City's expenditure limitation for fiscal year 2023 at \$98,607,479. 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 21, when the final budget would be adopted. The secondary property tax levy would be adopted at the July 19 meeting.

Vice Mayor Kakavas asked Mr. Johnson to explain why the City budgeted 5% less than the expected revenue. Mr. Johnson said the City budgeted State-shared revenues at 95% of the prior year's actual revenues which allowed for a 5% cushion and local sales tax was also budgeted less than prior year's actual. Projecting lower revenues provided surplus funds in the event of a financial decline such as a recession.

Councilman Clark asked Mr. Johnson to explain the amount discrepancy between the budgeted and the spent amounts. Mr. Johnson the bulk of the discrepancy between the amounts would be due to project carry overs. In the general fund, when the dollars did not get spent and were not tied to a project they rolled over into the fund balance.

VICE MAYOR KAKAVAS MOVED TO ADOPT RESOLUTION NO. R2022-10 ADOPTING THE TENTATIVE BUDGET AND ESTABLISHING THE EXPENDITURE LIMITATION FOR FISCAL YEAR 2023 AT \$98,607,479.00; SECONDED BY COUNCILMAN HATCH; PASSED 6 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, AND COUNCIL MEMBERS ADAMS, CLARK, HATCH, AND JUDD 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 2022-23 FOR THE DISTRICT.

The Show Low City Council recessed into a Special Meeting of the Show Low Bluff Community Facilities District Board at 7:42 p.m. The Show Low City Council reconvened at 7:46 p.m.

9. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Councilman Hatch said he had received positive feedback from an out-of-town visitor regarding the improvements that had been made to the Meadow.

Vice Mayor Kakavas commended City staff for the work that they put into preparing the City Council meetings.

Councilman Clark expressed his condolences to the family of Pete Stock.

B. Mayor

Mayor Leech said he attended the Cruz'n the Rim Car Show, the farmer's market, and the BMX racing event over the weekend and he commended each organization for hosting successful events.

Mayor Leech encouraged citizens to volunteer in the community.

C. City Manager

Mr. Muder said this year's Project Clean Sweep ended June 11, which was the last day to haul debris for free to the Lone Pine Transfer Station. He reminded residents to take a current Show Low utility bill or identification showing their physical address.

Mr. Muder said Show Low Days would be June 11 at Frontier Field with live music, arts and crafts, a kid's zone and food.

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

Mr. Muder said in public works projects, the City's contractor would begin slurry sealing selected city streets June 14, and the project was scheduled to last two weeks. The schedule was posted on the City's website, although, it was subject to change due to inclement weather. Work began on the McNeil Acres sewer project and work continued on the last roadway on the sewer project at McNeil from 4th to 8th Avenue. He thanked 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.

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 JUNE 7, 2022, AT 7:55 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 7, 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