

MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, AUGUST 2, 2022, AT 7:00 P.M. IN THE CITY COUNCIL CHAMBERS, 181 NORTH 9TH STREET, SHOW LOW, NAVAJO COUNTY, ARIZONA

1. Call to Order.

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

2. Roll Call.

COUNCIL MEMBERS PRESENT: Mayor Leech (via telephonically), Vice Mayor Kakavas, Councilman Adams, Councilman Allsop, Councilman Clark, Councilman Hatch (via telephonically), and Councilman Judd.

COUNCIL MEMBERS ABSENT: None.

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; Danny Milam, Information Technology Manager; Shane Hemesath, City Engineer; and Rachael Hall, City Clerk.

GUESTS: Jodi Whitehead, John Hannah, Mark Hayes, Chuck Furgate, David Rothenberger, Shawn Morrow, Mike Cafiso, and others.

3. Invocation.

Councilman Adams gave the invocation.

4. Pledge of Allegiance.

Councilman Judd 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.

None.

6. **CONSENT CALENDAR:**

- A. Consideration of Acceptance of Show Low Public Restrooms, City of Show Low Project No. PR-0722B. (Bill Kopp)
- B. Consideration of Authorization to Purchase City Server System. (Danny Milam)
- C. Consideration of Minutes of Show Low City Council meetings:
 - (1) Regular Meeting of July 19, 2022.

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

7. **NEW BUSINESS:**

- A. Consideration of Application Submitted by Margaret Heath for Special Event Liquor License for White Mountain Veterans Tribute at Show Low Regional Airport (Rachael Hall)

Ms. Hall said Margaret Heath, representing Walking Down Ranch, Inc., submitted an application for a special event liquor license for a White Mountain Veterans Tribute event at Show Low Regional Airport, scheduled for September 17, 2022. This event was sponsored by Walking Down Ranch, Inc. and would start at 9:00 a.m. and end by 9:00 p.m. Proceeds from the event would benefit Walking Down Ranch, Inc. and their mission to serve veterans.

Ms. Hall said the license would allow Walking Down Ranch to sell beer and wine during the event. Alcohol would be sold in the orange area marked with an asterisk on the map provided with the application and participants would be allowed to consume the alcohol throughout hangar no. 2, the center ramp where the vendors were located, and the observation tent to view the planes. Event participants would enter and leave through one entrance which would be monitored by security at all times. In addition, security would patrol and monitor the areas to ensure no alcohol was brought in or left the premises and that there was no underage consumption. Security would be provided by retired police and military officers.

Ms. Hall said the Show Low Police Department performed a background check on the applicant and found nothing that would preclude approval of this special event liquor license. The application and action taken by the Council would be forwarded to the Department of Liquor Licenses and Control. Unlike regular liquor licenses, the Council's decision was final for such an application.

COUNCILMAN ALLSOP MOVED TO APPROVE THE APPLICATION SUBMITTED BY MARGARET HEATH FOR A SPECIAL EVENT LIQUOR LICENSE FOR A WHITE MOUNTAIN VETERANS TRIBUTE EVENT ON SEPTEMBER 17, 2022 AT SHOW LOW REGIONAL AIRPORT; SECONDED BY COUNCILMAN JUDD; PASSED 7 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, AND COUNCIL MEMBERS ADAMS, ALLSOP, CLARK, HATCH, AND JUDD VOTING IN FAVOR.

- B. Consideration and Possible Adoption of Resolution No. R2022-16, Approving the Issuance of the Industrial Development Authority of the City of Show Low, Arizona Revenue Refunding Bonds (Summit Healthcare Association Project), Series 2022, and Declaring an Emergency. (Morgan Brown)

Vice Mayor Kakavas declared a conflict of interest because she worked for Summit Healthcare.

Mr. Brown said the hospital financed an expansion of its medical campus in 2017 with proceeds of the Industrial Development Authority's (IDA) Revenue Bonds (Summit Healthcare Association Project), Series 2017A and Series 2017B. The Series 2017B Bonds had been paid in full. Interest rates had declined, and the hospital could achieve debt service savings by prepaying the Series 2017A Bonds and refinancing at a lower fixed interest rate. Pursuant to the original terms of the Series 2017A Bonds, the Series 2017A Bonds were not subject to early prepayment before December 1, 2028. The hospital had requested permission from PNC Bank, as the sole owner of the Series 2017A Bonds, to allow the early prepayment of the Series 2017A Bonds, and PNC had agreed to the early prepayment. Therefore, the hospital was requesting the IDA to issue its Revenue Refunding Bonds (Summit Healthcare Association Project), Series 2022. Proceeds of the Series 2022 Refunding Bonds would be used to prepay the Series 2017A Bonds in full, and to pay transaction costs related to the issuance of the Series 2022 Refunding Bonds. The IDA resolution would authorize the issuance of the Series 2022 Refunding Bonds and the execution and delivery of related transaction documents, including an agreement to permit the early prepayment of the Series 2017A Bonds. The City Council resolution would approve the IDA's actions related to an issuance of bonds as required by A.R.S. Title 35, Chapter 5. Because this was a refunding transaction, no Tax Equity and Fiscal Responsibility Act (TEFRA) hearing was required. The IDA met the afternoon of August 2, 2022 and approved the resolution 3 to 0.

Shawn Morrow, Chief Executive Officer of Summit Healthcare, clarified that the hospital was refinancing their bond debt to secure a lower interest

rate which would result in a \$3,000,000 savings over the course of the bond.

COUNCILMAN ALLSOP MOVED TO ADOPT RESOLUTION NO. R2022-16, APPROVING THE ISSUANCE OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SHOW LOW, ARIZONA REVENUE REFUNDING BONDS (SUMMIT HEALTHCARE ASSOCIATION PROJECT), SERIES 2022, AND DECLARING AN EMERGENCY; SECONDED BY COUNCILMAN ADAMS; PASSED 6 TO 0 WITH MAYOR LEECH, AND COUNCIL MEMBERS ADAMS, ALLSOP, CLARK, HATCH, AND JUDD VOTING IN FAVOR. VICE MAYOR KAKAVAS OBSTAINED FROM THE VOTE.

8. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Councilman Adams encouraged citizens to be safe with school starting.

Councilman Clark commended staff on the improvements to the City Campus.

Councilman Judd expresses his appreciation for the volunteers at the polling places.

Councilman Allsop said the access to the City Campus Gym with the new improvements was appreciated.

Councilman Hatch commended Summit Healthcare facility and staff for their care and service to the community.

B. Mayor

None.

C. City Manager

Mr. Muder said today was the Primary Election with four individuals running for three Show Low City Council seats. He said preliminary unofficial results from Navajo County would be received later in the evening or early tomorrow morning, and the results would be available on the City's website and Facebook page. The results would also be posted on Navajo County's website. Final results wouldn't be available for several days, but updated results would be posted when they were received.

Mr. Muder said the City was currently accepting applications until August 5 from citizens interested in serving on the Show Low Planning and Zoning Commission. Applications were available at Show Low City Hall, on the City's website, or by contacting the city clerk's office.

Mr. Muder said on Saturday, August 27, Navajo County and the City were sponsoring a free, region-wide residential electronic waste and used tires collection event at the Navajo County Penrod Facility in Show Low. Unwanted computer equipment and accessories, small appliances, electronic equipment, and used tires without rims could be dropped off for free. Waste from commercial businesses would not be accepted at the event.

9. **SCHEDULING OF MEETINGS:**

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

None.

10. **ADJOURNMENT.**

There being no further business to be brought before the Council, **VICE MAYOR KAKAVAS ADJOURNED THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL OF AUGUST 2, 2022 AT 7:16 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 August 2, 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