

MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, JUNE 4, 2019 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 Hatch, Councilman Crittenden, Councilman Leech, Councilwoman Kakavas, and Councilman Kelley.

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; Shane Hemesath, City Engineer; Justen Tregaskes, Planning and Zoning Director; Joe Shelley, Police Chief; Jay Brimhall, Community Services Director; Cari Bilbie, Accountant; Rachael Hall, Assistant City Clerk; and Tamra Reidhead, City Clerk.

3. Invocation.

Councilman Crittenden gave the invocation.

4. Pledge of Allegiance.

Vice Mayor Allsop led the Council and audience in the pledge of allegiance.

Mayor Seymore said police received a call of gunshots in the Fawn Brook area of Show Low early this morning. Responding officers learned a 29-year-old man had assaulted his girlfriend, and then shot two men who tried to intervene. After the shooting, the suspect fled on foot. The two victims who had been shot were provided medical aid and transported to the hospital by Timber Mesa Fire. Law enforcement began searching for the suspect who was taken into custody with the help of many agencies and citizens whose tips led to the suspect being located.

Mayor Seymore thanked all those who worked together to bring this incident to a safe conclusion, including many first responders, support personnel, local media, and most of all, community members whose vigilance helped locate an armed and dangerous man. This unfortunate event truly demonstrated the White Mountain's community spirit. The ability of many organizations and agencies to

come together and work with members of the community to keep Show Low safe was what made Show Low such a great place to live.

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. **SPECIAL EVENTS:**

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

Jay Brimhall, Chairman of Show Low's Americans with Disabilities Act (ADA) Committee, said the five-member committee was formed about a year ago 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 projects that were ADA compliant, including the Show Low Meadow trail with ADA-accessible fishing piers to be constructed via an Arizona State Parks grant along the trail. There was a section on Hall Street where infrastructure would be improved through Community Development Block Grant funding.

Mr. Brimhall said the City's public works and planning and zoning departments' projects and infrastructure were always built to comply with the ADA.

Mr. Brimhall listed other ADA-compliant projects including the sidewalks on the corner of Huning and 9th Streets, sidewalks along McNeil and 8th Streets, Little League playground and sidewalk, and the library playground and sidewalk. In addition, two new ADA-accessible transit buses would be delivered in fall 2019, and a 100% ADA-compliant playground and spray park (splash pad) would be constructed at Frontier Park.

7. **CONSENT CALENDAR:**

- A. Consideration of Acceptance of Snow Creek Unit 2, Phase 2.
(Justen Tregaskes)
- B. Consideration of Acceptance of Nikolaus Homestead Park Field Lighting Project. (Bill Kopp)
- C. Consideration of Minutes of Show Low City Council meetings:
(1) Regular Meeting of May 21, 2019.

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, KELLY, AND LEECH VOTING IN FAVOR.

8. **OLD BUSINESS:**

- A. Consideration of Award of Construction Contract for Fairway Park Phase IV Waterline Replacement, City of Show Low Project No. W-1319. (Shane Hemesath)

The Council reserves the right to adjourn into Executive Session for discussion or consultation with the attorney or attorneys of the public body for legal advice or to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation. Pursuant to A.R.S. Sections 38-431.03(A)(3) and 38-431.03(A)(4).

Mr. Hemesath said the City's fiscal year 2019-20 Capital Improvements Program budget included a total of \$880,000 for a waterline improvement project labeled "Fairway Park Phase IV." This project consisted of replacing approximately 7,800 linear feet of aging and deteriorating six-inch AC waterline with an eight-inch PVC water main, installing new water services and fire hydrants, and replacing pavement.

Mr. Hemesath said the project was designed by City engineering staff, with a construction estimate of \$840,000. The project was publicly bid in accordance with statutory requirements with the following results:

<u>Contractor</u>	<u>Total Bid</u>
Rock Country Builders Inc.	\$837,429.00
Central AZ Civil Construction Co.	\$874,190.00

Apache Underground and Excavating	\$886,300.00
Rawlings Specialty Contracting	\$890,299.66
Scholtz Construction	\$981,280.00

Mr. Hemesath said due to their existing work load and scheduling delays on previous City projects, the City asked Rock Country Builders Inc. for further information showing that this scope of work could be completed in its entirety in the assigned 150 calendar days prior to the winter season. After multiple communications between the City and Rock Country Builders Inc., the contractor withdrew his bid.

Mr. Hemesath said at the May 21, 2019 Council meeting, Robert Carlson of Rock Country Builders Inc. stated his concerns regarding withdrawing his bid. The Council took action to postpone awarding the contract for this project until any misunderstandings between the City and Rock Country Builders Inc. were addressed.

Mr. Hemesath said City staff met with Mr. Carlson on May 23 and several times since then. The City made it clear that it would recommend awarding the contract to Rock Country Builders Inc. if Mr. Carlson was still interested in performing the work and if he would agree to complete the work in the designated 150 days prior to winter. Mr. Carlson would not commit to undertake the project. The City had agreed to allow Mr. Carlson to withdraw Rock Country's bid as requested without the need to forfeit his bid bond.

Mr. Hemesath said staff met multiple times with Mr. Carlson, and the result was that he still was not willing to commit to complete the work in the 150-day time frame.

Mr. Hemesath said staff recommended awarding the construction contract for the Fairway Park IV waterline replacement, City of Show Low Project No. W-1319, to the second lowest responsible bidder, Central Arizona Civil Construction Co., in an amount not to exceed \$874,190.

Vice Mayor Allsop asked if Central Arizona Civil Construction would have to complete the project within the same 150-day time frame. Mr. Hemesath said yes.

Vice Mayor Allsop asked what would happen if the project was not completed within the 150 days. Mr. Hemesath said there would be penalties assessed. The City was always willing to work with the contractors if there were weather or other issues that caused unforeseen delays, but the contractors were expected to plan for completing the work within the stated time frames.

Councilwoman Kakavas asked if a prebid meeting had been held and if a representative of Rock Country Builders attended the meeting. Mr. Hemesath said yes.

Mayor Seymore asked Robert Carlson, owner of Rock Country Builders if he wished to make any comments.

Mr. Carlson said he had met with staff for almost two hours and they weren't able to come to any agreement. He was available to answer any questions but he still wanted to be awarded the job. He said he had additional information to give to the Council.

Mayor Seymore said the Council had requested that Mr. Carlson work with staff to resolve the issues regarding his bid. To present additional information to the Council tonight for further deliberation was not what the Council wanted. Staff had reported to the Council that Mr. Carlson was not able to commit to undertake the project for the amount of his bid and also was not willing to commit to complete the project within the 150-day time frame.

Mr. Carlson said after his initial discussions with staff, he felt there was no recourse other than to withdraw his bid to prevent damages to his bonding company. He asked if he could provide the Council with his written response to tonight's staff summary that was presented by Mr. Hemesath.

Mayor Seymore asked Mr. Carlson if he wanted to read his response. Mr. Carlson said he preferred to give it to the Council to read. Mayor Seymore agreed and Mr. Carlson provided his response to the Council.

Mayor Seymore said based on Mr. Carlson's response, he suggested that the Council discuss this item in Executive Session for legal advice from Mr. Brown. The Executive Session would take place following discussion of New Business items on the agenda.

COUNCILMAN KELLEY MOVED TO CONTINUE DISCUSSION OF ITEM 8-A (AWARD OF CONSTRUCTION CONTRACT FOR FAIRWAY PARK PHASE IV WATERLINE) UNTIL LATER IN TONIGHT'S MEETING; SECONDED BY VICE MAYOR ALLSOP; PASSED 7 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, HATCH, KAKAVAS, KELLY, AND LEECH VOTING IN FAVOR.

9. **NEW BUSINESS:**

- A. Consideration of Resolution No. R2019-17 Approving Model Uniform Video Service License Agreement and Application and Affidavit. (Morgan Brown)

Mr. Brown said Arizona Senate Bill 1140 (SB1140), now found in Arizona Revised Statutes §9-1401, passed into law in 2018. The new law declared video service provider licensing a matter of statewide concern. Video service providers were cable and internet companies using the right-of-way. The new law mandated that local authorities adopt uniform licensing forms for video service providers by July 1, 2019. The changes to state law allowed incumbent cable operators to opt out of their current cable licenses and apply for a uniform video service license by January 2, 2020.

Mr. Brown said the uniform video service license agreement and application and affidavit presented for approval closely tracked with the statutory requirements in SB1140 and had been reviewed and accepted by Cox (the proponent of SB1140) and the larger telecommunications workgroup. These forms also took into account the recently passed HB2229 and HB2179. The license authorized the licensee to provide video services in the licensed area and allowed the licensee to use and occupy the right-of-way to operate and maintain video service facilities. The license required the licensee to comply with federal, state, and local laws governing video services and provided for revocation of the license if the licensee failed to provide video service in the licensed area. Finally, the license required the licensee to pay the license fees of 3%.

Mr. Brown said the city engineer or his designee would have authority to administer the new licensing and could approve minor or clerical changes to the forms; however, any license issued pursuant to the new law found in A.R.S. § 9-1401 et seq. required approval or ratification of the City Council.

Mr. Brown said the city clerk would receive the application and affidavit and then would forward it to the public works department for review and a recommendation to the Council. The Council would approve all licenses.

Mr. Brown said the legislation removed the City's ability to enforce subscriber standards, so the City would post on the website how customers could file a complaint. All complaints would need to be filed with the Federal Communications Commission (FCC), and the provider must file a response within 30 days. If a subscriber was still not satisfied, they could pay \$225 to file a complaint with the FCC and, generally, would have to hire lawyer and go to Washington D.C. to litigate. If a license was denied, the City must have solid ground for denial.

COUNCILMAN CRITTENDEN MOVED TO ADOPT RESOLUTION NO. R2019-17 APPROVING A MODEL UNIFORM VIDEO SERVICE LICENSE AGREEMENT AND APPLICATION AND AFFIDAVIT; SECONDED BY COUNCILMAN LEECH; PASSED 7 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, HATCH, KAKAVAS, KELLY, AND LEECH VOTING IN FAVOR.

- B. Consideration of Resolution No. R2019-18 Approving Addendum to Intergovernmental Dispatching Agreement. (Joe Shelley).

Chief Shelley said on May 1, 2018, the City Council adopted Resolution No. R2018-12 approving an Intergovernmental Agreement (IGA) with the Town of Pinetop-Lakeside and several local fire districts to provide emergency dispatch services.

Chief Shelley said the White Mountain Lakes Fire District was a party to the original agreement and had since consolidated with Timber Mesa Fire and Medical District. The Towns of Snowflake and Taylor, including the Snowflake-Taylor Police Department and the Taylor-Snowflake Fire & Medical Department, had agreed to join and be bound by the Intergovernmental Dispatching Agreement.

Chief Shelley said as outlined in the IGA, the Towns of Snowflake and Taylor would each pay proportionate associated costs for personnel, operations, capital, and building maintenance. These costs were calculated in a cost-per-call formula, which would be \$37.15 per call FY2019-20, or \$315,775 for FY2019-20, and would begin when the Towns of Snowflake and Taylor came online and were dispatched through Show Low.

Chief Shelley said consolidating communication services had been a focus of healthcare and public safety entities for several years. By centralizing 911 answering points, emergency calls would be streamlined and not transferred from one center to another, resulting in better customer service and a quicker response by first responders. In addition, Snowflake and Taylor and other parties to the agreement would all gain from expanded radio coverage, increased staffing levels, shared criminal justice information, and enhanced technology. Consolidated services would provide each agency with personnel and technological advantages using a shared-cost approach and economy of scale.

Chief Shelley said staff recommended adopting Resolution No. R2019-18 to approve the Addendum to the Intergovernmental Dispatching Agreement to remove White Mountain Lakes Fire District as a party to the

agreement and to add the Towns of Snowflake and Taylor as parties to the agreement.

Mayor Seymore asked if all other parties to the Intergovernmental Dispatching Agreement would accept this change. Chief Shelley said yes. Mr. Brown said the dispatching fee would decrease once Snowflake and Taylor became parties to the agreement.

COUNCILMAN LEECH MOVED TO ADOPT RESOLUTION NO. R2019-18 APPROVING AN ADDENDUM TO THE INTERGOVERNMENTAL DISPATCHING AGREEMENT FOR EMERGENCY DISPATCH SERVICES; SECONDED BY COUNCILMAN HATCH; PASSED 7 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, HATCH, KAKAVAS, KELLY, AND LEECH VOTING IN FAVOR.

- C. Consideration of Agreement with Schneider Electric to Perform Guaranteed Energy Conservation Measures. (Bill Kopp)

Mayor Seymore said this item was being pulled from the agenda for would discussion at a future meeting.

- D. Consideration of License Agreement with Sparta Bronze, LLC. (Jay Brimhall)

Mr. Brimhall said Sparta Bronze, LLC was commissioned by the City to create the Cooley-Clark Monument that replaced the original monument destroyed in a fire. The monument was placed in the Festival Marketplace in July 2017.

Mr. Brimhall said Sparta Bronze had received interest from potential buyers who desired to purchase replicas of the monument.

Mr. Brimhall said the City owned the copyright to the monument and desired to work with Sparta Bronze in selling replicas of the monument and using a portion of the proceeds to create an arts endowment in the City to encourage local artists in creating, displaying, and selling their work or purchasing art for public display.

Mr. Brimhall said the license agreement granted Sparta Bronze the rights to create replicas of the Cooley-Clark Monument at a cost determined by Sparta Bronze. The City would receive 20% from the purchase price to be set aside in a separate fund for an arts endowment.

COUNCILMAN CRITTENDEN MOVED TO APPROVE THE LICENSE AGREEMENT WITH SPARTA BRONZE, LLC FOR THE SALE OF

REPLICAS OF THE COOLEY-CLARK MONUMENT; SECONDED BY VICE MAYOR ALLSOP.

Councilman Kelley asked who made the decision to use 20% of the purchase price for an arts endowment. Mr. Muder said Sparta Bronze would like to see any money made from the replica to be used for the arts and staff felt it would be appropriate.

Councilman Kelley asked if any of the money would be spent for Sparta Bronze to create the art. Mr. Muder said no, the 20% was to be used for purchasing art and encouraging local artists to create, sell, and display their work and was not necessarily inclusive to Sparta.

Mr. Brimhall said owner of Sparta bronze had wanted to establish an arts endowment, which would be geared toward local artisans, to help generate interest in the arts in this community.

MOTION PASSED 7 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, HATCH, KAKAVAS, KELLY, AND LEECH VOTING IN FAVOR.

- E. Consideration of Resolution No. R2019-16 Adopting the Tentative Budget and Establishing the Expenditure Limitation for Fiscal Year Ending June 30, 2020. (Justin Johnson)

Mr. Johnson said the budget development process began in January 2019 with departments presenting their budgets to City management. As presented in several town halls and study sessions, the tentative budget would be adopted at tonight's meeting with final budget adoption on June 18.

Mr. Johnson said Resolution No. R2019-16 would adopt the tentative budget for fiscal year 2020 in the amount of \$52,602,793. All Council goals and priorities were taken into consideration when developing the budget.

Mr. Johnson said there were several changes to the recommended budget. The first change was the refuse rate increase, for which the City would absorb one-half of the increase for regular garbage and recycle service. The rate would increase by \$0.29 from \$14.80 to \$15.09, effective July 1. The City would also absorb one-half of the increase for customers who had one additional cart. The rate would increase by \$0.35 from \$6.39 to \$6.74.

Mr. Johnson said the second change to the recommended budget was an additional Public Safety Personnel Retirement System (PSPRS) payment,

using up to \$1 million of the City's reserve to make the payment on June 30, 2020 with Council approval.

Mr. Johnson said the last change to the recommended budget was an increase in the Parks/Facilities Maintenance budget to cover the cost of renting tents or purchasing tents to use at events.

Mr. Johnson said the fiscal year 2019 adopted budget was \$58.6 million, compared to the 2020 tentative budget of \$52.6 million. The amount decreased because of the \$1.3 million deduction in the PSPRS payment, \$3.3 million deduction for airport grants, a reduction of \$668,925 because of the Show Low Bluff Community Facilities District general obligation bond being paid off in FY2019, and a reduction in capital project carryovers.

Mr. Johnson said there was a \$17.7 million projected savings in the FY2019 adopted budget and \$3.08 million of savings carried over to FY2020 capital.

Mr. Johnson said the City's four major sources of revenues consisted of the beginning fund balance or savings (33.8%), operating revenue (53.5%), interfund transfers (6.3%), and other financing sources (6.3%).

Mr. Johnson said the beginning fund balance was \$21,331,123 from prior years' savings. Other financing sources (unanticipated) came to \$4,000,000, interfund transfers were \$3,980,439, and operating revenues were \$33,738,438 (revenue that would be collected or earned during the fiscal year).

Mr. Johnson said operating revenues of \$33,738.438 would come from local taxes (33.4%), charges for services (13.2%), intergovernmental revenues (8.2%), state-shared revenues (14.3%), utility fees (26.6%), miscellaneous (3.8%), and fines and forfeitures (0.5%).

Mr. Johnson said utility fee revenues were projected to be \$8.9 million, consisting of water at \$4.8 million, wastewater at \$3.3 million, and sanitation at \$1.0 million. Water and wastewater rates were due to increase January 1 to reflect the Consumer Price Index (CPI) adjustment. The sanitation rate increase would be effective as of July 1. The fund balance would absorb one-half of the CPI and fuel increase for regular garbage and recycle service. The total increase would be \$0.58 with the customer's cost only increasing by \$0.29. This year there had been an increase in recycling costs due to surplus and contamination. The cost for a second can would increase to \$0.70, with the customer only paying half of that cost at \$0.35.

Mr. Johnson said local sales tax collections, the number one source of revenue, were budgeted at \$10.5 million. Sales tax collections were conservatively estimated to be the same as fiscal year's 2019 budgeted amount. He said state-shared revenues of \$4.7 million were budgeted at 95% of state estimates. State-shared revenues were based on an estimated population of 11,098 and were currently programed at 95% of state estimates for FY2020. Intergovernmental revenues were \$2.7 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 (32.7%), capital (29.0%), operational (23.8%), debt service (4.6%), reserves (9.3%), and contingency/CIP (capital improvements program) reserves (0.5%). Mr. Johnson said personnel expenditures totaled \$15,100,797, a decrease of \$1,009,402 and included \$700,000 for an additional PSPRS payment on July 1, 2019 and \$1.0 million additional payment on June 30, 2020, a 2% base pay one-time bonus for employees depending on revenues, plus all employer-paid benefits.

Mr. Johnson said the Arizona State Retirement System rate increased from 11.8% in FY2019 to 12.11% for FY2020. The PSPRS rate decreased from 44.08% in FY2019 to 41.7% in FY2020.

Mr. Johnson said full-time equivalents (FTE) would increase from 161.5 to 164.0. The increase was due to adding three FTEs for dispatchers and one IT specialist as part of the communications agreement with Snowflake/Taylor police and fire departments and a decrease of 1.5 FTE in the Magistrate Court.

Mr. Johnson reviewed personnel by service area and said public safety had 34% of the City's employees; community services, 15%; utilities, 16%; public works, 19%; general government, 12%; and planning and zoning, 3%.

Mr. Johnson said capital/contingencies totaled \$14.5 million. The largest expense in this category was for streets/engineering at \$4,873,981.

Mr. Johnson said CIP reserves totaled \$4.57 million, which included two months' operating revenues. The general fund included a \$1.0 million voter-required reserve, but the City had a \$2.9 million reserve, triple than was legally required. The water treatment plan reserved was increased from \$1.3 million in FY2019 to \$1.5 million for FY2020. 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 \$2.1 million. This was a slight increase over FY2019 due to Greater

Arizona Development Authority (GADA) facilities bond being paid off in FY2019, so the public safety and GADA refinance principal was added to FY2020. The Butler building was also added to the schedule due to final payment not being made until FY2020; therefore, it was considered long-term and went on the debt schedule for reporting purposes.

Mr. Johnson said expenditures by service area were utilities (28.2%), public works (30.5%), public safety (25.4%), community services (5.8%), general government (6.1%), debt service (3.7%), and improvement districts/Community Facilities District (0.4%). He said in general fund expenditures by departments, the police department (4.35%), airport (9.6%), and community services (10.2%), which provided direct services to the City's residents, spent the most.

Mr. Johnson said Resolution No. R2019-16 would adopt the tentative budget and establish the City's expenditure limitation for fiscal year 2020 at \$52,602,793. 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 18, when the final budget would be adopted. The secondary property tax levy would be adopted at the July 16 meeting.

Councilman Leech asked if the Council would need to approve the contract with the Chamber of Commerce before the City actually sent any payments to them in the new fiscal year. Mr. Muder said yes, the contract for the Chamber, Senior Center, and Historical Society would be on the June 18 Council agenda for approval.

Councilman Crittenden asked for an explanation of the secondary property tax levy. Mr. Johnson said the City's streetlight improvement district established a secondary property tax levy from which the funds were only be used to pay for the electricity for the streetlights and lights in the parks.

VICE MAYOR ALLSOP MOVED TO ADOPT RESOLUTION NO. R2019-16 ADOPTING THE TENTATIVE BUDGET AND ESTABLISHING THE EXPENDITURE LIMITATION FOR FISCAL YEAR 2020 AT \$58,607,593; 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.

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 2019-20 FOR THE DISTRICT.

The Show Low City Council recessed into a Special Meeting of the Show Low Bluff Community Facilities District Board at 7:57 p.m. The Show Low City Council reconvened at 8:03 p.m.

Discussion returned to Item 8-A (award of construction contract for Fairway Park Phase IV waterline).

VICE MAYOR ALLSOP MOVED TO RECESS INTO EXECUTIVE SESSION TO DISCUSS ITEM 8-A (AWARD OF CONSTRUCTION CONTRACT FOR FAIRWAY PARK PHASE IV WATERLINE); SECONDED BY COUNCILMAN LEECH; 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 8:03 p.m. and reconvened into Open Session at 8:27 p.m.

Mayor Seymore clarified for Mr. Carlson that the Council was the only body who could reject a bid, and the Council had not done that. The Council's concern was whether he could complete the project in a timely manner if the contract was awarded to him. Mr. Carlson was aware of the 150-day time frame, the bonding requirements, and the damages that could be imposed if he wasn't able to complete the project within the time frame.

Mr. Carlson said he would do the project in a timely manner, but he would need to call his bonding company before he could commit. Mayor Seymore said Mr. Carlson should have spoken to his bonding company about the issue before tonight's meeting.

Mr. Carlson said the bonding company would have to redo the bond. He said he would be willing to negotiate but the contract amount couldn't be the same.

Mayor Seymore asked Mr. Carlson if he was willing to undertake the project for the bid amount he submitted. Mr. Carlson said no.

Councilman Kelley asked Mr. Carlson if he was willing to go forward with the bid that was opened at the bid opening. Mr. Carlson said no, the number changed when his bid was rejected and he told his bonding company that he withdrew his bid.

Councilman Kelley asked at what point the bond was required to be in place when the Council awarded a construction contract. Mr. Brown said before a contractor bid on a project, he had to have a bid bond in place. The performance and payment bonds needed to be in place when the City issued a notice to proceed.

Mr. Kopp said it was normal to have the performance and payment bonds in place within ten days to two weeks after the contract was awarded. Once the Council awarded the contract, the City sent a notice of award to the contractor, invited him to a preconstruction conference at which time he needed to provide insurance and bonding information. The notice to proceed would be issued at the preconstruction conference.

Councilman Kelley asked Mr. Carlson if he was given ten days to have all his bonds in place if he was willing to go ahead with his original bid amount. Mr. Carlson said no, he could not proceed at the original bid amount with the changes that would come because of his bid withdrawal.

Councilwoman Kakavas asked if the project would need to be rebid if Mr. Carlson was not able to perform the project based on his original bid and what was the City's responsibility to next lowest bidder. Mr. Brown said the City was allowed to award the bid to lowest responsible bidder. Mr. Carlson withdrew his bid and told his bonding company that he withdrew. That being the case, the City could award the contract to the next responsible bidder.

Mr. Carlson said the key word for him was "voluntary" withdrawal. He was given two options by City staff to either forfeit his bond or withdraw his bid. He didn't see either of those as good options.

Councilman Leech said if Mr. Carlson was unwilling to do the project at his original bid price, which was not negotiable, and if he was unsure if he could get bonding, then he felt the City should move forward with the lowest responsible bidder so that the project could be completed before winter.

Mayor Seymore said if Mr. Carlson had his bid bond in place and was willing to do the job for his bid amount, then the Council would have been willing to award this contract to him tonight. Since he was unwilling to do those things, the Council had to move on to the next lowest responsible bidder.

COUNCILMAN LEECH MOVED TO AWARD THE CONSTRUCTION CONTRACT FOR THE FAIRWAY PARK IV WATERLINE REPLACEMENT, CITY OF SHOW LOW PROJECT NO. W-1319, TO CENTRAL AZ CIVIL CONSTRUCTION CO. IN AN AMOUNT NOT TO EXCEED \$874,190; SECONDED BY COUNCILMAN HATCH; PASSED 7 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, HATCH, KAKAVAS, KELLY, AND LEECH VOTING IN FAVOR.

10. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Vice Mayor Allsop said he enjoyed the Memorial Day service provided by the VFW at the Show Low Cemetery. He also enjoyed attending the Cruz'n the Rim car show last weekend. He announced Show Low Days that would take place at its new location, Frontier Fields, this weekend. He added that he hoped Show Low's residents and businesses would take part in keeping Show Low beautiful by keeping it clean and trimming their weeds and grass.

B. Mayor

Mayor Seymore said he also attended the Memorial Day service along with Council members Kelley and Crittenden and Vice Mayor Allsop.

C. City Manager

Mr. Muder apologized for the problems televising tonight's meeting. Show Low TV had ordered some replacement parts and the repairs should be made before the next Council meeting.

Mr. Muder said this was the final week for Project Clean Sweep. Residents could still haul debris for free to the Lone Pine Transfer Station through Saturday by providing a City utility statement showing current refuse service or a valid driver's license listing a physical address within the city limits.

Mr. Muder said Show Low Days kicked off this Friday at its new location, Frontier Fields, in downtown Show Low. This annual event promised fun for the entire family, with the popular Derby Down the Deuce on Saturday morning, followed by live entertainment, food/craft/product vendors, performances by Circus Americana, and a kids' zone at Frontier Fields. Mr. Muder said this weekend was also the Deuces Wild triathlon. Motorists could expect traffic control measures as the competitors used the streets for their running and biking portions. The aquatic center would be closed on Saturday for Show Low Days and the Triathlon.

Mr. Muder said in public works projects, the contractor would begin slurry sealing selected city streets on June 17 beginning in Sierra Pines and moving to Cedar Ridge. The schedule would be posted to the city's website and crews would put door hangers out the day before work began to alert residents when crews would be in their neighborhood. Work continued on the East McNeil waterline replacement project from Central Avenue to 5th Place. There would be some detours while the project was completed. He thanked the citizens for their patience as street improvements were made around the City.

Mr. Muder said the library had kicked off its annual Summer Reading program, which featured exciting events and crafts, and there was still time to sign up to participate.

Councilwoman Kakavas said the City recently had a number of long-term police department employees retire, and she would like to see the Council recognize those employees publicly in a meeting to show appreciation to them. She asked if staff would help facilitate this for employees, especially those who had worked their entire career at the City.

Councilman Leech agreed the Council should recognize them when they retired. He said they should also include public works and other city staff, many of whom spent their career at the City.

Councilman Hatch thanked the first responders and other organizations who had helped locate the shooting suspect earlier today. He was thankful the situation came to a peaceful resolution.

11. **SCHEDULING OF MEETINGS:**

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

None.

COUNCILMAN LEECH MOVED TO RECESS INTO EXECUTIVE SESSION TO DISCUSS TIMBER MESA FIRE AND MEDICAL DISTRICT INTERGOVERNMENTAL AGREEMENT AND REVIEW THE EXECUTIVE SESSION MINUTES OF APRIL 5 AND 16, 2019; 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.

The Show Low City Council recessed into Executive Session at 8:48 p.m.

12. **EXECUTIVE SESSION.**

A. Confidentiality Statement.

B. Discussion or consultation with the attorney or attorneys of the public body for legal advice or to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation. Pursuant to A.R.S. Sections 38-431.03(A)(3) and 38-431.03(A)(4).

- (1) Timber Mesa Fire and Medical District Intergovernmental Agreement.
- (2) Fairway Park Phase IV Waterline Replacement.

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 April 5 and 16, 2019.

13. **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 9:27 p.m.

- A. Consideration of Approval of the Minutes of the Executive Sessions of the Show Low City Council Held on April 5 and 16, 2019.

COUNCILMAN CRITTENDEN MOVED TO APPROVE THE EXECUTIVE SESSION MINUTES OF APRIL 5 AND 16, 2019; 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.

14. **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 JUNE 4, 2019 AT 9:27 P.M.**

ATTEST:

APPROVED:

Tamra Reidhead, 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 April 16, 2019. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 20____.

(SEAL)

Tamra Reidhead, City Clerk