

MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, JUNE 18, 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; Justen Tregaskes, Planning and Zoning Director; Joe Shelley, Police Chief; Jay Brimhall, Community Services Director; Cari Bilbie, Accountant; Stephanie McQuillan, Human Resources Manager; Rachael Hall, Assistant City Clerk; and Tamra Reidhead, City Clerk.

GUESTS: Ken Douglass, Kim Tobias, Jimmie Applegate, Sherri Beardsley, Jason Spear, and others.

3. Invocation.

Councilman Kelley 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.

None.

6. **SPECIAL EVENTS:**

A. Special Presentation in Recognition of Retired City Employees.

Mayor Seymore and the Council recognized Sergeant Ken Douglass and Sergeant Jason Spear for their many years of service to the Show Low Police Department and presented them with certificates of recognition.

Councilman Leech thanked both men for their service and their families for supporting their husbands in their duties.

Vice Mayor Allsop thanked both men and their families for their time and service to the community.

Councilwoman Kakavas also thanked them for their service. She said this was the only life their children had ever known, and they grew up sacrificing their family time. She was really grateful that they were able to retire and have quality time to spend with their families.

7. **CONSENT CALENDAR:**

- A. Consideration of Resolution No. R2019-20 Adopting an Annual Policy and Prescribing Procedures for Purchasing from the Mayor and Any Member of the Council. (Ed Muder)
- B. Consideration of Renewal of Agreement with White Mountain Meals on Wheels for Managing Show Low Senior Center for Fiscal Year 2019-20. (Jay Brimhall)
- C. Consideration of Renewal of Agreement with Show Low Historical Society for Fiscal Year 2019-20. (Jay Brimhall)
- D. 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. (Joe Shelley)
- E. Consideration of Approval of Annual Purchase Orders for Fiscal Year 2019-20. (Justin Johnson)
- F. Consideration of Minutes of Show Low City Council meetings:
 - (1) Joint Study Session of May 8, 2019.
 - (2) Regular Meeting of June 4, 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. **NEW BUSINESS:**

- A. Consideration of Appointment of Aviation Advisory Committee Member.
(Tamra Reidhead)

The Council reserves the right to adjourn into Executive Session for discussion or consultation for legal advice with the attorney or attorneys of the public body regarding appointments to the Aviation Advisory Committee, pursuant to A.R.S. 38-431.03(A)(3).

Ms. Reidhead said Aviation Advisory Committee member Jerry Howell was moving to Phoenix and had submitted his resignation effective June 30 creating a vacancy on the committee, with the term expiring the end of March 2021.

Ms. Reidhead said on April 9, the Council interviewed four applicants to fill the expired terms of two members of the five-member Aviation Advisory Committee. Following the interviews, the Council appointed two of them (one resident and one non-resident) to serve on the committee.

Ms. Reidhead said of the two applicants who were interviewed but not appointed, Dante Edwards was the only one who was a resident of Show Low. As stated in Resolution No. R2017-04, there was a residency requirement that stipulated that all committee members must reside in Navajo County, with a majority living within the Show Low city limits.

Ms. Reidhead said staff contacted Mr. Edwards to gauge his interest in being reconsidered to serve on the committee, and he confirmed that he was still willing to serve. To maintain the residency status as required by Resolution No. R2017-04, staff recommended that Dante Edwards be appointed to serve the remainder of Mr. Howell's term on the Aviation Advisory Committee, with the term expiring the end of March 2021.

COUNCILMAN CRITTENDEN MOVED TO APPOINT DANTE EDWARDS TO THE SHOW LOW AVIATION ADVISORY COMMITTEE TO FILL THE UNEXPIRED TERM ENDING MARCH 2021; SECONDED BY COUNCILMAN KELLEY; 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 Renewal of Agreement with Show Low Chamber of Commerce for Fiscal Year 2019-20. (Steve North)

Mr. North said staff discussed renewing the annual agreement between the City and the Show Low Chamber of Commerce with the Chamber's executive director. The agreement reflected the \$57,500 in annual support for fiscal year 2019-20 of the Tourist Information Center as discussed during recent budget meetings. This financial support was the same amount as the current fiscal year.

Councilman Leech said he didn't feel the City's money was well spent with the Chamber. It seemed like a lot of money for what the City was getting in return, and he felt the City needed go to a different route.

Councilman Kelley said his viewpoint was different. If the City were to take on this project, especially with maintaining a building and staff, it would probably cost two to three times as much money. It was a topic worth consideration, but he felt the City should go ahead and approve the agreement for fiscal year 2019-20.

Councilman Crittenden said with the changes in communications and technology, the Chamber had committed to adapt to the changing landscape and provide what tourists and members needed and expected from the Chamber. If the Chamber was indeed working on making the necessary changes and keeping up with technology, then he felt the City should continue funding them.

Vice Mayor Allsop said Mr. Applegate recently presented to the Council some of the changes that the Chamber was planning to make. He realized those changes would not happen overnight, but he hoped that Mr. Applegate understood the Council's concerns and that the Chamber would begin to make some positive changes.

Councilman Leech said the Council approved this agreement every year but never saw any changes happening. He said social media was where people acquired their information in today's world, and he felt the Chamber was not keeping up with technology and the social media world. He felt the money could be better spent elsewhere.

Councilwoman Kakavas asked if there were statistics on the number of visitors that the Chamber had at 9:00 a.m. She felt like there would be more visitors later in the afternoon and would prefer to see the Chamber's hours changed to 10:00 a.m. to 5:00 p.m. rather than 9:00 a.m. to 4:00 p.m.

Councilman Leech asked if the Chamber was open on weekends. Councilwoman Kakavas said according to the agreement, it was open 9:00 a.m. to 1:00 p.m. on Saturdays.

Mayor Seymore said the agreement was between the City and the Chamber. There were certain things the City needed to be doing and improving on. He didn't think he could blame one or the other on what should have been done. The Council had heard from the Chamber that they realized changes needed to be made going forward. He was not ready to eliminate the Chamber as there was nothing to replace it. He felt the City should provide input and direction regarding what changes needed to take place. He suggested giving the Chamber six months to implement changes but have them report back to the City within 30 days regarding their plans to improve moving forward. The City also needed to hold its own staff accountable. Something should be worked out that was amenable to both parties.

Councilman Leech said he partly agreed with Mayor Seymore, but when he traveled, he didn't take time to walk into a tourist information center. Social media was where most people turned for information.

Mr. North responded to Councilwoman Kakavas' question about the Chamber's hours and said the hours changed seasonally.

Mr. Applegate said he and the Chamber board understood and recognized that change needed to happen. They planned to change directions and make better use of social media. They were working on implementing a couple of things, but they would like input from the Council, as well. With ideas from the Chamber board and from the Council, they hoped to find a plan that worked best for the community and the area.

Mayor Seymore asked if Mr. Applegate was willing to put a committee together that would include Chamber board members, Council members, and City staff to formulate plans going forward. Mr. Applegate said yes.

Councilman Hatch asked if the recommended motion and time frame of the agreement could be modified. Mr. Brown said yes.

Councilman Kelley felt the agreement should be approved for six months so there was sufficient time to put a plan together and make it work.

Councilwoman Kakavas said the next third of the year was the busiest time of year in Show Low, and the Chamber's committees were mostly comprised of volunteers. They spent a lot of time planning important events for the community. She felt it would be good to hear a report from the Chamber at the end of the first quarter of the fiscal year and then the

Council could make a decision regarding continuing the agreement in December.

Councilman Crittenden agreed that six months would be a better time frame and would give the Chamber, City staff, and select Council members time to meet, exchange ideas, and make a plan moving forward.

Vice Mayor Allsop suggested having a progress report from the Chamber at the Council's retreat in October.

Mayor Seymore agreed that by the end of the first quarter, the Council needed to know the Chamber's plans and the direction it was going.

COUNCILMAN CRITTENDEN MOVED TO RENEW THE AGREEMENT BETWEEN THE CITY OF SHOW LOW AND SHOW LOW CHAMBER OF COMMERCE FOR FISCAL YEAR 2019-20 AND AUTHORIZE THE MAYOR TO SIGN SAID AGREEMENT FOR A SIX-MONTH PERIOD ENDING DECEMBER 31, 2019; SECONDED BY COUNCILMAN HATCH; PASSED 6 TO 1 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, HATCH, KAKAVAS, AND KELLY VOTING IN FAVOR AND COUNCILMAN LEECH CASTING THE DISSENTING VOTE.

C. **PUBLIC HEARING** Regarding Final Budget for Fiscal Year Ending June 30, 2020 and Proposed Secondary Property Tax Levy. (Justin Johnson)

Mr. Johnson said on June 4, 2019, the City Council adopted Resolution No. R2019-16 to approve the tentative budget for fiscal year 2019 in the amount of \$52,602,793. As required by state statute, the tentative budget was published twice in the local newspaper and a public hearing was to be held tonight. The final budget was identical to the adopted tentative budget and represented all the information that had been presented to the Council to date.

Mr. Johnson said that following a public hearing on this budget and the proposed secondary tax levy, the Council would be asked to approve this budget as the final budget for the City of Show Low for the year ending June 30, 2020. The budget reflected the Council's stated goals and priorities.

Mr. Johnson said in comparing the budget to actual expenditures, actual expenditures were generally less than what was budgeted. The trend showed that staff did a good job under-spending the budget.

Mr. Johnson said the City's revenues from all funds/sources totaled \$63,049,999. The four major sources of revenues consisted of the

beginning fund balance (33.8%), operating revenues (53.5%), inter-fund transfers (6.3%), and other financing sources (6.3%). He said operating revenues of \$33,738,438 came from local taxes (33.4%), utility fees (26.6%), charges for services (13.2%), intergovernmental revenues (8.2%), state-shared revenues (14.3%), miscellaneous (3.8%), and fines and forfeitures (0.5%).

Mr. Johnson said expenditures by type included capital (29.0%), personnel (32.7%), operational (23.8%), debt service (4.6%), reserves (9.3%), and contingency/Capital Improvements Program (CIP) reserves (0.5%).

Mr. Johnson said General Fund expenses by department were manager/city attorney/city clerk (4.7%), city council (1.7%), administrative services (5.0%), general operations (3.4%), facilities/maintenance (7.2%), debt services (4.4%), capital fund (1.3%), community services (10.2%), airport (9.6%), aquatic center (2.8%), planning and zoning (2.7%), engineering (3.2%), city magistrate (0.4%), and police (43.5%).

Mr. Johnson said personnel by service area showed that public safety had 34% of the City's employees; community services, 16%; utilities, 16%; public works, 19%; general government, 12%; and planning and zoning, 3%. Total full-time equivalents (FTEs) were 164, for a net increase of 2.5 FTEs.

Mr. Johnson said capital/contingency expenses totaled \$14.5 million. The largest expense in this category was for streets/engineering at \$4,873,981, followed by water at \$3,279,908, and wastewater at \$1,535,061.

Mr. Johnson said expenditures by service area were utilities (28.2%), community services (5.8%), public works (30.5%), public safety (25.4%), general government (6.1%), improvement districts/Community Facilities District (0.4%), and debt service (3.7%).

Mr. Johnson said the street light improvement district property tax levy would be \$233,000. The citywide levy paid for utility costs associated with street and park lights. There was a General Fund subsidy of \$15,000 to cover unexpected utility rate increases. The tax rate would be \$0.1401 per \$100 of assessed valuation, which was unchanged since fiscal year 2016.

Mr. Johnson said the Council was being asked to approve Resolution No. R2019-19 to adopt the final budget for fiscal year 2020 after holding a public hearing on the final budget and the property tax levy (which would be considered by the Council at the July 16 meeting).

Councilman Kelley said all questions from all of the meetings had been fully answered by City staff. He thanked staff for a conservative budget and a clear presentation. He added that while the tax rate on the streetlight district had not increased since 2016, the money collected had increased because assessed valuations had increased. Mr. Johnson said that was correct.

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

- D. Consideration of Resolution No. R2019-19 Adopting the Final Budget for Fiscal Year Ending June 30, 2020. (Justin Johnson)

VICE MAYOR ALLSOP MOVED TO ADOPT RESOLUTION NO. R2019-19 ADOPTING THE FINAL BUDGET FOR FISCAL YEAR ENDING JUNE 20, 2020 IN THE AMOUNT OF \$52,602,793; 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 FINAL 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 7:41 p.m. The Show Low City Council reconvened at 7:46 p.m.

9. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Vice Mayor Allsop said he attended the Meals on Wheels meeting where they discussed various projects. They were still looking for volunteer drivers. He also attended the Navajo County Board of Supervisors meeting last week.

B. Mayor

Mayor Seymore thanked the Show Low Chamber for the successful Show Low Days that was held at Frontier Fields this year. He said today was the 17th anniversary of the Rodeo-Chedeski fire starting in 2002. There were 19 fires in Arizona currently burning. He discouraged shooting fireworks in the City during the Fourth of July from because the area was

still dry and not fire safe. He wished everyone a great Fourth of July holiday.

C. City Manager

Mr. Muder said in public works projects, slurry-sealing of selected city streets began today and would continue through July 25. A complete schedule was available on the City's website. Work continued on the East McNeil waterline replacement project, and the West Reidhead waterline replacement project began Monday in the Sierra Vista subdivision. There were a number of other public works projects that would begin soon. He thanked Show Low's citizens for their patience as major infrastructure improvements were made around the City.

Mr. Muder said the library was hosting a traveling planetarium from Arizona State Library for all ages to enjoy on various dates and times beginning Monday, June 24. The planetarium was a rare opportunity to see the solar system up close and personal during the day.

Mr. Muder said a free Movie in the Park would be held at Frontier Fields this Friday, June 21. The blockbuster movie "Aquaman" would be featured. Beverages and snacks would be available for purchase.

Mr. Muder said this year's Fourth of July festivities would begin Thursday, July 4, with the annual parade along the Deuce of Clubs with a wet zone at Frontier Fields to follow. The FreedomFest, with music, food vendors, and kids' activities would take place in the afternoon and evening at the Show Low football stadium complex. A fireworks show was planned for that evening, depending on weather conditions. The Deuce's Wild Rodeo would take place on Friday, July 5, at Village Arena.

10. **SCHEDULING OF MEETINGS:**

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

Mr. Muder said the next Council meeting would be Tuesday, July 16, at 7:00 p.m.

COUNCILWOMAN KAKAVAS MOVED TO RECESS INTO EXECUTIVE SESSION TO DISCUSS ZONING ON A.P. NO. 210-31-020K AND THE LITTLE COLORADO RIVER WATER ADJUDICATION AND TO REVIEW THE EXECUTIVE SESSION MINUTES OF JUNE 4, 2019; 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 7:53 p.m.

11. **EXECUTIVE SESSION.**

- A. Confidentiality Statement.
- B. Discussion or consultation for legal advice with the attorney or attorneys of the public body. Pursuant to A.R.S. Section 38-431.03(A)(3).
 - (1) Zoning on A.P. No. 210-31-020K (Creative Development, LLC)
 - (2) Little Colorado River Water Adjudication.
- 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 June 4, 2019.

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 8:45 p.m.

- A. Consideration of Approval of the Minutes of the Executive Sessions of the Show Low City Council Held on June 4, 2019.

COUNCILMAN KELLEY MOVED TO APPROVE THE EXECUTIVE SESSION MINUTES OF JUNE 4, 2019; SECONDED BY COUNCILMAN CRITTENDEN; 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 JUNE 18, 2019 AT 8:45 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 June 18, 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