

MINUTES OF THE SPECIAL MEETING OF THE SHOW LOW CITY COUNCIL HELD ON MONDAY, AUGUST 19, 2019 AT 6:00 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 6:02 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; Jay Brimhall, Community Services Director; Shane Hemesath, City Engineer; Tom Bahr, Airport Manager; Joe Shelley, Police Chief; Rachael Hall, Assistant City Clerk; and Tamra Reidhead, City Clerk.

GUESTS: Lee Davis, Kimberly Robinson, Laura Singleton, Sandy and Kayle Adams, Arvel Adams, Jon and Becky Adams, Sharlene and Paul Hatch, and others.

3. Invocation.

Councilman Kelley gave the invocation.

4. Pledge of Allegiance.

Councilman Crittenden 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 NOT** scheduled on this agenda 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 Representative of U.S. Census Bureau.

United States Census 2020 Partnership Specialist Kimberly Robinson said her purpose for attending tonight's meeting was to make partnerships with different entities to ensure a complete count for the 2020 Census. The census came every ten years and data equated dollars to the community. Data from the 2010 Census showed that 25-30% of residents did not participate in the census. Address canvassers started in August and were verifying addresses in high growth and rural areas. They were also making sure addresses matched the GIS data.

Ms. Robinson said the official first day of the Census 2020 would be April 1, 2020. For the first time ever, residents would be able to respond to the census online, respond over the telephone, or by paper forms.

Ms. Robinson said this initial introduction was to make citizens aware that the census was coming and to contact residents and constituents to respond to the census. There would be \$657 billion distributed from the federal government to communities based on census data that would be sent to the White House by December 31, 2020. These figures would also help with redistricting and representation in the House of Representatives and the Senate.

Ms. Robinson said the census was currently hiring in the community, and those interested could apply on the website or pick up a brochure from the library. The census jobs provided flexible hours and would be temporary.

Mayor Seymore asked what the main reasons were that residents did not respond to the census. Ms. Robinson said one reason was distrust in the government. She said the census information is constitutionally protected for 72 years and census workers take an oath to protect the information that was gathered. Another issue that occurred was children zero-to-five years old, non-English speakers, and rural places were usually under counted during the census.

Mr. Tregaskes thanked Ms. Robinson for her presentation. The census was important because funding that came from the state and federal levels were based on the census population. These funds would help with amenities for the community and would be a way for residents to help obtain that funding. Kiosks would be set up in the library and city hall so residents could participate when they came in to pay their utility bill or check out a library book.

Mr. Tregaskes said staff had been working on ways to encourage more participation such as mailing letters to homeowners that owned a residence in the City but might not reside here all year, mailing letters to addresses of homes that were built in the last ten years, and to having a “Guess the Census” contest.

7. **CONSENT CALENDAR:**

- A. Consideration of Resolution No. R2019-28 Approving Intergovernmental Agreement with Navajo County and Accepting Edward G. Byrne Memorial Justice Assistance Grant Funds. (Joe Shelley)
- B. Consideration of Approval of Federal Aviation Administration Airports Improvement Program Grant Agreement for the South Apron Rehabilitation Project Design. (Thomas Bahr)
- C. Consideration of Acceptance of Grant Funds for “Libraries Lead With Digital Skills” Grant and Authorization of Associated Budget Transfers. (Lisa Lewis)
- D. Consideration of Acceptance of 2019 Rehabilitation and Rejuvenation of Public Roadways – Slurry Seal, City of Show Low Project No. R-1919. (Shane Hemesath)
- E. Consideration of Resolution No. R2019-27 Authorizing Submitting Application for Arizona State Parks and Trails Grant, Signature and Approval of the Project Sponsor Agreement for Construction of Americans with Disabilities Act Trail on Show Low Creek at the Meadow. (Lisa Robertson)
- F. Consideration of Minutes of Show Low City Council meetings:
 - (1) Regular Meeting of August 6, 2019.

COUNCILMAN CRITTENDEN 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 Agreement with Schneider Electric to Perform Guaranteed Energy Conservation Measures and Adoption of Resolution No. R2019-26 Approving Lease Purchase Agreement and Other

Financing Agreements with Zions Bancorporation, N.A., and Declaring an Emergency. (Bill Kopp/Justin Johnson)

Mr. Kopp said the City of Show Low strived to find ways to address unfunded infrastructure needs, modernize City infrastructure, and maximize energy and operational savings. At its October 2, 2018, meeting, the Council approved an agreement with Schneider Electric to perform an investment grade audit (IGA). The scope of this audit included inventorying and studying potential energy saving upgrades to provide the City with a turnkey energy conservation and modernization solution that could be paid for through energy and operational cost savings.

Mr. Kopp said Schneider had presented staff with a plan to perform a self-funding energy saving project. This project included implementing a building automation system to monitor and control mechanical systems in City facilities and an LED lighting upgrade for the exterior and interior of City buildings. The building automation system software would be purchased from a licensed vendor, and the equipment would be installed and configured by Schneider Electric.

Mr. Kopp said Schneider Electric was guaranteeing their projected energy savings over 15 years. Based on the information presented in the IGA, the energy savings over 15 years would be \$943,021. Schneider also estimated operations and maintenance savings of \$633,957 over the same time period. The project cost was \$712,575. Staff proposed that the City finance the project through a competitive loan offered through Zions Bancorporation. The interest rate would be 3.02% over 15 years.

Mr. Kopp said the financing was done through a lease purchase agreement with Zions Bancorporation by resolution, which also approved other financing agreements such as the escrow and account control agreement and the Memorandum of Understanding with Zions Bancorporation and Schneider Electric.

Mr. Kopp said staff recommended approving the agreement with Schneider Electric to perform guaranteed energy conservation measures in an amount not to exceed \$712,575, approving the resolution authorizing the lease purchase agreement with Zions Bancorporation and other financing agreements with Zions Bancorporation.

Vice Mayor was concerned that the City was going to get a loan for over \$712,000 and it would take 15 years to see the combined savings of over \$1.5 million. He said the rate of return was going to take longer than what most investors looked for. He asked if the City would be guaranteed the savings. Mr. Kopp said the savings would be guaranteed by Schneider

Electric. If at any time the City didn't meet the projected savings, then Schneider would write the City a check.

Councilman Leech asked Brandon Woodward of Schneider Electric if the City would receive an estimated yearly update on savings. Mr. Woodward said it could be set up to receive weekly, monthly, and daily updates a year after construction had occurred. If the savings were not meeting the set standards after one year, Schneider Electric would write the City a check to make up the difference.

Councilman Crittenden asked about the possibility of technology advancement that LED lighting would be upstaged by something else and if the City would be locked into this agreement without having the choice for another potential saving option. Mr. Muder said there would always be the capability to go back to Schneider Electric and look into options for energy cost savings. Mr. Woodward said that LED was so efficient that even if there would be a breakthrough with a different technology, it would cost more than LED and the savings that were projected with the LED lighting.

Mr. Johnson said when the City put the financing out for bid, quite a few bids were received. The lowest bidder was restrictive with prepayment and penalty for early payoff. The City chose to proceed with the second lowest bidder that would have no penalty for prepayment or early pay off. The City was also able to negotiate for the same low rate as the first bidder offered.

MAYOR SEYMORE MOVED TO APPROVE THE AGREEMENT WITH SCHNEIDER ELECTRIC TO PERFORM GUARANTEED ENERGY CONSERVATION MEASURES IN AN AMOUNT NOT TO EXCEED \$712,575, AND APPROVE ASSOCIATED BUDGET TRANSFERS, AND FURTHER MOVED TO ADOPT RESOLUTION NO. R2019-26 APPROVING THE LEASE PURCHASE AND OTHER FINANCING AGREEMENTS WITH ZIONS BANCORPORATION AND AUTHORIZE THE MAYOR TO SIGN ALL DOCUMENTS, AND DECLARING AN EMERGENCY; SECONDED BY COUNCILWOMAN KAKAVAS.

Councilman Kelley asked why there was a need for declaring an emergency. Mr. Brown said it was for the purpose of locking in the interest rate for the financing agreement.

MOTION PASSED 6 TO 1 WITH MAYOR SEYMORE, AND COUNCIL MEMBERS CRITTENDEN, HATCH, KAKAVAS, KELLY, AND LEECH VOTING IN FAVOR AND WITH VICE MAYOR ALLSOP CASTING THE DISSENTING VOTE.

- B. Consideration of Agreement for Sale of Property with Ross and Georgia Adams Family Trust Dated December 31, 1997. (Ed Muder/Morgan Brown)

Mr. Brown said the City was approached by representatives of the Ross and Georgia Adams Family Trust, who wanted to donate to the City a historical log cabin that was on property owned by the Trust. Originally built by the Penrod family, the cabin was relocated to its current site in 1939 and inhabited by the Adams family until 1951. The cabin was a good example of the early cabins that the original settlers lived in when they moved to the area. Ross and Georgia Adams owned several businesses in the Show Low area including the Downtown 9 Motel, Ross's Café, and the West End Gas Station. Many of their descendants still lived in the area.

Mr. Brown said staff felt that the cabin could be moved to a location next to the historic jail on the City Hall property and could be a place for residents and visitors to visit and see what life was like for early residents of Show Low. Along with the cabin, the Trust agreed to donate early tools, furniture, and a wagon to enhance the cabin when it was completed. The agreement indicated that if the cabin, tools, furniture and wagon were no longer needed, then the cabin and donated items would revert to the Adams Family Trust. In addition, if the cabin was ever moved, the Trust would need to grant approval for the new location if the Trust was still in existence. The cost to move the cabin was included in this year's budget. The request for proposals (RFP) to select a company to move the cabin was currently being advertised, and the RFP was due August 22, 2019.

Councilman Crittenden asked what type of security measures would be taken to keep the cabin secured. Mr. Brown said security cameras would be installed and a door or window for the public to view the cabin. There would be no access to the inside of the cabin. Mr. Kopp said staff would make sure any items that were on display could be seen but not taken from the cabin.

Mayor Seymore and Councilmen Crittenden and Kelley thanked the Adams family for the contribution to the City and preserving the history of the Adams family and the City.

VICE MAYOR ALLSOP MOVED TO APPROVE THE AGREEMENT FOR SALE OF PROPERTY WITH THE ROSS AND GEORGIA ADAMS FAMILY TRUST DATED DECEMBER 31, 1997; 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.

- C. Consideration of Award of Construction Contract for Sierra Vista Subdivision Roadway Reconstruction, City of Show Low Project No. R-0220. (Shane Hemesath)

Mr. Hemesath said the City’s fiscal year 2020 Capital Improvements Program budget included \$535,000 for a roadway improvement project labeled “Sierra Vista Subdivision.” The scope of work included pulverizing the existing aging asphalt, incorporating the pulverized material into the roadway base, and installing a new three-inch asphalt overlay in the Sierra Vista subdivision. The sewer and water replacement for this subdivision were completed over the past year. The proposed improvements were located along West Reidhead, West Stock, West Stratton, South 7th Avenue, South 6th Avenue, and South 5th Avenue.

Mr. Hemesath said the project was designed by City engineering staff, with a construction estimate of \$398,000. The project was publicly bid according to statutory requirements with the following results:

<u>Contractor</u>	<u>Total Bid</u>
PAP, LLC	\$363,395.00
Sunland Asphalt	\$377,370.00
Hatch Construction and Paving	\$396,365.00
Surface Contracting	\$432,297.50
Western Grade	\$520,872.50

Mr. Hemesath said staff recommended awarding the construction contract for the Sierra Vista subdivision roadway reconstruction, City of Show Low Project No. R-0220, to PAP Construction, LLC in an amount not to exceed \$363,395.

Councilman Kelley asked when that subdivision went in and said the roads had lasted a reasonable time. Mr. Hemesath said the subdivision’s final plat was dated in the early 1960’s.

Mayor Seymore asked if staff had knowledge of PAP Construction, LLC. Mr. Hemesath said they were a paving contractor from Colorado and had completed work on Arizona reservations and other municipalities in Colorado.

COUNCILMAN LEECH MOVED TO AWARD THE CONSTRUCTION CONTRACT FOR THE SIERRA VISTA SUBDIVISION ROADWAY RECONSTRUCTION, CITY OF SHOW LOW PROJECT NO. R-0220, TO PAP CONSTRUCTION, LLC IN AN AMOUNT NOT TO EXCEED \$363,395; 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.**

9. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Vice Mayor Allsop said that Battle of the Bands and Vans would be on August 31, and there were numerous bands and food vans registered for the event. He said that construction had begun on the Show Low Main Street wall and landscaping project at the intersection of the Deuce of Clubs and 9th Street.

B. Mayor

Mayor Seymore expressed his condolences for the former White Mountain Apache Tribal Chairman Ronnie Lupe's family. He said Chairman Lupe gave a great service to the Apache Nation, and he thanked the family for their service. He thanked Councilman Crittenden for attending the funeral service on behalf of the City Council.

C. City Manager

Mr. Muder said Wednesday, August 21, was the latest recommended day to mail back a voted-early ballot to the County for the jail district special election. For those who missed the mailing deadline, the last day to turn in a voted early ballot was on Election Day, Tuesday, August 27, at any polling place in Navajo County. Show Low voters who did not choose to receive an early ballot could vote at the City Campus Gymnasium on August 27.

Mr. Muder said on August 24, the City was sponsoring a free, region-wide residential electronic waste and used tires collection event at the Navajo County Penrod Facility. 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.

Mr. Muder said Show Low TV staff created a new "Welcome to Show Low" video that has received over 9,300 views and 251 shares on the City's Facebook page. They also created a video regarding Show Low's historic jail, which has garnered over 5,500 views on Facebook.

Mr. Muder said work on a stretch of US60 from the Show Low Airport (mile post 344) to one mile west of the US60/SR61 junction began last Monday and would continue for about three more weeks through September 12.

US60 would be narrowed to only one lane during the project, so motorists should allow for extra travel time.

10. **SCHEDULING OF MEETINGS:**

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

COUNCILMAN LEECH MOVED TO RECESS INTO EXECUTIVE SESSION TO DISCUSS THE LITTLE COLORADO RIVER WATER ADJUDICATION AND PROPERTY KNOWN AS A.P. NO. 210-18-015B AND TO REVIEW THE EXECUTIVE SESSION MINUTES OF AUGUST 6, 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 6:46 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) Little Colorado River Water Adjudication.

C. 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 (7).

(1) A.P. No. 210-18-015B

D. 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 August 6, 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 7:06 p.m.

- A. Consideration of Approval of the Minutes of the Executive Session of the Show Low City Council Held on August 6, 2019.

COUNCILWOMAN KAKAVAS MOVED TO APPROVE THE EXECUTIVE SESSION MINUTES OF AUGUST 6, 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.

13. **ADJOURNMENT.**

There being no further business to be brought before the Council, **MAYOR SEYMORE ADJOURNED THE SPECIAL MEETING OF THE SHOW LOW CITY COUNCIL OF AUGUST 19, 2019 AT 7:08 P.M.**

ATTEST:

APPROVED:

 Tamra Reidhead, City Clerk

 Daryl Seymore, Mayor

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CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the **SPECIAL MEETING** of the City Council of Show Low held on August 19, 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