

MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, JUNE 16, 2020 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 Clark, Councilwoman Kakavas, Councilman Kelley, and Councilman Leech.

COUNCIL MEMBERS ABSENT: Councilman Hatch.

STAFF MEMBERS PRESENT: Ed Muder, City Manager; F. Morgan Brown, City Attorney; Justin Johnson, Deputy City Manager; Jay Brimhall, Community Services Director; Bill Kopp, Public Works Director; Justen Tregaskes, Planning and Zoning Director; Tom Bahr, Airport Manager; Lisa Robertson, Grants/Transit Manager; Joe Shelley, Police Chief; Cari Bilbie, Accounting Manager; Rachael Hall, Deputy City Clerk; and Tamra Reidhead, City Clerk.

GUESTS: Ron Gates, Dawn Wilson, Sharon Stone, Joy Owens, and others.

3. Invocation.

Mayor Seymore gave the invocation.

4. Pledge of Allegiance.

Vice Mayor Allsop 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.

Joy Owens, 980 East Huning, voiced her concerns over the drainages that went through her property. She asked the City to properly maintain the drainages.

6. **SPECIAL EVENTS:**

- A. Presentation by Local First Arizona Foundation.

No presentation was made.

7. **CONSENT CALENDAR:**

- A. Consideration of Appointment of Director to Show Low Industrial Development Authority. (Ed Muder)
- B. Consideration of Resolution No. R2020-11 Adopting an Annual Policy and Prescribing Procedures for Purchasing from the Mayor and Any Member of the Council. (Ed Muder)
- C. Consideration of Agreement with Show Low Main Street for Fiscal Year 2020-21. (Jay Brimhall)
- D. Consideration of Renewal of Agreement with White Mountain Meals on Wheels for Managing Show Low Senior Center for Fiscal Year 2020-21. (Jay Brimhall)
- E. Consideration of Renewal of Agreement with Show Low Historical Society for Fiscal Year 2020-21. (Jay Brimhall)
- F. Consideration of Approval of Annual Purchase Orders for Fiscal Year 2020-21. (Justin Johnson)
- G. Consideration of Adoption of Resolution No. R2020-12 Designating the Chief Fiscal Officer for City of Show Low and Authorization to Submit the Current Fiscal Year's Annual Expenditure Limitation Report. (Justin Johnson)
- H. Consideration of Renewal of Agreement with Show Low Chamber of Commerce for Fiscal Year 2020-21. (Justin Johnson)
- I. Consideration of Resolution No. R2020-15 Accepting Arizona CARES Grant Funds from State of Arizona and Approval of Associated Budget Transfers. (Justin Johnson)
- J. 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)

- K. Consideration of Resolution R2020-13 Approving Intergovernmental Agreement with Arizona Department of Transportation for Installation of Emergency Vehicle Pre-emption Systems on Certain Existing and Future Traffic Signals. (Joe Shelley)
- L. Consideration of Acceptance of Creekside at Eagle Mountain Estates, Unit 1. (Justen Tregaskes)
- M. Consideration of Noncommercial Ground Lease with Walter T. and Cheryl L. Coombe and Termination of Noncommercial Ground Lease with J&R Property Holdings, LLC at Show Low Regional Airport. (Tom Bahr)
- N. Consideration of Acceptance of Grant Funds from Arizona Department of Environmental Quality Brownfields State Response Grant for Phase II Environmental Site Assessment and Award Contract for Environmental Site Assessment to Terracon Consultants, Inc. (Lisa Robertson)
- O. Consideration of Minutes of Show Low City Council meetings:
 - (1) Special Meeting of June 2, 2020.
 - (2) Regular Meeting of June 2, 2020.

Councilman Leech asked for Item 7-H (renewal of agreement with Show Low Chamber of Commerce for fiscal year 2020-21) to be pulled from the Consent Calendar for discussion.

VICE MAYOR ALLSOP MOVED TO APPROVE THE CONSENT CALENDAR AS PRESENTED EXCEPT FOR ITEM 7-H (RENEWAL OF AGREEMENT WITH SHOW LOW CHAMBER OF COMMERCE FOR FISCAL YEAR 2020-21); SECONDED BY COUNCILMAN CLARK; PASSED 6 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CLARK, KAKAVAS, KELLEY, AND LEECH VOTING IN FAVOR.

Discussion turned to item 7-H (renewal of agreement with Show Low Chamber of Commerce for fiscal year 2020-21). Mayor Seymore said at its meeting on November 5, 2019, the Council approved the agreement with the Show Low Chamber of Commerce (Chamber) to operate the Tourist Information Center (TIC) for a period of six months from January 1, 2020 to June 30, 2020.

Mayor Seymore said in preparation for the upcoming contract renewal, City staff met with the executive director of the Chamber and explained the Council's interest in finding ways to improve the TIC by providing information to visitors through social media and other electronic means. Staff also explained that the Chamber would need to present ideas for

improving the TIC to the Council before any type of renewal would be considered.

Mayor Seymore said this agreement would renew the contract with the Chamber agreement from July 1, 2020 to September 30, 2020 in the amount of \$14,375. The Chamber would provide monthly reports on activity, and City staff and the Chamber would continue to meet regularly to discuss ways to improve the TIC.

Councilman Leech said the Council had given the Chamber many extensions and believed that extending the agreement three more months would be a waste of funds.

Councilman Clark disclosed to the Council that a member from the Chamber reached out to him to get advice as a Navajo County employee.

Vice Mayor Allsop disclosed that he was also approached by a member from the Chamber discussing what the future may hold for the Chamber.

Mr. Johnson introduced Dalilia Edwards, President of the Show Low Chamber Board of Directors. Ms. Edwards said she had worked with the Chamber for over 11 years. The Chamber's executive director Jimmy Applegate was no longer with the Chamber. The majority of phone calls and walk-ins that came into the TIC were for information about the area from non-local elderly visitors. The TIC would still provide resources to help visitors with information.

Ms. Edwards said the Board would be meeting to discuss ideas about the Chamber's future. She expressed the need to have a larger, more robust digital platform.

Councilman Clark asked who currently staffed the TIC. Ms. Edwards said a volunteer who had worked there for many years was currently staffing the TIC on Monday through Wednesday, 9:00 a.m. to 4:00 p.m. and the Board would be there Thursday through Saturday, 9:00 a.m. to 1:00 p.m. There were no disruptions to services that were being provided.

Councilman Leech asked where the funds would be going if there were volunteers working at the TIC. Ms. Edwards said the Board was looking for a full-time employee.

Councilwoman Kakavas asked if the Board had met to discuss their vision and talked about making a more productive partnership with the City. Ms. Edwards said it was their top agenda item to discuss at the next Board meeting in upcoming weeks.

Councilman Clark asked what would happen if the contract wasn't renewed. Ms. Edwards said the Chamber would still provide information for visitors unless the City opened up another location to provide that service to visitors.

Mayor Seymore asked if Ms. Edwards could attend the next regular Council meeting in July. He suggested having a month-to-month agreement. Ms. Edwards said she would report on the Board's ideas to the Council at the next Council meeting in July.

VICE MAYOR ALLSOP MOVED TO RENEW THE AGREEMENT BETWEEN THE CITY OF SHOW LOW AND SHOW LOW CHAMBER OF COMMERCE FOR THE PERIOD OF JULY 1, 2020 TO SEPTEMBER 30, 2020 AND AUTHORIZE THE MAYOR TO SIGN SAID AGREEMENT; SECONDED BY COUNCILMAN KELLEY.

Councilman Leech said his disappointment with the agreement was only based on promises that had been made but not kept.

MOTION PASSED 6 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CLARK, KAKAVAS, KELLEY, AND LEECH VOTING IN FAVOR.

8. **NEW BUSINESS:**

- A. Consideration of Resolution No. R2020-14 Adopting the Tentative Budget and Establishing the Expenditure Limitation for Fiscal Year Ending June 30, 2021. (Justin Johnson)

Mr. Johnson said the budget development process began in January 2020 with departments presenting their budgets to City management. As presented in a town hall and several study sessions, the tentative budget would be adopted at tonight's meeting with final budget adoption on July 21.

Mr. Johnson said Resolution No. R2020-14 would adopt the tentative budget for fiscal year 2021 in the amount of \$60,292,185. All Council goals and priorities were taken into consideration when developing the budget.

Mr. Johnson said the fiscal year 2020 adopted budget was \$52.5 million, compared to the 2021 tentative budget of \$60.3 million. The majority increase was due to capital carryovers, AZCARES Fund expenditures, Airport Grant, and the inclusive playground and splashpad at Frontier Field.

Mr. Johnson said the beginning fund balance was \$26,582,562 from prior years' savings and reserves. Other financing sources (unanticipated) came to \$4,000,000, interfund transfers were \$5,069,099, and operating revenues were \$35,617,980 (revenue that would be collected or earned during the fiscal year).

Mr. Johnson said operating revenues of \$35,617,980 would come from local taxes (31.4%), charges for services (12.7%), intergovernmental revenues (10.1%), state-shared revenues (13.6%), utility fees (25.6%), miscellaneous (6.1%), and fines and forfeitures (0.5%).

Mr. Johnson said utility fee revenues were projected to be \$9.1 million, consisting of water at \$4.9 million, wastewater at \$3.2 million, and sanitation at \$1.0 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 \$15.09 to \$15.78 and the increase would be effective as of July 1. The cost for a second polycart would remain the same.

Mr. Johnson said local sales tax collections, the number one source of revenue, were budgeted at \$11.2 million. Sales tax collections were conservatively estimated to be the same as fiscal year's 2020 budgeted amount. He said state-shared revenues of \$4.8 million were budgeted at 95% of state estimates. State-shared revenues were currently programed at 95% of state estimates for FY2020. State-shared revenue budget estimates were received for FY2021 had increased by \$192,173 over FY2020 estimates. Staff elected to keep FY2021 budget the same as FY2020.

Mr. Johnson said the intergovernmental revenues were \$3.6 million, which included grant revenue and new grants that would come before the Council for approval as they were awarded. The majority of increase was due to AZCARES grant for \$1.3 million from the State of Arizona for COVID-19.

Mr. Johnson said expenditures by type included personnel (29.1%), capital (31.1%), operational (25.2%), debt service (3.9%), reserves (10.2%), and contingency/CIP (capital improvements program) reserves (0.5%). Mr. Johnson said personnel expenditures totaled \$16,591,909. Mr. Johnson said the Arizona State Retirement System rate increased from 12.11% in FY2020 to 12.22% for FY2020. The PSPRS rate went unchanged.

Mr. Johnson said full-time equivalents (FTE) would increase from 164.5 to 166.5. The increase was due to adding two FTEs for community outreach and social media.

Mr. Johnson reviewed personnel by service area and said public safety had 35% of the City's employees; community services, 15%; utilities, 16%; public works, 18%; general government, 13%; and planning and zoning, 3%.

Mr. Johnson said capital/contingencies totaled \$20 million. The largest expense in this category was for streets/engineering at \$4,879,014.

Mr. Johnson said CIP reserves totaled \$5.8 million, which included three months' operating revenues. The general fund included a \$1.0 million voter-required reserve, but the City had a \$2.7 million reserve, more than was legally required. The water treatment plant reserve was budgeted at \$1.5 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 \$1.9 million. The treatment plant and public safety building were the largest loans we had.

Mr. Johnson said expenditures by service area were utilities (25.2%), public works (26%), public safety (19.2%), community services (4%), general government (22.4%), debt service (2.7%), and improvement districts/Community Facilities District (0.3%).

Mr. Johnson said Resolution No. R2020-14 would adopt the tentative budget and establish the City's expenditure limitation for fiscal year 2021 at \$60,292,185. 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 July 21, when the final budget would be adopted. The secondary property tax levy would be adopted at the August 4 meeting.

Mayor Seymore asked if there would there be enough capital in the budget to help with an unexpected project if the City were to receive grant funding for infrastructure. Mr. Johnson said there was \$4.0 million in unanticipated expenditures. He said the City could possibly do four major projects if needed with those funds. Grant funding also did not affect annual expenditure limitation.

Vice Mayor Allsop thanked staff for their work during the budget.

ALLSOP MOVED TO ADOPT RESOLUTION NO. R2020-14 ADOPTING THE TENTATIVE BUDGET AND ESTABLISHING THE EXPENDITURE LIMITATION FOR FISCAL YEAR 2021 AT \$60,292,185.; SECONDED BY COUNCILMAN LEECH; PASSED 6 TO 0 WITH MAYOR SEYMORE,

VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CLARK, 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 2020-21 FOR THE DISTRICT.

The Show Low City Council recessed into a Special Meeting of the Show Low Bluff Community Facilities District Board at 7:47 p.m. The Show Low City Council reconvened at 7:53 p.m.

9. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Councilwoman Kakavas said COVID-19 numbers continued to rise in the State and local area. There were currently four deaths in Summit's system. She reminded citizens to wash hands, stay safe, and practice physical distancing.

Vice Mayor Allsop attended a Main Street meeting and said the project on the corner of 9th Street and Deuce of Clubs would be complete once the additional lighting was installed. He said Meals on Wheels was active and continued providing and serving seniors with meals during this time.

Councilman Kelley encouraged citizens to enjoy the high-altitude fireworks display this Fourth of July.

B. Mayor

Mayor Seymore said for the thirteenth year in a row, the City was awarded the Certificate of Achievement for Excellence in Financial Reporting award from the Government Finance Officers Association for a comprehensive annual financial report for year ending June 30, 2019. The certificate represented a significant accomplishment by the finance staff and was the highest form of recognition in governmental accounting and financial reporting. He congratulated the finance department staff on this outstanding achievement for the past 13 years.

Mayor Seymore thanked residents who donated during the White Mountain Apache Tribe drive for supplies during this time of need. There were several trucks and trailers full of supplies that were taken to the Tribe. He also thanked Council members Leech and Hatch for their help. He wished everyone a great Fourth of July.

C. City Manager

Mr. Muder said in public works projects, the City’s contractor would finish slurry sealing selected City streets this Friday. Also, work continued on the 24th Drive sewer main replacement, the West Cooley and 8th Avenue waterline replacement, and the North 16th Avenue sidewalk and walking path. The new Meadow pavilion was taking shape on the north end of the Meadow near the Show Low Bluff Trail. He thanked citizens for their patience as crews worked on projects around the City.

Mr. Muder said the American Red Cross was sponsoring a blood drive tomorrow at the City Campus Gym.

10. **SCHEDULING OF MEETINGS:**

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

Mayor Seymore said the Council Retreat was scheduled for October 30.

Mr. Muder said the next Council meeting would be Tuesday, July 21, at 7:00 p.m.

11. **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 16, 2020 AT 8:02 P.M.**

ATTEST:

APPROVED:

Tamra Reidhead, City Clerk
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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 16, 2020. 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