

MINUTES OF THE RETREAT OF THE SHOW LOW CITY COUNCIL HELD ON WEDNESDAY, OCTOBER 1, 2025, AT 9:00 AM IN THE DARRIN REED COMMUNITY ROOM, 411 EAST DEUCE OF CLUBS, SHOW LOW, NAVAJO COUNTY, ARIZONA

1. Call to Order.

Mayor Leech called the meeting to order at 9:00 a.m.

2. Roll Call.

COUNCIL MEMBERS PRESENT: Mayor Leech, Vice Mayor Kakavas, Councilman Hatch, Councilman Adams, Councilman Judd, and Councilman Whipple.

COUNCIL MEMBERS ABSENT: Councilman Clark.

STAFF MEMBERS PRESENT: Morgan Brown, City Manager; Anna Atencio, City Attorney; Justin Johnson, Deputy City Manager; Shane Hemesath, Public Works Director; Mike Mariscal, Community Services Director; Brad Provost, Police Chief; Greg Westover, Police Commander; Grace Payne, Communications Manager; Steve North, Economic Development Director; John Wilhelm, Building Official; Kathy Clements, Assistant City Clerk; and Rachael Hall, City Clerk.

GUESTS: None.

3. Invocation.

Councilman Judd gave the invocation.

4. Pledge of Allegiance.

Councilman Whipple led the Council and audience in the pledge of allegiance.

5. **REVIEW/UPDATE OF STATUS OF 2023 RETREAT ITEMS:**

- A. Presentation by M. Brown

Mr. Brown provided an update on the assignments and suggestions directed by the City Council at the 2024 City Council retreat. He briefly reviewed each of the following items:

1. Mayor Interviews with Old Timers were ongoing. Staff at SLTV were filming interviews with as many as would participate. Mr. Brown showed a video about Adams' house.
2. Museum, inspect the condition of the Museum Building and make any necessary repairs. Staff was looking into a fix for the sewer issues and obtaining quotes. Staff was also working on an Intergovernmental Agreement with Navajo County for the building.

3. Manufactured Home Age Restrictions, completed. Staff worked on amending the Building Chapter of the City Code and brought it to the City Council for consideration. Council adopted Ordinance. No. 2024-11.
4. Permitting of Manufactured Homes, ongoing. Staff worked on an agreement with Navajo County and brought it to the City Council for consideration. Staff was waiting for an agreement from the State to allow Navajo County to do the inspections of manufactured homes. The State was in the process of updating the inspection standards to comply with the Department of Housing and Urban Development requirements.
5. Unsanitary Conditions of Buildings - Staff reviewed and considered amending the Building/Zoning Chapter of the City Code to address unsanitary conditions of buildings. Staff believed the current City Code was sufficient and would work on enforcement.
6. City Electronic Sign, completed. Staff disassembled and removed the sign next to Burger King.
7. Prohibit Smoking in City Parks, completed. Staff worked on amending the City Code and brought it to the Council for consideration. Council adopted Ordinance No. 2024-10.
8. Certified Local Government Historic Preservation - The State Historic Preservation Office (SHPO) presented additional information regarding the program to the City Council during a January 21, 2025, Study Session. Staff verified the properties on the 1990s Historic Property Survey. The SHPO office was defunded, and no information had been provided regarding future funding.
9. Downtown Public Parking Restrictions: two-hour parking restrictions. Staff worked on designating areas downtown as "Restricted Parking Zones". A Study Session was held with the City Council in June 2025. Staff was working on making and installing signs.

Mayor Leech said he thought there was some discussion about four-hour parking downtown. Mr. Brown said that he remembered that two-hour and no overnight parking were discussed during the Study Session. He would check the minutes on four-hour parking.

10. Emergency Preparedness, completed. The City Council and certain staff members participated in a NIMS 100 class for certification in Emergency Management.

6. **CITY COUNCIL GOALS AND STRATEGIC PLAN:**

A. Presentation by J. Johnson

Mr. Johnson said the four areas of focus for the City Council had been in place for approximately 14 years. Staff conducted research and reviewed over a dozen strategic plans. With the exception of the organization, the other three

components, infrastructure, economic development, and quality of life, were included in most of those plans. The City was on target with the areas that it was focusing on. He said he would like to move ahead with developing a strategic plan next year.

Mr. Johnson said the priority of infrastructure and preserving existing assets included:

- Appearance and Image, such as the City's entrance signs, and increased budget for rights-of-way maintenance.
- Protect investments by having a developed five-year plan, repairing and maintaining the City's infrastructure (roads, water, and wastewater), and maintaining City facilities.
- Established reserves: The City had three months of operating expenses in reserve. There was also about \$37 million in the general fund in the unassigned budget. There was a significant amount of money set aside for potential recession, slowdown, or an unexpected event. The City was also saving money in reserve for future projects, such as the sports and event center (\$14.3 million), the water treatment plant (\$2.7 million), and the museum (\$ 800,000.00).

Mr. Johnson said that Economic Development included:

- Community partnerships, which promoted economic and community development through collaborative efforts with government and non-government organizations.
- Retail and commercial expansion through continuous outreach to attract and retain businesses.
- Recreation as an economic development tool: Following the Economic Development Plan for fiscal years 2024 to 2028.

Mr. Johnson said Organization included:

- Developed plans, including the General Plan update, which was adopted in 2018 or 2019, the Capital Improvements Plan, the Water and Wastewater Master Plans, and the Housing Plan.
- City employees, providing competitive compensation packages.
- Emergency preparedness plans such as the Hazard Mitigation Plan, Ready Navajo County, and FEMA training.

Mr. Johnson said Quality of Life included:

- Providing enhanced amenities such as parks, trails, Alternative Essential Air Service, a business incubator, and pickleball courts. The City was still waiting on the grant funding for Timothy McKay Park.
- Opportunities for youth at the City library, recreation leagues, and student government day.

- Community outreach through the Citizens Academy and service opportunities.
- Engaging with citizens through social media apps, email blasts, YouTube, and Cleargov.

Mayor Leech asked how much was coming for Timothy McKay Park. Mr. Johnson said the project was estimated to be between \$1.7 million and \$1.8 million, with 50% of the funding coming from State Parks.

Mr. Johnson said strategic planning provided local governments with a clear roadmap to achieve long-term goals, enhancing operational efficiency, improving resource allocation, aligning community needs with services, and building a more resilient and proactive organization. He said the five key benefits of a strategic plan included:

1. **Improved Decision-Making and Resource Allocation** - A strategic plan served as a guide, helping leaders make well-informed decisions by providing a clear framework for action.
2. **Fosters a Proactive Approach** - It shifted the focus from reactive problem-solving to proactive initiatives, fostering a more forward-thinking approach to community needs.
3. **Enhances Community Engagement and Vision** - Strategic planning created a common vision and mission, uniting residents and government officials around shared goals.
4. **Increases Efficiency and Accountability** - By establishing clear, measurable goals, governments could track progress, demonstrate success, and ensure accountability to residents.
5. **Strengthens Organizational Health** - The planning process helped local governments analyze their internal strengths and weaknesses, allowing for focused improvement efforts.

Mr. Johnson said a well-executed strategic plan could increase transparency, manage expectations, create a shared vision for the community's future, and build public trust in the government's ability to deliver results.

7. **BUDGET UPDATE AND ECONOMIC TRENDS:**

A. Presentation by J. Johnson

Mr. Johnson said that the annual inflation rate in the U.S. rose from 2.7% to 2.9% in August 2025. Imposed tariffs were putting some pressure on inflation. The reduced Federal rate was expected to partially offset the negative impact from tariffs.

Mr. Johnson said consumer spending rose 0.5% to \$20.8 trillion, demonstrating sustained resilience from consumers despite economic challenges. While a recession was not expected, some forecasts predict a slowdown.

Mr. Johnson said the short-term baseline forecast predicted that the U.S. economy would avoid recession. That translated into continued growth for Arizona. If the U.S. economy avoided recession in the near term, as assumed in the baseline forecast, the outlook called for Arizona to post another year of slow gains in 2025, before modestly accelerating in 2026 and 2027. Arizona added 34,300 jobs in July, translating to 1.1% growth over the year. That outpaced the U.S. at 0.9%. The long-term outlook for Arizona, Phoenix, and Tucson called for continued growth that outpaced the U.S. but fell short of the rates seen during the prior thirty years. Arizona was projected to add 2.6 million residents between 2025 and 2055.

Mr. Johnson reviewed a snapshot of the sales tax data. He said in the first two months of Fiscal Year 2026, the City collected over \$2 million in sales tax. Taxes continued to grow and generate elevated revenue.

Mr. Johnson said that good tourism numbers and increased local spending continued to generate elevated Fiscal Year 2026 revenues, outperforming both the budget and the prior fiscal year. He said the City was financially able to complete all budgeting activities. He said there were improved reserves and fund balances in Fiscal Year 2026, and staff would maintain a conservative budgeting process.

Councilman Judd noted that the tax revenue continued to rise and wondered if there was a way to drill down and identify what was driving the increase. Mr. Johnson said that the second page of the monthly tax report provided a breakdown of the revenue sources.

Mr. Brown said that retail was a significant contributor to sales tax revenue, including the big box stores and car dealerships.

Mayor Leech asked if the Town of Pinetop-Lakeside received a percentage of the sales tax revenue from Home Depot and Lowe's. Mr. Johnson said no, they did not.

8. **DISCUSSION ITEMS:**

A. Business Incubator Update (S. North)

Mr. North said the purpose of the business incubator was to nurture entrepreneurs and encourage new business startups. The business incubator feasibility study was completed in March 2024, and the City was awarded a \$275,000.00 Economic Development Administration (EDA) Planning Grant in September 2024.

Mr. North said that the structural assessment of the building was completed using funds from the EDA Planning Grant, along with several

other items, including the kitchen layout, equipment list, and specifications. The building architecture plans were 25% complete, and the business plan and financial pro forma were 95% complete. The City also received a grant extension to January of 2026 to complete an economic impact review and business plan.

Mr. North shared photos of the proposed business incubator site, floor plan, and interior design plans.

Mr. North said the next steps included completing the EDA planning grant in December 2025. The estimated projected cost of the business incubator was \$5 million. The estimated EDA contribution would be between \$2 million and \$3 million. He said staff would apply for the EDA construction grant in early 2026.

Councilman Judd asked what the timeline was for completion. Mr. North said that the project should be completed in 2027.

Councilman Judd wanted to know if people who wanted to use the kitchen would schedule a time to do so and if they would rent that space. Mr. North said yes, people would need to schedule time to use the kitchen and rent the space. It was all part of the business plan that was being developed.

Mayor Leech asked what people in the community were saying about the business incubator. Mr. North said he had heard nothing but positive comments.

Mayor Leech inquired whether there were other business incubators in the state. Mr. North said there were several, Surprise, Mesa, Queen Creek, and Flagstaff, all had one, and Winslow was working on one.

Mr. Brown said that White Mountain Economic Development continued its work with the City on pre-incubation services. He said this was a good investment for the community and would give the youth more options, with the hope that they would stay in the White Mountains.

Councilman Whipple asked if the City would be hiring someone to run the facility. Mr. North said that the City lacked the expertise to manage the facility and would need to hire someone.

Mayor Leech asked what kind of person the City was looking for. Mr. North said it could be a City employee or a contractor. There were businesses that contracted to run these types of facilities.

Councilman Adams asked how the City's business incubator compared to those around the state. Mr. North said he felt that the proposed business incubator was quite comparable to others around the state. Flagstaff had

two buildings; one was called an accelerator for businesses that had progressed past the incubator stage but were not yet ready to rent space in the community. He said the business incubator space was intended for short-term use, typically lasting a year or so, after which the business should be able to operate its own space in the community.

Mayor Leech inquired about renting office space. Mr. North said there would be a variety of different avenues for businesses to use, including full-time office space, part-time office space, home working space, some shared rent space, and conference room rentals. There would be a variety of revenue streams. The person hired to manage the building would be responsible for scheduling and negotiating contracts with the users.

Mayor Leech asked if the people who used the business incubator would have a business license. Mr. North said that the people using the business incubator would be vetted and needed to have a business license.

Mayor Leech asked if people using the conference rooms could purchase food from those using the kitchen. Mr. North said he saw no reason why those people who rented the conference room could not contract with those who rented the kitchen to provide food.

Mr. North said the business incubator was more than just about renting space. Those who utilized it would have access to support services for their businesses, helping ensure their success.

B. Fire Resistant Construction (J. Tregaskes/J. Wilhelm)

Mr. Wilhelm said that wildfire-resistant construction was introduced to the City by Timber Mesa Fire and Medical. They met with staff and expressed concerns about protecting the community from wildfires. Some of the issues that were brought up included existing buildings and new construction being dropped by insurance companies, the cost of rising insurance rates, the availability of insurance, and the potential for wildfires to destroy buildings.

Mr. Wilhelm said staff was looking for direction from the City Council regarding modifying the building code to address building-related issues, such as putting some restrictions on new construction versus existing structures. He said this would increase construction costs, provided no guarantee of obtaining insurance, and insurance requirements could vary. Some insurance companies were dropping coverage just because of the zip code, and maintenance would be ongoing.

Mr. Wilhelm said that possible code revisions included incorporating defensible space, defining minimum roof covering, venting screens, non-combustible gutters and downspouts, and non-combustible ground

clearance. He said defensible space was defined as an area within five feet of the home. Homeowners would need to remove all vegetation within five feet of the home. That would include shrubs, bushes, rose bushes, and any ladder fuels.

Mr. Wilhelm mentioned that some of the ideas discussed regarding home construction included minimum roof standards requiring a Class A roof of metal or asphalt shingles, which could necessitate a heavier sublayer. Smaller vent screening around attics and crawl spaces. This was related to preventing sparks and embers from entering the home. Requiring metal gutters and downspouts instead of vinyl and enforcing a six-inch gap between any ground cover and siding. Any supports for post decks would need to be made from non-combustible material. Require eaves to be enclosed by boxing the bottom to prevent embers from accessing the home, and use non-combustible siding and deck material.

Mayor Leech asked if the City was in discussions with insurance companies to obtain some guidance, especially in light of the zip code issue. He said it did not make sense to implement these types of changes if people were still unable to get insurance or if rates continue to increase. Mr. Wilhelm said the fire department was reaching out to insurance companies to get some standards. That information was still pending. City staff would meet with the fire department once that information was obtained.

Mr. Brown said Chief Chevalier was on the Governor's insurance committee. The idea was to standardize what insurance companies required to ensure a consistent approach. So, if a person built a house in a certain way, it should be insurable.

Councilman Judd said that the City Council needed more information. There seemed to be two separate issues: one was the safety issue, such as the number of structure fires in Show Low, and the other was whether this was primarily an insurance issue, and how many people were unable to obtain insurance. He said he would hate to increase the cost to build homes if it were not necessary.

Mayor Leech said that if these changes were to increase the cost of housing and people were still not able to obtain insurance, then it might not make sense.

Mr. Brown said staff would gather more information. Staff wanted to know whether they should continue to explore fire-resistant construction and pursue the insurance issue.

Councilman Judd said he would like to know how many residents in Show Low no longer had homeowners' insurance.

Mayor Leech asked if the fire department could implement their own fire restrictions or if they needed the City's approval. Mr. Wilhelm said Timber Mesa was its own entity, and they could adopt anything. Mayor Leech said he was glad they were working with the City.

C. Workforce Housing Update (J. Tregaskes/S. North)

Mr. North said the City Council approved Resolution No. R2024-08 on February 6, 2024, which provided incentives for Workforce Housing. Incentives included waiver of permit fees, sales tax rebate of \$1,000.00 per workforce-designated unit, and capacity fee credits. The developer had to qualify for these incentives by either renting or selling to people who earned an income between 60% and 120% of the area median income, which was approximately \$38,000 .00 a year, up to \$75,000.00 a year. He said anyone who took advantage of those incentives had to keep their units for the workforce for a period of ten years.

Mr. North said the City already had the eight-unit Madison Court Apartments in play, with 12 more under construction. There were also a couple of single-family homes across from the VFW; however, two of those homes were market-rate houses. He said that there were also quite a few in the pipeline.

Mr. North said the Mountain Ridge Apartments, adjacent to Snow Creek, had 80 units designated for workforce housing and 16 for market rate.

Mayor Leech asked whether the four houses across the street from the VFW all qualified for the workforce housing incentives, even though two were market-rate. Mr. North said no, only the two houses intended for use as workforce housing units qualified for the incentives.

Mr. North said there were an additional 40 units in the review process. He said the City was looking at nearly 150 units being developed as a result of the incentives program.

Vice Mayor Kakavas asked where the approved 40 units were located. Mr. Wilhelm said the 40 units were near Roberts Tire Sales.

Councilman Judd asked if the workforce housing units across from the VFW were going to be sold or were they rental properties. Mr. Brown said the houses across from the VFW were rental units.

Councilman Adams asked about the status of the proposed partnership project brought to the City Council by Jim Hammett. Mr. Brown said that after the project was brought to the City Council, some questions were raised, and staff was working through them.

Ms. Atencio said there were some questions regarding the procurement of the project and financing with Mr. Hammett and his group. Staff contacted the League of Cities and Towns, which recommended the City speak with Attorney Andrew McGuire, who had worked with the League in the past. Staff shared the documents and financing proposal on the project with Mr. McGuire.

Ms. Atencio said Mr. McGuire expressed significant concerns about the project and how it had come about without going through the procurement process. He also expressed concerns about the unusual form of financing since it would be treated as a utility. He said that he felt it was a way of getting around the budget expenditure limits set by the Arizona Constitution. Staff asked him to provide his findings in writing and would share that information with the City Council once it was received.

Councilman Adams asked whether the concerns regarding the proposed project could be addressed and brought into compliance, or if the project was headed in the wrong direction. Ms. Atencio expressed her concern about the financing, particularly as the City moved forward with the sports and event center. Just because the financing was called something different, it would still be a violation of the expenditure limits. That needed to be ferreted out before the City could proceed.

Ms. Atencio said that, regarding the construction and development, it might require taking a step back and putting the project through the procurement process. In this process, Jim Hammett's group could submit a proposal along with others, similar to what the City did with the sports and event center. However, without the financial aspect, achieving this would be difficult, and Mr. McGuire did not think off-book financing was legal.

Councilman Judd asked if the issue was due to it being a utilities agreement. Ms. Atencio said that SP Corporation would be financing the project and then essentially leasing it back to the City, but the agreement they used was a utilities agreement.

Mr. Brown said SP Corporation referred to it as a utility service provider agreement. They did a lot of these projects, for things like water and wastewater infrastructure, as a way for the cities and towns to keep the financing off their books. They were trying to go that route with housing, which was new, and that was the legal issue.

Councilman Adams said that he was aware that other cities had workforce housing projects and wondered how they did it. Ms. Atencio said the City of Flagstaff funded the program itself through grants and city funds and had created an entire department for workforce housing. Mr. Brown said in some instances, the city owned the property where they were building

workforce housing.

Councilman Whipple asked if other cities were using Zenni Homes or different companies. Mr. Atencio said she did not know if other cities were using Zenni Homes or other companies.

Mr. North said the Flagstaff project might be a low-income project taking advantage of the federal tax credits. He was not familiar with any tax credits available specifically for workforce housing.

Ms. Atencio said Flagstaff had both affordable housing and workforce housing. The tax credit was probably for affordable housing, but there were grants available for workforce housing.

Mayor Leech said the City needed to stay on top of the proposed project with Mr. Hammett's group to see if it would be possible to pursue.

Ms. Atencio said that private businesses were stepping up and taking advantage of the workforce housing incentives. She suggested that the City Council could have an Executive Session once the memo was received from Mr. McGuire.

D. Public Works Project Updates (S. Hemesath)

Mr. Hemesath said he wanted to run through some of the public works projects that were wrapped up, ongoing, and upcoming. The City's airport parking lot expansion included 48 new parking stalls. A preconstruction meeting was scheduled with the contractor, and construction was expected to begin soon. On the Fools Hollow Waterline Replacement Phase II project, 80% of the water main was installed. The contractor was working on the remainder of the main and services. The project was scheduled to be done November 20. He said the tank repairs were complete for the 300K Water Storage Tank, and the booster pumps were almost ready to get online and working.

Mr. Hemesath said construction was underway for the Show Low Lake Playground Replacement, and the Ponderosa Field Playground Replacement was scheduled to be installed next. The Archibeuque Park Restroom structure was complete, and the electrical and plumbing work was being finished.

Mr. Hemesath said that the 2025 aerial photo had been completed and would be added to the City's mapping. He said the Aquatics Center landscaping was complete.

Mayor Leech said the old playground equipment might be donated to Cibecue.

Mr. Hemesath shared photos of the progress on the Recreation City Campus Training building. He said the estimated completion date was January 1, 2026.

Mr. Hemesath shared photos of the Public Works building and said the estimated completion date was April 17, 2026.

Mr. Hemesath said the engineering department averaged about 100 projects a year, and he wanted to review some of the big-ticket projects that would roll out over the next six months. He said the City was waiting on grant funds for Timothy McKay Park improvements. He said that the project would be treated like Frontier Park, with multiple bids for multiple projects, such as paving for the path, landscaping, and restrooms. So, it was going to take some time to work through that project once the funds were received.

Mr. Hemesath said, based on the weather, 36th Drive Curb and Widening was the next project for the engineering department to start designing. The SR-260 Multi-Use Path was an Arizona Department of Transportation grant project that was awarded for a path between Fawnbrook and Pine Oaks on the west side of the road. The project should start in the next couple of months. Also, the City would be doing another batch of manhole replacements soon.

Mr. Hemesath said staff identified some spots at the Little League field and the tennis courts parking lots to install additional lighting. Staff surveyed the South Meadow Path Connection off the highway to develop a plan. Staff would meet with the hotel developer to coordinate the parking improvements.

Mr. Hemesath said that at the bridge at the East Woolford/Show Low Bluff Connection, there was an opportunity to install a secondary waterline across the bridge and up to that corridor to relieve water between the two pressure zones. He said the Siesta and Flores Waterline Replacement was the big replacement project of the year. There was a lot of old, small pipe in that area. This was located behind the Walgreens area.

Mr. Hemesath said the downtown parking lot area was completed on September 25, 2025. The landscaping for the parking lot only would start in October. There was approximately \$70,000 in savings on the project. He said the budget for the downtown restrooms was \$150,000, and the downtown pavilion was \$125,000.

Mr. Hemesath said staff was laying out the rest of the improvements for the area and looking for some direction. He shared the floodplain location zone AE for the area. He said structures could be placed in this area, but

an elevation certificate would need to be obtained for any building. The parking lot and pavilion were not an issue. The bathrooms would need to be elevated, and there were some issues with the Huning House, as it would be considered a Substantial Improvement.

Mr. Hemesath said the City Code, Chapter 13, defined Substantial Improvement as any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds fifty percent of the market value of the structure before the "start of construction" of the improvement.

Mr. Hemesath said the Huning House would need to be brought up to current code. Substantial improvements would require that the building be elevated above the base flood elevation, which was currently about 18 inches below the base flood. The footer foundation of the building would need to be jacked up about two feet. A builder, along with staff, examined the building and discovered that it was built on sandstone blocks and lacked a foundation. The structure would need to be anchored to a foundation in the floodplain. So, no matter what, if a decision was made to keep it, a foundation would need to be put in.

Mayor Leech said that while the City Council did not like to see something torn down, the house might fall apart when trying to put in a foundation. He said he would like to see a memorial there.

Councilman Adams said if the house had to come down, he would like to preserve as much of the wood as possible for reuse. He would also like to see a marker there as well.

Mr. Hemesath presented some park concepts for the downtown area, including restroom and pavilion layouts. He said there was \$125,000 in the budget for the pavilion. The idea was to create something very aesthetically pleasing, using big, bulky timber beams and possibly some blocks at the bottom of the beams. Staff would probably do a Request for Proposal to see what builders design. The pavilion would probably be 24 feet by 30 feet.

Mr. Hemesath said staff discovered a hand-dug well on the site through the sandstone. It was suggested that perhaps that could be turned into a wishing well.

Mayor Leech said he liked both concepts proposed. He asked if some of the materials from the Huning House could be used in the pavilion. Mr. Hemesath said it might be possible to incorporate some of the materials from the Huning House into the pavilion.

Councilman Adams said he liked the second concept better. He also liked the idea of using pavers for the pathways.

Mayor Leech said he did not want to get off topic, but needed to ask what was going to be done about the bathrooms at Frontier Park. He said the City had outgrown the restrooms, and they were always breaking, but he did not think putting more money into them was the solution either. He asked that City staff put these restrooms on the radar, as so many events were held at Frontier Park.

Councilman Judd suggested putting in a second set of bathrooms. Mr. Mariscal said a second set of bathrooms could be located on the west side of the fields. There were not enough restrooms for four or five times a year, but for normal weekend activity, a couple more stalls would be convenient.

Mr. Hemesath said the downtown bathrooms would probably be done in the next six months if the restroom location was approved. Landscaping could not be done until spring. The location of the pavilion was the next item to be decided, after which the Request for Proposal could go out.

Mayor Leech asked how security was going for the bathrooms. Mr. Hemesath said security with the bathrooms was going well. The handles were being switched out, which prevented the deadbolt from being engaged, so the door had to shut.

Vice Mayor Kakavas said she would like to work with Councilman Adams and City staff on the plans for the downtown pavilion area.

Councilman Adams asked if power at the Meadow, including additional power at the ramada and lighting the walking path, could be added to a future agenda. Mr. Hemesath said staff was looking at adding additional power to the meadow barn and working with APS to put a 200-amp panel along the fence.

Mayor Leech asked if staff had looked into using solar lighting at the Meadow. Mr. Hemesath said staff had not looked into that. He should have answers from APS in the next couple of weeks.

E. Indoor Training Facility (Councilman Judd and S. Hemesath)

Councilman Judd said the indoor training facility was an idea that had been tossed around for a while. The City was doing a lot for the community, but the Show Low School District (School District) was being left behind. Perhaps there was a way the City could provide something for the School District, such as an indoor training facility. The soccer, baseball, football, and golf teams could all utilize the facility during bad weather, as the gym was not suitable.

Mr. Hemesath said the proposed indoor training facility would be a 120-foot by 100-foot prefabricated steel building. This space would be used for recreation and sports training during the off-season or during bad weather.

Mr. Hemesath said that in the current budget, there was \$150,000 allocated for the project design. The 12,000-square-foot building would need to be designed by an architect. The items that would be considered in the design included ingress and egress, life safety, ventilation, restrooms, ADA compliance, and building/zoning issues.

Mr. Hemesath shared images of the indoor training facility layout and the five proposed locations for it.

Mr. Hemesath said Location 1 was on the School District property, just inside the solar farm. This location was in flood zone A, so a structure could be built there; however, the building would need to be elevated. Utilities were very close to the site, and parking was across from the facility. Mr. Brown said two more years were remaining on the solar farm contract.

Mr. Hemesath said Location 2 was also on the School District property, a little further up from Location 1. It was still walkable from the schools, but it was a bit further from the utilities, and parking was an issue.

Mr. Hemesath said that Location 3 was on City property at Frontier Park. Utilities were close, and it was out of the flood plain. However, the building would use up some of the overflow parking area.

Mr. Hemesath said Location 4 was at Nikolaus Homestead School, and Location 5 was on City property at Nikolaus Homestead Park.

Mr. Hemesath said that, in addition to the design cost, the steel building had an estimated cost of \$225,000. The concrete slab with footing would cost between \$250,000 and \$300,000, and the cost to erect the building would be \$200,000. Alternatively, contractors could donate resources.

Mr. Hemesath said some additional items that needed to be addressed included restrooms at approximately \$30,000, synthetic turf at approximately \$150,000, and utilities at approximately \$20,000. The costs for the following items were unknown at this time: ADA-compliant improvements, sports netting, ventilation/HVAC, and parking.

Councilman Judd suggested that perhaps the City could provide the concrete and the building, while the School District could complete the rest.

Mayor Leech said that he would like to ensure the School District had the necessary funds to complete the project before the City took any action,

and would like to see the School District set funds aside for the project.

Mayor Leech questioned what the City taxpayers might think about using City funds on school property. He suggested that the School District should be able to utilize the sports and event center as a training facility.

Councilman Judd said it would be difficult to put turf at the sports and events center. The training facility would be used for more than just court sports. Also, transportation was an issue.

Councilman Adams asked if a training facility could be incorporated into a five-year plan at the Show Low Bluff area near the sports and event center.

Mayor Leech said if the City did build a training facility, it would not just belong to the school but would need to be open to the public.

Vice Mayor Kakavas said she was concerned that the School District's tax base was significantly larger than the City's. The City already did a lot for the School District. The citizens in the community were going to wonder why the City was putting a building at the school.

Councilman Judd said he understood that there were issues with the City building a training center for the School District. However, this was a \$1 million building, which was a lot of money, but the City was investing \$2 million in the kitchen for the sports and event center.

Mayor Leech said this was something the City needed to look into more, but the sports and event center was a priority.

Councilman Judd said transportation was a concern, as there were not enough bus drivers to transport the students.

Councilman Whipple said he loved the idea of a training facility, but he was concerned about the school budget and wondered who would be responsible for cleaning and maintaining the building.

Mr. Hemesath said staff could discuss with the designers of the sports and event center the feasibility of adding drop-down cages for golf, baseball, and softball, as well as the use of roll-out turf for a couple of the courts.

F. Traffic Update (B. Provost and G. Westover)

Commander Westover said that traffic, congestion, and accidents were the most frequently reported complaints received by the police department. He said that COVID-19 impacted the City's traffic. Prior to the COVID-19 pandemic, people would winterize their homes and return to the valley. Now, their second home had either become their permanent residence or

was being used as a short-term rental. So, traffic no longer subsided in the winter and early spring.

Commander Westover said the strategies he was going to address were called "The Three E's Strategy." The department planned to address traffic safety concerns through Enforcement, Engineering, and Education. He said the City was fortunate to have analytical capabilities with Automated License Plate Recognition and Flock, which captured vehicles entering and exiting the community. He shared data for 30 days in July and August. He said he was shocked to see that in those 30 days, the City had about 3.5 million vehicle leads cumulative with all of the cameras. What was even more shocking was that just over one million of those were unique vehicles.

Commander Westover said intelligence drives planning and operations. When staff crunched the numbers for injury, non-injury, and fatal accidents, they were able to create a hotspot map, which provided a visual representation of where all accidents were occurring. In 2023, there were 328 non-injury accidents; in 2024, 306 non-injury accidents; and in 2025, 187 non-injury accidents. He said injury accidents were also decreasing. In 2023, there were 95 injury accidents, in 2024, 95 injury accidents, and in 2025, 64 injury accidents. Fatal accidents also decreased in 2025, with two in 2023, four in 2024, and zero in 2025. These accidents occurred in very similar locations. He said this information helped the police department, through data-driven analysis, try to figure out what could be done to mitigate some of this risk.

Commander Westover said some of the hot spot areas for accidents included the Whipple Road and the Deuce of Clubs, Woolford Road and the 260, and around Walmart, Home Depot, and Lowe's.

Commander Westover said most of the City's traffic started around 8:00 a.m. and ended around 6:00 p.m.

Commander Westover said these strategies were pulled from the Northern Arizona Council of Governments, Data-Driven Approaches to Crime and Traffic Safety, the Governor's Office of Highway Safety, the National Highway Traffic Safety Administration, and the Arizona Department of Transportation.

Commander Westover said on the Enforcement side of the 3 E's Strategy, studies had shown that nothing was more effective in impacting traffic safety than enforcement. Enforcement included staffing improvements, new hires, and recruits. He was happy to report that the police department was almost fully staffed.

Commander Westover said other aspects of enforcement included hotspot policing, partnering with Senior Patrol, Animal Control Officers, and the

school, including School Resource Officers, cadets, and students, and utilizing regional partnerships with the Pinetop-Lakeside Police Department, the Arizona Department of Public Safety, the Snowflake-Taylor Police Department, the Government Office of Highway Safety, and the National Highway Traffic Safety Administration Traffic Safety Squad. He said that the Show Low Police Department was going to be more visible, more proactive, and intentional in how resources were deployed.

Commander Westover said he sat down with Mr. Hemesath, who shared with him what the engineering department was doing to improve City streets and intersections. Some of the engineering recommendations from those studies were quite robust, especially for the 260. He said they discussed exploring what it would look like to force people to turn right and remove the option to turn left at Whipple and the Deuce of Clubs.

Commander Westover said he met with Carl Erickson, the new engineer with the Arizona Department of Transportation, and reviewed some of the recommendations. He said Mr. Erickson was committed to looking into some of them.

Mayor Leech said that there was a lack of consistency in the traffic lights throughout the community, which was confusing to drivers. He said the lights should be the same. Commander Westover said that the Arizona Department of Transportation governs many of the lights and was aware of some of the inconsistencies.

Commander Westover said there were planned connectivity projects at Owens and 8th Street, Scott Ranch Road, and Summit Trail. Mr. Hemesath said other upcoming connectivity projects were Woolford Road across Show Low Creek and Cooley Street near 16th Avenue. Some smaller connectivity projects that had already been completed were 8th Street by the Elks Lodge and Thornton by the schools,

Commander Westover said connectivity was crucial for traffic safety because it enabled locals to avoid the hot spots.

Commander Westover said he had a productive conversation with Mr. Erickson regarding speed management in the area around Walmart, Home Depot, and Lowe's. Past studies had shown that traffic increased from 35 mph to 45 mph through that zone and then decreased back to 35 mph through Pinetop. Mr. Erickson informed Commander Westover that the Arizona Department of Transportation's speed tracker indicated that everyone was traveling at 45 mph through that area, and they did not want to slow them down if that was their normal speed through that area. Commander Westover shared the hotspot information with Mr. Erickson, and he said he would look into what could be done.

Commander Westover said the Arizona Department of Transportation was not a fan of putting a raised median in the area of Walmart, Home Depot, and Lowe's because of the snowplows and the work they had to do during the winter. He suggested that possibly forcing people to turn right instead of left out of these businesses might be a solution, but it needed further investigation.

Mr. Hemesath said that the Arizona Department of Transportation conducted a safety study last week at SR 260 between Show Low Lake Road and Scott Ranch Road.

Chief Provost said that many people coming into town were transitory, so they ignored messaging regarding speed and traffic safety. This was where physical engineering, such as roundabouts and engineered turns in the road, would force them to slow down.

Councilman Judd asked if a right turn lane should be installed on Central Avenue, from the Deuce of Clubs to the CVS parking lot, and from Central Avenue going north into the Burger King, as traffic tended to back up there.

Mayor Leech asked if the traffic light at the Deuce of Clubs and Central Avenue could stay green longer, especially during school pick-up and drop-off hours. Commander Westover said that Mr. Erickson indicated that if City staff would notify him about concerning intersections, there were cameras at most intersections that they could use to study the intersection and adjust the lights based on their findings from the assessment.

Mr. Hemesath said the Arizona Department of Transportation lights were cascaded on purpose, timed in unison so traffic could flow through town and drivers would not get backed up. If the light at Central Avenue stayed green longer, cars would get backed up at McNeil, but perhaps it could be done just at certain times.

Commander Westover said engineering was one of those strategies that would require a significant investment and a substantial commitment from many people. He said the City Council needed to weigh in on what the priorities were. Some of these suggestions were already in the budget.

Commander Westover said the final "E" was Education. Traffic safety education was an area where the City could improve by collaborating with its partners on messaging through signboards, newspapers, media, and radio. He shared some of the slogans staff came up with to remind people to slow down. He said SPIDR Tech was being utilized to send text messages to those who called 911, and safety messages could also be added to that platform.

Commander Westover said the City's underage drivers were a cause of many accidents. One plan was to have the School Resource Officers conduct an educational block with students eligible to drive, reminding them to slow down, use their safety restraint devices, and obey the law.

Mayor Leech said he liked the idea of having the School Resource Officers and Senior Patrol more visible at the schools during pick-up and drop-off.

Mayor Leech said he hoped the City could work with the Arizona Department of Transportation to address some traffic problems and traffic light issues. Commander Westover said Mr. Erickson was new to his position and was receptive to staff ideas. He said Mr. Hemesath had a great relationship with the Arizona Department of Transportation team. He felt the City should see some improvements with the highways.

G. Urban Camping (G. Westover)

Commander Westover said he wanted to discuss urban camping with the City Council to determine if there was any interest in exploring a new City Code that would provide the police department with another tool in its toolbox. It was something that would not be used a lot, but, when needed, would help officers address quality-of-life issues related to urban camping and homeless encampments, as well as public safety concerns.

Commander Westover said that the police department collaborated with local businesses and offered them the option to sign an authority to arrest form. This form gave officers authority to arrest trespassers on their property after hours. The owner could then appear in court and testify that the person did not have permission to be on their property after hours. Staff worked with the business owners to ensure that appropriate signage and proper notification were posted.

Commander Westover said there was a small gap in this authority to arrest program involving private properties, specifically where it was difficult to contact the property owners. The transient population had figured out a loophole that allowed them to move in and out of these private properties for a few weeks at a time, thereby evading law enforcement's ability to hold them accountable. He shared images of the tents and trash that the transient population left behind.

Commander Westover said people did not feel safe walking by these homeless encampments. When officers went to these encampments, those camping on the property would tell them they had permission to be on private land. Since many owners were unreachable, the officers were unable to verify the information. So, a change in City Code would provide officers with a new tool for those rare occasions when they lacked the

authority to make a trespassing arrest and were unable to contact a private property owner.

Commander Westover said Ms. Atencio had drafted a pretty robust policy, which he shared with the City Council. He said staff wanted the policy to address both private and public property, and it still needed some refinement. He asked if the City Council was open to considering an Urban Camping Ordinance.

Mayor Leech said he never thought the City would need to consider an urban camping policy, but as the City grew, it was needed.

Councilman Judd said he liked the policy and thought it was needed.

Commander Westover said the policy would prevent people from renting camping space on private property, so a short-term rental packed with people could not have tents in the yard. This policy would give the police lawful authority to act when necessary.

Mayor Leech asked if this policy would prevent people from camping in the Walmart parking lot. Commander Westover said there were some limits, specifically that people could camp at certain locations for up to 14 days. The ideal situation would be to contact Walmart and obtain authorization to trespass the person from the property. This policy was intended for situations when an officer could not reach the lawful representative of the party to take action to remove the person from the property.

Councilman Adams said he was all for the ordinance.

Vice Mayor Kakavas asked if the ordinance could require that individuals camping on private property produce written permission from the property owner. She said she liked the proposed ordinance. Commander Westover said staff could explore any recommendations.

Commander Westover said staff would fine-tune the ordinance and present it to the City Council.

H. Animal Control (A. Atencio and G. Westover)

Commander Westover said one of the highest calls for service was related to animal control issues, resulting in many complications in effectively and fairly handling animal-related issues. He said the first one he wanted to discuss was related to leash law concerns. The police department received frequent complaints regarding animals on retractable leashes. These leashes could expand to 28 feet, allowing a dog to move quickly from six feet to 28 feet, which could result in dog bites and endangering people who

feared for their safety. In these instances, police were called to force people to get their dog under control.

Commander Westover said another example surrounding leash laws involved people who misconstrued the current leash law by strapping the leash handle into the dog's collar, allowing the dog to run around at large, then claiming they had their dog on a leash.

Commander Westover said staff recommended updating the City's current leash law to provide a more precise definition of what was considered a leashed dog and what control of that dog looked like. He suggested that a leash should be six feet or less to mitigate the issues with retractable leashes and that the owner must control their dog. He said that this would address unwanted contact with passersby.

Commander Westover presented a draft of the proposed changes to the current City Code.

Chief Provost said the police department also received many dog-on-dog calls where one dog was attacking another; however, the owners could not be cited because both dogs were on leashes. In most cases, one dog was on a retractable leash.

Chief Provost said another area of concern was the increase in rabies. There were over 20 foxes this past year that tested positive for rabies, and it was now moving into the domesticated cat population. Therefore, owners needed to control their dogs and keep them away from other animals to prevent rabies transmission.

Commander Westover said just a few small adjustments would be impactful when addressing leash laws and dogs at large.

Mayor Leech asked if there was anything in the City Code that addressed dogs in the dog park; he had heard there were lots of dog fights there. Commander Westover said that the dog park was one of the exceptions in the City Code. There were some exceptions where a dog did not have to be leashed, such as during obedience training, hunting, participation in a kennel club show, dog races, performing duties like those of an ADA-type dog, and in city-designated areas.

Chief Provost said there had been issues at the dog park, particularly dog-on-dog issues. Ms. Atencio said that dogs in the City were required to be licensed and have their rabies vaccinations. If the owner did not live in the City, their dog needed proof of a current rabies vaccination to use the dog park. This was posted on signage at the park.

Commander Westover said he and City staff were dealing with the complexities of Pet Allies. They were at capacity, and although the City had a contract with them to accommodate City animals, there was no more space for future animals, especially those that got into fights and lacked rabies vaccinations. There were a couple of options, but the most common one was to take them to Pet Allies and put them in quarantine. But if there was no kennel for them, it created a complex situation on what to do with that animal.

Mayor Leech asked where the animals were quarantined if Pet Allies was full. Commander Westover said the City worked with the Humane Society. Chief Provost said if the dog was licensed and had their shots, the animal was allowed to quarantine at home.

Commander Westover said feral cats were another complex issue, and there was no City ordinance to address cats. The City had codes that addressed dogs and other animals, but not cats. There was nothing that gave any authority to trap feral cats; there was no such thing as a cat at large. One of the issues with trapping cats was determining whether they were feral or domestic. Currently, Animal Control was taking them to Pet Allies for a 72-hour quarantine, for the owner to claim them. If the cat was not claimed after 72 hours, officers needed to figure out what could be done. Pet Allies did not have the space to home them.

Commander Westover said the Trap, Neuter, Release/Relocate (TNR) program was a sensitive topic and wanted to discuss the possibility of a TNR program. Pet Allies described feral cats as being territorial. So, the idea behind a TNR program was to trap the cat, and, for a certain fee, Pet Allies would neuter that cat. They marked the cat, usually by clipping its ear, to indicate it had been neutered, and then took it back to where it was trapped. Because the cat was territorial, it theoretically took over that same area and prevented unneutered cats from moving in and reproducing. The hope would be that, eventually, an effective program would have neutered cats occupying that space, pushing the unneutered cats further out.

Commander Westover said the City already had a City Code that prohibited people from feeding stray animals or wildlife, and a feral cat fits that mold. But people were feeding them anyway, and that kept feral cats in that territory. He suggested exploring the City Code that gave the police department more leverage to deal with feral cats, which were such a nuisance that the animal control officers had their hands full dealing with feral cat issues.

Mayor Leech asked if the City needed additional funds for the TNR program. Commander Westover said the City would need to earmark funds to pay for a TNR program. He said the City would like the discretion to euthanize cats that were problematic and did not change their behavior.

Mayor Leech said staff should look into the cost and implementation of a TNR program.

I. Open Meeting Law (A. Atencio)

Ms. Atencio said that the purpose of open meeting law, A.R.S. 38-431.9, was that meetings of public bodies be conducted openly and that notices and agendas for those meetings contain such information as was reasonably necessary to inform the public of the matters to be discussed or decided. She said Councilmembers should interpret open meeting law in favor of open and public meetings.

Ms. Atencio said that the public had a right to observe and potentially participate in open discussions about decisions made by public entities. Meetings of the public body were to be conducted openly.

Ms. Atencio said, according to A.R.S. 38-431(6) Public Bodies was defined as the legislature, all boards and commissions of this state or political subdivisions, all multimember governing bodies of departments, agencies, institutions and instrumentalities of this state or political subdivisions, including without limitation all corporations and other instrumentalities whose boards of directors were appointed or elected by this state or political subdivision. She said a city or town was a public body.

Ms. Atencio said that, pursuant to ARS 38-431(4), a meeting was defined as a gathering of a quorum of a public body at which they discussed, proposed, or took legal action, including deliberations. Four members of the City Council constituted a quorum.

Ms. Atencio said that the open meeting law required agendas, so people would know what would be talked about and could decide whether or not to attend. That was why Councilmembers could not speak about items not on the agenda. Agendas must be posted at least 24 hours in advance. This ensured that people would have enough time to decide whether to attend the meeting. Minutes were due within three working days of the meeting in draft form. This ensured that people were aware of what occurred, even if they could not or did not attend the meeting. Minutes must be in written form or recorded.

Ms. Atencio said a proper open meeting law meeting was a posted agendized meeting of a quorum. An improper or illegal open meeting law meeting could involve an interaction of a quorum on an issue without an agenda or off-agenda discussion. Polling before meetings where individual members of a public body were individually discussing business with a majority of other members, often done to gauge opinions or take preliminary actions without a formal, public meeting. Serial meetings were

a series of private, unannounced conversations, either in person or by email, between a quorum of members of a public body to discuss or act on official business. Councilmembers did not need to be in the same room for a quorum to exist.

Ms. Atencio reviewed ARS 38-431.03 regarding Executive Sessions. She said there were narrow exceptions to when public entities could hold discussions without the public attending or participating. Each option for an executive session must be listed on the agenda in advance. Those options included employment/potential employment issues, discussion/examination of confidential records – as set by law, not opinion, legal advice – with a lawyer, negotiations of contracts, claims, and settlements, negotiations with employee organizations, negotiations of interstate/international/tribal matters, and negotiations for purchase/sale/lease of real property.

Ms. Atencio said that narrow exceptions exist for executive sessions to allow a public entity to avoid being harmed by having to discuss everything in a public session. Discussions may occur in executive sessions, but action must always occur in open sessions. If directions were given in executive session, they must be confirmed in open session. Minutes were still taken for executive sessions, but they were not published like those from open sessions. She said executive sessions were not for discussing issues that Councilmembers did not want the public to hear. It must be based on a specific legal basis or be handled in an open session.

J. 75th Year Celebration Preparations (Councilman Adams and M. Mariscal)

Councilman Adams said the 75th anniversary of Show Low was two and a half years away, and he thought it was something the City should start planning for. It was not too early to figure out what the celebration should look like, what the City wanted to accomplish, and who should be involved.

Mr. Mariscal said that the first thing that needed to be done was to put a planning committee together. Staff should create a website dedicated to the 75th year and the events that would take place throughout the year.

Mr. Mariscal said the weekend of May 6, 2028, would be a big celebratory weekend, featuring a drone show, a concert, and feeding the public. But throughout the year, starting with the Groundhog Day breakfast, other events would be held. Some suggested events include a 75-mile challenge where people could run, walk, or swim 75 miles throughout the year. A movie in the park that was 75 years old. Create an anniversary movie that commemorates the 75-year history of Show Low. The Fourth of July parade would be themed around 75 years of Show Low. The City could host a variety of sporting events as well.

Mr. Mariscal said the City would design a logo for the 75th Anniversary to be used on hats, shirts, and other items.

Councilman Adams said he would like to see an interview with people who were in Show Low 75 years ago. He also suggested that Clair Thomas be on the planning committee.

Mayor Leech said staff would need to start thinking about the budget for the 75th Anniversary Celebration and plan on setting money aside.

Mr. Brown asked the Councilmembers to let staff know who they thought should be on the planning committee. Mayor Leech suggested that Vice Mayor Kakavas and Councilman Adams be included in the planning committee.

K. Regular City Council Meeting Times and Frequency (Mayor Leech)

Mayor Leech said he would like to see more flexibility with Council meetings, such as holding only one meeting a month in certain months, and moving the meetings to an earlier time if a storm was coming.

Mr. Brown said that scheduling some Council Meetings at 5:30 p.m., as well as holding just one meeting a month in November, December, and January, was something for the City Council to consider. The City already held just one meeting in December. Sometimes, it was hard for staff to get items on the agenda around the Thanksgiving and New Year holidays due to various vacations and the timing of the meetings.

Mr. Brown said the City was considering having only one meeting in November on November 4, 2025. The December meeting could be moved to December 9, 2025, because of the Thanksgiving holiday, which would allow the staff more time to prepare the agenda. He said the City was also considering canceling the first meeting in January and holding only the January 20, 2026, meeting.

Mayor Leech asked if the 5:30 p.m. start time for meetings would be better in the summer or winter.

Councilman Adams said a 5:30 p.m. start time would be difficult in the summer.

Mayor Leech said the City was probably only going to have one meeting in November, December, and January. He asked Mr. Brown to start reviewing meetings months in advance to determine if the time or number of meetings needed to be changed and to inform the City Council.

9. **ADJOURNMENT:**

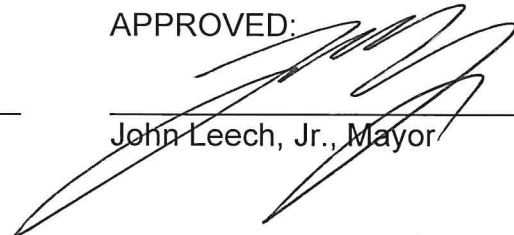
There being no further business to be brought before the Council, **MAYOR LEECH
ADJOURNED THE RETREAT OF THE SHOW LOW CITY COUNCIL OF
OCTOBER 1, 2025, AT 1:17 P.M.**

ATTEST:



Rachael Hall, City Clerk

APPROVED:



John Leech, Jr., Mayor

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Retreat of the City Council of Show Low held on October 1, 2025. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 21st day of October, 2025.



Rachael Hall, City Clerk