

MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, JUNE 6, 2023, AT 7:00 P.M. IN THE CITY COUNCIL CHAMBERS, 181 NORTH 9TH STREET, SHOW LOW, NAVAJO COUNTY, ARIZONA

1. Call to Order.

Vice Mayor Kakavas called the meeting to order at 7:00 p.m.

2. Roll Call.

COUNCIL MEMBERS PRESENT: Vice Mayor Kakavas, Councilman Adams, Councilman Allsop, Councilman Clark, Councilman Hatch, and Councilman Judd.

COUNCIL MEMBERS ABSENT: Mayor Leech.

STAFF MEMBERS PRESENT: Morgan Brown, City Manager; Anna Atencio, City Attorney; Justin Johnson, Deputy City Manager; Brad Provost, Police Chief; Bill Kopp, Public Works Director; Jay Brimhall, Community Services Director; Cari Bilbie, Finance Manager; and Rachael Hall, City Clerk.

GUESTS: Melissa Taylor, Doug Roberts, Robert and Sandra Turnwall, John Hannah, Melissa Rodgers, Catrina Jenkins, Denise Stow, Brian Martin, Jacque Allen, Kurt Fernau, and others.

3. Invocation.

Councilman Allsop gave the invocation.

4. Pledge of Allegiance.

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

5. **CALL TO THE PUBLIC:**

Any citizen desiring to speak on a matter that is within the jurisdiction of the City Council may do so at this time. Comments may be limited to three minutes per person and shall be addressed to the City Council as a whole, and not to any individual member. Issues raised shall be limited to those within the jurisdiction of the City Council. Pursuant to the Arizona Open Meeting Law, the City Council cannot discuss or act on items presented at this time. At the conclusion of the call to the public, individual City Council members may (1) respond to criticism made by those who have spoken, (2) ask staff to review a matter, and (3) ask that a matter be put on a future agenda.

Doug Roberts, 1441 North 36th Drive, said the Cruz'n the Rim Car Show was last weekend and thanked the Council, City staff, and the community for the support of this event.

Ravone Bauwens, 560 South Creekside Drive, expressed concern regarding developments surrounding the Show Low Bluff subdivision. Vice Mayor Kakavas asked staff to follow up with Ms. Bauwens.

6. **SPECIAL EVENTS:**

- A. Presentation of Outgoing Board Member, Rob Turnwall, from Show Low Main Street.

Mr. Brimhall said the City wanted to recognize Rob Turnwall, an outgoing Board Member from Show Low Main Street. Mr. Brimhall thanked him for his service to the community.

Many Council members thanked him for his time and service to the community.

- B. Presentation on Wildfire Preparedness.

Catrina Jenkins, Navajo County Emergency Manager, gave a presentation regarding the White Mountains Fire Restrictions Coordination Group. She said the group looked at different components to determine fire restrictions for the area, some of those components included reviewing the "Drought Monitor Comparison" chart and reviewing the "Significant Wildland Fire Potential Outlook." She said the group consisted of personnel from Apache County Emergency Management, Northeast Arizona Police Association, Forest Service Department of Agriculture, United States Department of the Interior Bureau of Land Management, Fort Apache Agency Fire Management, Arizona Department of Forestry and Fire Management, Northeastern Arizona Fire Chiefs Association, and Navajo County Emergency Management.

Ms. Jenkins said the group hosted a preseason and postseason meeting each year. The voting members met weekly once wildfire conditions began to worsen during the season. She said updates were shared with all regional partners through weekly emails and a phone call along with print and social media updates on conditions and restrictions. She said decisions for fire restrictions were based on science and data the group received from the National Weather Service, forest experts, local public safety officials, regional partners, and County Emergency Management.

Randy Chevalier, Timber Mesa Fire and Medical District Chief, said community preparedness was important. He discussed fine fire fuels such as tall grass from the rains and wet winter. He advised the community to be cautious about having fires. Timber Mesa Fire and Medical District had a prevention division that would come out to homes to discuss the programs that existed and to encourage people to be proactive in the cleanup of their property. He said on July 15, a Fire Wise event would be held at Blue Ridge Elementary School to help educate the community.

Brad Provost, Police Chief, said all law enforcement agencies throughout the region communicated and worked together as a joint effort for this area and the citizens. He said there was still a fire danger in our community.

Councilman Clark talked about the continued fire danger in the area. He thanked Ms. Jenkins for her efforts with this group and for Navajo County.

C. Presentation by City of Show Low's American Disabilities Act Committee.

Jay Brimhall, Coordinator of Show Low's Americans with Disabilities Act (ADA) Committee, said the five-member committee was formed in 2018 and met quarterly. The committee's purpose was to discuss and plan the responsibilities of all City departments to ensure that City assets complied with ADA requirements. The committee assisted in these efforts by identifying compliance requirements and projects that aided in furthering ADA accessibility within the City.

Mr. Brimhall reviewed some of the City's major ADA compliant projects that had been completed in the past year including the Frontier Park Inclusive Playground and Splashpad and Meadow Trail Phase 2.

Mr. Brimhall reviewed future and under construction ADA-compliant projects including ADA parking for Show Low Independence Day Parade, Timothy McKay Memorial Park, Arizona Department of Transportation's White Mountain Road connectivity, City-wide sidewalk connectivity, restroom construction and remodels at various City parks and facilities and conversion of existing on deck restrooms at the Aquatic Center.

7. **CONSENT CALENDAR:**

- A. Proclamation by the Mayor Proclaiming June 4 through 10, 2023, as **Cougar Academic Decathlon Team Week** in the City of Show Low.
- B. Consideration of Acceptance of Frontier Park Parking Lot Expansion, City of Show Low Project No. R-2422. (Shane Hemesath)

- C. Consideration of Minutes of Show Low City Council meetings:
- (1) Special Meeting of March 21, 2023.
 - (2) Regular Meeting of May 16, 2023.

COUNCILMAN ALLSOP MOVED TO APPROVE THE CONSENT CALENDAR AS PRESENTED; SECONDED BY COUNCILMAN ADAMS; PASSED 6 TO 0 WITH VICE MAYOR KAKAVAS, AND COUNCIL MEMBERS ADAMS, ALLSOP, CLARK, HATCH, AND JUDD VOTING IN FAVOR.

Ms. Hall read the proclamation aloud for the Show Low High School Academic Decathlon Team who won a state championship this year.

8. **OLD BUSINESS:**

- A. Consideration of Award of Construction Contract for Airport Hangar Infrastructure Improvements, City of Show Low Project No. A-1723 2.0. (Bill Kopp)

Mr. Kopp said the City of Show Low solicited bids for infrastructure improvements at the south hangar area at the Show Low Regional Airport. The purpose of the project was to expand this area to accommodate the demand for additional hangars at the Show Low Regional Airport. The infrastructure would serve ten new hangars ranging in size from 60 by 65 feet to 75 by 65 feet. The improvements included grading and paving for taxi lanes, water, sewer and electric services, and a sewer lift station. The upfront construction cost would be paid by Big Dog Development in exchange for ground lease credits.

Mr. Kopp said the project was designed by the City of Show Low Engineering Department and was publicly bid according to statutory requirements. One bid was received from Mid-State Asphalt for \$496,128.15.

Mr. Kopp said the single bid was well within the expected cost. Because the City had not worked with this contractor in the past, staff made additional reference checks. Several very favorable responses were received. Staff recommended awarding the contract for the Airport Hangar Infrastructure Improvements, City of Show Low Project No. A-1723 2.0. to Mid-State Asphalt in an amount not to exceed \$496,128.15

COUNCILMAN CLARK MOVED TO AWARD THE BID FOR THE AIRPORT HANGAR INFRASTRUCTURE IMPROVEMENTS, CITY OF SHOW LOW PROJECT NO. A-1723 2.0. TO MID-STATE ASPHALT IN AN AMOUNT NOT TO EXCEED \$496,128.15; SECONDED BY

COUNCILMAN ADAMS; PASSED 6 TO 0 WITH VICE MAYOR KAKAVAS, AND COUNCIL MEMBERS ADAMS, ALLSOP, CLARK, HATCH, AND JUDD VOTING IN FAVOR.

9. **NEW BUSINESS:**

- A. Consideration of Ordinance No. 2023-03, Extending and Increasing the Corporate Limits of the City of Show Low, Navajo County, State of Arizona, By Annexing Thereto Certain Territory Contiguous to the Existing Limits of the City Show Low, Arizona – #P-1432. (Anna Atencio)

Ms. Atencio said staff was recently approached by the owner of a parcel located directly south of the Show Low city limits and west of Show Low Lake requesting to explore the possibility of annexing property into the City of Show Low in order to facilitate development of several properties. This owner wished to develop a master-planned subdivision. While the majority of the property to be developed lied within the Show Low city limits, one parcel was located outside of the Show Low city limits and was located inside the Pinetop-Lakeside town limits. This would result in several issues, including utilities, access, police protection, and building permits and inspections.

Ms. Atencio said after discussion with the property owner, staff approached the Town of Pinetop-Lakeside (Town) and discussed the possibility of de-annexing this parcel from the Town and into Show Low. Also discussed was the possibility of including three adjacent parcels, which were owned by the City. Two of these parcels were located under Show Low Lake, the third parcel was the site of the former Phelps Dodge pumping station. The total area of all four parcels was approximately 19 acres.

Ms. Atencio said the legislature had provided a procedure for the de-annexation of land from one municipality and annexation to another incorporated city or town. This procedure was outlined in ARS 9-471.02. At their regular meeting of May 18, 2023, the Pinetop-Lakeside Town Council approved Ordinance No. 23-463 for the de-annexation of the subject properties from the Town of Pinetop-Lakeside to the City of Show Low, with the condition that the Town of Pinetop-Lakeside receive any construction sales tax and permit fees if any residences were ever constructed.

Ms. Atencio said once the Council adopted Ordinance No. 2023-03, both ordinances would be sent to Navajo County for action by the Board of Supervisors. Following approval by the Board of Supervisors, this action

would be considered final. The subject properties would then be incorporated into the City of Show Low.

By unanimous consent, Ms. Hall read Ordinance No. 2023-03 by title only since all Council members had a copy.

“AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SHOW LOW, ARIZONA, EXTENDING AND INCREASING THE CORPORATE LIMITS OF THE CITY OF SHOW LOW, NAVAJO COUNTY, STATE OF ARIZONA, BY ANNEXING THERETO CERTAIN TERRITORY CONSISTING OF APPROXIMATELY 19.15 ACRES, CONTIGUOUS TO THE EXISTING CITY OF SHOW LOW LIMITS FROM THE TOWN OF PINETOP-LAKESIDE, CONTINGENT UPON DEANNEXATION OF SAID TERRITORY BY THE TOWN OF PINETOP-LAKESIDE, AND APPROVAL BY THE NAVAJO COUNTY BOARD OF SUPERVISORS, PURSUANT TO THE PROVISIONS OF A.R.S. §9-471.02.”

COUNCILMAN ADAMS MOVED TO ADOPT ORDINANCE NO. 2023-03; SECONDED BY COUNCILMAN HATCH; PASSED 6 TO 0 WITH VICE MAYOR KAKAVAS, AND COUNCIL MEMBERS ADAMS, ALLSOP, CLARK, HATCH, AND JUDD VOTING IN FAVOR.

- B. Consideration of Resolution No. R2023-11 Adopting the Tentative Budget and Establishing the Expenditure Limitation for Fiscal Year Ending June 30, 2024. (Justin Johnson)

Mr. Johnson said the budget development process began in January 2023 with departments presenting their budgets to City management. As presented in the budget town hall and several public City Council study sessions, the tentative budget focused on maintaining current operations and expenses that met the Council's stated priorities.

Mr. Johnson reviewed the tentative budget. He said the state budget forms (Exhibit A to Resolution No. R2023-11) represented all of the information that had been presented to the Council and once approved, would be the adopted budget and expenditure limitation for fiscal year 2024. The required forms would be published twice in the local newspaper, and the Council would be asked to adopt them as final on June 20, 2023, following a public hearing on the budget.

Councilman Allsop thanked staff for putting the budget together to present to the Council.

COUNCILMAN JUDD MOVED TO ADOPT RESOLUTION NO. R2023-11 ADOPTING THE TENTATIVE BUDGET AND ESTABLISHING THE EXPENDITURE LIMITATION FOR FISCAL YEAR 2024 AT \$135,198,892; SECONDED BY COUNCILMAN HATCH; PASSED 6 TO 0 WITH VICE MAYOR KAKAVAS, AND COUNCIL MEMBERS ADAMS, ALLSOP, CLARK, HATCH, AND JUDD VOTING IN FAVOR.

C. Consideration of Award of Contract for Professional Audit Services. (Justin Johnson)

Mr. Johnson said in April 2023, staff issued a request for proposals (RFP) for professional audit services. The RFP was sent to six CPA firms in Arizona (all firms are members of the Government Finance Officers Association of Arizona). Three of the six CPA firms submitted proposals to conduct the annual City audit.

Mr. Johnson said after evaluating each proposal and contacting references, the committee recommended that the City offer a contract to the firm of HintonBurdick. The committee believed that HintonBurdick can conduct the annual audit in a timely and professional manner at a reasonable price. HintonBurdick had performed the annual audit since fiscal year 2009 and was familiar with the City's systems and processes and the amount of work it took to complete the audit. Additionally, the committee felt that this firm's extensive municipal auditing experience combined with its demonstrated technical expertise made it the best overall candidate to perform the City's audits. HintonBurdick also conducted annual audits for several other White Mountain Municipalities.

Mr. Johnson said the City's standard form professional services agreement would be used for these audit services.

COUNCILMAN ALLSOP MOVED TO AWARD THE CONTRACT FOR PROFESSIONAL AUDIT SERVICES FOR A TERM OF FIVE YEARS TO HINTONBURDICK CPAS & ADVISORS TO CONDUCT THE CITY'S ANNUAL AUDIT AT A COST OF \$51,600 FOR FISCAL YEAR 2023, WITH ANNUAL INCREASES AS OUTLINED IN THEIR PROPOSAL AND OPTIONS FOR FIVE ADDITIONAL YEARS; SECONDED BY COUNCILMAN ADAMS; PASSED 6 TO 0 WITH VICE MAYOR KAKAVAS, AND COUNCIL MEMBERS ADAMS, ALLSOP, CLARK, HATCH, AND JUDD VOTING IN FAVOR.

AT THIS TIME, THE CITY COUNCIL WILL RECESS INTO A SPECIAL MEETING OF THE SHOW LOW BLUFF COMMUNITY FACILITIES DISTRICT BOARD TO ADOPT THE TENTATIVE BUDGET FOR FISCAL YEAR 2024 FOR THE DISTRICT.

The Show Low City Council recessed into a Special Meeting of the Show Low Bluff Community Facilities District Board at 8:23 p.m. The Show Low City Council reconvened at 8:27 p.m.

10. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Several Council members thanked the community members and organizations for putting out flags during Memorial Day weekend.

Councilman Allsop offered his condolences to Navajo County Supervisor, Daryl Seymore, for the passing of his mother. He said he attended the Veterans of Foreign Wars Memorial Day ceremony.

Vice Mayor Kakavas congratulated the 2023 high school graduates.

B. Mayor

None.

C. City Manager

Mr. Brown said this year's Project Clean Sweep would end this Saturday, which was the last day you can haul debris for free to the Lone Pine Transfer Station. He said crews would be picking up bulk trash this week.

Mr. Brown said this Friday and Saturday, June 9-10, was Show Low Days at Frontier Field.

Mr. Brown said this weekend, there was an Arizona Collectibles and Firearms Gun Show at the City Campus Gym.

Mr. Brown said Show Low Main Street's weekly Saturday farmers' market & art walk continued and would run through September 23, at Festival Marketplace along Cooley. For more details, citizens could visit showlowmainstreet.org.

Mr. Brown said in public works projects, the city's contractor continued working on the 5th and 6th Place Sewer replacement project which was about 50% complete. Construction started today on the 11th Street and Hall Bridge replacement project. This area would be closed during construction and patrons were asked to use an alternative route. Paving had been completed on West McNeil with the contractor completing waterline and manhole adjustments this week. Arizona Department of

Transportation began utility adjustments this week on White Mountain Road, final paving and concrete was scheduled for next week. He thanked our citizens for their patience as we make important improvements to our infrastructure.

11. **SCHEDULING OF MEETINGS:**

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

None.

12. **ADJOURNMENT.**

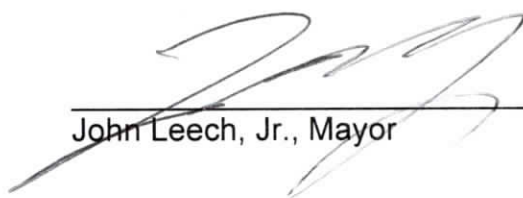
There being no further business to be brought before the Council, **VICE MAYOR KAKAVAS ADJOURNED THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL OF JUNE 6, 2023, AT 8:32 p.m.**

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 **REGULAR MEETING** of the City Council of Show Low held on June 6, 2023. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 20th day of June, 2023.

(SEAL)



Rachael Hall, City Clerk



City of Show Low, AZ

FY2024 Tentative Budget
\$135,198,892

June 6, 2023



Budget – Transparency

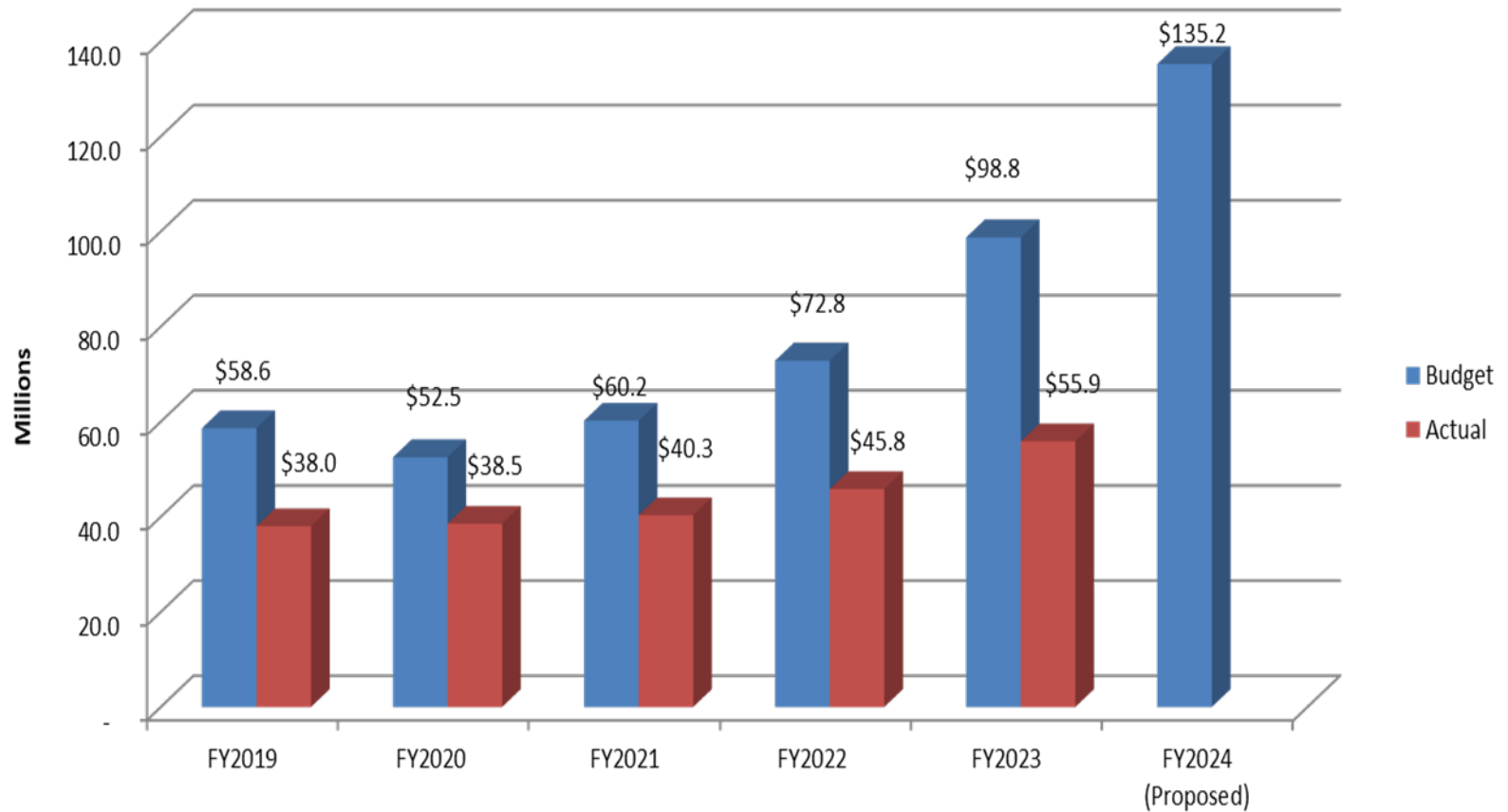
- January 17 – Council study session
- January 19 – Budget town hall
- April 4 – Recommended budget overview
- April 6 – Town hall/budget study session
- May 16 – DRAFT Tentative Budget Review
- **June 6 – Tentative budget adoption**
- June 20 – Final budget adoption
- July 18 – Adopt secondary tax rate



Council Goals and Priorities

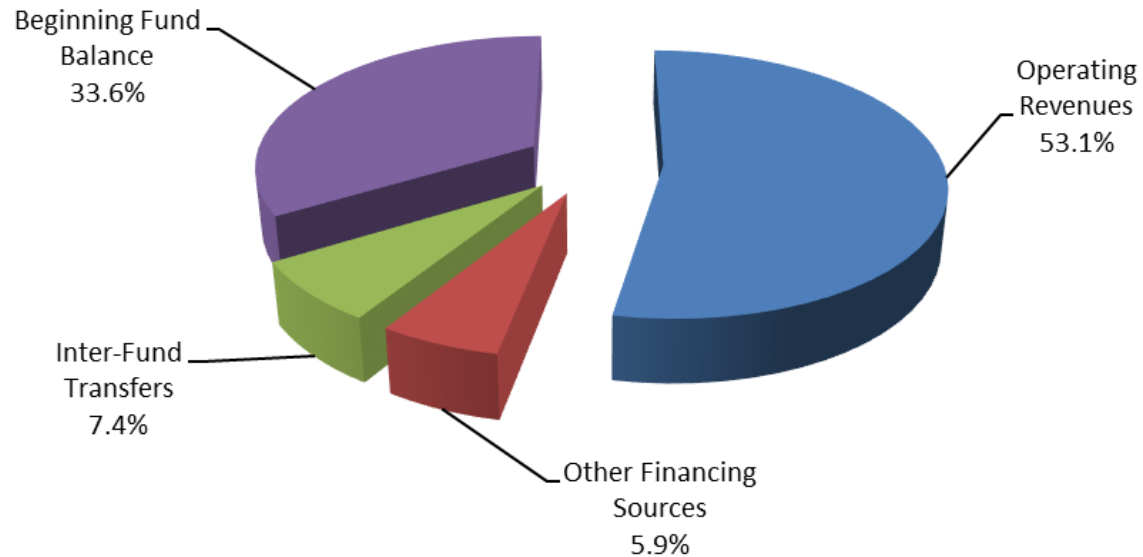
- Preserve/Maintain Infrastructure
- Quality of Life
- Community/Economic Development
- Organization

Adopted Budget vs Actual



Where does the money come from?

City of Show Low
FY 2024 - All Funds/Sources
\$151,581,452



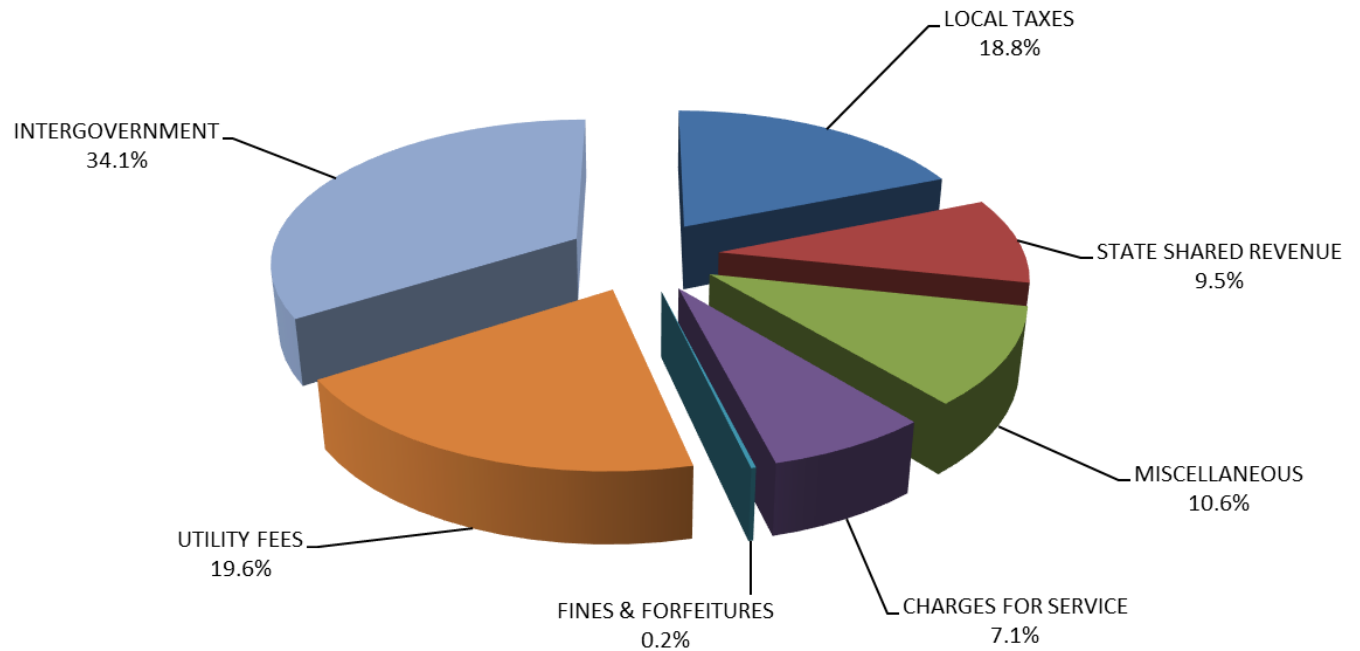
Revenues

- Beginning Balance - \$50,992,749
 - Savings and reserves from prior years
- Other Financing Sources - \$9,000,000
 - Unanticipated (Budget Authority)
- Inter-Fund Transfers - \$11,145,118
- Operating Revenues - \$80,443,585
 - Revenue that will be collected or earned during the year

Operating Revenues

“Where does the money come from?”

FY 2024 - Budget
\$80,443,585

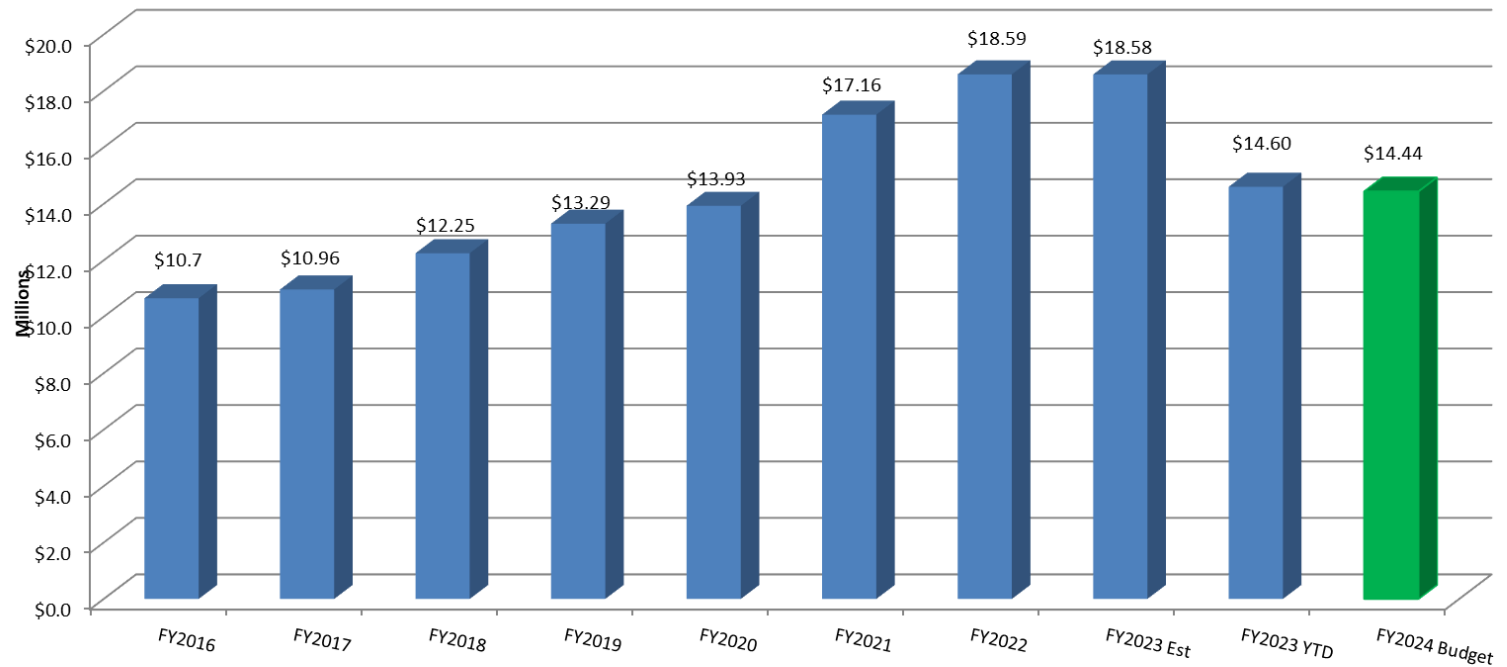


Utility Fees - \$9.7 Million

- Water (\$5.1 million)
- Wastewater (\$3.2 million)
 - Wastewater rates increase January 1st to reflect the CPI adjustment.
- Sanitation (\$1.4 million)
 - Increases to rates on July 1, 2023
 - Regular and recycle cart
 - \$17.50 to \$19.25
 - Each additional cart
 - \$7.25 to \$8.02

Local Sales Tax - \$14.4 Million

Local Sales Tax (2%)



State-Shared Revenues

- State Estimated Population
- Estimates increased \$408,628 over FY2023

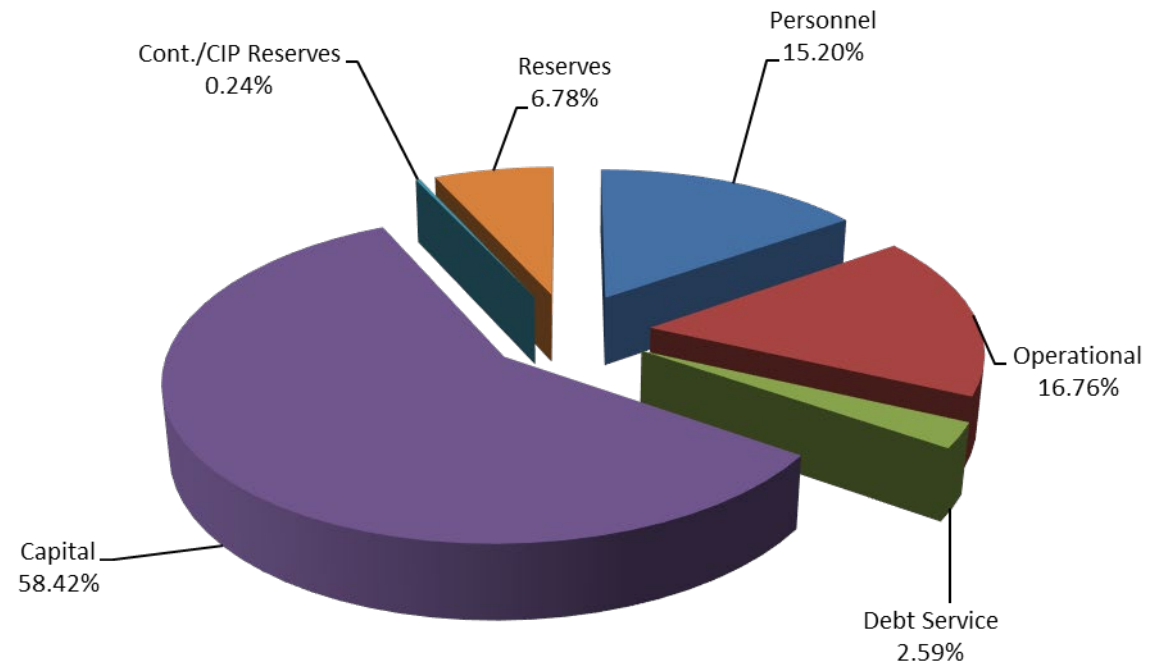
	State Estimate FY2024	City Budget FY2024	95% Difference	Budget FY2024 Figures
Sales	1,801,501	1,711,426	90,075	1,711,426
Income	3,209,144	3,048,687	160,457	2,809,144
VLT	1,102,724	1,047,588	55,136	1,047,588
HURF	2,201,062	2,091,009	110,053	2,091,009
	8,314,431	7,898,709	415,722	7,659,167

Inter-Governmental - \$36.2 Million

- Grant revenue
 - Scott Ranch Road (\$24.2 million)
 - Congressional Funding (\$9.1 million)
 - Major crimes apprehension team (MCAT) (\$44,000)
 - School Resource Officer Grant (\$474,626)
 - Airport grants (\$1.6 million)
 - Library grants (\$60,000)
 - Transit, 5311 grant (\$706,069)
 - GIITEM (Gang Immigration Intelligence Team Enforcement) (\$74,000)
- New grants will come before council upon award

“Where does the money go?”

- expenditures by type



- Excluding unanticipated and transfers

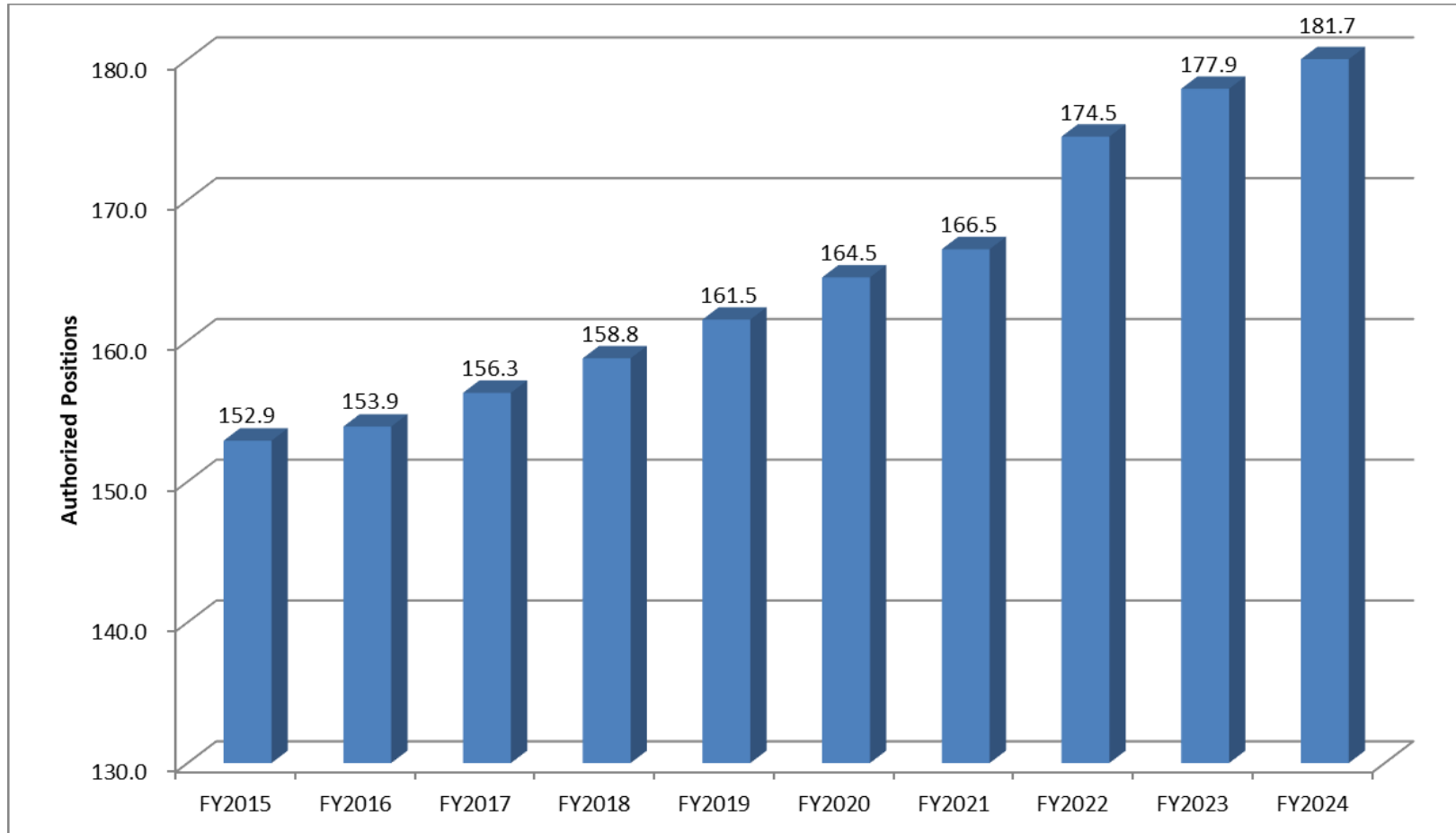
Personnel - \$18,765,794

181.7 FTE's

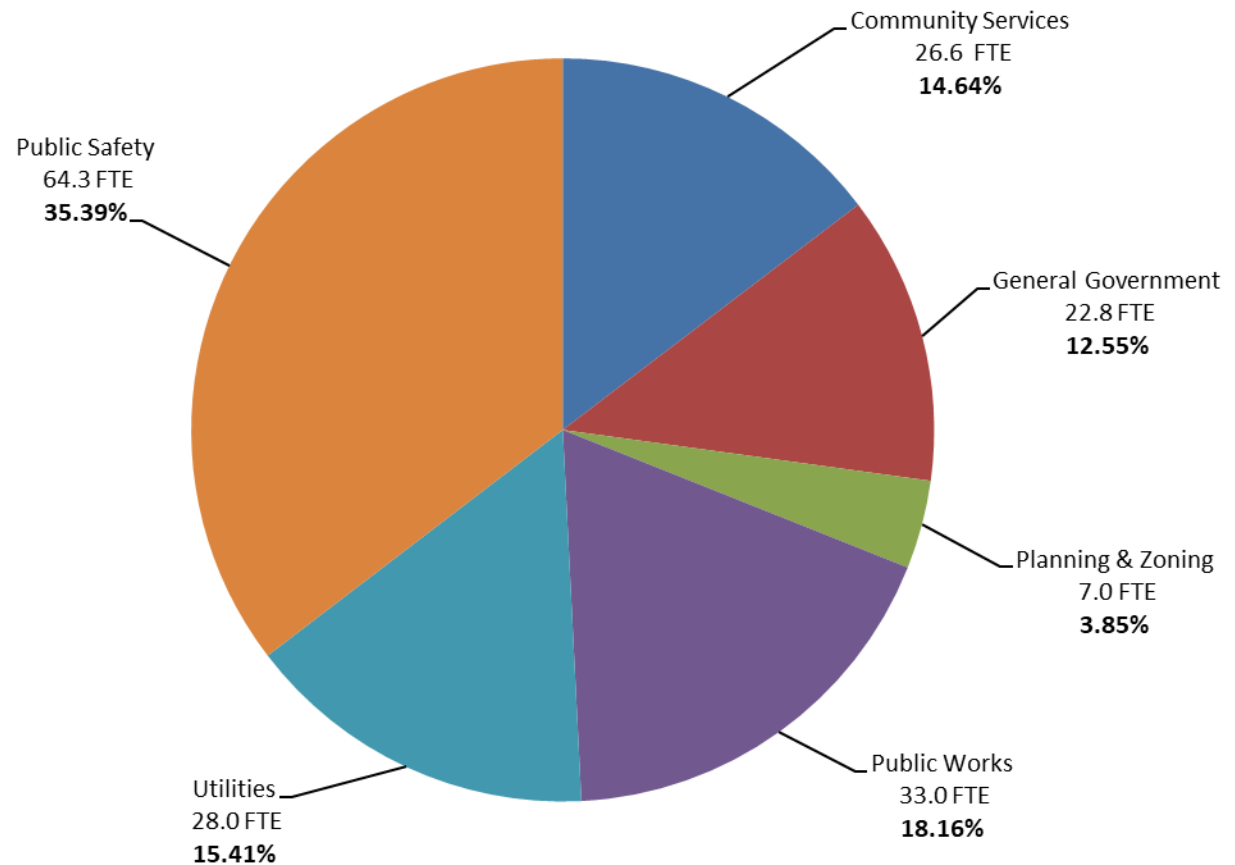
- Addition of 0.3 FTEs in Library
 - 2 part-time to 1 full-time
 - 0.3 in part-time during summer months
- Addition of 1 FTE in Parks/Facilities Maintenance
 - Maintenance Technician
- Addition of 1 FTE in Engineering
 - Construction Inspector
- Decrease of 2.0 FTEs in Communications
 - Positions were contingent on additional partners
- Increase of 4 FTE's in Police Department
 - 2 FTEs for SRO Grant
 - 1 FTE for Accreditation
 - 1 Records Clerk
- Increase of 0.5 FTE in Parks & Recreation
- ASRS Rate - slight increase
 - From 12.17% to 12.29% Employer/Employee
- PSPRS Rate – slight decrease
 - 3-tiered contribution plan, all plans 30.00% in FY2024

Personnel

Authorized FTE Positions



Personnel by Service Area



Capital/Contingencies - \$72.4 Million

General Operations	\$	7,536,325
Community Services	\$	352,500
Administrative Services	\$	143,000
Police	\$	2,248,871
Streets/Engineering	\$	39,741,464
Public Transportation	\$	99,935
Parks/Facilities Maintenance	\$	5,442,327
Airport	\$	2,821,935
Wastewater	\$	9,191,880
Water	\$	4,524,096
Council Contingencies	\$	300,000
		\$ 72,402,333

Reserves - \$6.0 Million

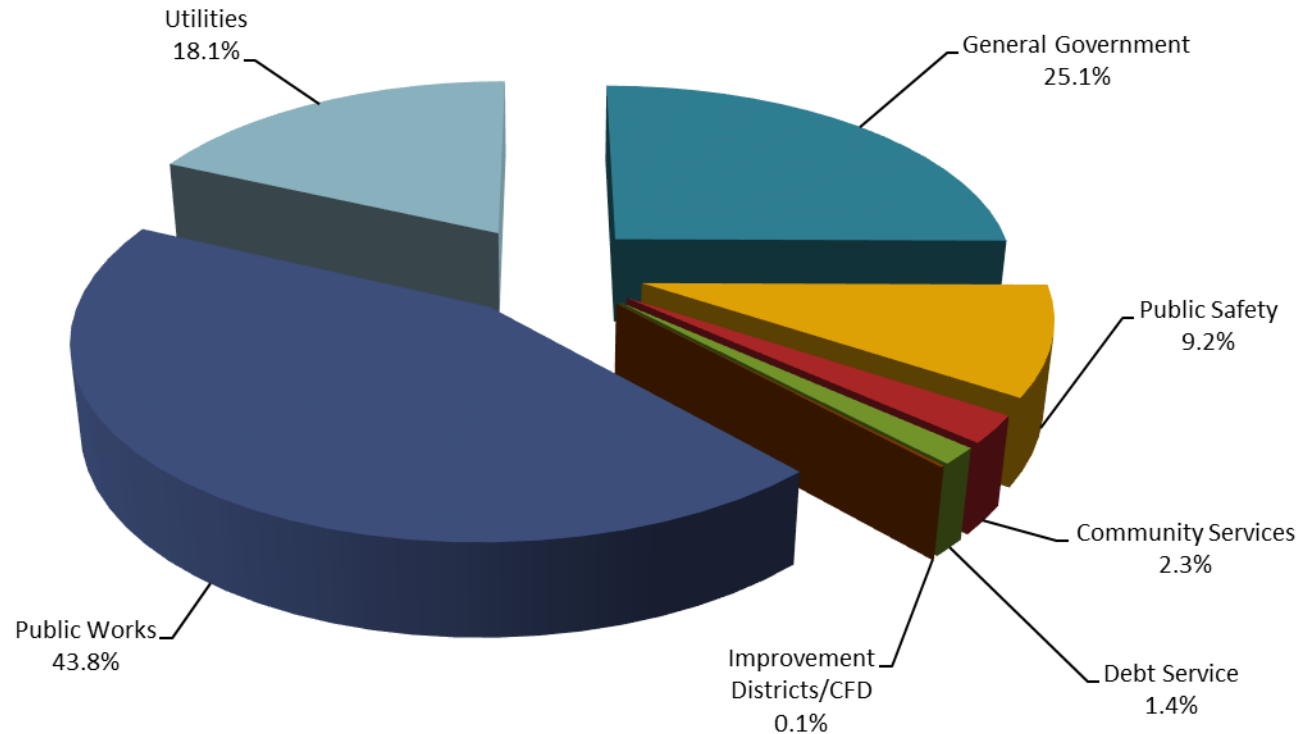
- Operating Reserves (3 months)

Fund	Operating Reserve Goal	FY2023 Set-aside
General Fund	\$ 4,107,486	\$ 4,107,486
Water Operations	\$ 1,168,999	\$ 1,168,999
Wastewater Operations	\$ 797,495	\$ 797,495

- General Fund includes \$1.0 million voter required reserve
- Water Treatment Plant Reserve
 - \$2,300,000
 - Updated construction cost is \$4.1 million

“Where does the money go?”

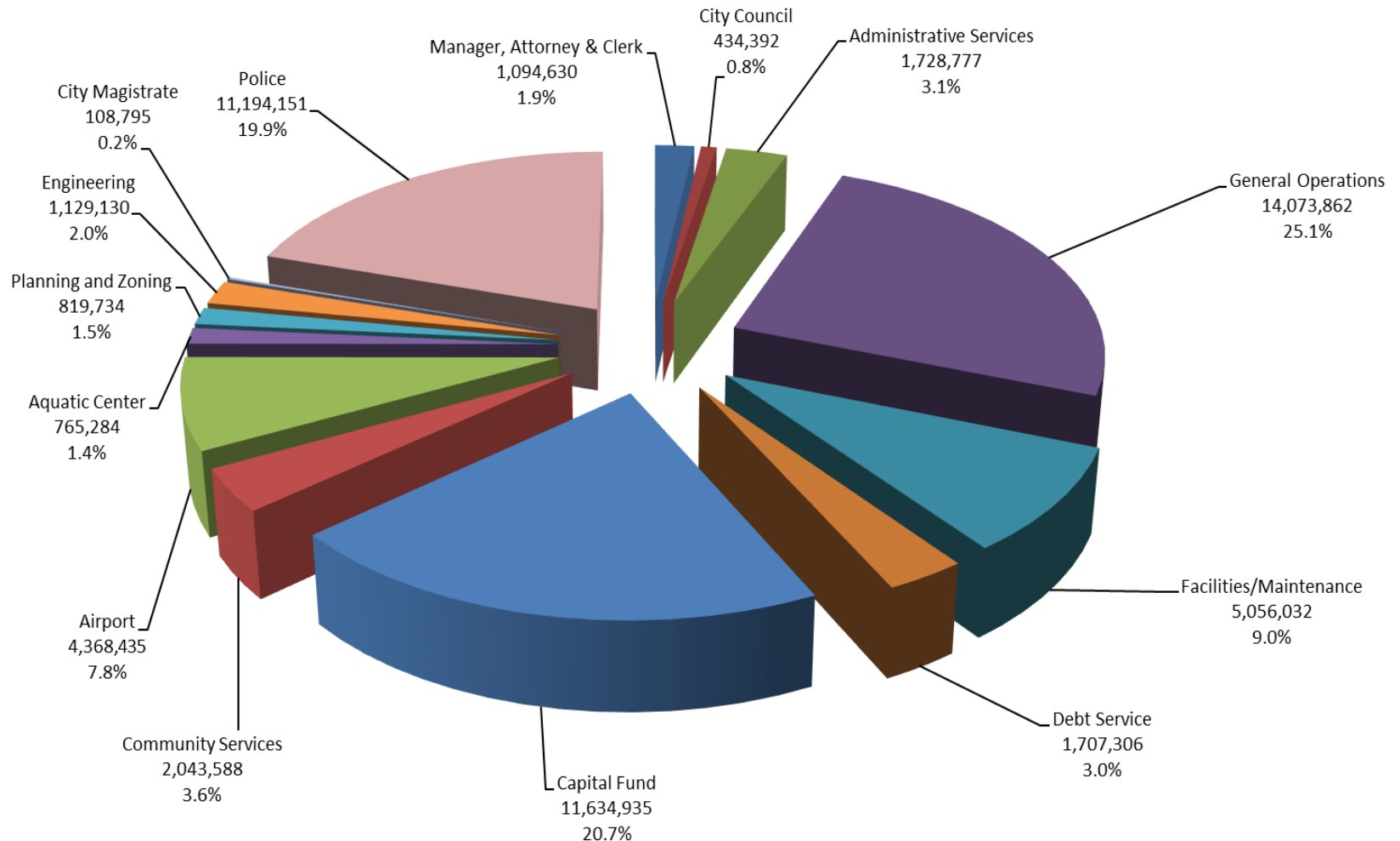
- expenditures by service area



- Excluding self-insured medical, unanticipated and transfers

“Where does the money go?”

- general fund expenditures by department



What's Next?

- Tentative Budget Adoption (Tonight)
 - Establishes Expenditure Limitation (Resolution R2023-11, \$135,198,892)
 - Budget advertised in paper, two weeks
- Final Budget Adoption (June 20)
 - Public Hearing on Budget & Tax Levy
- Secondary Property Tax Levy (July 18)

FY2024 Tentative Budget

\$135,198,892

