

**MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, JUNE 2, 2026, AT 7:00 PM IN THE CITY COUNCIL CHAMBERS, 181 NORTH 9TH STREET, SHOW LOW, NAVAJO COUNTY, ARIZONA**

1. Call to Order.

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

2. Roll Call.

**COUNCIL MEMBERS PRESENT:** Mayor Leech, Councilman Adams, Councilman Hatch, Councilman Judd, Councilman Whipple

**COUNCIL MEMBERS ABSENT:** Vice Mayor Kakavas and Councilman Clark.

**STAFF MEMBERS PRESENT:** F. Morgan Brown, City Manager; Anna Atencio, City Attorney; Justin Johnson, Deputy City Manager; Greg Westover, Police Chief; Shane Hemesath, Public Works Director; Chris Reid, City Engineer; Lisa Robertson, Grants and Transit Manager; Shannon Adams, Grants Coordinator; and Rachael Hall, City Clerk.

**GUESTS:** Jerry and Karen Smith, Reg Destree, Doug Roberts, Roger Brown, and others.

3. Invocation.

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

None.

6. **SPECIAL EVENTS:**

A. Presentation Regarding Arizona Alpine Trail Master Plan

Jerry Smith, President of the Arizona Alpine Trail, provided an update on the Arizona Alpine Trail project. Mr. Smith reported that the Master Plan was completed earlier in the year. He stated that a grand opening and celebration of the Master Plan was held on April 18 in Show Low and thanked the City for providing the park pavilion for the event.

Mr. Smith explained that the Arizona Alpine Trail was a 704-mile off-highway vehicle (OHV) trail system connecting approximately 20 communities throughout Arizona. He stated that the trail was designed to be marketed through various loop routes originating from communities such as Show Low, allowing visitors to choose one-day, two-day, three-day, or four-day excursions. Information regarding trail conditions, lodging, dining, and other amenities would be included to promote tourism and economic development in participating communities.

Mr. Smith noted that OHV users typically spend approximately \$300 per day while traveling and stated that the organization anticipated attracting approximately 300 trail users per day once marketing efforts were fully underway. He indicated that Show Low was expected to be one of the primary beneficiary communities due to its central location within the trail system.

Mr. Smith reported that the next phase of the project would focus on promotion and economic development. He stated that the Arizona Office of Outdoor Recreation, Arizona Office of Tourism, and Arizona Highways expressed interest in supporting promotional efforts. He advised that meetings with local economic development representatives, chambers of commerce, businesses, and state tourism officials were anticipated in July to coordinate marketing efforts.

Mayor Leech thanked Mr. Smith for his work on the project and expressed enthusiasm for the trail system and its potential benefits to the region. He inquired whether riders could travel from Show Low to Heber-Overgaard and return via a loop route without crossing State Route 260.

Mr. Smith responded that riders would need to cross State Route 260 because portions of the trail system were located on both the north and south sides of the highway. He also announced a planned trail ride on June 20 that would begin at the Clay Springs Trailhead, travel through the Heber area, and return via the Arizona Outback Trail. He noted that the ride was being organized by the White Mountain Open Trails group.

7. **CONSENT CALENDAR:**

A. Consideration of Minutes of Show Low City Council meetings:

1. Regular Meeting of May 26, 2026

**COUNCILMAN ADAMS MOVED TO APPROVE THE CONSENT CALENDAR AS PRESENTED; SECONDED BY COUNCILMAN JUDD; PASSED 5 TO 0 WITH MAYOR LEECH, COUNCILMAN ADAMS, COUNCILMAN HATCH, COUNCILMAN JUDD, AND COUNCILMAN WHIPPLE VOTING IN FAVOR.**

**8. NEW BUSINESS:**

- A. Consideration of Ordinance No. 2026-04, Authorizing Purchase of Real Property known as a portion of APN 210-13-060F from Grit AZ, LLC (Shannon Adams)

Ms. Adams said that approximately \$280,000 had been offered to the City of Show Low by the Arizona Department of Housing through the Community Development Block Grant (CDBG) program. This program funded projects to assist persons of low-to-moderate income, to prevent or eliminate slums or blight, or to solve an urgent need or health hazard.

Ms. Adams said that on October 21, 2025, the City Council passed Resolution No. R2025-13, determining the City's priority use of the 2025 CDBG funds was the purchase and rehabilitation of the dining room of the Senior Center. Staff submitted an application to the Northern Arizona Council of Governments, and the Arizona Department of Housing approved the use of CDBG funds for the purchase of the Senior Center Dining Room.

Ms. Adams said that staff approached Sheldon Lau of Grit AZ, LLC, expressing interest in purchasing the Senior Center Dining Room. The City was interested in purchasing the room because it was part of the building housing the Senior Center and Meals on Wheels program, and grant funds could not be used to rehabilitate a building not owned by the City. Owning the entire building would enable the City to pursue grant funding for the rehabilitation of the facility. The City had the property appraised and offered Mr. Lau the appraised value of \$170,000.

Ms. Adams said that the agreement was for the sale of the property at \$170,000. The purchase of the property and related fees were reimbursable through CDBG grant funds. Any fees associated with the release of the Deed of Trust were not covered by the grant. The City was requesting that \$2,500 be set aside from the Property Acquisition line item to cover these fees, if necessary.

Ms. Adams said staff recommended adopting Ordinance No. 2026-04 and authorizing the purchase of real property, known as a portion of APN 210-13-060, from Grit AZ, LLC.

By unanimous consent, Ms. Hall read Ordinance No. 2026-04 by title only, as all Councilmembers have a copy.

**COUNCILMAN ADAMS MOVED TO ADOPT ORDINANCE NO. 2026-04, AUTHORIZING THE PURCHASE OF REAL PROPERTY KNOWN AS A PORTION OF APN 210-13-060F FROM GRIT AZ, LLC; SECONDED BY COUNCILMAN WHIPPLE; PASSED 5 TO 0 WITH MAYOR LEECH, COUNCILMAN ADAMS, COUNCILMAN HATCH, COUNCILMAN JUDD, AND COUNCILMAN WHIPPLE VOTING IN FAVOR.**

B. Consideration of Ground Lease Agreement with Cellco dba Verizon for Light Pole Cell Tower at Frontier Field (Anna Atencio)

Ms. Atencio said that City staff was approached by Destree Development, LLC, on behalf of Cellco, dba as Verizon Wireless ("Verizon"), about replacing a light pole at Frontier Field, 780 East Deuce of Clubs, with a light pole tower capable of supporting their communications equipment and leasing ground space for the associated ground equipment facility. Frontier Field was noted to have a cellular service weakness or gap, especially during busy times at the park.

Ms. Atencio said the proposed light pole tower would be on the southwest side of Frontier Field, closest to the Coca-Cola business. The light pole tower would be inside the field fence, as the current light pole, and the ground equipment facility would be outside the fence, as depicted in the map. The ground equipment facility would be fenced with an eight-foot-high block fence. Verizon would have 24/7 access to the light tower and ground equipment facility in a defined emergency. However, in recognition of field use and activities, non-emergencies would require 48 hours' notice and coordination with the City.

Ms. Atencio said that the height of the light pole was approximately 80 feet. The current light pole was approximately 69 feet. The light pole tower would be of similar composition, color, and style as the existing light pole. The site and elevation did not require Federal Aviation Administration approval.

Ms. Atencio said that the use of City property for telecommunications facilities was a permitted use. No public hearings or notice were required.

Ms. Atencio said that the initial term of the Agreement was five years unless otherwise terminated and was automatically extended for two additional terms of five years each unless otherwise terminated in accordance with the Agreement. After the expiration of the Agreement, the communication facility, including the light pole tower, would be conveyed to the City, minus the communication equipment. The City had the option to require Verizon to remove all its facilities upon expiration or termination of the Agreement.

Ms. Atencio said Verizon would pay an annual rent of \$18,000, payable monthly in equal installments. This fee would be increased annually on the Commencement Date by 2.95%. Verizon would provide all the required insurance.

Ms. Atencio said that the final Agreement was pending Verizon approval, which would take three to four weeks. Changes were not anticipated. Destree Development, LLC, requested that the Agreement be presented to the City Council so they can move forward with the project. Staff recommended approval of the Ground Lease Agreement between the City of Show Low and Cellco Partnership, dba Verizon Wireless, authorizing the City Attorney to accept minor changes to the Agreement and authorizing the Mayor to sign the associated documents.

**COUNCILMAN WHIPPLE MOVED TO APPROVE THE GROUND LEASE AGREEMENT BETWEEN THE CITY OF SHOW LOW AND CELLCO PARTNERSHIP, DBA AS VERIZON WIRELESS, AND AUTHORIZE THE CITY ATTORNEY TO ACCEPT MINOR CHANGES TO THE AGREEMENT AND AUTHORIZE THE MAYOR TO SIGN THE ASSOCIATED DOCUMENTS; SECONDED BY COUNCILMAN ADAMS; PASSED 5 TO 0 WITH MAYOR LEECH, COUNCILMAN ADAMS, COUNCILMAN HATCH, COUNCILMAN JUDD, AND COUNCILMAN WHIPPLE VOTING IN FAVOR.**

- C. Consideration of Resolution No. R2026-14 Adopting Tentative Budget and Establishing Expenditure Limitation for Fiscal Year Ending June 30, 2027 (Justin Johnson)

Mr. Johnson reviewed the tentative budget for Fiscal Year 2027. The presentation would be attached to the minutes. He said the required forms would be published twice in the local newspaper, and the City Council would be asked to adopt them as final on June 16, 2026, following a public hearing on the budget.

Councilman Hatch inquired about the status of grant funding for the Scott Ranch Road project.

Mr. Johnson reported that the City had submitted a grant application for approximately \$22 million to fully fund the project. He explained that, in prior years, the grant program required a local match; however, the City had received state funding to complete the project design to 100 percent. As a result, the project qualified for a higher level of funding and no longer required a local match. Mr. Johnson stated that the grant application had been submitted and that award announcements were expected later in the month. Mr. Johnson further noted that funding was available to ensure the project remained shovel-ready.

Mayor Leech discussed the City's continued budgeting efforts for the project and stated that the City would continue to include funding in its budget until grant funding was secured. He noted that the City had been pursuing funding for the project for many years and expressed hope that additional support would be received.

**COUNCILMAN JUDD MOVED TO ADOPT RESOLUTION NO. R2026-14**

**ADOPTING THE TENTATIVE BUDGET AND ESTABLISHING THE EXPENDITURE LIMITATION FOR FISCAL YEAR 2027 AT \$149,615,506; SECONDED BY MAYOR LEECH; PASSED 5 TO 0 WITH MAYOR LEECH, COUNCILMAN ADAMS, COUNCILMAN HATCH, COUNCILMAN JUDD, AND COUNCILMAN WHIPPLE VOTING IN FAVOR.**

9. **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 2026-27 FOR THE DISTRICT:**

The Show Low City Council recessed into a Special Meeting of the Show Low Bluff Community Facilities District Board at 7:32 p.m. The Show Low City Council reconvened at 7:35 p.m.

10. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Councilman Adams encouraged citizens to visit the Show Low Museum.

B. Mayor

None.

C. City Manager

Mr. Brown said the annual Show Low Rodeo would be held this week on Friday and Saturday at Linden Valley Arena, with events beginning each evening at 6:00 p.m. After Saturday's rodeo, attendees could enjoy a live concert featuring Arizona Peaches.

Mr. Brown said, also on Friday, the Cruz'n the Rim Car Show "Cruise the Deuce" would start at 5:30 p.m. from the corner of Highway 60 and State Route 260. The cars would cruise through the City on the Deuce of Clubs, ending at Hatch Toyota for a hamburger burn event. Then on Saturday, there would be the Cruz'n the Rim Car Show at Frontier Fields.

Mr. Brown said that, in public works projects, the City's contractor continued work at the Timothy McKay Memorial Park. Crews continued to work on the rehabilitation of the Elks Lodge baseball field. Work continued on 36th Drive, and crews focused on paving 9th Place this week ahead of the car show at the Woolford subdivision. He thanked the citizens for their patience as improvements were made around the City.

11. **SCHEDULE OF MEETINGS:**

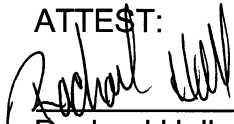
Scheduling of meetings, which may be brought up at this time.

Mr. Brown noted that the Council would hold only one regular meeting in July, scheduled for July 21.

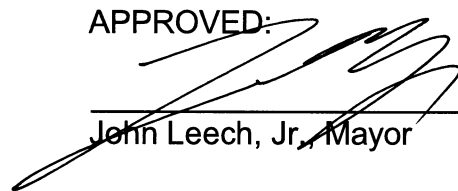
12. **ADJOURNMENT:**

There being no further business to be brought before the Council, **MAYOR LEECH ADJOURNED THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL OF JUNE 2, 2026, AT 7:38 P.M.**

ATTEST:

  
\_\_\_\_\_  
Rachael Hall, City Clerk

APPROVED:


  
\_\_\_\_\_  
John Leech, Jr., Mayor

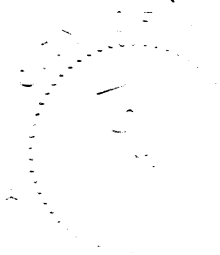
**CERTIFICATION**

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 2, 2026. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 16<sup>th</sup> day of June, 2026.

(SEAL)

  
\_\_\_\_\_  
Rachael Hall, City Clerk



FY2027 Tentative Budget

\$149,615,506

June 2, 2026

City of Show Low



# Budget Process

***June 2 – Tentative Budget Adoption***

*June 16 – Final Budget Adoption*

*July 21 – Adopt Secondary Tax Rate*



# Council Goals and Priorities

Tentative Budget FY2027

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



# Adopted Budget vs Actual

Tentative Budget FY2027



# Revenues

Tentative Budget FY2027

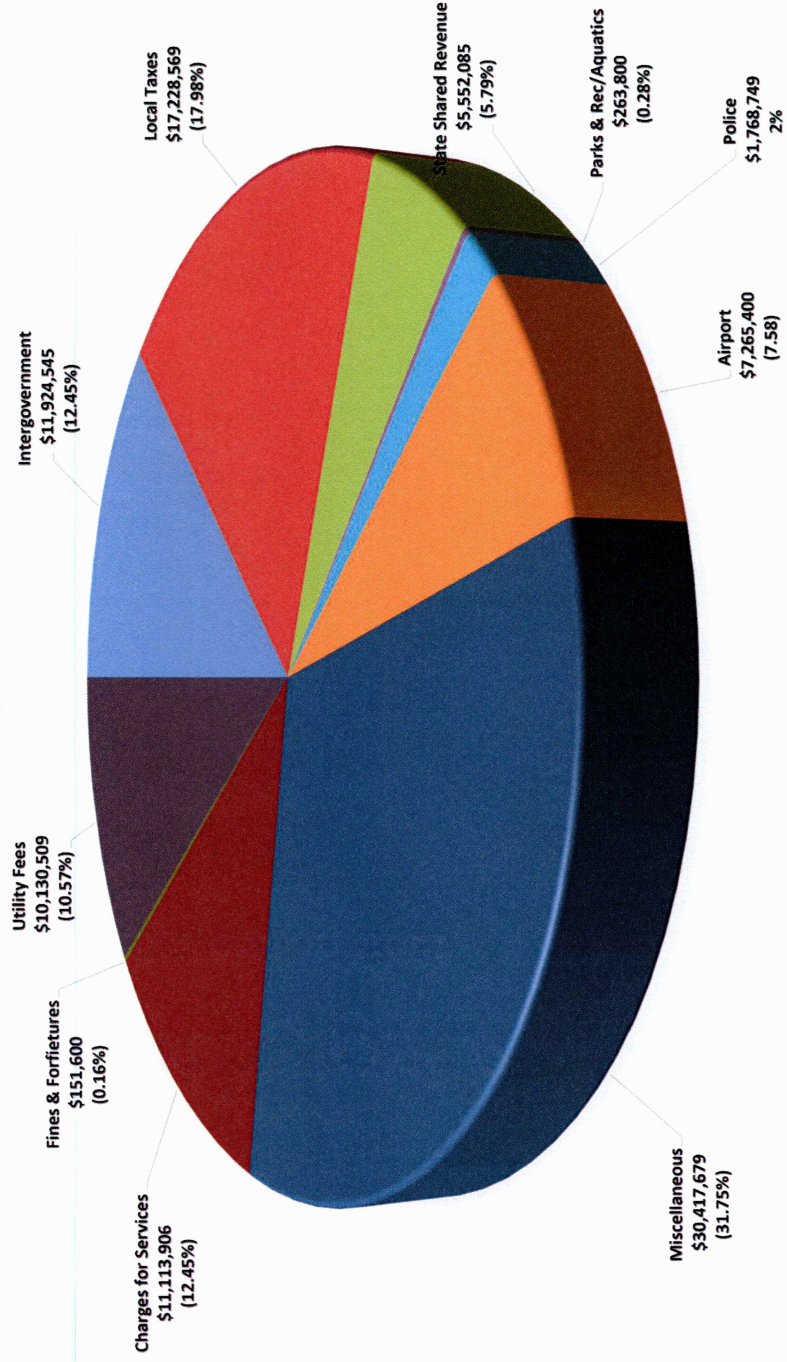
- ♣ Beginning Balance - \$34,992,915
  - ◆ Savings and reserves from prior years
- ♣ Other Financing Sources - \$11,000,000
  - ◆ Unanticipated (Budget Authority)
- ♣ Inter-Fund Transfers - \$7,626,285
- ♣ Operating Revenues - \$ 85,885,264
  - ◆ Revenue that will be collected or earned during the year



# Revenues

## Tentative Budget FY2027

**FY2027 BUDGET**  
**\$95,816,841**



# Utility Fees - \$12.96 Million

## Water

(\$4.35 Million)

- CPI adjustment to rates January 1st

## Wastewater

(\$6.68 Million)

- CPI adjustment to rates January 1st

## Sanitation

(\$1.93 Million)

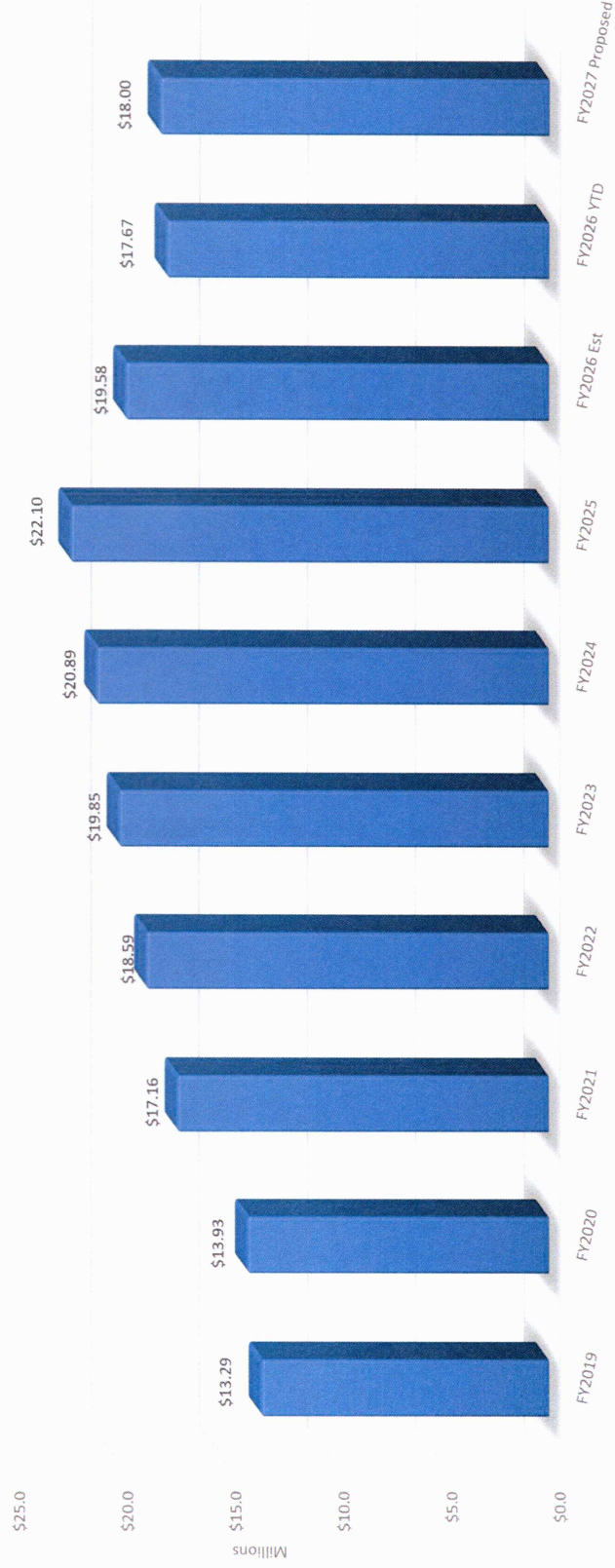
- CPI increase to rates July 1, 2026 (4.9%)
- Regular and recycle cart
  - New Rate \$23.99    Current Rate \$22.87
- Each additional cart
  - New Rate \$14.58    Current Rate \$13.90



# Local Sales Tax - \$18M

Tentative Budget FY2027

Local Sales Tax (2%)



	<b>State Estimate</b>	<b>5%</b>	<b>City Budget</b>
	<b>FY2027</b>	<b>Reduction</b>	<b>FY2027</b>
<i>Sales</i>	\$1,858,888	\$92,944	\$1,765,944
<i>Income</i>	\$2,602,745	\$130,137	\$2,472,608
<i>VLT</i>	\$1,213,591	\$60,680	\$1,152,911
<i>HURF</i>	\$2,221,604	\$111,080	\$2,110,524
	<b>\$7,896,828</b>	<b>\$394,841</b>	<b>\$7,501,987</b>

## State Shared Revenue

Tentative Budget  
FY2027



# Inter-Governmental - \$32,943,156

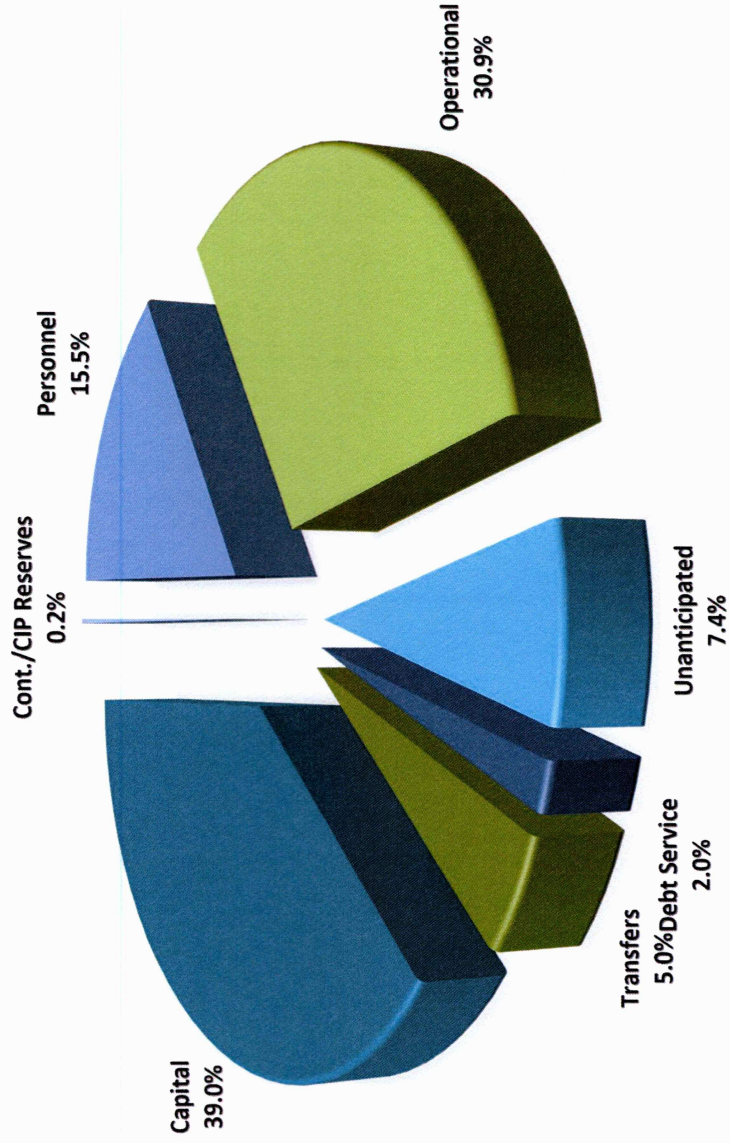
Tentative Budget FY2027

- ♣ Grant Revenue
  - ◆ Nikolaus Park Turf (\$1,200,000)
  - ◆ Timothy McKay Park (\$867,758)
  - ◆ School Resource Officer Grant (\$150,000)
  - ◆ Airport Grants (\$7.2 Million)
  - ◆ Transit, 5311 Grant (\$1.5 Million)
  - ◆ Scott Ranch Road (\$22 Million)
  
- ♣ New grants will come before council for approval



# Where does the money go? -expenditure by type

Tentative Budget FY2027



♣ Excluding unanticipated and transfers



Personnel - \$22,520,929  
195.60 FTEs

Tentative Budget FY2027

- ♣ Addition of 0.5 FTEs in Library
  - ◆ Change P.T. Information Specialist to F.T.
- ♣ Increase of 1.0 FTE in Police Department
  - ◆ 1 Police Admin – IT Specialist
- ♣ Increase of 1.0 FTE in Water
  - ◆ Maintenance Technician IV
- ♣ ASRS Rate – slight decrease
  - ◆ From 12.0% to 11.98% Employer/Employee
- ♣ PSPRS Rate – no net change from FY26



# Capital/Contingencies by Department ~ \$69.2M

Tentative Budget FY2027

Airport	\$ 2,435,000
Animal Control	\$ 130,000
Cemetery	\$ 339,000
Community Services	\$ 250,000
General Operations	\$ 11,004,622
Parks/Facilities Maintenance	\$ 7,726,945
Planning & Zoning	\$ 68,500
Police Communications	\$ 451,334
Police Operations	\$ 1,125,450
Public Transportation	\$ 501,000
Streets	\$ 35,442,000
Wastewater	\$ 4,646,524
Water	\$ 5,088,000

Total \$ 69,208,375



# Operating Reserves - \$8.4M

Tentative Budget FY2027

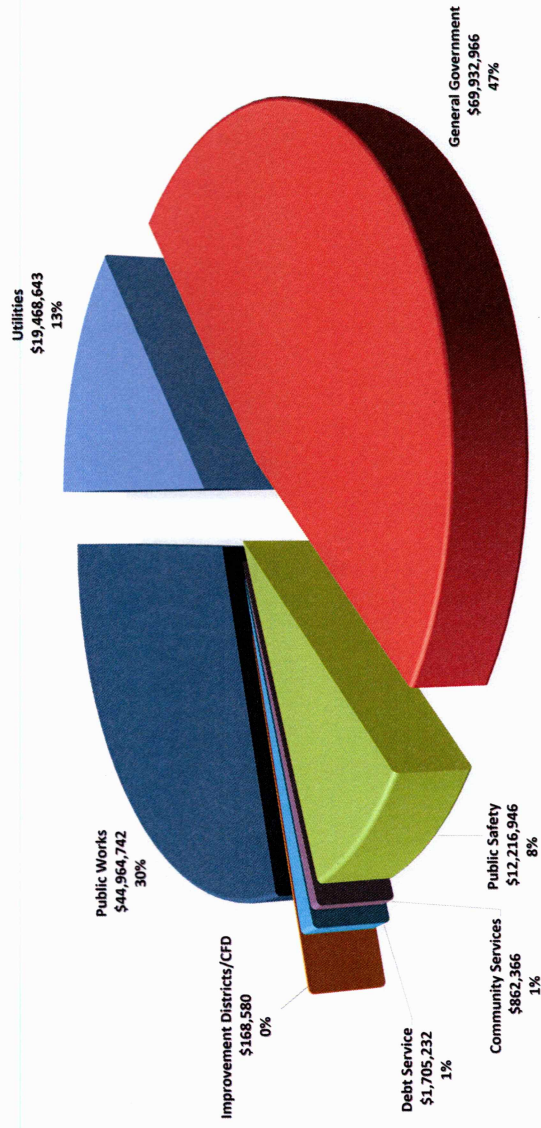
Fund	Operating Reserve Goal	FY2027 Set-aside
General Fund	\$ 5,454,087	\$ 5,454,087
Water Operations	\$ 921,197	\$ 921,197
Wastewater Operations	\$ 580,421	\$ 580,421



# Where does the money go? expense by service area

Tentative Budget FY2027

## EXPENSE



- ♣ Tentative Budget Adoption (Tonight)
  - ◆ Establishes Expenditure Limitation (Resolution R2026-14, \$149,615,506)
  - ◆ Budget advertised in paper
  
- ♣ Final Budget Adoption (June 16)
  - ◆ Public Hearing on Budget & Tax Levy
  
- ♣ Secondary Property Tax Levy (July 21)



**FY2027 Tentative Budget  
\$149,615,506**

Tentative Budget FY2027

