

**MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL
HELD ON TUESDAY, AUGUST 20, 2024, 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 Clark, Councilman Hatch, and Councilman Judd.

COUNCIL MEMBERS ABSENT: Vice Mayor Kakavas, Councilman Adams and Councilman Whipple.

STAFF MEMBERS PRESENT: F. Morgan Brown, City Manager; Anna Atencio, City Attorney; Justin Johnson, Deputy City Manager; Jeff McNeil, Police Commander; Shane Hemesath, City Engineer; Jacob Allen, Airport Manager; Rick Austin, Public Works Operation Manager; Lisa Robertson, Grants Manager; and Rachael Hall, City Clerk.

GUESTS: Curt Fernau.

3. Invocation.

Councilman Clark gave the invocation.

4. Pledge of Allegiance.

Mayor Leech 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.

None.

6. **CONSENT CALENDAR:**

- A. Consideration of Acceptance of Airport Hangar Roof Overlay, City of Show Low Project No. FM-7524 (Rick Austin)
- B. Consideration of Acceptance of Construction Contract for West Stock to SR-260 Sewer Replacement, City of Show Low Project No. S-3022 (Shane Hemesath)
- C. Consideration of Minutes of Show Low City Council meetings:
 - 1. Regular Meeting of August 6, 2024

COUNCILMAN CLARK MOVED TO APPROVE THE CONSENT CALENDAR AS PRESENTED; SECONDED BY COUNCILMAN HATCH; PASSED 4 TO 0 WITH MAYOR LEECH, COUNCILMAN CLARK, COUNCILMAN HATCH, AND COUNCILMAN JUDD VOTING IN FAVOR.

7. **NEW BUSINESS:**

- A. **PUBLIC HEARING** and Consideration of Application Submitted by Anita Martinez, Harry Rashad Spencer, Jonathan Lamar Elder, and Peter Allen Barnett for Series #10, Beer and Wine Store, Liquor License on Behalf of Family Dollar #23939 for its Location at 161 East Deuce of Clubs, Box #7, Show Low, Arizona (Rachael Hall)

Ms. Hall said Anita Martinez, Harry Rashad Spencer, Jonathan Lamar Elder, and Peter Allen Barnett, representing Family Dollar #23939, submitted a liquor application for a Series #10, Beer and Wine Store Liquor License for its location at 161 East Deuce of Clubs, Box #7. As required by state law, the property was posted, and no public input was received.

Ms. Hall said Anita Martinez and Harry Rashad Spencer, representing Family Dollar #23939, previously submitted a liquor application for a Series #10 Beer and Wine Store Liquor License for its location at 161 East Deuce of Clubs, Box #7, which was approved at the February 6, 2024, City Council Meeting. Family Dollar decided that a significant number of its stores nationwide would close in 2024. Unfortunately, Family Dollar personnel erroneously thought the store in Show Low was on the list of stores to be closed. This error triggered an inadvertent surrender of its liquor license, obtained in February. Since the Show Low store would remain open, the applicants had to reapply for the Series #10 Beer and Wine Store Liquor License and chose to add additional names to the application.

Ms. Hall said the Show Low Police Department conducted a background check on the applicants and found nothing amiss. The Department of Liquor Licenses and Control conducts its own internal investigations and background checks. Based on the investigator's findings and the recommendation of the City Council, the State Liquor Board would decide

whether to approve or deny the application. Note that if the City Council chose to recommend denial of the application, the motion must state the reasons for the denial.

Mayor Leech opened the matter for a public hearing. There being no input, Mayor Leech closed the public hearing.

COUNCILMAN CLARK MOVED TO RECOMMEND APPROVAL TO THE STATE LIQUOR BOARD OF THE APPLICATION SUBMITTED BY ANITA MARTINEZ, HARRY RASHAD SPENCER, JONATHAN LAMAR ELDER, AND PETER ALLEN BARNETT FOR SERIES #10, BEER AND WINE STORE, LIQUOR LICENSE ON BEHALF OF FAMILY DOLLAR #23939 FOR ITS LOCATION AT 161 EAST DEUCE OF CLUBS, BOX #7, SHOW LOW, ARIZONA; SECONDED BY COUNCILMAN HATCH; PASSED 4 TO 0 WITH MAYOR LEECH, COUNCILMAN CLARK, COUNCILMAN HATCH, AND COUNCILMAN JUDD VOTING IN FAVOR.

B. Consideration of Approval of Five-Year Rural Public Transportation Agreement with MV Transportation, Inc. (Lisa Robertson)

Ms. Robertson said the Section 5311 transit program was funded by a grant from the Arizona Department of Transportation (ADOT) and cost-share contributions from City of Show Low, the Towns of Pinetop-Lakeside, Taylor, Snowflake, Northland Pioneer College and Navajo County. Operations of the Four Seasons Connection and White Mountain Connection was administered by MV Transportation, Inc. under a ten-year Rural Public Transportation Agreement that was signed on October 1, 2012, and was extended an additional two years through September 30, 2024.

Ms. Robertson said a Request for Proposals (RFP) for a five-year operations plan for the Four Seasons Connection and White Mountain Connection public transit program was submitted to three potential bidders. MV Transportation, Inc. was the only proposal received. MV Transportation's proposed five-year operations plan would become effective October 1, 2024, and terminate September 30, 2029, at a total cost not to exceed \$5,176,772, with a renewal option for two additional years at a cost to be determined. The 5311 ADOT transit grant would cover approximately \$3,207,530 of total costs with matching funds of approximately \$1,969,242 met by local cost-share contributions. Show Low's annual match would be approximately \$149,350; over the five year period it was estimated that the local match for Show Low would be \$800,000.

Ms. Robertson said staff recommended entering into a Rural Public Transportation Agreement with MV Transportation, Inc. at a cost not to exceed \$5,176,772 to cover transit operations for the Four Seasons Connection and White Mountain Connection from October 1, 2024, through September 30, 2029, with a renewal option for two additional years at a cost to be determined.

Councilman Clark thanked staff for their continued efforts to apply for grants, work with the State and other entities to keep this vital service going for citizens.

COUNCILMAN JUDD MOVED APPROVE THE FIVE-YEAR RURAL PUBLIC TRANSPORTATION AGREEMENT WITH MV TRANSPORTATION, INC., COMMENCING OCTOBER 1, 2024 AT A TOTAL COST NOT TO EXCEED \$5,176,772 WITH A RENEWAL OPTION FOR TWO ADDITIONAL YEARS AT A COST TO BE DETERMINED; SECONDED BY COUNCILMAN HATCH; PASSED 4 TO 0 WITH MAYOR LEECH, COUNCILMAN CLARK, COUNCILMAN HATCH, AND COUNCILMAN JUDD VOTING IN FAVOR.

- C. Consideration of Award of Professional Services Contract for Airport Consulting Services to H.W. Lochner, Inc. (Jacob Allen)

Mr. Allen said in July 2024, a request for qualifications was published to solicit Statements of Qualifications (SOQ) from airport consulting firms. Airport consultants were hired to provide airport engineering, design, and construction management per Federal Aviation Administration (FAA) and Arizona Department of Transportation standards. The selection process followed the processes outlined by FAA and Arizona Revised Statutes Title 34.

Mr. Allen said two SOQs were received and a selection committee individually reviewed and rated the SOQs. Each of the firms that submitted were invited to interview. As a result of the interviews, H.W. Lochner, Inc. was selected as the number one firm. H.W. Lochner, Inc., formerly known as Armstrong Consultants, had been the City's on-call airport consultant since 2009. After negotiations and subsequent approval by FAA, staff recommended awarding the professional services contract for airport consulting services to H.W. Lochner, Inc.

COUNCILMAN JUDD MOVED TO AWARD A PROFESSIONAL SERVICES CONTRACT FOR AIRPORT CONSULTING SERVICES TO H.W. LOCHNER, INC. AND AUTHORIZE THE MAYOR TO SIGN ASSOCIATED DOCUMENTS; SECONDED BY MAYOR LEECH; PASSED 4 TO 0 WITH MAYOR LEECH, COUNCILMAN CLARK, COUNCILMAN HATCH, AND COUNCILMAN JUDD VOTING IN FAVOR.

- D. Consideration to Rescind Lease Agreement with the General Services Administration and Approve Lease Amendment No. 3 for the Building Located at 3401 Airport Loop Road at Show Low Regional Airport (Jacob Allen)

Mr. Allen said on January 6, 2009, the General Services Administration (GSA) entered into a lease agreement with the City of Show Low to utilize

the old airport terminal building located at 3401 East Airport Loop Road on behalf of the Bureau of Indian Affairs (BIA). The existing lease agreement expired on January 6, 2024. Since then, the lease had been in holdover status during the negotiations for a new long-term agreement.

Mr. Allen said the GSA drafted a new agreement to continue to lease the property for an additional 15 years, including a ten-year guarantee. The rental rates were negotiated based on the previous lease rates plus five-year average Consumer Price Index increases, which would increase the rate accordingly at five-year intervals. The lease agreement was approved by the City Council on April 18, 2024.

Mr. Allen said BIA had declined to sign the long-term agreement necessary to give GSA the required approval to sign the lease agreement that was approved by Show Low City Council. As such, GSA recommended moving forward with an amendment to the original lease agreement to extend the lease for three years but at the new rate approved in April.

Mr. Allen said staff recommended rescinding the lease agreement that was approved on April 18, 2024, and approving Lease Amendment No. 3 for a three-year extension with GSA.

COUNCILMAN HATCH MOVED TO RESCIND THE LEASE AGREEMENT WITH THE GENERAL SERVICES ADMINISTRATION AND APPROVE LEASE AMENDMENT NO. 3 FOR THE BUILDING LOCATED AT 3401 AIRPORT LOOP ROAD AT SHOW LOW REGIONAL AIRPORT AND AUTHORIZE THE MAYOR TO SIGN ASSOCIATED DOCUMENTS; SECONDED BY COUNCILMAN CLARK; PASSED 4 TO 0 WITH MAYOR LEECH, COUNCILMAN CLARK, COUNCILMAN HATCH, AND COUNCILMAN JUDD VOTING IN FAVOR.

8. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Councilman Judd thanked the public works department for working with Nikolaus Homestead Elementary school on the snowplow painting contest for the students.

B. Mayor

None.

C. City Manager

Mr. Brown said the Annual E-Waste & Waste Tire Collection Event would be held on August 24, at the Navajo County Penrod Facility. This was a free event and for residential drop-off only.

Mr. Brown said the City would be hosting a shred-a-thon event on October 12, at City Hall parking lot. This free shredding event was for residents to discard and shred confidential paperwork they no longer wanted to store.

Mr. Brown said in public works projects, the City's contractor paved 22nd Avenue to Kartchner in the Citywide paving project. Utilities had been installed across the spillway at Show Low Lake. Work continued on the Little League field and work began on the bleachers at the Senior Field at the City Park. He thanked citizens for their patience as these important projects are completed.

9. **SCHEDULE OF MEETINGS:**

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

None.

10. **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 AUGUST 20, 2024, AT 7:18 P.M.**

ATTEST:

APPROVED:

Rachael Hall, City Clerk

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 August 20, 2024. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 20____.

Rachael Hall, City Clerk