

SHOW LOW CITY COUNCIL
REGULAR MEETING - TUESDAY, JANUARY 7, 2025

PURSUANT to A.R.S. Section 38-431.02, notice is hereby given to the Show Low City Council and to the general public, that a **Regular Meeting** of the Show Low City Council will be held on Tuesday, January 7, 2025, at 7:00 PM in the City Council Chambers, 181 North 9th Street, Show Low, Navajo County, Arizona. The agenda for this meeting is as follows:

1. Call to Order.
2. Roll Call.
3. Invocation.
4. 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.

6. **SPECIAL EVENTS:**

- A. Recognition of Retiring City Employee, Cari Bilbie

7. **CONSENT CALENDAR:**

- A. Proclamation by the Mayor Proclaiming January 20, 2025, as **MARTIN LUTHER KING, JR. DAY OF SERVICE** in the City of Show Low. (Rachael Hall)
- B. Consideration of Purchase of Water Stock Parts, City of Show Low Project No. PWOPS-3425B (Rick Austin)
- C. Consideration of Acceptance of Well No. 17 New Install, City of Show Low Project No. W-1821 Job Order No. 4 (Rick Austin)
- D. Consideration of Approval of Supplemental Agreement to Amended and Restated Operating and System Management Agreement with the Show Low/Pinetop-Woodland Irrigation Company (Anna Atencio)
- E. Consideration of Final Acceptance of Airport Pavement Management System 2023B Airfield Pavement Surface Treatment on Runway 07/25 (Jacob Allen)

- F. Consideration of Final Acceptance of Airport Pavement Management System 2022A, and Airport Pavement Management System 2022B (Jacob Allen)
- G. Consideration of Approval of Pet Allies Shelter Service Agreement (Greg Westover)
- H. Consideration of First Amendment to Agreement for Sale of Real Property with Pet Allies, Inc. (Anna Atencio)
- I. Consideration of Minutes of Show Low City Council meetings:
 - 1. Regular Meeting of December 3, 2024
 - 2. Special Meeting of December 10, 2024

8. **NEW BUSINESS:**

- A. Consideration of Commercial Hangar Lease and Operating Agreement with Aero Products Component Services, Inc. at Show Low Regional Airport (Jacob Allen)
- B. Consideration of Acceptance of Savage Sewer Replacement Phase 1 Improvements, City of Show Low Project Number S-2624 and Approval of Scope Revision (Shane Hemesath)
- C. Consideration of Resolution No. R2025-01, Rescinding Resolution No. R2024-08, and Amending Incentive Policy for Workforce Housing (Justen Tregaskes)
- D. Consideration of Memorandum of Understanding with White Mountain Advisory Group (Anna Atencio)
 - 1. AT THIS TIME, THE CITY COUNCIL MAY RECESS INTO AN EXECUTIVE SESSION FOR LEGAL ADVICE FROM THE CITY ATTORNEY.

9. Executive Session *If Needed*

- A. Confidentiality Statement
- B. Discussion or consultation for legal advice with the attorney or attorneys of the public body or with designated representatives of the public body pursuant to A.R.S. Sections 38-431.03(A)(3).

(1) Memorandum of Understanding with White Mountain Advisory Group

10. Post Executive Session

- A. Consideration of any item on the Executive Session portion of this agenda, which the Council may wish to take action upon in Open Session.

(1) Memorandum of Understanding with White Mountain Advisory Group

11. **SUMMARY OF CURRENT EVENTS:**

- A. Council Members
- B. Mayor
- C. City Manager

12. **SCHEDULE OF MEETINGS:**

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

13. **ADJOURNMENT:**

SCHEDULED MEETINGS/EVENTS:

DATE	TIME	EVENT NAME
01/07/2025	7:00 PM	CITY COUNCIL - REGULAR MEETING
01/14/2025	7:00 PM	P&Z COMMISSION - REGULAR MEETING
01/21/2025	6:00 PM	CITY COUNCIL - STUDY SESSION
01/21/2025	6:30 PM	CITY COUNCIL - BUDGET STUDY SESSION
01/21/2025	7:00 PM	CITY COUNCIL - REGULAR MEETING

NOTICE TO PARENTS AND LEGAL GUARDIANS: Parents and legal guardians have the right to consent before the City of Show Low makes a video or voice recording of a minor child, pursuant to A.R.S. § 1-602(A)(9). The Show Low City Council regular meetings are recorded and may be viewed on the City of Show Low's website. If you permit your child to attend/participate in a televised City Council meeting, a recording will be made. You may exercise your right not to consent by not allowing your child to attend/participate in the meeting.

Pursuant to the Americans with Disabilities Act (ADA), the City Council endeavors to ensure the accessibility of its meetings to all persons with disabilities. If you need accommodation for a meeting, please call the City Clerk's office at (928) 532-4061 at least 48 hours prior to the meeting for accommodation.

Council Chambers will open at least fifteen minutes prior to the meeting to allow public access to the room. Council Chambers has a maximum occupancy of 139 people.

Rachael Hall, City Clerk

I, Rachael Hall, do hereby certify that the foregoing notice was posted on Friday, January 3, 2025.



Proclamation

City of Show Low
Office of the Mayor and City Council

WHEREAS, the Rev. Dr. Martin Luther King, Jr., who was born on January 15, 1929, dedicated his life to promoting peace, freedom, equality, and justice for all through non-violent means; and

WHEREAS, in 1983, the United States Congress recognized Dr. King's legacy as one of America's outstanding civil rights leaders by adopting the third Monday in January (the month of his birth) as a federal holiday and, in 1994, designated this holiday as a national day and service; and

WHEREAS, the Martin Luther King, Jr. Day of Service is observed as a "day on, not a day off" to devote to service projects that strengthen communities, empower individuals, bridge barriers, and create solutions to social problems; and

WHEREAS, the Show Low City Council and the City of Show Low value and encourage community service and will honor Dr. King's teachings by designating a day in April 2025 to devote to one or more projects that will benefit the entire community.

NOW, THEREFORE, I, John Leech, Jr., Mayor, on behalf of the Show Low City Council, do hereby proclaim **January 7, 2025**, as

♣ Martin Luther King, Jr. Day of Service ♣

in the City of Show Low and encourage citizens to volunteer their time and participate with city employees in a service project on Saturday, April 26, 2025, that will strengthen and enhance this community.

Dated this **7th** day of **January, 2025**.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Seal of the City of Show Low.

John Leech, Jr.
Mayor

**City of Show Low
STAFF SUMMARY REPORT**

AGENDA TITLE: Consideration of Purchase of Water Stock Parts, City of Show Low Project No. PWOPS-3425B (Rick Austin)

RECOMMENDATION

I **MOVE** to award the purchase of Water Stock Parts to Dana Kepner in an amount not to exceed \$67,985.06.

BACKGROUND

Each fiscal year, the Water Department goes out to bid to replenish their water stock parts. Again, this fiscal year, the only local vendor that submitted a bid was Dana Kepner of Show Low. Historically, the annual bid for water stock parts has been under the \$50,000 City Council approval limit, but because of inflation and supply chain issues, the bid came in over \$50,000.

These are parts that the Water Department keeps on hand for emergency repairs and are parts that Dana Kepner does not keep in stock. Not having these parts in stock may cause long-term shutdowns of the City's water system. By keeping these parts on-hand, staff can keep water flowing to all our citizens.

Staff recommends awarding the Water Stock Parts Project No. PWOPS-3425B to Dana Kepner in an amount not to exceed \$67,985.06.

ATTACHMENTS

1. PWOPS-3425B Dana Kepner
2. PWOPS-3425B Bid Form

FISCAL IMPACT

Anticipated cost: \$67,985.06

Funding source (account no.): Water Maintenance (43-760-490-4120-0000)



REQUEST FOR SEALED QUOTES

Water Stock Parts (Materials Only) City of Show Low Project No. PWOPS-3425 B

The City of Show Low is extending a request for sealed quotes for **Water Stock Parts (MATERIAL ONLY)**, City of Show Low Project No. PWOPS-3425 B, in the City of Show Low. This quote is for materials only.

Questions shall be submitted in writing to the Public Works Administrative Assistant via mail to: 1281 E Thornton, Show Low, AZ 85901, fax (928) 532-4109, or e-mail bhines@showlowaz.gov by 10:00 a.m. on Thursday, November 21, 2024. An Addendum will be issued by the end of business on Thursday, November 21, 2024, if required.

Sealed quotes will be received by the Public Works Administrative Assistant, City of Show Low, **1281 E Thornton, Show Low, AZ 85901** until Monday, November 25, 2024 **by 9:00 a.m.** The City of Show Low reserves the right to reject any and all quotes not deemed in the best interest of the City.

Quotes shall be submitted in a sealed envelope. The outside lower right-hand corner of the envelope shall be marked:

"Sealed quote of Dana Kepner Company a Core & Main Company
SUPPLIER NAME

For: Water Stock Parts (Material Only)
City of Show Low Project No. PWOPS-3425 B

Advertise White Mountain Independent: 11/15/2024 and 11/19/2024

Dated: 11/06/2024

Notes:

^A The Supplier's Total Quote is based upon unit prices. If there is an error in the Total Quote or other computed totals by the supplier it shall be changed and the unit price amounts shall govern. The written word amounts shall take precedence over the figure amounts. **Bid amounts shall include furnishing materials, and incidentals. Provide shipping cost and taxes and tax rate on the material schedule on the lines provided.**

^B Quantities are not guaranteed. Final payment will be based on actual quantities.

^C All materials shall comply with the most recent MAG specifications and City of Show Low supplemental specifications. **Only DOMESTIC fittings will be accepted.**

Supplier address: 1500 E. Thorton Road

Supplier phone #: 928-537-4076

Approximate delivery date: 11-21-2024

QUOTE SUBMISSION

"Sealed quote of Dana Kepner Company
SUPPLIER NAME

For: Water Stock Parts (Material Only) City of Show Low Project No. PWOPS-3425 B

QUOTE FORM

MATERIALS SCHEDULE ^{A, B, C} (Materials Only) City of Show Low Project No PWOPS-3425 B								City of Show Low 1281 E Thornton Show Low, Arizona 85901		
	Description	Manufacturer	Model	Material	Size	ITEM TAXED Y OR N	Unit of Measurement	Number of Units	Price Per Unit	Total Price
1	CURB STOP FXF (LOCKABLE)	FORD METER BOX	B11-333W-NL	BRASS	3/4"	Y	Each	12	\$ 82.58	\$ 990.96
2	CURB STOP W/METER COUPLING (LOCKABLE)	FORD METER BOX	B13-332W-NL	BRASS	3/4"	Y	Each	30	\$ 100.89	\$ 3,026.70
3	ANGLE STOP	FORD METER BOX	BA13-332WNL	BRASS	5/8"	Y	Each	30	\$ 106.45	\$ 3,193.50
4	METER COUPLING	FORD METER BOX	C38-23-225-NL	BRASS	3/4"	Y	Each	50	\$ 16.01	\$ 800.50
5	NIPPLE			BRASS	3/4" x 12"	Y	Each	10	\$ 19.04	\$ 190.40
6	NIPPLE			BRASS	3/4" x 8"	Y	Each	10	\$ 13.81	\$ 138.10
7	NIPPLE			BRASS	3/4" x 6"	Y	Each	10	\$ 10.43	\$ 104.30
8	ELBOW 90 DEGREE			BRASS	1"	Y	Each	10	\$ 9.24	\$ 92.40
9	METER COUPLING	FORD METER BOX	C38-23-1625-NL	BRASS	1"	Y	Each	10	\$ 16.01	\$ 160.10
10	PEP PIPE-1"X300' IPS 250 PSI POLYETHYLENE	NUMEX PLASTICS	IPS	PEP	1"	Y	Roll	3	\$ 255.00	\$ 765.00
11	PEP STIFFNERS	FORD METER BOX	I-72	STAINLESS STEEL	1"	Y	Each	200	\$ 3.05	\$ 610.00
12	VALVE BOX RISER	TYLER		CAST IRON	1"	Y	Each	20	\$ 21.53	\$ 430.60
13	NIPPLE			BRASS	1" X 12"	Y	Each	20	\$ 26.16	\$ 523.20
14	RESETTER	FORD METER BOX	VBB44-12W-NL	BRASS	1" X 12"	Y	Each	20	\$ 430.99	\$ 8,619.80
15	NIPPLE			BRASS	1" X 4"	Y	Each	20	\$ 8.99	\$ 179.80
16	COMPRESS. X COMPRESSION PACK JOINTS	FORD METER BOX	C66-66-NL	BRASS	1 1/2"	Y	Each	10	\$ 153.03	\$ 1,530.30
17	CURB STOP FXF (LOCKABLE)	FORD METER BOX	B11-666W-NL	BRASS	1 1/2"	Y	Each	5	\$ 267.07	\$ 1,335.35
18	M-PACK JOINTS COMP X M IPS	FORD METER BOX	C86-66-NL	BRASS	1 1/2"	Y	Each	15	\$ 106.75	\$ 1,601.25
19	PEP PIPE - 1-1/2"X100' 250 PSI POLYETHYLENE	NUMEX PLASTICS	IPS	PEP	1 1/2"	Y	Roll	3	\$ 204.00	\$ 612.00
20	PEP STIFFNERS	FORD METER BOX	I-74	PEP	1 1/2"	Y	Each	20	\$ 4.99	\$ 99.80
21	BELL REDUCER			BRASS	1 1/2" x 3/4"	Y	Each	5	\$ 20.57	\$ 102.85
22	NIPPLE			BRASS	1 1/2" x 4"	Y	Each	5	\$ 18.41	\$ 92.05
23	NIPPLE			BRASS	1 1/2" x 6"	Y	Each	5	\$ 25.59	\$ 127.95
24	CORP STOP MXM	FORD METER BOX	FB500-7	BRASS	2"	Y	Each	10	\$ 366.99	\$ 3,669.90
25	ELBOW 90 DEGREE			BRASS	2"	Y	Each	10	\$ 30.24	\$ 302.40
26	F-PACK JOINTS COMP X M IPS	FORD METER BOX	C16-77-NL	BRASS	2"	Y	Each	20	\$ 152.00	\$ 3,040.00
27	TEES			BRASS	2"	Y	Each	10	\$ 74.88	\$ 748.80
28	VALVE BOX RISER	TYLER	VBR-2	CAST IRON	2"	Y	Each	20	\$ 33.85	\$ 677.00
29	BELL REDUCER			BRASS	2" x 1 1/2"	Y	Each	10	\$ 30.08	\$ 300.80
30	BUSHING REDUCER			BRASS	2" x 1 1/2"	Y	Each	10	\$ 15.37	\$ 153.70
31	NIPPLE			BRASS	2" X 12"	Y	Each	5	\$ 60.75	\$ 303.75
32	ALPHA	ROMAC		CAST IRON	6"	N	Each	6	\$ 542.81	\$ 3,256.86
33	GATE VALVE	AMERICAN FLOW CONTROL		CAST IRON	6"	N	Each	3	\$ 1,023.99	\$ 3,071.97
34	HARCO FULL BORE COUPLINGS	HARCO		PLASTIC	6"	N	Each	4	\$ 145.79	\$ 583.16

35	ALPHA	ROMAC		CAST IRON	8"	N	Each	6	\$ 701.08	\$ 4,206.48
36	GATE VALVE	AMERICAN FLOW CONTROL		CAST IRON	8"	N	Each	2	\$ 1,629.40	\$ 3,258.80
37	HARCO FULL BORE COUPLINGS	HARCO		PLASTIC	8"	N	Each	4	\$ 277.95	\$ 1,111.80
38	ALPHA	ROMAC		CAST IRON	12"	N	Each	2	\$ 1,047.75	\$ 2,095.50
39	METER BOX EXTENSION	CARSON BROOKS	#2	PLASTIC	7"	Y	Each	60	\$ 101.94	\$ 6,116.40
40	METER BOX W/LID	CARSON BROOKS	#2	PLASTIC	13"	Y	Each	30	\$ 194.21	\$ 5,826.30
										\$ -
	Sub Total				Sub Total					\$64,050.53
1	Sales Tax @ <u>8.426</u> %				Sales Tax					\$3,934.53
2	Freight				Freight					\$0.00
	GRAND TOTAL									\$67,985.06

**City of Show Low
STAFF SUMMARY REPORT**

AGENDA TITLE: Consideration of Acceptance of Well No. 17 New Install, City of Show Low Project No. W-1821 Job Order No. 4 (Rick Austin)

RECOMMENDATION

I **MOVE** to accept Well No. 17 New Install, City of Show Low Project No. W-1821 Job Order No.4 and initiate the two-year warranty period.

BACKGROUND

On January 19, 2021, the City Council approved a Job Order Contract (JOC) for three well service companies to provide labor, furnish, and install materials related to repairing and maintaining water wells and to repair existing water facilities at various locations. The three companies were Willis Drilling and Pump, Beeman Drilling, and Weber Water Resources. JOCs streamlined procuring all repair and replacement services, which saves several weeks in the procurement process of each project. As repairs arose, the work was competitively bid on June 6, 2024, among the three JOC Contractors on the City's JOC roster and the following two bids were received.

<u>Contractor</u>	<u>Total Bid</u>
Weber Water Resources	\$60,418.49
Willis Drilling & Pump	\$76,197.32

On November 18, 2024, Weber Water Resources finalized the installation of Well No. 17 located at 1020 South Ridgeway in the Show Low Bluff subdivision. The work is now complete with a total project cost of \$60,418.49.

Staff recommends accepting Well No. 17 New Install, City of Show Low Project No. W-1821 Job Order No. 4 and initiating the two-year warranty period.

ATTACHMENTS

None

FISCAL IMPACT

Final cost: \$60,418.49

Funding source (account no.): Water Maintenance (43-760-490-4120-0000)

**City of Show Low
STAFF SUMMARY REPORT**

AGENDA TITLE: Consideration of Approval of Supplemental Agreement to Amended and Restated Operating and System Management Agreement with the Show Low/Pinetop-Woodland Irrigation Company (Anna Atencio)

RECOMMENDATION

I **MOVE** to approve the Supplemental Agreement to the Amended and Restated Operating and System Management Agreement with the Show Low/Pinetop-Woodland Irrigation Company.

BACKGROUND

On June 5, 2012, the City and the Show Low/Pinetop-Woodland Irrigation Company entered into the Amended and Restated Operating and System Management Agreement ("Operating Agreement") concerning the operation and management of Show Low Lake and the Show Low Creek System.

Pursuant to applications to Appropriate Public Water submitted by the City and the Irrigation Company, the Arizona Department of Water Resources has requested clarification in the Operating Agreement regarding the Irrigation Company's access to City-owned land and facilities. This Supplemental Agreement expressly sets forth language allowing the Irrigation Company's access to City-owned land and facilities.

Staff recommends approving the Supplemental Agreement to the Amended and Restated Operating and System Management Agreement.

ATTACHMENTS

1. Supplement to Operating Agreement

FISCAL IMPACT

N/A

SUPPLEMENTAL AGREEMENT

This Agreement (“this Supplemental Agreement”) is dated effective November 1, 2024 (“the Effective Date”) by and between the CITY OF SHOW LOW, ARIZONA, an Arizona municipal corporation (“the City”) and the SHOW LOW/PINETOP-WOODLAND IRRIGATION COMPANY, an Arizona non-profit corporation (“the Irrigation Company”).

1. This Supplemental Agreement supplements the Amended and Restated Operating and System Management Agreement dated June 5, 2012, by and between the City and the Irrigation Company (as it may be amended from time to time, “the Operating Agreement”) concerning the operation and management of Show Low Lake and the Show Low Creek System.
2. All defined terms, conditions and agreements set forth in the Operating Agreement are incorporated into this Supplemental Agreement.
3. The purpose of this Supplemental Agreement is to clarify that (a) the City grants the Irrigation Company a license to enter the City’s Facilities and land on an “as needed” basis to fulfill the purposes and obligations of the Operating Agreement and (b) the Irrigation Company grants the City a license to enter the Irrigation Company’s Facilities and land on an “as needed” basis to fulfill the purposes and obligations of the Operating Agreement. This mutual grant does not extend to any facilities, lands and activities that are not a part of the Operating Agreement and is made solely for the purpose of satisfying the Arizona Department of Water Resources in connection with applications to appropriate numbers 33-96807, 33-96808, 33-96809 and 33-96810.
4. No other terms or conditions of the Operating Agreement are supplemented, updated or amended by this Supplemental Agreement. Should the Operating Agreement be amended in the future, this Supplemental Agreement shall, by reference, be a part of said future amendments.
5. The term of this Supplemental Agreement shall run with the term of the Operating Agreement.
6. This Supplement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single agreement.

This Agreement is dated on the signature dates but is effective on the Effective Date.

[SIGNATURE BLOCKS ARE ON THE NEXT PAGE]

THE CITY OF SHOW LOW, an Arizona
municipal corporation

By: _____
John Leech, Jr., Mayor

DATE SIGNED:

_____, 2024

ATTEST:

Rachael Hall, City Clerk

APPROVED AS TO FORM:

Anna Atencio, City Attorney

SHOW LOW/PINETOP-WOODLAND
IRRIGATION COMPANY, an Arizona non-
profit corporation

By: _____
Jonathan Ellsworth, President

DATE SIGNED:

_____, 2024

**City of Show Low
STAFF SUMMARY REPORT**

AGENDA TITLE: Consideration of Final Acceptance of Airport Pavement Management System 2023B Airfield Pavement Surface Treatment on Runway 07/25 (Jacob Allen)

RECOMMENDATION

I **MOVE** to accept Airport Pavement Management System 2023B Airfield Pavement Surface Treatment on Runway 07/25 at Show Low Regional Airport and initiate the one-year warranty period.

BACKGROUND

The Arizona Department of Transportation (ADOT) administers the Airport Pavement Management System (APMS). The APMS program is a grant program established to assist in preserving the Arizona airport system infrastructure to support safe airports for the citizens of Arizona. As a benefit of the grant, procurement of construction services is performed by ADOT to assure quality contractors and compliance with Federal Aviation Administration regulations and the APMS grant requirements.

Show Low Regional Airport was included in the fiscal year 2023 program for a surface treatment and crack seal, and new runway markings on Runway 07/25. On November 7, 2023, the City Council accepted the APMS grant funding and authorized the payment on the 10% match funds. Total project cost was \$501,277.00 the local match was \$50,128.00 paid in advance.

The project was officially completed on November 7, 2024, when the final inspections had been performed by ADOT and Kimley Horn who is contracted to administer the APMS Program. Staff recommends accepting the pavement surface treatment on Runway 07/25 at Show Low Regional Airport and initiating the one-year warranty period.

ATTACHMENTS

1. Final Acceptance Letter for APMS 2023B

FISCAL IMPACT

N/A



November 7, 2024

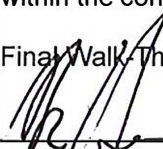
CR Contract LLC
Russell Davis, President
64435 Strickler Ave., Suite 100
Bend, OR 97703

RE: *Show Low Regional Airport APMS 2023B*
Airfield Pavement Surface Treatment E3P2K-01C
ADOT CTR 071319 (PO# 0000681609)

Dear Mr. Davis:

Construction of the above referenced project was completed on October 12, 2024, and a final walk-through was conducted of the subject improvements on November 7, 2024. Kimley-Horn and Associates, Inc., representing ADOT, was present at the final walk-through and has certified that the work substantially conforms to the approved plans and provisions of the contract documents. The final acceptance of the pavement markings within the limits of Runway 7-25 be based off the airport's 2025 FAA 5010's inspection. Any marking falling outside of the limits of acceptance will be covered within the contractor's 1-year warranty and will be repaired at their own expense.

Final Walk-Through Certified By:



Kimley-Horn and Associates, Inc.

Civil analyst

Title

Show Low Regional Airport Representative was also present at the walk-through and concurs and accepts the subject improvements for incorporation into the Airport's system for maintenance. Therefore, ADOT Aeronautics Group approves this project based on the enclosed certifications and concurrence.

Airport Sponsor Concurrence By:

Approved By:

Show Low Regional Airport

ADOT Aeronautics Group

Title

Title

Date

Copy: Jacob Allen, Airport Manager, Show Low Regional Airport

Certificate Of Completion

Envelope Id: 63D7DDAE-B6DC-4A8B-B7C1-4BCAF6752F38
Subject: Complete with Docusign: Show Low Regional 23B Final Acceptance Letter.pdf
Source Envelope:
Document Pages: 1
Certificate Pages: 2
AutoNav: Enabled
Envelopeld Stamping: Enabled
Time Zone: (UTC-05:00) Eastern Time (US & Canada)

Status: Sent

Envelope Originator:
Karen Hanas
401 Fayetteville St.
Suite 600
Raleigh, NC 27601
Karen.Hanas@kimley-horn.com
IP Address: 65.58.137.38

Record Tracking

Status: Original
11/26/2024 9:08:33 AM
Holder: Karen Hanas
Karen.Hanas@kimley-horn.com
Location: DocuSign

Signer Events

Jacob Allen
Jallen@showlowaz.gov
Airport Manager
Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Matthew Munden
mmunden@azdot.gov
Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Signature**Timestamp**

Sent: 11/26/2024 9:32:26 AM
Viewed: 12/17/2024 5:58:05 PM

In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp**

Tammy Martelle
tammy.martelle@kimley-horn.com
Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Witness Events**Signature****Timestamp****Notary Events****Signature****Timestamp****Envelope Summary Events****Status****Timestamps**

Envelope Sent
Hashed/Encrypted
11/26/2024 9:32:26 AM

Payment Events	Status	Timestamps
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**City of Show Low
STAFF SUMMARY REPORT**

AGENDA TITLE: Consideration of Final Acceptance of Airport Pavement Management System 2022A, and Airport Pavement Management System 2022B (Jacob Allen)

RECOMMENDATION

I **MOVE** to accept Airport Pavement Management System 2022A and Airport Pavement Management System 2022B and initiate the one-year warranty period.

BACKGROUND

Arizona Department of Transportation (ADOT) administers the Airport Pavement Management System (APMS), and the state offers grant funding to Arizona airports as part of the Airport Pavement Preservation Program. Under this program, ADOT's program manager will design, support the bidding process, and administer the construction of the maintenance projects.

Show Low Regional Airport was included in fiscal year 2022 of the program for the following projects:

- Project 2022A -Taxiway A - Section 10 one-inch AC Overlay and Pavement Markings with a construction estimate of \$877,087.00 (approved during FY2022 Budget Process).
- Project 2022B - Runway 4/22 - Section 10 P-608 Application and Pavement Markings with a construction estimate of \$158,939.00.

On November 7, 2023, the City Council accepted the APMS grant funding and authorized the payment on the 10% match funds. The project was officially completed on September 12, 2024, when the final inspections had been performed by ADOT and Kimley Horn who is contracted to administer the APMS Program. The total project cost was \$1,036,026.00 with an airport sponsor's 10% share of \$103,603.00.

Staff recommends accepting APMS 2022A and 2022B at Show Low Regional Airport and initiating the one-year warranty period.

ATTACHMENTS

None

FISCAL IMPACT

N/A

**City of Show Low
STAFF SUMMARY REPORT**

AGENDA TITLE: Consideration of Approval of Pet Allies Shelter Service Agreement (Greg Westover)

RECOMMENDATION

I **MOVE** to approve the Pet Allies Shelter Service Agreement.

BACKGROUND

Show Low Animal Control continues to work with Pet Allies for the shelter and care of animals that come into the custody of the Show Low Animal Control. The previous Shelter Service Agreement has expired.

Due to rising costs of running the shelter, which include the building loan, a veterinarian, staff and supplies, the payments to Pet Allies have increased from \$3,167.00 to \$5,000.00 for kennel space for eight animals. The kennel space in the agreement is limited for those animals brought in by Animal Control. To further assist the shelter with economic stability, the City will modify the building loan payments for 12 months from \$2,000.00 to \$1,000.00. The new agreement is for one year, with the option to renew for one additional year.

Staff recommends approving the Pet Allies Shelter Service Agreement.

ATTACHMENTS

1. Shelter Agreement

FISCAL IMPACT

Anticipated cost: \$60,000

Funding source (account no.): Other Contractual Service (11-465-430-3300-0000)

Animal Shelter Service Agreement

This Agreement is made and entered into this 7th day of January, 2025 ("Effective Date") by and between City of Show Low, an Arizona Municipal Corporation of the State of Arizona (hereinafter "City") and Pet Allies, Inc., an Arizona non-profit corporation (hereinafter "Shelter").

WHEREAS, the City is authorized, pursuant to A.R.S. 11-1013, to provide or authorize a pound or pounds or enter into a cooperative agreement with a county, a veterinarian or an Arizona incorporated humane society for the establishment and operation of a city pound; and

WHEREAS, the City of Show Low's animal control needs a safe place that can care for animals that come into their care, custody or control from within the Show Low City limits; and

WHEREAS, Pet Allies has the necessary expertise, facility and staff to provide such services in accordance with this Agreement.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. **Staffing.** The Shelter shall employ or otherwise provide sufficient qualified personnel as required to fully perform all services required pursuant to this Agreement as shall be determined and managed exclusively by the Shelter.
2. **Effective Term; Renewal.** The initial term of this Agreement shall commence on Effective Date and shall terminate one year later. It may be renewed for an additional one-year term by written agreement of the parties.
3. **Payment by City.** The City agrees to pay the Shelter a monthly fee in the amount of \$5,000.00 pursuant to the terms of this agreement.
 - a. Mortgage. For twelve (12) months following the Effective Date of this Agreement, the City agrees to modify the fee schedule set forth in the Agreement for Sale of Real Property such that the mortgage amount paid by the Shelter to the City shall be \$1000.00 per month. Modified payment schedule as set forth in **Exhibit A**, attached hereto and incorporated herein.
4. **Termination.** This Agreement may be terminated prior to its date of expiration as set forth below:
 - a. Without Cause. This Agreement may be terminated at any time by either Party upon ninety (90) days written notice to the other party. Upon such termination, the Shelter shall be paid for services through the effective date of termination.
 - b. Termination for Cause. Unless otherwise specified herein, in the event of a breach of any term or condition of this Agreement by either party, the Party

claiming that a breach has occurred shall provide written notice to the breaching party, said notice to set forth the factual basis for the determination that a breach has occurred. If the breach is not wholly or substantially remedied within 20 days of receipt of notice of breach, the Agreement shall terminate without further notice by the party claiming breach. Upon such termination, the Shelter shall be paid for services through the effective date of the termination subject to any offsets to which the party claiming breach may be entitled as a result of acts or omissions giving rise to the claims of breach.

- c. Termination for Health or Safety of Impounded Animals. If, at any time during the initial term of this Agreement or renewals thereof, City determines, upon good cause shown, that the health or safety of animals for which City is financially responsible pursuant to this Agreement are in imminent jeopardy, City may remove the subject animals without prior notice. Upon any such removal, City may, at its sole option, terminate this Agreement without further notice. Upon such termination, the Shelter shall be paid for services through the effective date of termination subject to any offsets for those acts or omissions by the Shelter upon which termination pursuant to this section are based or other acts or omissions which may constitute breach.

5. Independent Contractor. In performance of the duties set forth herein, it is mutually understood and agreed that the Shelter and its employees, contractors, subcontractors or agents are at all times acting as independent providers of services provided pursuant to this Agreement. It is further understood and agreed that City shall have no authority to exercise control or direction over the Shelter. The Shelter does by this Agreement agree to perform said duties in strict accordance with legal, professional and ethical standards governing the provisions of said services.

6. Assignments Prohibited. The Shelter shall not assign this Agreement or any portion thereof, to any other Party without the express written consent of the City. The execution of any agreement which does assign this Agreement or any portion thereof shall immediately void this Agreement.

- a. The Shelter may enter into agreements with qualified providers of services for which the Shelter is responsible pursuant to this Agreement as long as such agreements do not excuse the Shelter from its obligations to City as set forth herein.

7. Insurance. The Shelter will obtain and maintain policies of insurance of such kinds and in such amounts as required to protect the parties from claims and losses arising from the management and operation of the Facility pursuant to this Agreement and shall cause City to be named as an additional insured on such policies in accordance with the City's demonstrated interests as regarding an independent contractor. Pet Allies agrees to maintain coverage as follows:

- a. **Commercial General Liability Insurance** to include Premises liability coverage with a limit of not less than \$1,000,000 for each occurrence and an annual aggregate annual limit of not less than \$2,000,000.
 - b. **Commercial Automobile Liability Insurance** with a combined single limit for bodily injury and property damage of not less than \$1,000,000 with respect to any owned, hired or non-owned vehicles assigned to or used in performance of the Shelter's activities pursuant to this Agreement.
 - c. **Worker's Compensation Insurance** to cover obligations imposed by federal and state statutes governing the activities of any persons employed or otherwise engaged by the Shelter to perform activities pursuant to this Agreement.
 - d. **On all policies, the City of Show Low shall be named as an additional insured, and an additional insured endorsement must accompany the certificate of insurance. The policy shall contain a waiver of subrogation endorsement in favor of the City of Show Low, its department, boards, commissions, and employees for losses arising from this Agreement.**
 - e. **The Shelter shall provide the City certificates of insurance and such other documentation as City may reasonably require confirming that the required coverages are in place. At least 15 days prior to any material changes in forms or amounts of coverage or any change in carriers providing such coverage, Shelter shall provide written notification to City of such proposed change.**
- 8. Indemnification.** Notwithstanding the insurance provisions as set forth in Section 7 of this Agreement, the Shelter further agrees to defend, indemnify and hold harmless City, its agents, officers, officials and employees from and against any and all claims, damages, losses and expenses (including but not limited to, attorney fees, court costs and the cost of appellate proceeding), related to and or arising out of, the management or operation of the Facility pursuant to this Agreement.
- 9. Conflicts of Interest.** This Agreement is subject to the provisions of A.R.S. Section 38-503 pertaining to conflicts of interest, the provision of which is incorporated herein.
- 10. Notices.** Notices to be sent pursuant to this Agreement shall be sent by certified mail to the following addresses:

Pet Allies:

Meredith Maier

City of Show Low:

Morgan Brown, City Manager

Board Chair
Pet Allies, Inc.
1321 N. 16th Street
Show Low, AZ 85901

City of Show Low
180 N 9th Street
Show Low, AZ 85901

11. Duties of the Parties. Pet Allies shall provide humane and safe care of animals that come into their care, custody or control by the City. Duties of the parties are further set forth in **Exhibit B**, attached hereto and incorporated herein.

12. Entire Agreement. This Agreement, including **Exhibits A and B**, constitutes the entire agreement between the parties with respect to the subject matter thereof. No modifications to the terms and conditions of the Agreement shall be binding upon the parties except as set forth in writing signed by both parties.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed and effective as of the date first above written.

CITY OF SHOW LOW

By: _____
John Leech, Jr., Mayor

ATTEST:

Rachael Hall, City Clerk

APPROVED AS TO FORM:



Anna M. Atencio, City Attorney

PET ALLIES INC.

By: _____

Meredith Maier Eckhardt, Board Chair

STATE OF ARIZONA)

) SS.

COUNTY OF NAVAJO)

The foregoing instrument was acknowledged before me this 20 day of December, 2024, by Meredith Maier, Board Chair, Pet Allies, Inc., personally known to me or proven to me on the basis of satisfactory evidence to be the same person whose name is subscribed to within the instrument and acknowledged that he/she executed it for the purposes therein contained and, that he/she has the authority to so execute.

Briar De Shazer
Notary Public

Seal

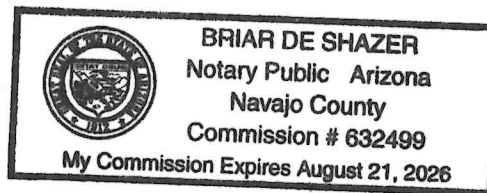


Exhibit A

[illegible]

EXHIBIT B to Shelter Agreement

Duties of the Parties:

Shelter Access and Public Hours

The Shelter facility, located at 1321 N. 16th Street, Show Low, AZ 8590, shall be open to the public at least 15 hours per calendar week for public access to adopt reclaim and/or visit the animals in the facility, unless there is a substantial reason for closure as determined by the Shelter. City Animal Control Officers shall have access to all City animals, including to drop off or retrieve, at all times.

Animals

For the purposes of this Agreement "Animals" are defined as dogs, cats, rabbits, and common pet rodents such as gerbils, and hamsters. The shelter is not equipped to handle reptiles, bugs, bees, equine, bovine, wild animal crossbreeds (e.g., coyote/dog, wolf/dog, hybrid cats, etc.) or exotic animals and cannot accept custody of such animals. The shelter does have a wide range of contacts and will endeavor to assist the City in locating a suitable rescue facility for animals that they cannot accept.

City Animals.

For the purposes of this Agreement, a "City Animal" is defined as an Animal (as defined above) that is delivered to the Shelter by a representative of the City. Until ownership is transferred to the Shelter, City Animals are the property of the City.

Kennel Space

Shelter agrees to provide kennel space for eight (8) City Animals, at all times, under the terms of this Agreement. Shelter may utilize other housing accommodations for City animals as specifically approved by the City. Animals housed together in one kennel shall count as one City Animal. The Shelter may accept additional City Animals, staffing and space permitting, at the Shelter's sole discretion. For each City Animal in excess of the eight (8) kennel spaces that the Shelter accepts from the City, the City shall be charged the Daily Boarding Fee at a daily rate of \$15.00 or portion thereof, beginning on the day of acceptance.

No-Kill Shelter

The Shelter is a certified no-kill shelter and as such, is prohibited from allowing or participating in euthanasia for population control purposes. Humane euthanasia is only allowed for animals that are suffering major medical issues. The failure of the Shelter to strictly maintain this policy would cause them to forfeit both their certification and the vast majority of their funding, resulting in closure of the Facility. Accordingly, the City agrees that no population control euthanasia shall take place at the Shelter facility.

The City shall pay for body disposal for City animals brought to the Shelter per this Agreement that are subject to humane euthanasia as set forth above.

Medical Care Animals

Shelter shall provide medical care to all City Animals, including routine medical care, Standard Vaccination Panel, deworming, and where appropriate, spay or neuter. The Shelter may decline Animals that require medical care that cannot be provided by the Shelter at its facility. The City shall be notified of any City Animal's additional medical needs and the City must consent in writing to the additional medical care prior to the Shelter obtaining the medical care.

Holds

- a. **Unknown Owner.** The Shelter agrees to provide appropriate care and housing for stray dogs for a period of 72 hours (as set forth in A.R.S. Sections 11-1013, 1021) unless reclaimed by its owners. Animals not reclaimed after 72 hours shall become the property of the Shelter.
- b. **Known or Suspected Owner.** The Shelter agrees to provide appropriate care to City Animals that have a known or suspected owner for a period of five days unless the owner relinquishes legal custody to the Shelter. City Animals not reclaimed after 5 days shall become the property of the Shelter (A.R.S. Section 11-1013).
- c. **Isolated Confinement and Quarantine.** The Shelter agrees to provide isolated confinement and quarantine for animals that have bitten a human being and cannot be quarantined at the home of the owner for a period of 10 days from the date of the bite. Confinement shall be in compliance with A.R.S. Section 11-1014. At the conclusion of the Quarantine period the Shelter shall hold the Animal for an additional 24 hours to allow time for either the City or the owner to take possession of the Animal. Animals not retrieved within 24 hours after quarantine shall become the property of the Shelter.
- d. **Court Ordered or Evidence Hold.** The City Animal shall be held in accordance with any lawful order of a court of competent jurisdiction. Animals not retrieved within 24 hours after Court Order or Evidence Hold shall become the property of the Shelter.
- e. **Safe-Keeping Animals.** Safe keeping animals are City Animals that have been placed into the Shelter by the City due to circumstances that render the owner incapable of taking care of the Animal as determined by the City. An Animal held for safe keeping, shall be held until retrieved by the Owner or as determined by the City.

Stray, Unowned, and Feral Kittens and Cats

In an effort to increase capacity at the Shelter's Facility, kittens found as strays under the age of 16 weeks and all cats that are identified as feral, unowned or eligible to be part of a return-to-field program shall not be required to be held for the mandatory stray hold if being released back after sterilization, vaccination and ear-tipping procedures or being placed into an adoption program.

Litters Under Eight Weeks Old

Kittens or puppies under the age of 8 weeks found as strays are not required to be held for the mandatory stray hold if placed to ensure a live outcome including, without limitation, adoption, foster, transfer, or transport programs.

Temporary Foster Care

With the exception of Isolated Confinement and Quarantine Animals and Court Ordered or Evidence Hold, all other Animals may be placed into temporary foster care if available at the sole discretion of the Shelter. Animals on Court Ordered or Evidence Hold may be fostered only upon written consent of the City.

Transfer of Ownership

To empower the Shelter to make lifesaving decisions about the appropriate care, and achieve live outcomes and make kennel space available in the shelter for the City Animals, ownership will automatically be transferred to the Shelter at the end of any mandatory stray hold period. The City reserves the right prior to the expiration of the hold period to extend the hold period for up to 30 days. This applies only to animals impounded or delivered to the Shelter by the City. The Shelter reserves the right prior to the expiration of the hold period to refuse to accept an animal for transfer due to severe medical or behavioral issues.

Fees and Licenses

The Shelter agrees to collect all fees imposed by this Contract as set forth below, and as modified from time to time by resolution of the City, or as state statute requires. Owners of impounded City **Animals that are reclaimed by the owner shall be assessed the City Rate Daily Boarding Fee for each day or part of a day of boarding, the Impound Fee, Standard Vaccination Panel, and all veterinarian, vaccination, and medication fees incurred on behalf of the animal.**

At the time of adoption, the Shelter shall require the purchase of a city tag for all eligible dogs that will reside within Show Low City limits. The Shelter will sell the City tags.

The Shelter will remit fees collected on a monthly basis. The Shelter will provide monthly records of impound fees collected.

FEE SCHEDULE

Impound	\$25 (to be remitted to the City; can be waived by City only)
Daily Boarding Fee	\$15 (to be retained by the Shelter)

LICENSES FEES

Altered dog license	\$5.00 (to be retained by the Shelter)
Senior citizen (65+)	\$3.00 (to be retained by the Shelter)
Unaltered Dog license	\$15.00 (to be retained by the Shelter)

Compliance

The Shelter agrees to permit authorized representatives of the City to appear with or without notice to inspect the Facility for the purpose of confirming the Shelter's compliance with the terms and conditions of the Animal Shelter Service Agreement.

**City of Show Low
STAFF SUMMARY REPORT**

AGENDA TITLE: Consideration of First Amendment to Agreement for Sale of Real Property with Pet Allies, Inc. (Anna Atencio)

RECOMMENDATION

I **MOVE** to approve the First Amendment to Agreement for Sale of Real Property with Pet Allies, Inc.

BACKGROUND

On October 16, 2018, the City entered into an agreement for Sale of Real Property with Pet Allies, Inc., for the building and property at 1321 North 16th Street, Show Low. The Agreement sets forth a payment schedule which increases payments over the length of the loan. Currently the loan payment is \$2,000.00 a month. The loan payments for the property are deducted from to the City's payments to Pet Allies for the Animal Shelter Service Agreement.

Due to increasing costs and financial stability, Pet Allies has requested a \$1,000.00 reduction in monthly loan payments to the City. To assist Pet Allies, staff recommends approving the First Amendment to Agreement for Sale of Real Property with Pet Allies, Inc. for twelve months, which will reduce Pet Allies' payments, but not the total amount owed. After twelve months, the parties will reevaluate the request and make a determination whether to revert back to the payment schedule, which will be \$2,500.00, seek an extension of the reduced payments or make a permanent adjustment to the loan payback schedule.

ATTACHMENTS

1. First Amendment to Agreement for Sale of Real Property

FISCAL IMPACT

N/A

**FIRST AMENDMENT TO
AGREEMENT FOR SALE OF REAL PROPERTY**

THIS AMENDMENT IS MADE THIS 7th DAY OF January, 2025 between the City of Show Low, Arizona, a municipal corporation ("City" and "Seller"), and Pet Allies, Inc., an Arizona non-profit corporation ("Buyer"), collectively referred to as "Parties".

WHEREAS, On October 16, 2018, the City entered into an Agreement with Pet Allies, for the Sale of Real Property, legally described in Exhibit A, and

WHEREAS, Exhibit B of the Agreement set forth a payback payment schedule; and

WHEREAS, both parties would like to amend the payback payment schedule for 12 months, beginning January 2025, to allow for the Buyer to regain financial stability.

NOW, THEREFORE, in consideration of mutual promises contained herein, the parties agree as follows:

3. Terms of Payment: is amended as follows:

3.1 Seller currently pays the Buyer an annual amount for operation of an animal shelter in the City of Show Low. Buyer agrees to waive portions of payments annually from the Seller for the operation of the animal shelter in the amounts shown in Exhibit B, as amended on January 7, 2025, until the purchase price is paid in full. This will be more formally set out in the promissory note and Deed of Trust, which are attached in Exhibit C. Furthermore, Buyer grants to Seller an Option to Purchase and Right of First Refusal attached in Exhibit D and which will be recorded in the records of Navajo County, Arizona. As part of the purchase price and until the property has been paid for in full, Buyer agrees to allow the Seller to use the back portion of the property for the storage of vehicles and other items. No lease payment is due from Seller for consideration of charging no interest on the sale. After the property is paid in full then a lease will need to be negotiated for the continued use of the property between Seller and Buyer.

All other provisions of the Agreement for Sale of Real Property shall remain as agreed upon on October 16, 2018, unless expressly revised or addressed hereinafter. Any inconsistencies between the First Amendment and the Agreement for Sale of Real Property shall be controlled by the provisions of the First Amendment.

IN WITNESS WHEREOF, the Parties to this First Amendment to Agreement for Sale of Real Property have caused their names to be affixed hereto by their duly authorized officers.

[illegible]

CITY OF SHOW LOW

By _____
John Leech, Jr., Mayor

APPROVED AS TO FORM:

Anna M. Atencio, City Attorney

PET ALLIES, INC.

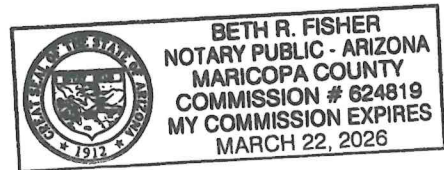
By _____
Meredith Maier, Board Chair

STATE OF ARIZONA)
) ss.
COUNTY OF ~~Navajo~~ Maricopa)

The foregoing instrument was acknowledged before me this 27th day of December, 2024
by Meredith Maier, Board Chair. sf

Beth R. Fisher
Notary Public

My Commission Expires: 3/22/2026



**MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL
HELD ON TUESDAY, DECEMBER 3, 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, Vice Mayor Kakavas, Councilman Adams, Councilman Clark, Councilman Hatch, Councilman Judd, and Councilman Whipple.

COUNCIL MEMBERS ABSENT: None.

STAFF MEMBERS PRESENT: F. Morgan Brown, City Manager; Anna Atencio, City Attorney; Justin Johnson, Deputy City Manager; Brad Provost, Police Chief; Bill Kopp, Public Works Director; and Rachael Hall, City Clerk.

GUESTS: Karen Hook, Chief Deputy Brian Swanty, James Girard, Jessica Turney, Dave Murray, Riala and Jim Leech, Cathy Huling, Richard Bilbie, Cassie Bryant, Sisto Hernandez, Clair Thomas, and others.

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. **SPECIAL EVENTS:**

A. Swearing in of Mayor and Council Members

The recently re-elected Council Members recited the oath of office.

B. Designation of Vice Mayor to Two-Year Term

Mayor Leech opened the floor to accept nominations for the office of Vice Mayor.

Councilman Clark nominated Connie Kakavas for the office of Vice Mayor, seconded by Councilman Adams.

All voted for Connie Kakavas for the office of Vice Mayor. Councilwoman Kakavas was declared the Vice Mayor for a term expiring December 2026.

C. Presentation of Annual Report by Show Low Historical Society

Clair Thomas, Show Low Historical Society Museum Executive Director, said the 2024 season numbers were up with a visitor count of over 5,000. The Museum had 26 volunteers who donated 1,039 hours, and the Museum could not operate without them. The Museum also accepted 130 donations and had an active membership of 66. She said the Museum hosted many school classes, church groups and others and said the Silver Creek Railroad exhibit "Last Train to Maverick", was a vital exhibit in the Museum.

Ms. Thomas thanked the City staff for their help and partnership this past year with many projects. She said the Museum would be closed starting December 21, 2024, and would reopen on March 6, 2025.

Several Council members thanked Ms. Thomas and her staff for the great job they did and the history and knowledge they shared with everyone.

D. Presentation Regarding Show Low Turn of a Card Community Center and Meals on Wheels Program

Dave Murray, White Mountain Meals on Wheels Board Secretary, shared statistics and reviewed Meals on Wheels (MOW) program during the past year. He said in Fiscal Year 2024 (FY2024), MOW shared 32,000 meals, compared to 30,660 in FY2023 and 14,994 in FY2022. He said in FY2024, MOW did 6,935 congregate meals and 12,096 Headstart Meals.

Mr. Murray said they started tracking visitor counts and shared that from July through October this year there were 4,732 visitors at the Community

Center. He shared a few activities the Community Center held such as congregate lunches, Thanksgiving Dinner, monthly classes, etc.

Mr. Murray shared sources of income for the Community Center and Meals on Wheels and their expenses.

Mr. Murray said their projected fund development included a Fourth of July event, an annual golf tournament, 50/50 raffles, requests for increased funding from Head Start and NACOG, sponsorship programs, community presence, and planned activities.

Jim Girard, White Mountain Meals on Wheel Board President, said last year the Board discussed employing a director at the Community Center. He said he had been working as the part-time director and worked with the current administrator, Karen Hooks, at the Community Center. He said the Board would be considering Ms. Hooks for the director position at their next Board meeting.

Mr. Girard thanked the City of Show Low and the City Council for the continued support of the Meals on Wheels program and the use of the Turn of a Card Community Center.

Mayor Leech said he appreciated the work that the Community Center and MOW did for the community, and he appreciated that they were getting more involved in community events.

E. Update by Show Police Department and Navajo County Sheriff's Office Regarding Concerns on Undocumented Immigrants in the White Mountains

Mayor Leech said at a past Council meeting there were citizens who brought up concerns regarding illegal aliens being dropped off in the City. He said staff was asked to look into the concerns and report back to Council.

Chief Provost said regarding citizens' concerns about large amounts of undocumented immigrants being dropped off in our community, staff looked at reports, and talked with patrol and police supervisors, and he said there was no evidence of busloads of immigrants being dropped off in the City. He said there had been a couple of reports of white vans with people, but when staff followed up on those reports, it was found that the white vans belonged to a local group home transporting citizens. He said another complaint turned out to be a group of local day laborers who were working on a local construction project.

Chief Provost said staff went and looked at numbers and contacted the jail and from September 1, 2024 to today, the City had booked 197 people into the jail. Out of 197 people, only three were not born in the United States, and

only one had an Immigration and Customs Enforcement (ICE) hold. He said the data did not support or show that the City was having any issues with undocumented immigrants.

Chief Deputy Brian Swanty from Navajo County Sheriff's Office said the County was seeing the exact same thing as the Show Low Police Department. He said the County received numerous reports over the last year of vehicles dropping off large amounts of people or large amounts of people walking down the roadway. The County would then dispatch deputies and their reports showed there was no merit to the complaints.

Chief Deputy Swanty said the Arizona Sheriff's association was in direct communication and contact with the Arizona Department of Homeland Security and other federal partners along the border and had an open dialogue on whether or not these buses were coming up this direction. Arizona Department of Homeland Security assured every sheriff and every emergency manager in each county that if there was an intention or plan to bring undocumented aliens in bulk to their County, that they would call ahead and let us know. He said the County had yet received a phone call as such.

Chief Deputy Swanty said he and Sheriff Clouse understood the importance of this topic and were paying close attention to it. They attended many meetings regarding this issue and shared concerns with other government or state officials. He said the County would continue to investigate every call that came in regarding this issue, but to this date, there was no merit to any of the complaints or calls.

Vice Mayor Kakavas asked if the County had reached out to any of the hotels or motels for any activity. Chief Deputy Swanty said no, the County had not reached out to the hotels or motels. Chief Provost said no, the City had not reached out to hotels or motels because it would be a hard determination for them to make. He said the City has had large groups of people who had came into the City that were from out of the country, but they weren't here illegally. He said if any groups were causing problems or committing crimes then the police would be called, and they would make an arrest and check immigration status.

Councilman Clark said the Council wanted to make sure that they honored the request of the citizens and that the Council did take these things very seriously. He appreciated the work that law enforcement did and their investigation of these issues.

F. Presentation of Annual Comprehensive Financial Report for Fiscal Year 2024

Mr. Johnson said that Hinton Burdick would present a financial report on the

audit, but before the presentation he thanked the staff, especially Cari Bilbie, or all their efforts and hard work, and he thanked Chantry Jensen at Hinton Burdick for his efforts during the audit.

McKay Hall of Hinton Burdick presented the results of the Fiscal Year 2024 Annual Comprehensive Financial Report, see Attachment "A".

Councilman Clark recognized Cari Bilbie and thanked her for her hard work. He said over the years she had done an incredible job and had gained the Council's trust and was a great steward of the taxpayer's money.

Several Council members thanked the staff for the hard work that they were doing for the City.

7. **CONSENT CALENDAR:**

- A. Consideration of Resolution No. R2024-35 Authorizing Re-establishment of Downtown Redevelopment Project Area (Lisa Robertson)
- B. Consideration of Approval of Proposed Fiscal Year 2026 Budget Calendar (Justin Johnson)
- C. Consideration of Reappointment of Board Member to Show Low Municipal Property Corporation (Morgan Brown)
- D. Consideration of Reappointment of Associate City Magistrate (Morgan Brown)
- E. Consideration of Minutes of Show Low City Council meetings:
 - 1. Regular Meeting of November 19, 2024

COUNCILMAN CLARK MOVED TO APPROVE THE CONSENT CALENDAR AS PRESENTED; SECONDED BY COUNCILMAN HATCH; PASSED 7 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, COUNCILMAN ADAMS, COUNCILMAN CLARK, COUNCILMAN HATCH, COUNCILMAN JUDD, AND COUNCILMAN WHIPPLE VOTING IN FAVOR.

8. **NEW BUSINESS:**

- A. Consideration of Ordinance No. 2024-12 Amending Chapter 5.10 of the Show Low City Code by Adding Section 5.10.030 "Unlawful Animal Ownership, Possession or Transfer of Animals," and Adopting Resolution No. R2024-34 Declaring as Public Record that Document Titled "Revisions to Chapter 5.10, Care of Animals, of the Show Low City Code" (Anna Atencio)

Ms. Atencio said over the years, and increasingly as of late, individuals with convictions of animal cruelty, or other significant animal violations, have had their animals seized and forfeited by the city or state, only to then obtain more animals and subject these animals to the same abuse and neglect. The City was seeking to protect the health and safety of animals within the City, and discontinue the cycle of obtaining and maintaining animals that are abused and neglected.

Ms. Atencio said the new section to the City Code would preclude a person's ownership, possession, adoption, fostering and residing with an animal after conviction of Show Low City Code, Animal Cruelty or Neglect, or other specified animal convictions. For the first conviction of a civil offense of Animal Cruelty and Neglect, or other specified animal violation, a person would be precluded from animal ownership or possession for at least five years. For the first criminal conviction or a second or subsequent civil conviction, at least ten years. And, for a second criminal conviction, for the person's lifetime. For this section, an "animal" was defined as a cat or dog. The Ordinance would allow the Magistrate to make a "good cause exception" if a convicted person lived in a household that had an animal. And, after a year, a convicted person could petition the court to have their animal ownership rights restored.

Ms. Atencio said the State of Arizona had a similar law (Arizona Revised Statute §13-2910.11); however, the state law did not include convictions of municipal animal cruelty and neglect as a basis to preclude ownership of animals.

Ms. Atencio said the first violation of this section would be a civil violation, and subsequent violations would escalate to a criminal violation of a class 1 misdemeanor.

Ms. Atencio said staff recommended amending the City Code, adding Section 5.10.030 "Unlawful Animal Ownership, Possession or Transfer of Animals."

BY UNANIMOUS CONSENT, MS. HALL READ ORDINANCE NO. 2024-12 BY TITLE ONLY, AS ALL COUNCIL MEMBERS HAD A COPY.

VICE MAYOR KAKAVAS MOVED TO ADOPT ORDINANCE NO. 2024-12, AMENDING CHAPTER 5.10 OF THE SHOW LOW CITY CODE BY ADDING SECTION 5.10.030 "UNLAWFUL ANIMAL OWNERSHIP, POSSESSION OR TRANSFER OF ANIMALS," AND ADOPTING RESOLUTION NO. R2024-34 DECLARING AS PUBLIC RECORD THAT DOCUMENT TITLED "REVISIONS TO CHAPTER 5.10, CARE OF ANIMALS, OF THE SHOW LOW CITY CODE"; SECONDED BY COUNCILMAN CLARK; PASSED 7 TO 0 WITH MAYOR LEECH, VICE

MAYOR KAKAVAS, COUNCILMAN ADAMS, COUNCILMAN CLARK, COUNCILMAN HATCH, COUNCILMAN JUDD, AND COUNCILMAN WHIPPLE VOTING IN FAVOR.

- B. Consideration of Approval of Five-Year Capital Improvement Plan for Fiscal Years 2026 to 2030 (Bill Kopp)

Mr. Kopp said the City of Show Low was required by City Code to have an approved five-year Capital Improvement Plan (CIP). The CIP was a planning tool to look five years ahead to plan and prioritize the City's needs. The program was administered by an advisory committee that consisted of City staff and representatives from the City Council. Prior to the advisory committee meeting, a public notice was issued seeking recommendations for capital project requests. Every requestor that provided contact information received a written response from staff. He said there were no requests received this year.

Mr. Kopp said the first year of the CIP (2026) included any projects that were not funded in the fiscal year 2025 budget. The 2026 projects were the committee's top priorities. However, it was understood that not all the projects could be funded. The budget process would be the final determinant of which projects received funding. Only projects over \$50,000.00 were included in the CIP. Smaller projects would be accounted for in each department's operations budget. Each project listed in the CIP had a detailed "Capital Outlay Project Sheet," which identified the project, its cost, potential funding sources, and a timetable. Detailed cost estimates and maps were also included with the worksheets when appropriate.

Mr. Kopp said staff held a meeting with the advisory committee on November 18, 2024, at which time the CIP was recommended for approval by the committee. Staff recommended that the Council approve the five-year Capital Improvement Plan for fiscal years 2026 to 2030.

Councilman Clark said he was assigned to the CIP Committee and thanked staff for their efforts for this CIP.

COUNCILMAN ADAMS MOVED TO APPROVE THE FIVE-YEAR CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2026 TO 2030 FOR THE CITY OF SHOW LOW; SECONDED BY COUNCILMAN CLARK; PASSED 7 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, COUNCILMAN ADAMS, COUNCILMAN CLARK, COUNCILMAN HATCH, COUNCILMAN JUDD, AND COUNCILMAN WHIPPLE VOTING IN FAVOR.

- C. Consideration of Appointment of Associate City Magistrate (Morgan Brown)

Mr. Brown said when Judge Scott Tipton was unavailable, or should a

conflict arise with a certain case, it was necessary to have an additional judge (Associate Magistrate) available to preside at the Magistrate Court. In accordance with City Code, Associate Magistrates were appointed to two-year terms.

Mr. Brown said Jessica Ruddy would preside only as needed if Judge Tipton or Judge Atencio was unavailable or if a conflict arised. Judge Ruddy would also serve as a judge pro tempore for the Navajo County Justice Court.

Mr. Brown said Judge Tipton recommended Jessica Ruddy's appointment as Associate Magistrate to a two-year term ending December 31, 2026.

VICE MAYOR KAKAVAS MOVED TO APPOINT JESSICA RUDDY AS ASSOCIATE MAGISTRATE EFFECTIVE DATE JANUARY 1, 2025, TO A TWO-YEAR TERM ENDING DECEMBER 31, 2026; SECONDED BY MAYOR LEECH; PASSED 7 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, COUNCILMAN ADAMS, COUNCILMAN CLARK, COUNCILMAN HATCH, COUNCILMAN JUDD, AND COUNCILMAN WHIPPLE VOTING IN FAVOR.

9. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Councilman Adams thanked the public works crews for decorating for the holiday season.

B. Mayor

Mayor Leech thanked the public works crews for their decorating efforts for the holiday season.

C. City Manager

Mr. Brown said there were several family-friendly events to celebrate the holidays which included the annual Christmas Light Parade on Saturday, along the Deuce of Clubs. The parade would be followed by the annual tree-lighting in front of City Hall. The recreation department would host the Flashlight Candy Cane Hunt on the Senior Field at City Park on December 12. The library would be hosting "Polar Express Night" a family event on December 13. The Deuce of Clubs Drop on New Year's Eve, December 31, in front of the public library.

Mr. Brown said the Community Fast officially ended, but donations were still being accepted to help fellow citizens in need this holiday season. Contributions were being accepted through December at City Hall and local

banks.

Mr. Brown said after the holidays, Christmas trees could be recycled from December 26, through January 5, in the designated area at the Frontier Park parking lot north of the Deuce of Clubs on 9th Place. The trees would be taken to Novo Power in Snowflake for use as biomass fuel.

Mr. Brown said this was the last regular Council meeting for 2024 and wished everyone a Merry Christmas and safe and happy holidays. The next regular meeting would be January 7, 2025.

10. **SCHEDULE OF MEETINGS:**

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

Mr. Brown said there would be a special meeting on December 10, at 5:00 p.m.

11. **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 DECEMBER 3, 2024, AT 8:21 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 December 3, 2024. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 20____.

(SEAL)

Rachael Hall, City Clerk

MINUTES OF THE SPECIAL MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, DECEMBER 10, 2024, AT 5:00 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 5:00 p.m.

2. Roll Call.

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

COUNCIL MEMBERS ABSENT: None.

STAFF MEMBERS PRESENT: F. Morgan Brown, City Manager; Anna Atencio, City Attorney; Justin Johnson, Deputy City Manager; Justen Tregaskes, Planning and Zoning Director; Bill Kopp, Public Works Director; Shane Hemesath, City Engineer; Brad Provost, Police Chief; Steve North, Economic Development Director; Jay Brimhall, Community Services Director; and Rachael Hall, City Clerk.

GUESTS: Mike Stefaniak.

3. **NEW BUSINESS:**

A. Consideration of Approval to Select Conceptual Design for Show Low Sports and Events Center Project (Morgan Brown)

Mr. Brown said this special meeting was to give the Council an update on the Show Low Sports and Events Center project. He said the City had a Sports and Events Center Committee, which consisted of Council members Adams and Clark, a few City staff members, and members of the public, Lyndsi MacGregor, Bruce Ironside, Jacob Letner, and Show Low School District Superintendent, Dr. Joe Farnsworth. He said the Committee had met a few times over the year with architect Rick Crandell, to review various design concepts. He said if the Council decided to move forward with the project, the next step would be for the City to work on a design-build project. He said Steve North would give a presentation on the update.

Mr. North gave an overview regarding the Show Low Sports and Events Center project update. He provided background information and said a market and demand analysis for a convention and events facility was done in 2017 and 2018. He said a demand was established for a multi-purpose flex space with a recommended size, opinion of cost, financial projections performed, and potential sites were evaluated.

Mr. North said in 2019, 2020, and 2022, Sports Facilities Advisory (SFA) did a market opportunity analysis, operating pro forma, conceptual design, opinion of cost, economic impact analysis, and funding support analysis. He said the

SFA report recommended a six-court facility, which would cost \$27 million and be operationally sustainable in year three. The projected cost now in 2024 for the same project would be \$45 million due to inflation and other factors.

Mr. North said in 2024, architect Rick Crandell, worked on a dome concept as a lower-cost option for the City. Mr. Crandell worked on a six-court and an eight-court model for the Council and staff to review. Mr. North reviewed the six-court model and said it would be a total of 105,273 square feet, had 3,208 fixed seating, an additional 3,072 seating with telescoping bleachers and 1,720 folding chairs for a total of 8,000 seats, and a playing floor area of 36,000 square feet.

Mr. North said the eight-court model would be a total of 103,747 square feet, had 1,480 fixed seating, an additional 2,520 seating with telescoping bleachers and 2,400 folding chairs for a total of 6,400 seats, and a playing floor area of 46,637 square feet.

Mr. North said the estimated total cost for the six-court model was between \$27.9 and \$32.4 million, and the estimated total cost for the eight-court model was between \$28.8 and \$32.7 million. He said the estimated costs included the site development.

Mr. Johnson reviewed the project financing. He said the Sports and Events Center bond scenario showed that if the City took out a \$19 million loan, in the current market, there would be a 4% interest rate. At a ten-year payoff, the repaid amount the City would pay was \$23,425,279, at a 15-year payoff the City would pay \$25,633,214, and at a 20-year payoff the City would pay \$27,961,065 total for the project. He said the FY26 budget had \$15 million for the project, and the City collected around \$500,000 in annual bed tax which could be used for this type of project. He said this was for debt service only and did not include operating costs.

Mayor Leech asked if there was a report on monthly costs of the facility. Mr. Johnson said a pro forma was conducted on the operating of a facility from SFA, but that report was a few years old and was conducted on a different design scenario, so it wouldn't show the monthly costs for these models being presented to the Council.

Vice Mayor Kakavas asked how long it would take to conduct a pro forma for this type of facility. Mr. Johnson said staff could get with SFA and maybe get a pro forma in a few weeks.

Councilman Adams said the reconfigured six-court model seemed more useful for the community. He said it seemed like everyone on the Sports and Events Center Committee was interested in the six-court concept.

Councilman Clark said the first six-court model was bare-bones and the ten-court and 12-court models were too big. He said the enhanced models were

more what the Committee was looking for and said the Council would have to decide on what was more important, the amount of seating or the amount of playing area. He said the events space and storage space seemed the same between both models and the corridor on the second level would be important for the community to use when the weather was not conducive.

Councilman Adams said a six-court facility could host a 48-team basketball tournament, and an eight-court facility could host a 64-team basketball tournament. He said the Committee talked about the community being able to use the facility such as high school teams during bad weather.

Councilmembers Judd and Clark asked for clarification on the location of the different seating arrangements. Mr. Crandell said the fixed seating would be above the floor area, and the telescoping bleachers would be affixed to the walls on the lower level and would come in and out of that area for flexibility. He said the eight-court model allowed more flexibility of the seating and larger area of court space, but the six-court model allowed for more comfortable fixed seating and better flow from seats to the lobby areas and restrooms. Mr. Crandell said the six-court model had a better seating pattern, but the eight-court model had other options that the six-court model did not. He said it would come down to the Council deciding what the facility would be used more for and what their preferences were for the facility. He encouraged the Council to be as flexible as they could to get the most usage out of the facility.

Councilman Adams said at a Committee meeting, Mr. Crandell talked about the six-court model and how it flowed better for exiting and concessions. He asked Mr. Crandell to expand more on that concept. Mr. Crandell said there were seven major design issues that architects looked at when designing a project and when you sold tickets you had to have services to back up that ticket sale. He said such services included restrooms and exiting from the building. He said it affected the mechanical units, and the more seats you had, the more space you needed to service that seat. He said the six-court model he used included a seat width of 32 inches by 20 inches of pitch, which would be considered comfortable seating. He said he could get more seating in the model, but it wouldn't be as comfortable or roomy. He said the six-court model would flow better with the exits and other services. He said when looking at the seating plan from above on the six-court model, the round shape of the building really accented the focus towards the very center of whatever that attention was supposed to be. He said it filled the space better. He said the eight-court model had more excess space you could not use and was not as efficient, but it had features that the six-court model did not have.

Mayor Leech said he would prefer more seats than basketball court space. He was concerned that there might not be enough seating for people to attend and watch an eight-court tournament.

Vice Mayor Kakavas asked if there was a track field on the six-court model. Mr. Crandell said both the six-court and eight-court models had most of the

same components, but just different configurations. He said there was an indoor track on the upper level for the community to use on both models. Mr. Brown confirmed there was a walking track on both models on the upper level, but the track field that was shown on the ground level would only fit on the eight-court model.

Councilman Clark asked for clarification on Exit Hall on the six-court model renderings. Mr. Crandell said when you get into a population of over a high school gymnasium such as 3,000 to 4,000 people, you have to be able to get them out of the building and meet IBC (International Building Code) requirements. He said everything was tied to that population, and in this particular case, you're looking at dispersing people in four different lobbies, so the Exit Hall was the exiting space on the model. He said the restrooms were spread all over, so people would not have to go around the whole building to find a restroom or walk across the courts. He said when you started getting into the arena or coliseum business, you had to control the general public through the design of the building, so that was shown through these models. He said the flow for dispersing the public was better in the six-court model.

Vice Mayor Kakavas asked about challenges for spectators and if there would be enough space during an event on the eight-court model. Mr. Crandell said in the model there was a planned family center that was around 1,300 square feet and there were meeting rooms and patios that could be used during the same time of the event for people to congregate.

Councilman Judd asked if there was different flooring that would be moved in and out depending on what sport or event was taking place in the facility. Mr. Crandell said the City could have different flooring for different types of usage, but the pricing would be high. Mr. Crandell said he only had one flooring type in the model, which was the basketball court flooring, and that would be permanent and sufficient for most events. He encouraged the City to operate on the simplest level, where they were not changing the flooring or the height of the ceiling for each different event held in the facility.

Mr. Brown said that when looking at the facility's model and seeing an indoor softball field configuration, that would mean a team could practice in the facility but not have a sanctioned tournament or games inside the facility.

Councilman Clark asked what the seating was in the Show Low High School gymnasium and the Show Low School District Auditorium. Mr. Brimhall said there was a 3,000-seating capacity in the gymnasium and a 1,000-seating capacity in the auditorium.

Councilman Clark shared concerns about having more fixed seating that could not be moved around compared to having more area, versatility, and flexibility with a larger floor area. He said at this time, it was more important for the Council to decide if they were willing to go into debt for this project first before deciding whether the Council wanted a six-court or eight-court model.

Mayor Leech asked the Council members for their thoughts about the debt for the project. Vice Mayor Kakavas said essentially, the City had budgeted \$15 million already for the project, which would be almost half of the project. Councilman Judd said the price did not scare him and that the Council had been discussing this project for many years.

Councilman Clark suggested tasking staff to get a pro forma on the operating costs to show the difference between the six-court and eight-court to help the Council make an informed decision between the two court sizes.

COUNCILMAN CLARK MOTIONED FOR CITY STAFF TO REACH OUT TO SPORTS FACILITY ADVISORY TO REVISE A PRO FORMA BASED ON THE ENHANCED SIX-COURT AND EIGHT-COURT MODELS AND REPORT BACK TO THE COUNCIL AT A LATER DATE; SECONDED BY MAYOR LEECH; PASSED 7 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, COUNCILMAN ADAMS, COUNCILMAN CLARK, COUNCILMAN HATCH, COUNCILMAN JUDD, AND COUNCILMAN WHIPPLE VOTING IN FAVOR.

4. **ADJOURNMENT:**

There being no further business to be brought before the Council, **MAYOR LEECH ADJOURNED THE SPECIAL MEETING OF THE SHOW LOW CITY COUNCIL OF DECEMBER 10, 2024, AT 6:03 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 Special Meeting of the City Council of Show Low held on December 10, 2024. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 20____.

(SEAL)

Rachael Hall, City Clerk

**City of Show Low
STAFF SUMMARY REPORT**

AGENDA TITLE: Consideration of Commercial Hangar Lease and Operating Agreement with Aero Products Component Services, Inc. at Show Low Regional Airport (Jacob Allen)

RECOMMENDATION

I **MOVE** to approve the Commercial Hangar Lease and Operating Agreement with Aero Products Component Services, Inc. and authorize the Mayor to sign the agreement on behalf of the City.

BACKGROUND

On November 20, 2024, the City of Show Low advertised a Request for Proposals for Units 2 and 3 of the City-owned commercial hangar located at 3151 Airport Loop Road. The City received two proposals, both from Aero Products Component Services, Inc. One proposal for each of the available units. There were no competing proposals.

The terms and conditions of the leases consist of a per unit lease rate of \$2,800.00 per month plus tax, insurance, and any applicable monthly user fees. The agreement also includes an annual Consumer Price Index (CPI) increase.

Aero Products will be responsible for paying all utility costs. The term of the agreement will be for ten years with an expiration date of January 7, 2035, with the option to renew the agreement for one additional one-year period upon City approval.

Staff recommends approving the Commercial Lease and Operating Agreement with Aero Products Component Services, Inc.

ATTACHMENTS

1. Aerial City Hanger

FISCAL IMPACT

\$2,800.00 lease payment plus tax (\$56.00), plus \$475.00 in user fees, 5% Sublease Fee \$140.00, plus \$288.00 for insurance totaling \$3,759.00 per month per unit.

A total of \$45,108 annually for each unit. A total of \$90,216.00 per year subject to CPI adjustments annually



SUBJECT PROPERTY

E AIRPORT LP

N DAVID A FOIL JR DR

N 32ND ST

E CORPORATE WY

60



**City of Show Low
STAFF SUMMARY REPORT**

AGENDA TITLE: Consideration of Acceptance of Savage Sewer Replacement Phase 1 Improvements, City of Show Low Project Number S-2624 and Approval of Scope Revision (Shane Hemesath)

RECOMMENDATION

I **MOVE** to accept the Savage Sewer Replacement Phase 1, City of Show Low Project No. S-2624, completed by Apache Underground & Excavating LLC at a final project cost of \$977,054.00, approve the scope revision in the amount of \$53,018.00, release the retainage and initiate the two-year warranty.

BACKGROUND

At the September 3, 2024, City Council meeting, a construction contract was awarded to Apache Underground & Excavating LLC in the amount of \$924,036.00 for the Savage Sewer Replacement Phase 1. The scope of work included the removal of an existing sewer main and the installation of approximately 2,500 linear feet of new 18-inch SDR-35 PVC sewer main. The project also included the installation of nine polymer sewer manholes, sewer services, and the replacement of asphalt and concrete removed to perform the work.

This project was partially funded by a Congressional Direct Spending grant obtained by the City. The grant award was for up to \$800,000.00 requiring a 20% match. Due to a low bid of approximately \$925,000.00, the City's required match is \$185,000.00, but the City was only utilizing \$740,000.00 of the grant award. As discussed during the award of the construction contract, additional scope would be identified and added to the project in an effort to utilize as much of the federal grant funding as possible during construction. A scope revision to install an additional 450 linear feet of sewer was added to this project to help reduce the scope of the next phase of the improvements and to maximize the use of the existing grant funds.

The work for the Savage Sewer Replacement Project Phase 1 has been completed with a total project cost of \$977,054.00. This final cost results in a scope revision of \$53,018.00, (80% paid with grant funds). Any matching funds will be paid by the existing line item in the budget for the project.

Staff recommends accepting the Savage Sewer Replacement Phase 1, City of Show Low Project No. S-2624, completed by Apache Underground & Excavating LLC at a final project cost of \$977,054.00, approving the scope revision in the amount of \$53,018.00, releasing the retainage and initiating the two-year warranty.

ATTACHMENTS

1. Aerial Map

FISCAL IMPACT

Final cost: \$977,054.00

Funding source (account no.): Construction in Progress (42-755-180-1620-0000/7552020)



E SAVAGE

E WILLIS

SUBJECT PROPERTY

N KIAYA LN

W CRYSTAL CIR

W KENDRA CIR

N 1ST AVE

N CENTRAL AVE

E ADAMS

W OLD LINDEN RD

N 4TH AVE

N 1ST AVE

CENTRAL AVE

E OLD LINDEN RD



**City of Show Low
STAFF SUMMARY REPORT**

AGENDA TITLE: Consideration of Resolution No. R2025-01, Rescinding Resolution No. R2024-08, and Amending Incentive Policy for Workforce Housing (Justen Tregaskes)

RECOMMENDATION

I **MOVE** to adopt Resolution No. R2025-01, rescinding Resolution No. R2024-08, amending the Incentive Policy for Workforce Housing.

BACKGROUND

At its regular meeting of February 6, 2024, the City Council adopted Resolution R2024-08. This resolution recognized the need for workforce housing in the City and provided for incentives for the construction of new multi-family and single-family housing to help address this need. Included in this resolution were qualifying income and rental/price limits. These limits are tied to the Area Median Income (AMI) for specific income levels.

Staff was recently approached by a local builder who would like to utilize the incentives to help construct site-built homes under the workforce housing incentives, with a proposed sales price of \$320,000 per home. After reviewing the AMI limits it was determined that the maximum financed price for a new home would have to be less than \$284,000 for a new home in order to qualify for the workforce housing incentives. It is staffs' belief that this number is not practical. Based on this, staff is recommending that Resolution R2024-08 be rescinded and for Council to adopt Resolution No. R2025-01, amending the Incentive Policy to Workforce Housing to reflect that the maximum financed price of a new home be raised to \$325,000, with an annual Consumer Price Index (CPI) inflationary increase in order to qualify for the workforce housing incentives. All other qualifications and requirements would remain unchanged.

ATTACHMENTS

1. Resolution No. R2025-01

FISCAL IMPACT

N/A

CITY OF SHOW LOW RESOLUTION NO. R2025-01

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SHOW LOW, ARIZONA, RESCINDING RESOLUTION NO. R2024-08 AND ADOPTING AN AMENDED INCENTIVE POLICY FOR WORKFORCE HOUSING

RECITALS:

WHEREAS, the City has a lack of workforce housing for middle income households, the lack of affordable workforce housing has increased due to higher housing demands, limited supply, rising housing and rental prices, and cost of housing rising faster than incomes; and

WHEREAS, the average home sales price has increased an average of 17% annually since 2019, the average home sales price in 2023 was \$446,000.00, and the median rent in Show Low was \$2,200.00; and

WHEREAS, the median household income for Show Low was \$57,612.00 in 2023, a 5.7% increase from 2018 (U.S. Census Bureau); and

WHEREAS, a significant portion of housing stock in Show Low consists of second homes and short-term rentals, impacting the availability of housing stock for local households; and

WHEREAS, households with income less than 60% of the area median income (AMI) generally qualify for subsidized housing, and a majority of the multifamily housing opportunities in Show Low are income restricted, subsidized housing; and

WHEREAS, workforce housing is targeted towards households that are 60% to 120% of AMI; and

WHEREAS, housing opportunities close to employment benefit the employees and employers within the City of Show Low; and

WHEREAS, the City seeks to encourage the development of workforce housing with incentives within the City's control; and

WHEREAS, Resolution No. R2024-08, adopted February 6, 2024, established the City of Show Low Incentive Policy for Workforce Housing; and

WHEREAS, the City has determined that amendments should be made to the Show Low Incentive Policy for Workforce Housing to help facilitate the development and construction of workforce housing.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Show Low, Arizona, as follows:

Section 1

Resolution No. R2024-08, adopted on February 6, 2024, is hereby rescinded.

Section 2

Single-family residential, site-built homes not exceeding \$325,000.00, shall be eligible for development incentives per the City of Show Low Incentive Policy for Workforce Housing.

Section 3

The City of Show Low Incentive Policy for Workforce Housing, shown as Exhibit A, attached hereto and made part hereof by reference, is hereby adopted.

Section 4

The City of Show Low will continue to prioritize workforce housing, seeking additional avenues to encourage and implement workforce housing.

PASSED AND ADOPTED this 7th day of January, 2025, by the Mayor and Council of the City of Show Low, Arizona.

John Leech, Jr., Mayor

ATTEST:

Rachael Hall, City Clerk

APPROVED AS TO FORM:

Anna M. Atencio, City Attorney

Exhibit A

City of Show Low Incentive Policy for Workforce Housing January 2025

1. Overview

Rising home prices in Show Low are making it increasingly difficult for workers to afford housing in Show Low. Couple that with the fact that Show Low is lacking in affordable options—particularly multifamily—and it is becoming increasingly difficult for local businesses to find a sufficient workforce as many potential workers cannot afford to live in Show Low. This situation is having a negative impact on Show Low’s ability to attract new businesses and even retain existing businesses.

2. Rising Housing Costs and Lack of Affordable Options in Show Low

Show Low continues to experience rising housing costs. The average home sale price in Show Low has increased an average of 17% annually since 2019. In 2023, the average home sale price was \$443,976.

Show Low lacks affordable options in housing for the workforce—particularly multifamily. Current housing inventory in Show Low indicates that 61% is single family housing. Only 10% of the housing inventory in Show Low is two or more units (multifamily) and only 26% is renter-occupied. The City of Show Low has only issued six (6) multifamily housing permits (47 total units) since 2013.

3. Home Affordability

Show Low has an Area Median Income of \$64,100.00 in 2023. Assuming the average household spends 30% of their income on housing, that means they have \$1,600.00 per month to spend on a mortgage payment. According to mortgage calculators, that monthly payment would support a \$196,500.00 mortgage after a \$20,000.00 down payment at 6.2% interest.

The average sales price for a home in Show Low in 2023 was \$443,976. That leaves the average middle-income home buyer in Show Low almost \$250,000.00 short when seeking to purchase a home.

4. Housing Definitions

The Urban Land Institute (ULI) is the oldest and largest network of real estate development and land use professionals in the world and is widely considered a global leader in solving community and real estate challenges. ULI defines the following as standard housing classifications:

Market Rate Housing: Housing for middle+ income households with an income greater than 120% of Area Median Income (AMI).

Workforce Housing: Housing for moderate income households with an income between 60% and 120% of Area Median Income (AMI). This housing type is meant to be for teachers, first responders, nurses, service providers and even middle managers in many local companies. Although low-wage workers are still a critical part of the overall workforce in Show Low, they are covered under subsidized housing. Workforce housing includes single-family, multifamily, for rent, owner-occupied and homeownership.

Subsidized Housing: Housing for low-income households with an income less than 60% of area median income (AMI). This is federally sponsored financial assistance on housing for low-income earners and is often referred to as “affordable housing.”

5. Show Low Area Median Income

The United States Department of Housing and Urban Development (HUD) calculates the Area Median Income (AMI) for every geographic region in the U.S. on an annual basis. The AMI is defined as the midpoint of a region’s income distribution. The AMI for Show Low in 2023 is \$64,100.00. Therefore, a household making greater than \$76,920.00 (AMI x 120%) would qualify for Market Rate Housing in Show Low. A household with an income between \$38,460.00 (AMI x 60%) and \$76,920.00 (AMI x 120%) would qualify for Workforce Housing in Show Low. A household with an income less than \$38,460.00 (AMI x 60%) would qualify for Subsidized Housing in Show Low. If it is assumed that 30% of household income goes to rent, monthly rent for workforce housing in Show Low would range between \$961.00 and \$1,923.00 per month.

6. Development Incentives

These incentives are offered to encourage the development of new housing and the renovation/repurposing of existing properties specifically for the workforce (as defined in Section 4. Housing Definitions) in the City of Show Low. To receive incentives, the project must be approved as workforce housing as outlined in Section 7C (Eligibility Guidelines).

A. Expedited Review and Permit Processing.

All development projects in Show Low are subject to application, review and permitting procedures outlined in Show Low City Code, Sections 18.15.060, 18.15.070, 19.15.040, and 19.15.050. However, the City of Show Low will prioritize plan, design and building permit applications and reviews for workforce housing (defined in Section 4. Housing Definitions) development projects. A dedicated City staff member will be assigned to work with workforce housing projects to assist them in moving through all the planning and permitting stages as quickly and efficiently as possible. The City of Show Low will provide a no-charge Pre-Application Meeting, complete the first review of permit application within fifteen (15) working days and provide Priority Inspections.

B. Waiver of Permit Fees.

The City of Show Low will waive all applicable application fees, development review fees, building permit fees and inspection fees for workforce housing (defined in Section 4. Housing Definitions) development projects.

C. Reimbursement of Capacity Fees.

The City of Show Low will pay all applicable development impact fees on behalf of the developer of workforce housing (defined in Section 4. Housing Definitions) projects. Reimbursements are budget dependent and contingent on the availability of funds and continued authorization of the program.

D. Reimbursement of Sales Tax on Construction.

The City of Show Low will pay a reimbursement of the City of Show Low portion of sales taxes paid by the developer on construction of workforce housing (defined in Section 4. Housing Definitions) in the amount of \$1,000.00 per unit at such a time as each unit has been issued a certificate of occupancy and is available for sale or rent. Reimbursements are budget dependent and contingent on the availability of funds and continued authorization of the program.

E. Infrastructure Improvements.

The City of Show Low may extend sewer and water services to approved workforce housing (defined in Section 4. Housing Definitions) developments located within the City of Show Low based on various factors including but not limited to number of units, development location, distance from existing City water and sewer lines, etc. Infrastructure improvements are budget dependent and contingent on the availability of funds and continued authorization of the program and must be approved by the Public Works Director.

F. Flexible Development Standards.

Show Low development codes as outlined in Show Low City Code, Sections 17.20.020 and 19.55 may be modified up to a 10% variance at the Planning and Zoning Director's discretion to accommodate the development of workforce housing (defined in Section 4. Housing Definitions). All requests for modification of development standards will be evaluated on a case-by-case basis and determined by various factors including but not limited to number of units, project location, site topography and compatibility with neighboring land uses.

Factors that may be subject to modification include but are not limited to lot coverage, building height, building set-back, lot area, lot dimensions, parking requirements, sidewalk/street design, etc.

7. Eligibility Guidelines

- A. The incentives as outlined above in Section 6. Development Incentives are available on the development of new housing projects and individual housing units (renter or owner-occupied) and the renovation/repurposing of existing properties that are specifically designated as workforce housing (defined in Section 4. Housing Definitions) within the City of Show Low.
- B. Developers of workforce housing (defined in Section 4. Housing Definitions) projects wishing to receive incentives must have control of the development site and must comply with City of Show Low zoning codes, land use plan and adopted building codes and engineering standards and otherwise follow the standard development processes as outlined in city code.
- C. To begin the process of obtaining incentives, developers of workforce housing (defined in Section 4. Housing Definitions) projects should contact City staff at the time of project application to determine if the project qualifies as workforce housing. Project must be approved as workforce housing by Planning and Zoning Director prior to seeking incentives.
- D. Prior to receiving a Certificate of Occupancy for participating workforce housing (defined in Section 4. Housing Definitions) development, the developer shall provide documentation proving compliance with the agreed upon incentive conditions.
- E. The City of Show Low reserves the right to approve, approve with conditions or deny any request for workforce housing (defined in Section 4. Housing Definitions) incentives and any modification of development codes after determining whether the development or project complies with the purposes of this incentive policy.
- F. Housing developments or individual housing units receiving any or all the incentives listed in Section 6. Development Incentives must be completed, sold, or rented and occupied within eighteen (18) months from the date of the execution of an agreement with the City of Show Low. Prior to the expiration of the agreement, the developer shall be responsible for applying in writing for additional extensions. The Planning and Zoning Director may, after consulting with the City Manager and Public Works Director, elect to extend the timeframe for completion.
- G. Housing developments or individual housing units receiving any or all the incentives listed in Section 6. Development Incentives must keep sales prices or rents within the parameters of workforce housing (defined in Section 4. Housing Definitions) and said requirements shall be in place for a period of ten (10) years following issuance of Certificate of Occupancy and the property owner must submit an annual affidavit of proof of compliance to the Planning and Zoning Director. The City reserves the right to place a lien or title restriction on the property for said ten (10) years.

- H. Housing developments or individual housing units receiving any or all the incentives listed in Section 6. Development Incentives are prohibited from becoming short-term rentals of less than 30 days for a period of ten (10) years following issuance of Certificate of Occupancy.
- I. Housing developments or individual housing units receiving any or all the incentives listed in Section 6. Development Incentives must be owned or rented by legal residents of the United States and at least one (1) adult person in the household must be employed full-time or full-time equivalent with income that falls within the parameters of workforce housing as outlined in Section 4. Housing Definitions for a period of ten (10) years following issuance of Certificate of Occupancy. Units must be occupied full-time and cannot be sub-leased. Owners and renters should not own another home or have joint ownership in another home.
- J. Single-family residential, site built homes not exceeding \$325,000 shall be eligible for Development Incentives as outlined in Section 6 above. This amount shall be adjusted annually for inflation.**

**City of Show Low
STAFF SUMMARY REPORT**

AGENDA TITLE: Consideration of Memorandum of Understanding with White Mountain Advisory Group (Anna Atencio)

RECOMMENDATION

I **MOVE** to approve the Memorandum of Understanding with White Mountain Advisory Group.

BACKGROUND

The lack of workforce housing continues to be an issue for most of Arizona, including Show Low. Workforce housing supports our local businesses, attracts new investments and drives long-term economic growth. The City has taken steps to increase workforce housing through development incentives. There have been a few private projects interested in pursuing the current incentives.

The White Mountain Advisory Group has approached the City about a collaboration for the development of a 150-unit workforce apartment housing project. Staff has had several meetings with the Advisory Group about the proposed location, scope, development and maintenance of the project. The Advisory Group has the knowledge and resources to assist the City in the development of the project.

The next step would be to enter a Memorandum of Understanding (MOU) which sets forth a framework for the collaboration and a framework for the project. The intention of the MOU is for the parties to collaborate in good faith towards the project; however, the MOU is nonbinding. Either party may terminate the MOU with 30 days' notice.

Staff recommended approving the MOU with White Mountain Advisory Group.

ATTACHMENTS

1. Workforce Housing MOU

FISCAL IMPACT

N/A

MEMORANDUM OF UNDERSTANDING (MOU)

This Memorandum of Understanding (MOU) is entered into on [Date], by and between the **City of Show Low** ("City") and **White Mountain Advisory Group** ("Developer").

WHEREAS, the City is interested in pursuing workforce housing with Developer; and

WHEREAS, Developer, has the knowledge and resources to assist the City in the development of a 150 unit workforce housing project; and

WHEREAS, the Project will introduce workforce housing units, stabilizing rents and addressing the needs of essential workers, such as teachers, healthcare professionals, and public safety personnel; and

WHEREAS, the availability of workforce housing will support local businesses, attract new investments, and create jobs, driving long-term economic growth; and

WHEREAS, this MOU will outline the mutual understanding and agreement regarding the proposed development of Phase 1 of the City's Workforce Housing Program, involving the construction of a 150-unit multifamily workforce housing project ("Project") and the utilization of \$35 million, 100% off-book financing for workforce housing.

NOW, THEREFORE, the parties hereby agree as follows:

1. Purpose

The purpose of this MOU is to establish a framework for cooperation between the City and the Developer to ensure the successful development of the 150-unit multifamily workforce housing project, and to outline the broader programmatic approach for addressing workforce housing needs in Show Low.

2. Roles and Responsibilities

2.1 City's Responsibilities

- **Funding Agreement with Impact Investor:** The City will enter into a formal Funding Agreement with the Impact Investor to access the \$35 million off-balance sheet financing, ensuring the full funding of the Project and the broader workforce housing program.
- **Pre-Development Funding:** The City will provide initial funding for all pre-development activities such as permitting, zoning, environmental assessments, and design work for the Project. The costs borne by the City will be reimbursed to the City once the pre-approved off-balance sheet financing is allocated.
- **Facilitation of Approvals and Incentives:** The City will expedite all necessary approvals and provide incentives such as tax abatements and fee waivers to enhance the feasibility of the Project.
- **Ownership and Long-Term Control:** The City will retain ownership of the land and housing assets by entering into an off-balance funding agreement with Impact Investor, ensuring public control and alignment with workforce housing objectives.
- **Oversight:** The City will participate in a joint steering committee to oversee and review the Developer's performance throughout the Project's life cycle.

2.2 Developer's Responsibilities

1. **Utilize Pre-Approved Funding:** The Developer will manage the deployment of the \$35 million off-book financing, ensuring the funding covers the entire development and operational costs of the Project.
2. **Site Selection and Control:** The Developer will identify and secure appropriate sites that align with the City's growth plans. Site control for Phase 1 will be assigned to the City within 30 days of signing the Development and Asset Management Contract.
3. **Project Development:** The Developer will oversee all aspects of the 150-unit housing development, from design to construction, ensuring timely and high-quality delivery.
4. **Asset Management:** The developer will provide long-term asset management for the entire program, for the **duration of the financing** term, ensuring the properties are well-maintained and remain financially sustainable.
5. **Financing Structure**
 - The Project will be fully financed through 100% off-book financing provided by an Impact Investor, eliminating any long-term financial risk to the City. Pre-development expenses paid by the City will be reimbursed upon accessing the financing.
 - The \$35 million in financing will be allocated with the 150-unit project serving as Phase 1 and setting the foundation for potential subsequent phases.

3. Programmatic Approach

The Project is the first step in a broader programmatic approach to address the workforce housing shortage in Show Low. The phased financing will allow scalable growth based on demand and market conditions, ensuring a sustainable solution to the City's long-term housing needs.

4. Duration and Termination

This MOU shall remain in effect until both parties have executed a formal Development Agreement. Either party may terminate this MOU with 30 days' written notice to the other party.

5. Confidentiality

Both the City and the Developer agree to keep all proprietary and confidential information exchanged during the course of this MOU private, except where disclosure is required by law or agreed upon by both parties.

6. Non-Disclosure and Non-Circumvention

The City and the Developer agree that any confidential or proprietary information shared during the course of this MOU will remain confidential, except as required by law. Both parties also agree to a **non-circumvention clause**, which prevents either party from bypassing the other to pursue direct negotiations, opportunities, or financing related to a substantially similar workforce housing project(s).

7. Non-Binding Nature

This MOU outlines the intention of both parties to collaborate in good faith on the workforce housing project, but it is **non-binding**. A legally binding commitment will be established through a separate Development and Asset Management Contract.

8. Signatures

By signing below, both parties agree to the terms outlined in this Memorandum of Understanding and commit to working together to develop the 150-unit workforce housing project in Show Low.

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this MOU as of the effective date.

City of Show Low

By: _____

John Leech, Jr., Mayor

Developer

By:



J.L. Hammett
Chief Operating Officer
11-13-24