

MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, JANUARY 2, 2018 AT 7:00 P.M. IN THE CITY COUNCIL CHAMBERS, 181 NORTH 9TH STREET, SHOW LOW, NAVAJO COUNTY, ARIZONA

1. Call to Order.

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

2. Roll Call.

COUNCIL MEMBERS PRESENT: Mayor Seymore, Vice Mayor Hatch, Councilman Allsop, Councilman Crittenden (left the meeting at 8:42 p.m.), Councilwoman Kakavas, and Councilman Kelley.

COUNCIL MEMBERS ABSENT: Councilman Leech.

STAFF MEMBERS PRESENT: Ed Muder, City Manager; F. Morgan Brown, City Attorney; Justin Johnson, Administrative Services Director; Joe Shelley, Police Chief; Tom Bahr, Airport Manager; Cari Bilbie, Administrative Services Analyst; Lisa Lewis, Library Services Manager; and Ann Kurasaki, City Clerk.

GUESTS: Laura Singleton; McKay Hall, Senior Audit Manager, HintonBurdick; and Dewey Ray, Timber Mesa Fire and Medical District.

3. Invocation.

Mayor Seymore gave the invocation.

4. Pledge of Allegiance.

Vice Mayor Hatch led the Council and audience in the pledge of allegiance.

5. **CALL TO THE PUBLIC:**

Any citizen desiring to speak on a matter that IS NOT scheduled on this agenda 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. Presentation of Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2017. (Justin Johnson)

Mr. Johnson introduced McKay Hall, Senior Audit Manager of HintonBurdick, to present the results of the fiscal year 2017 Comprehensive Annual Financial Report (CAFR).

Mr. Hall said he was a CPA who had worked for HintonBurdick for the past ten years. He said the auditors were tasked to do a review and financial audit of the City's financial information and see if the information was reasonably and materially correct.

Mr. Hall said they issued an unmodified or "clean" opinion for the 2017 audit. In the report on compliance and internal controls, no material weaknesses and no significant deficiencies were noted. They also issued an unmodified or "clean" opinion with no reportable findings for the state compliance report.

Mr. Hall said the government-wide financial highlights reflected total net position (equity) of \$111,477,463 as of June 30, 2017.

Councilman Kelley asked if the letters in front of the audit document were akin to a summary and highlighted if there was something seriously wrong with the way the City was handling its financial data. Mr. Hall said yes, if there was insufficient information, the auditors would issue a modified opinion in the audit report. Councilman Kelley asked about the minor item Mr. Hall mentioned where more money was spent than was budgeted in the utility account, which made him believe that anything more significant would be reported. Mr. Hall said yes, there was a budget of \$204,000 for utilities and expenditures came in at \$208,000, for an overage of \$4,000. He added that in prior years, there were several weaknesses and deficiencies noted that City staff had worked to correct, resulting in their "clean" opinion.

Mr. Hall said, over time, increases or decreases in net position were an indicator of whether the City's financial health was improving or deteriorating. Total net assets increased by \$1,142,937 in the fiscal year, of which \$1,354,721 was an increase in net governmental activities and a decrease of \$211,784 from business-type activities (water, wastewater, and refuse).

Mr. Hall said governmental capital assets increased by \$3,447,650. Additions were \$8,978,871 and depreciation totaled \$3,492,902. Significant governmental capital asset additions included the public safety

building (\$5,262,033), Park Valley phase 1 road project (\$487,626), lowering power lines along the Deuce of Clubs (\$513,631), and street improvements (\$890,059).

Mr. Hall said business-type capital assets decreased overall by \$861,127, with additions of \$12.0 million (including \$10.5 million in construction projects in progress from prior years) and depreciation of \$2.3 million. The significant business-type capital asset additions were the wastewater treatment plant expansion (\$10,626,824), sewer system extension and upgrade (\$368,333), and 4th Avenue water line project (\$189,857).

Mr. Hall said total governmental long-term liabilities increased overall by \$607,899 to \$29,263,099 as of June 30, 2017. He attributed the increase to the Public Safety Personnel Retirement System liability, something over which the City had no control. Regularly scheduled debt service payments totaled \$1,735,000. Scheduled debt service payments for fiscal year 2018 were projected to be \$1,606,847.

Mr. Hall said total business-type long-term liabilities decreased by \$583,091 to \$8,670,076 as of June 30, 2017. Regularly scheduled debt service payments were \$721,507, with scheduled payments for fiscal year 2018 projected to be \$550,362.

Mr. Hall said the prior fiscal year's total general fund balance increased from \$7,050,414 to \$8,289,553, with the fund balance at 70% of total general fund expenditures before transfers. The general fund reported revenues in excess of expenditures of \$1,239,140 including net transfers out and other financing sources totaling \$2,772,584. Actual resources received in the general fund exceeded the final budget by \$1,657,871, mainly due to City sales tax collections. Actual expenditures were \$1,680,389 less than the final budget.

Mr. Hall said there was no change in the Highway User Revenue Fund (HURF) balance of \$1,483,844. All the City's enterprise funds, except for the wastewater fund, reported operating income in fiscal year 2017. Operating income was necessary to maintain and repair the systems and equipment. Cash flows from operating activities were positive for all the enterprise funds. The overall change in net assets for all the enterprise funds was a decrease of \$211,784.

Mr. Hall said the general fund showed a healthy and fairly consistent balance sheet, which was reported on a modified accrual basis and did not reflect long-term debt or capital assets. The fund balance increased 59% over the last five fiscal years. The general fund showed a strong cash position, and the unrestricted cash represented 66% of total general fund expenditures. The majority of the restricted cash was for deposits held at

year's end. The general fund was normally expected to break even over time. Show Low's general fund reported excess revenues over expenditures for fiscal years 2013 through 2017. The general fund reported an overall increase in expenditures, attributed to personnel and capital costs, and fairly consistent spending in most departments for fiscal year 2017.

Mr. Hall said sales tax revenues increased by 19% over the last five fiscal years with a 2.9% increase in fiscal year 2017. State sales taxes and other tax revenues also experienced increases in fiscal year 2017 and over the last five fiscal years. Total combined tax revenues increased over the last five fiscal years by 18.4% and 2.56% for fiscal year 2017. He added that all tax revenues increased over the last five fiscal years.

Mr. Hall said the HURF fund was expected to break even over time as resources were accumulated and expended on road projects. HURF fund cash remained fairly consistent over the last five years.

Mr. Hall said the airport fund was reported as a special revenue fund since it was not a self-sustaining fund. The airport fund showed operating losses in fiscal years 2013, 2014, and 2017. In fiscal years 2015 and 2016, the airport fund reported net revenue. The large fluctuations in this fund were caused by fluctuations in grant revenues. For example, grant revenues in fiscal year 2014 were \$2,961,485 compared to \$169,642 in fiscal year 2015.

Mr. Hall said the water enterprise fund was reported on a full accrual basis and should show revenues in excess of expenditures to provide for depreciation and future capital requirements. The water fund showed a strong cash position, which increased by more than 83% since 2013.

Mr. Hall said the wastewater fund reported net losses for fiscal years 2013 through 2015, and fiscal year 2017. In fiscal year 2016, the fund reported net income before transfers. The major cause for the losses was attributed to depreciation. The wastewater enterprise fund was reported on a full accrual basis and should show revenues in excess of expenditures to provide for depreciation and future capital requirements. Cash from 2013 to 2015 was mainly the result of cash flows from operations, which did not include depreciation. The significant decrease in fiscal year 2016 was a result of approximately \$5 million in capital asset additions (the wastewater treatment plant upgrade). In fiscal year 2017, there was a decrease in cash, primarily from increased expenses and capital asset activity.

Mr. Hall said net revenues were expected to fluctuate in the health insurance fund based on demand or claims activity. The last five fiscal years reported three years with excess revenues and two years with

excess expenditures. Cash in the internal service fund increased by approximately 135% since 2013.

Mr. Hall said most of the City's major governmental fund balances remained fairly consistent, with the general fund and special projects fund seeing significant changes. The City's water fund reported a \$431,792 increase in equity, while the wastewater fund reported a decrease of \$634,272.

Councilman Kelley asked if the City budgeted enough for utility funds. Mr. Hall said the information provided by the finance department looked correct. He felt comfortable relying on the information they provided for the Council to make prudent decisions. Everything appeared to be accurate and correct. Councilman Kelley asked if the auditors would be able to detect any illegal activity. Mr. Hall said yes, adding that he didn't see anything suspicious. What was important was to have solid internal controls and processes, and it looked like Show Low had a good set of controls.

Councilman Crittenden said ever since he began serving as a Council member, there had never been indications that major changes needed to be made. Mayor Seymore said the City had good measures in place and, in many instances, they were even better now than in the past. Mr. Hall agreed and said it was important to have a group that worked well together.

7. **CONSENT CALENDAR:**

- A. Consideration of Acceptance of Grant from Association for Library Service to Children and Authorization of Associated Budget Transfers. (Lisa Lewis)
- B. Consideration of Authorization to Purchase of Police Vehicles. (Joe Shelley)
- C. Consideration of Approval of Noncommercial Hangar Lease and Operating Agreement with TNLC, L.L.C. at Show Low Regional Airport. (Tom Bahr)
- D. Consideration of Approval to Make Purchases from National Intergovernmental Purchasing Alliance. (Bill Kopp)
- E. Consideration of Minutes of Show Low City Council meetings:
 - (1) Regular Meeting of December 5, 2017.

COUNCILMAN ALLSOP MOVED TO APPROVE THE CONSENT CALENDAR AS PRESENTED; SECONDED BY COUNCILMAN CRITTENDEN; PASSED UNANIMOUSLY.

8. **NEW BUSINESS:**

- A. Consideration of Ordinance No. 2018-01 Adding Article 18-5, *Small wireless facilities*, to Chapter 18, *Streets and Sidewalks*, of the Show Low City Code. (Justen Tregaskes)

Mr. Tregaskes said he would present background information about small wireless facilities. As the Council was made aware at the October 5, 2017, Council Retreat, there were recent changes in state law that required cities to allow placing small wireless facilities in city rights-of-way.

Mr. Tregaskes explained that small cell deployments were wireless equipment on poles. House Bill 2365 regarding wireless facilities and rights-of-way allowed wireless providers to install and operate small wireless facilities (SWF) and related equipment in rights-of-way (but not in state rights-of-way). The effective date of HB 2365 was February 9, 2018, or three months after receiving the first request by a wireless provider, whichever was later. The bill also defined the allowable size of an SWF as six cubic feet of antennas (enclosed or fit within an imaginary enclosure), 28 cubic feet of wireless equipment, and 50 cubic feet of wireless equipment only if it was ground-mounted prior to August 9, 2017. SWFs were not subject to zoning review unless they exceeded the heights provided. The bill also permitted cities to require reasonable appearance and concealment requirements and setback or fall zone requirements.

Mr. Tregaskes said that SWF standards were not subject to zoning review if it didn't exceed ten feet above the tallest existing utility pole within 500 feet, as long as the new pole wasn't more than 50 feet above ground level. If there was no pole within 500 feet, it couldn't exceed 40 feet above ground level. Finally, collocations also were not subject to zoning review if they met the above standards.

Mr. Tregaskes said the City was allowed to adopt provisions that concerned public safety, to adopt objective design standards, to adopt reasonable stealth and concealment requirements, to adopt undergrounding requirements, to adopt design standards for utility poles, and to adopt reasonable spacing requirements.

Mr. Tregaskes said City staff reviewed what other cities and towns had enacted and subsequently drafted a "Design Standards, Concepts & Requirements for Wireless Facilities in the Right-of-Way." This document was based largely off of other cities' models, with modifications made to address Show Low's issues. Staff believed this document presented the clearest and most concise set of requirements of those researched.

Mr. Tregaskes said state law also allowed a city or town to charge a wireless provider fees if they were tied directly to the actual cost of managing the public right-of-way and only if other right-of-way users were charged right-of-way use fees. The fee amounts were set by state statute. Staff wanted to encourage users to place their equipment on preexisting utility and light poles and, therefore, recommended the \$200 fee be waived.

Mr. Tregaskes said Ordinance No. 2018-01 would amend Chapter 18, *Streets and Sidewalks*, of the City Code to address installing small wireless facilities in the right-of-way. The applicable fees and installation standards would be referenced in Chapter 18 and would be adopted through Resolution No. R2018-01, the next item for consideration.

Councilman Crittenden asked for an example of who would use small wireless facilities. Mr. Tregaskes said, for the Show Low area, it would be a wireless provider who could fill in cell service coverage gaps.

Councilman Kelley asked if the City's rules also applied to poles owned by other entities. Mr. Tregaskes said no, the other entities were allowed to stipulate that no additional facilities could be placed on their poles or require the requester to pay for a new pole, but that wasn't an option for the City.

Councilman Allsop asked if anyone would be able to place a pole between Arizona Public Service or Navopache Electric poles that could possibly complicate the power grid. Mr. Tregaskes said no, if someone was erecting a new pole, the user would have to go through the City's review process. As part of that process, City staff would contact the affected utility provider. If there was a problem, the user wouldn't be allowed to place the pole.

Councilman Allsop asked if the requester would be required to contact the utility provider for approval regarding a joint-use pole that was too small. Mr. Tregaskes said yes, but City staff would still have to review and approve the request.

Councilman Allsop said the City had four-inch by four-inch metal poles and asked how much the City's joint-use fee would be if a provider wanted to attach to those poles. Also, if the four-by-four pole was too small for the user's equipment, he asked if the City would allow them to change individual poles. Mr. Tregaskes clarified that with the new state law, the legislature exempted state-owned rights-of-way, so any state highways, such as the Deuce of Clubs or White Mountain Road, would not be affected. In other downtown areas, the City would have to address this issue through the zoning ordinance. The City didn't currently allow cell towers or cell facilities, but under the new law, the City would have to allow

them in its right-of-way. The City Code would need to be changed to provide options to the user, e.g., the City might offer the option to put an antenna on the city hall building. If a user wanted to replace only one pole, the user would be allowed to replace it, but the City could require the pole to be compatible with adjacent poles (such as in color or shape).

Councilman Allsop asked if the fee charged per pole would be one fee, not multiple fees. Mr. Tregaskes said if the pole was able to support three SWFs, each antenna would be charged the fee. It was possible to have multiple antennas per pole, and the fee was per antennae per pole.

Councilwoman Kakavas asked if the City could restrict “dog house” standards. Mr. Tregaskes said the City would require the wiring to be covered on a pole that had an antenna on top of it. “Dog house” referred to the angled piece of metal that went from the pole to the ground to help conceal the equipment and wiring. What staff was concerned about was the portion that would actually be on the pole, which was defined in state law as a maximum of six cubic feet of antennas. The City would require the 28 cubic feet of wireless equipment to be placed underground or, at the determination of the City’s Public Works Director, provide another option if there was no way to place the equipment underground.

Councilwoman Kakavas said the definition of “right-of-way” included a list of exemptions. She asked if the exemptions would include the City’s street light taxing district. Mr. Tregaskes said yes, he understood it to mean that the City’s street lights would be exempt.

Councilman Kelley asked if each SWF would require its own power source. Mr. Tregaskes said yes. Councilman Kelley asked if the legislature had considered any exemption for subdivisions that had gone to great expense to put all their utilities underground. Mr. Tregaskes said the user had the option to place the equipment on an existing pole, but the City could require that power to the pole be run underground. It would be possible under this state statute to place a 40-inch diameter pole that was 50 feet tall in the right-of-way. The City would encourage the requester to look at other options. The SWFs were designed to cover small areas where there were gaps in coverage. Staff’s hope was that these would be placed on a limited basis in low-lying areas.

Mayor Seymore said in the meetings he attended, the hope was that these wireless facilities would allow upgrading to 4G or 5G speeds very quickly and easily.

Councilman Kelley asked if it would be legal for wireless providers to contact a homeowner regarding installing a device on his home. Mr. Tregaskes said currently, the City would not allow these in a residential

zone. However, it might behoove the City to allow more flexibility to keep them off a highly visible roadway.

Councilman Allsop asked about the requirement that antennas could not be higher than 50 feet. Mr. Tregaskes said state law allowed for existing poles to be extended by ten feet, up to 50 feet in height.

By unanimous consent, Ms. Kurasaki read Ordinance No. 2018-01 by title only since all Council members had a copy.

"AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SHOW LOW, ARIZONA, ADDING ARTICLE 18-5, SMALL WIRELESS FACILITIES, TO CHAPTER 18, STREETS AND SIDEWALKS, OF THE SHOW LOW CITY CODE"

COUNCILMAN CRITTENDEN MOVED TO ADOPT ORDINANCE NO. 2018-01; SECONDED BY COUNCILMAN ALLSOP; PASSED UNANIMOUSLY.

- B. Consideration of Resolution No. R2018-01 Approving Right-of-Way Fees and Design Criteria for Small Wireless Facilities. (Justen Tregaskes)

COUNCILWOMAN KAKAVAS MOVED TO ADOPT RESOLUTION NO. R2018-01 APPROVING RIGHT-OF-WAY FEES AND DESIGN CRITERIA FOR SMALL WIRELESS FACILITIES; SECONDED BY COUNCILMAN ALLSOP; PASSED UNANIMOUSLY.

- C. Consideration of Addition of Full-time Building Inspector. (Justin Johnson)

Mr. Johnson said the City had experienced increases in the number of residential building permits received and processed over the last two years (21% in 2016, from 52 to 66 permits, and 29% in 2017, from 66 to 99). There also had been significant increases in manufactured home inspections over the same time frame, with a 100% increase in 2016, from 13 to 26 inspections, and 45% in 2017, from 26 to 47.

Mr. Johnson said, additionally, construction had begun at Summit Healthcare Regional Medical Center for three new buildings, with footings scheduled to be started in late January 2018. It was anticipated this would result in a significant increase in time spent on inspections.

Mr. Johnson said the building department had been without a dedicated full-time building inspector since 2009. The current inspection staff consisted of the building official and the community development specialist, the latter of whom juggled his time between code enforcement issues and performing building inspections.

Mr. Johnson said staff had been aware of the potential need for a full-time inspector, as was mentioned during the fiscal year 2018 budget discussions last spring. Because of the increased building activity and need for inspections, staff was recommending that the Council approve hiring one full-time building inspector. If the recruitment process was unsuccessful, staff might seek to enter into an agreement with a contract inspector who would perform the necessary duties.

Councilman Allsop asked for the number of building permits issued in 2008 and 2009. Mr. Tregaskes said in 2008, the total permits issued were 447, including 107 single-family homes. Of those, 23 were for manufactured homes. In comparison to the 107 single-family permits issued in 2008, 27 were issued in 2009, 22 in 2010, 27 in 2011, 13 in 2012, 35 in 2013, 55 in 2014, 52 in 2015, 66 in 2016, and 99 in 2017.

Councilman Allsop asked how many inspectors the City had in 2008. Mr. Tregaskes said total planning and zoning staff was 12 in 2008, including permit technicians, building officials, three full-time building inspectors, plus planning and code enforcement staff.

Councilman Allsop asked for clarification about the \$35,000 fiscal impact. Mr. Johnson said \$35,000 would cover wages and benefits for half a year or \$70,000 for a full year. Councilman Allsop felt the City could contract out the work and see if permit numbers continued to increase rather than hiring a full-time employee. Mr. Tregaskes said the staff report presented the option of hiring a full-time employee or a contract inspector.

Councilman Allsop asked how long Summit Healthcare would need an inspector for its expansion project. Mr. Tregaskes said the hospital's schedule showed that construction would begin this month and would take about 14 months. Then there would be about 200,000 square feet of tenant improvements before the buildings could be occupied. Mr. Muder said staff was in the process of getting contractor prices but wanted to leave the option open to hire a full-time inspector. It would take weeks to hire an inspector. If someone could be hired for half of what a contract employee would cost, that person could also be used to do code enforcement. The problem was the added cost of having a contractor travel to Show Low. If the Council agreed, staff intended advertising for a building inspector to see what types of applications were received. Either option would require budget adjustments.

Councilman Kelley asked how long the probation period was for a new employee. Mr. Tregaskes said 12 months. Councilman Kelley asked if the 12-month probationary period was conditional to the available workload. Mr. Tregaskes said yes.

Councilman Kelley said he preferred looking at a six-month contract and felt it might not be prudent to assign only one person to do the inspections on such a major job.

Vice Mayor Hatch said he appreciated the need for an inspector and knew that it could be a problem if an inspector wasn't available when needed, which could cause project delays. He anticipated seeing more growth in the community and the need for more inspectors.

Mayor Seymore said he understood that one permit could require eight to ten inspections. Mr. Tregaskes said yes, that was correct. Mayor Seymore asked how many inspectors the City had. Mr. Tregaskes said, currently, there were two employees certified to do building inspections.

Mr. Muder said needing another inspector was a good problem to have. The City budgeted \$150,000 in building permit revenue but had collected \$230,000 over the past five months.

Councilwoman Kakavas asked if both building inspectors were certified in commercial inspections. Mr. Tregaskes said no, the City's building official was certified to inspect commercial properties, and the code enforcement officer was certified for residential properties. He anticipated that the person hired would be primarily responsible for the hospital project, which would free the building official to do plan reviews and meet with the public. He would assist with inspections as needed. It would also free the code enforcement officer to do his primary job.

Councilwoman Kakavas asked what the average salary would be for this position. Mr. Johnson said the Human Resources department looked at the League of Arizona Cities and Towns report with comparable-sized cities, and staff would use that data to come up with an average salary.

COUNCILWOMAN KAKAVAS MOVED TO APPROVE ADDING ONE FULL-TIME BUILDING INSPECTOR AND AUTHORIZE THE CITY MANAGER TO EXECUTE ANY BUDGET TRANSFERS, AS NEEDED, TO COMPLETE THE PROCESS; SECONDED BY VICE MAYOR HATCH; PASSED 5 TO 1, WITH COUNCILMAN ALLSOP CASTING THE DISSENTING VOTE.

9. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Councilman Allsop said he had the opportunity to attend the Deuce of Clubs Drop on New Year's Eve. Several participants, who had never been

to this event, wanted to see more activity. He suggested adding bands or music to make it a larger event.

B. Mayor

Mayor Seymore said along with the Town of Pinetop-Lakeside, the City was sponsoring a “Pray for Snow” campaign. He invited all residents and businesses to join in praying for snow because the warm, dry weather was negatively impacting local businesses and the economy. And, without snow, conditions would worsen during the spring and summer months. He urged all property owners to deep-water their trees and plants once a month until the area received some snow or precipitation.

Mayor Seymore said this year’s Martin Luther King, Jr. holiday was January 15, a day normally reserved for a Day of Service to improve the community. As done in the past several years, Show Low’s Day of Service in honor of MLK Day was moved to May. He encouraged citizens to volunteer their time and participate with City employees in a service project on May 12, to strengthen and enhance the community.

Mayor Seymore wished everyone a Happy New Year.

C. City Manager

Mr. Muder said anyone who wanted to recycle a Christmas tree had until January 7 to drop it off at the Frontier Park parking lot on 9th Place, north of the Deuce of Clubs. All decorations, lights, and tinsel should be removed.

Mr. Muder said staff was beginning the process to prepare the City’s fiscal year 2019 budget. In addition to a budget study session with the City Council on Tuesday, January 16, at 6:00 p.m., a town hall budget meeting specifically for citizen input would be held Thursday, January 18, at 6:00 p.m. All the meetings were open to the public and held in Council Chambers.

Mr. Muder said following the busy holiday season and Deuce of Clubs Drop last Sunday to usher in the new year, the recreation department was already actively preparing for 2018 events. Tickets were on sale for \$6 each for the popular Daddy Daughter Dance on February 2 at the city campus gym. Staff was also accepting registrations for the 6th annual BBQ Throwdown scheduled for May 5. More events were shown on the calendar at the City’s website.

Mayor Seymore conveyed kudos to Chief Shelley on his reading of *Polar Express* at the library last month. The event was attended by about 450 children.

10. **SCHEDULING OF MEETINGS:**

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

VICE MAYOR HATCH MOVED TO RECESS INTO EXECUTIVE SESSION TO DISCUSS THE PURCHASE, SALE, OR LEASE OF REAL PROPERTY DESCRIBED AS A.P. NO. 210-49-120 AND TO REVIEW THE MINUTES OF THE EXECUTIVE SESSION OF DECEMBER 5, 2017; SECONDED BY COUNCILMAN KELLEY; PASSED UNANIMOUSLY.

The Show Low City Council recessed into Executive Session at 8:42 p.m. Councilman Crittenden left the meeting at this time.

11. **EXECUTIVE SESSION.**

- A. Confidentiality Statement.
- B. Discussions or consultations with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale, or lease of real property. Pursuant to A.R.S. Section 38-431.03(A)(7).
 - (1) A.P. No. 210-49-120.
- C. Discussion or consideration of records exempt by law from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law. Pursuant to A.R.S. Section 38-431.03(A)(2).
 - (1) Executive Session Minutes of December 5, 2017.

12. **POST EXECUTIVE SESSION.**

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

The Show Low City Council reconvened into Open Session at 9:11 p.m.

- A. Consideration of Approval of the Minutes of the Executive Session of the Show Low City Council Held on December 5, 2017.

VICE MAYOR HATCH MOVED TO APPROVE THE DECEMBER 5, 2017, EXECUTIVE SESSION MINUTES; SECONDED BY COUNCILMAN ALLSOP; PASSED UNANIMOUSLY.

13. **ADJOURNMENT.**

There being no further business to be brought before the Council, **MAYOR SEYMORE ADJOURNED THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL OF JANUARY 2, 2018 AT 9:12 P.M.**

ATTEST:

APPROVED:

Ann Kurasaki, City Clerk

Daryl Seymore, 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 January 2, 2018. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 20____.

(SEAL)

Ann Kurasaki, City Clerk