

MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, JUNE 19, 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, Councilman Kelley, and Councilman Leech.

COUNCIL MEMBERS ABSENT: Councilwoman Kakavas.

STAFF MEMBERS PRESENT: Ed Muder, City Manager; F. Morgan Brown, City Attorney; Joe Shelley, Police Chief; Justin Johnson, Administrative Services Director; Jay Brimhall, Community Services Director; Cari Bilbie, Accountant; Lisa Robertson, Grants/Transit Manager; Tamra Reidhead, Deputy City Clerk; and Ann Kurasaki, City Clerk.

GUESTS: Dewey Ray, Laura Singleton, Steve Beardsley, Bob Andringa, Janet Dean, Jason Hatch, and others.

3. Invocation.

Councilman Kelley gave the invocation.

4. Pledge of Allegiance.

Councilman Crittenden 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.

Steve Beardsley, Meals on Wheels president, residing at 5330 Red Squirrel Lane, Lakeside, Arizona, extended an invitation on behalf of the Show Low Senior

Center to the Council and Show Low's citizens to join them for lunch, which was served five days a week. Lunch reservations were encouraged so that they could prepare ample food for those who wanted to attend. Meals on Wheels had a new website at www.whitemountainmealsonwheels.com that included a list of weekly activities at the Senior Center and monthly lunch menus.

6. **SPECIAL EVENTS:**

- A. Presentation by Arizona Public Service Regarding NextGen Renewable Energy Ballot Initiative.

Arizona Public Service (APS) representative Janet Dean, Northeast Division Community Affairs Manager, said she would talk about the NextGen Renewable Energy Ballot Initiative. She introduced Jason Hatch, APS Construction and Maintenance Supervisor in Snowflake, and Chuck Moore from Navopache Electric Cooperative, who were also in attendance.

Ms. Dean said signatures were being gathered for a November ballot initiative to amend the Arizona Constitution, which would require some Arizona utility companies to obtain 50% of their energy from renewable sources by 2030, less than 12 years from now.

Ms. Dean said the initiative wasn't about renewable or clean energy or about a healthier Arizona because it would not affect all utilities. Salt River Project, the second largest utility in Arizona, would not have to meet the mandate, but other utilities such as APS, Tucson Electric Power, and the cooperatives would be affected. The initiative left out Palo Verde Nuclear Plant, which had no carbon emissions and helped achieve 50% clean energy as a state. The initiative also did not address vehicle emissions, the largest source of pollution in the Valley.

Ms. Dean said the initiative would circumvent Arizona's current structure for regulating utilities, which provided Arizona residents with some of the safest, most reliable, and affordable energy in the country for over 100 years. The initiative would create an Arizona Constitutional mandate that would dramatically increase electricity bills and couldn't be changed without another ballot initiative or a 3/4 vote of the legislature. It would also require Arizona utilities to shut down power plants that had been providing safe, affordable, and reliable energy for decades, costing taxpayers tens of millions of dollars in lost tax revenue and hundreds of high-paying jobs. It would threaten the viability of the Palo Verde Nuclear Generating Station, costing 3,000 Arizonans their jobs. It would force Arizona residents to pay hundreds of millions of dollars for constructing new, carbon-emitting natural gas plants that would be necessary to generate electricity. It would weaken Arizona's economic competitiveness by more than doubling residential, commercial, and industrial energy costs by 2030. The Arizona

State University School of Business Research Institute's study found that the initiative would impact schools by costing grade schools nearly \$100,000 more in electric rates each year and \$200,000 more for an average high school.

Ms. Dean said the initiative was bad for Arizona and for the electric consumers here. Her goal was to educate citizens and let them know why they believed this initiative was bad.

7. **CONSENT CALENDAR:**

- A. Consideration of Resolution No. R2018-16 Approving Submitting Application for 2018 BUILD (formerly TIGER) Grant Program for Scott Ranch Road and Bridge Project. (Lisa Robertson)
- B. Consideration of Resolution No. R2018-17 Adopting an Annual Policy and Prescribing Procedures for Purchasing from the Mayor and Any Member of the Council. (Ed Muder)
- C. Consideration of Approval of Annual Purchase Orders for Fiscal Year 2018-19. (Justin Johnson)
- D. Consideration of Renewal of Agreement with Show Low Chamber of Commerce for Fiscal Year 2018-19. (Steve North)
- E. Consideration of Renewal of Agreement with White Mountain Meals on Wheels for Managing Show Low Senior Center for Fiscal Year 2018-19. (Jay Brimhall)
- F. Consideration of Renewal of Agreement with Show Low Historical Society for Fiscal Year 2018-19. (Jay Brimhall)
- G. Consideration of Minutes of Show Low City Council meetings:
 - (1) Regular Meeting of June 5, 2018.

COUNCILMAN ALLSOP MOVED TO APPROVE THE CONSENT CALENDAR AS PRESENTED; SECONDED BY COUNCILMAN CRITTENDEN; PASSED 6 TO 0.

8. **NEW BUSINESS:**

- A. PUBLIC HEARING Regarding Final Budget for Fiscal Year Ending June 30, 2019 and Proposed Secondary Property Tax Levy. (Justin Johnson)

Mr. Johnson said on June 5, 2018, the City Council adopted Resolution No. R2017-15 to approve the tentative budget for fiscal year 2019 in the amount of \$58,607,593. As required by state statute, the tentative budget was published twice in the local newspaper and a public hearing was to be held tonight. The final budget was identical to the adopted tentative budget and represented all the information that had been presented to the Council to date.

Mr. Johnson said that following a public hearing on this budget and the proposed secondary tax levy, the Council would be asked to approve this budget as the final budget for the City of Show Low for the year ending June 30, 2019. The budget reflected the Council's stated goals and priorities.

Mr. Johnson said in comparing the budget to actual expenditures, actual expenditures were generally less than what was budgeted. The trend showed that staff did a good job under-spending the budget.

Mr. Johnson said the City's revenues from all funds/sources totaled \$67,690,476. The four major sources of revenues consisted of the beginning fund balance (35.5%), operating revenues (53.0%), inter-fund transfers (5.6%), and other financing sources (5.9%). He said operating revenues of \$35,907,326 came from local taxes (31.4%), utility fees (23.9%), charges for services (11.9%), intergovernmental revenues (18.0%), state-shared revenues (12.6%), miscellaneous (1.8%), and fines and forfeitures (0.4%).

Mr. Johnson said expenditures by type included capital (35%), personnel (30.9%), operational (20.3%), debt service (3.9%), reserves (8.4%), and contingency/Capital Improvements Program (CIP) reserves (1.5%).

Mr. Johnson said General Fund expenses by department were manager/city attorney/city clerk (4%), city council (1%), administrative services (3%), general operations (7%), public works streets--transfers (4%), debt services--transfers (3%), capital fund--transfers (1%), community services (13%), airport (20%), aquatic center (2%), planning and zoning (2%), engineering (3%), city magistrate (1%), and police (36%).

Mr. Johnson said personnel by service area showed that public safety had 32% of the City's employees; community services, 21%; utilities, 16%; public works, 14%; general government, 14%; and planning and zoning, 3%.

Mr. Johnson said capital/contingency expenses totaled \$20.2 million. The largest expense in this category was for streets/engineering at \$4,826,575, followed by the airport at \$4,522,742, and wastewater at \$4,479,261.

Mr. Johnson said expenditures by service area were utilities (29%), community services (11%), public works (26%), public safety (21%), general government (9%), improvement districts/Community Facilities District (2%), and debt service (2%).

Mr. Johnson said the Council was being asked to approve Resolution No. R2018-18 to adopt the final budget for fiscal year 2019 after holding a public hearing on the final budget and the property tax levy (which would be considered by the Council at the July 17 meeting).

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

- B. Consideration of Resolution No. R2018-18 Adopting the Final Budget for Fiscal Year Ending June 30, 2019. (Justin Johnson)

COUNCILMAN ALLSOP MOVED TO ADOPT RESOLUTION NO. R2018-18 ADOPTING THE FINAL BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2019, IN THE AMOUNT OF \$48,524,686; SECONDED BY COUNCILMAN KELLEY; PASSED 6 TO 0.

AT THIS TIME, THE CITY COUNCIL RECESSED INTO A SPECIAL MEETING OF THE SHOW LOW BLUFF COMMUNITY FACILITIES DISTRICT BOARD TO ADOPT THE FINAL BUDGET FOR FISCAL YEAR 2018-19 FOR THE DISTRICT.

The Show Low City Council recessed into a Special Meeting of the Show Low Bluff Community Facilities District Board at 7:20 p.m. The Show Low City Council reconvened at 7:29 p.m.

9. **SUMMARY OF CURRENT EVENTS:**

- A. Council Members

Councilman Allsop attended the Meals on Wheels board meeting last week. He said the Senior Center was holding a craft fair on July 27 and 28 and a music festival on August 25. Meals on Wheels was still looking for drivers to deliver meals. He also attended a Show Low Main Street meeting. The new way finder signs for downtown Show Low would be finalized soon. The farmers' market and art walk continued every Saturday through the end of September. Main Street was sponsoring a competitive Battle of the Bands and Food Vans on September 1 at Frontier Fields.

Councilman Kelley said donations to Meals on Wheels qualified for a state income tax credit.

Councilman Allsop added that the Little League all-stars tournament would be held in Show Low on July 2.

B. Mayor

Mayor Seymore encouraged everyone to participate in the upcoming Fourth of July events.

Mayor Seymore expressed his heartfelt condolences to Councilwoman Kakavas and her family on her mother's passing. The funeral service would be held in Utah on June 23, and a graveside service would be held at the Show Low Cemetery on June 25.

C. City Manager

Mr. Muder said the library was hosting a NASA event for the entire family called "Music and Sounds of Space" on June 23. The annual summer reading program, open to all ages, had begun and participants could still sign up.

Mr. Muder said City staff was helping Hatch Toyota with its annual fishing derby this Saturday at Fools Hollow Lake, free for kids up to age 16. Another event this Saturday was the annual fly-in pancake breakfast at the airport. A military flyover was planned, and classic and new aircraft would be on display.

Mr. Muder said the Arizona Department of Transportation would do final paving for the US60 widening project beginning this week. Next Monday, the intersection of US60 and SR77 would be closed overnight for final paving.

Mr. Muder said slurry-sealing of selected streets should be completed by the end of the week. The waterline replacement project on West McNeil should be done by the end of next week, with road paving as the final phase planned for June 30.

Mr. Muder said Fourth of July festivities would begin June 29, with the Deuce's Wild Rodeo at Village Arena. The annual parade on July 4 would take place along the Deuce of Clubs with a wet zone at Frontier Fields to follow. The daylong FreedomFest, with music, food vendors, and kids' activities, would take place at the Show Low football stadium complex. A

fireworks show was planned for that evening but could be canceled at the last minute depending on weather conditions.

Mr. Muder said fire restrictions remained in effect across Navajo and Apache counties. Despite the recent moisture, it wasn't enough to have much effect on the dry conditions. Stage 3 restrictions meant no fires and no smoking.

Mr. Muder said this was the final Council meeting of the fiscal year. He wished everyone a happy and safe Fourth of July. The next meeting would be on Tuesday, July 17, at 7:00 p.m.

10. **SCHEDULING OF MEETINGS:**

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

None.

COUNCILMAN HATCH MOVED TO RECESS INTO EXECUTIVE SESSION TO RECEIVE LEGAL ADVICE REGARDING NEGOTIATIONS TO PURCHASE, SELL, OR LEASE REAL PROPERTY KNOWN AS A.P. NO. 210-49-120 AND TO REVIEW THE EXECUTIVE SESSION MINUTES OF APRIL 6, 2018; SECONDED BY COUNCILMAN ALLSOP; PASSED 6 TO 0.

The Show Low City Council recessed into Executive Session at 7:39 p.m.

11. **EXECUTIVE SESSION.**

- 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 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. Sections 38-431.03(A)(3) and 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 April 6, 2018.

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 8:01 p.m.

- A. Consideration of Approval of the Minutes of the Executive Session of the Show Low City Council Held on April 6, 2018.

COUNCILMAN LEECH MOVED TO APPROVE THE MINUTES OF THE EXECUTIVE SESSION HELD ON APRIL 6, 2018; SECONDED BY COUNCILMAN ALLSOP; PASSED 5 TO 1 WITH COUNCILMAN KELLEY CASTING THE DISSENTING VOTE.

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 JUNE 19, 2018 AT 8:01 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 June 19, 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