

**MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, JUNE 7, 2011 AT 7:00 P.M. IN THE CITY COUNCIL CHAMBERS, 181 NORTH 9TH STREET, SHOW LOW, NAVAJO COUNTY, ARIZONA**

1. Call to Order.

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

2. Roll Call.

**COUNCIL MEMBERS PRESENT:** Mayor Fernau, Vice Mayor Seymore, Councilman Allsop, Councilman Kelley, Councilman Latham, Councilman Leech, and Councilman Whipple.

**COUNCIL MEMBERS ABSENT:** None.

**STAFF MEMBERS PRESENT:** Ed Muder, City Manager; F. Morgan Brown, City Attorney; Joel Weeks, Community Services Director/Deputy City Manager; Justen Tregaskes, Planning and Zoning Director; Jeffrey Smythe, Chief of Police; Doug Sandstrom, Finance Director; Bill Kopp, Public Works Director; Tamra Reidhead, Deputy City Clerk; and Ann Kurasaki, City Clerk.

**GUESTS:** Brent and Sharon Hatch and others.

3. Invocation.

Councilman Allsop gave the invocation.

4. Pledge of Allegiance.

Councilman Latham led the Council and audience in the pledge of allegiance.

Mayor Fernau said hearts went out to those battling the Wallow Fire and those who were affected. The Show Low Police Department would be taking information to coordinate evacuation placement efforts for those who had room to house evacuees. This did not take the place of the evacuation center in Pinetop-Lakeside. He said the Red Cross needed items such as store-bought drinks and snacks, baby wipes, diapers, etc. The items could be dropped off at Blue Ridge High School.

5. **SPECIAL EVENTS:**

- A. Presentation of Character First Trait for Month of June.

Mr. Weeks said the Character First trait for June was humility. He showed the DVD to the audience and briefly discussed the importance of humility.

6. **CONSENT CALENDAR:**

- A. Consideration of Resolution No.2011-21 Authorizing the Commitment of Revenue and Use of Special Revenue Funds for Airport, Aquatics and Public Transportation Activities. (Doug Sandstrom)
- B. Consideration of Resolution No. R2011-22 Approving Amendment One to Intergovernmental Agreement with Arizona Department of Transportation for Traffic Signal at SR260 and Old Linden Road. (Bill Kopp)
- C. Consideration of Acceptance of Construction of Cemetery Expansion Roadway Improvements Project, Release of Retainage, and Approval of Change Order. (Bill Kopp)
- D. Consideration of Budget Transfer from Adams Street Reconstruction Project for Change Order to Construct Additional Improvements. (Bill Kopp)
- E. Consideration of Minutes of Show Low City Council meetings:
  - (1) Regular Meeting of May 17, 2011.

Mayor Fernau asked for further explanation of Item 6-D (budget transfer from Adams Street reconstruction project).

Mr. Kopp said the request was for a budget transfer from the Adams Street reconstruction project budget to do roadway repairs of 13th Place and two adjacent cul-de-sacs. The bid for the Adams Street project was significantly under the \$150,000 budget at \$107,100. Staff was requesting that \$30,000 of the \$150,000 be transferred so that the improvements to 13th Place and the cul-de-sacs could be done. Staff was currently negotiating with the contractor who had originally indicated he would honor the unit prices on the change order to include 13th Place and the cul-de-sacs. If negotiations failed, then City crews would complete the project. He said \$30,000 was enough to complete the project in either case.

Mayor Fernau asked if the aprons would be made sufficiently wide to keep the gravel off the roadway and if there was enough money budgeted to cover the cost. Mr. Kopp said yes, he had spoken to staff and the contractor about adding that into the project. Mr. Muder clarified that the change order for additional improvements was for 13th Drive, not 13th Place.

**VICE MAYOR SEYMORE MOVED TO APPROVE THE CONSENT CALENDAR AS PRESENTED; SECONDED BY COUNCILMAN WHIPPLE; PASSED UNANIMOUSLY.**

**7. NEW BUSINESS:**

- A. **PUBLIC HEARING** - Resolution No. R2011-20 Adopting the Final Budget for Fiscal Year Ending June 30, 2012. (Doug Sandstrom)

Mr. Sandstrom said Resolution No. R2011-20 would adopt the final fiscal year 2012 budget in the amount of \$57,028,400. Adopting the final budget was the culmination of a very public budget process that began in January. The budget would go into effect July 1, 2011 and run through June 30, 2012. After the budget was adopted, there would be one more adoption of the secondary tax rate associated with the street light district on July 19.

Mr. Sandstrom said the budget was exactly the same as the tentative budget approved at the May 17 Council meeting. Minor changes would include modifications for carryover projects that would not be completed this fiscal year. The budget of \$57 million was a slight increase over the current fiscal year budget of \$54 million mainly because of capital projects.

Mr. Sandstrom said the City's revenues came from reserves (not budgeted), the beginning fund balance, interfund transfers, other financing sources (unanticipated revenues), and operating revenues. Operating revenues totaled \$28.9 million or 49% of the budget.

Mr. Sandstrom said the property tax for the street light improvement district totaled \$143,000 for fiscal year 2012, which was a slight increase over this year's \$140,000 levy. The tax rate increased from \$0.0720 to \$0.0835 per \$100 of assessed value, which amounted to approximately \$10.65 on a \$150,000 home. This was approximately a \$1 increase over the current fiscal year.

Mr. Sandstrom said 38% of budget was spent on capital/contingencies. Other expenditures included personnel, general operational expenses, unanticipated expenses, debt service, and transfers.

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

- B. Consideration of Resolution No. R2011-20 Adopting the Final Budget for Fiscal Year Ending June 30, 2012. (Doug Sandstrom)

**COUNCILMAN LATHAM MOVED TO ADOPT RESOLUTION NO. R2011-20 ADOPTING THE FINAL FISCAL YEAR 2012 BUDGET IN THE**

**AMOUNT OF \$57,028,400; SECONDED BY COUNCILMAN ALLSOP;  
PASSED UNANIMOUSLY.**

- C. Consideration of Appeal Filed on Application for Conditional Use Permit Submitted by Loan Prairie L.L.C. to Operate Pawn Shop and Indoor Shooting Range. (Justen Tregaskes/Renea Isaacs)

Mr. Muder said the applicant for the conditional use permit had withdrawn his application, so there was no need for the Council to discuss this item.

**AT THIS TIME, THE CITY COUNCIL WILL RECESS INTO A SPECIAL MEETING OF THE SHOW LOW BLUFF COMMUNITY FACILITIES DISTRICT BOARD TO ADOPT THE FINAL BUDGET FOR FISCAL YEAR 2011-12 FOR THE DISTRICT.**

The Show Low City Council recessed into a Show Low Bluff Community Facilities District Board meeting at 7:23 p.m. The City Council reconvened at 7:28 p.m.

**8. 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.

**9. SUMMARY OF CURRENT EVENTS:**

**A. Council Members**

The Council members expressed concern for those being evacuated from their homes because of the Wallow Fire east of Show Low near Springerville and Eagar and hoped the communities remained safe.

Councilman Leech thanked Ken Wilcock for cooking supper for the "Highroads with Dan Davis" crew last night at Fools Hollow Lake.

Councilman Allsop said Show Low Main Street was excited about the installation of the streetscape lights. He reminded everyone of the farmers' market and art walk held every Saturday between 9th and 11th Streets on Cooley. He attended the open meeting law training and legislative update

by the League of Arizona Cities and Towns, Show Low Days, and the Deuces Wild triathlon.

Councilman Allsop, Latham, Whipple, and Kelley said they attended and enjoyed various Memorial Day activities.

Councilman Latham said June 14 was the 235th birthday of the United States Army.

Vice Mayor Seymore said the fly-in at the airport during Show Low Days was a great event, and he appreciated the Chamber of Commerce and Show Low's businesses.

B. Mayor

Mayor Fernau hoped residents would let friends in Phoenix and Tucson know that Show Low was still open for business. He thanked public safety personnel who were helping with the Wallow Fire and the evacuation. He thanked Pinetop-Lakeside for setting up the evacuation center, the Red Cross, Salvation Army, and many others who were assisting. He hoped to see all the people who were evacuated housed in a home instead of in a gymnasium.

Councilman Kelley said there were certain people who would not accept an invitation into someone's home, so he was glad there was a place where they could be housed and made comfortable. He said there was always a special need for help with pets if anyone had the ability to do so.

C. City Manager

Mr. Muder said on May 31 the City implemented emergency fire restrictions within the City of Show Low. He said there were difficult weeks ahead until the monsoon arrived later this month or in July.

Mr. Muder said the annual Project Clean Sweep began Saturday and continued this week with bulky items picked up on regular trash collection days and free dumping at Lone Pine transfer station through Saturday. Residents would be required to present a current utility statement or driver's license showing a physical address in Show Low.

Mr. Muder said a grand opening and ribbon cutting for Nikolaus Homestead Park was scheduled for Saturday. Light refreshments would be served.

Mr. Muder said the local garden club would be planting flowers in the Main Street planter boxes on Saturday and citizens were invited to help.

Mr. Muder said the new recycling program approved by the Council would start in July. A Waste Management representative would be at the June 21 City Council meeting to make a presentation.

Mr. Muder said the City was accepting applications from citizens interested in serving on the Show Low parks and recreation advisory committee. There were two four-year terms available. The committee considered and made recommendations to the Council on open space and parks and recreation policies and programs. Applicants must reside within Show Low's incorporated boundaries, and applications would be accepted through June 16.

10. **SCHEDULING OF MEETINGS:**

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

**VICE MAYOR SEYMORE MOVED TO RECESS INTO EXECUTIVE SESSION TO DISCUSS ANNEXATION ISSUES, PROPERTY ACQUISITION, POSSIBLE SALE OF PROPERTY, AND EXECUTIVE SESSION MINUTES OF FEBRUARY 15, MARCH 1, AND APRIL 19, 2011 ; SECONDED BY COUNCILMAN LEECH; PASSED UNANIMOUSLY.**

The Show Low City Council recessed into Executive Session at 8:34 p.m.

11. **EXECUTIVE SESSION.**

- A. Confidentiality Statement.
- B. Discussion or consultation for legal advice with the attorney or attorneys of the public body. Pursuant to A.R.S. Section 38-431.03(A)(3).
  - (1) Annexation Issues.
- C. 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) Property Acquisition.
  - (2) Possible Sale of Property.
- D. 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 February 15, March 1, and April 19, 2011.

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.

- A. Consideration of Approval of the Minutes of the Executive Sessions of the Show Low City Council Held on February 15, March 1, and April 19, 2011.

The Show Low City Council reconvened into Open Session at 7:28 p.m.

**COUNCILMAN ALLSOP MOVED TO APPROVE THE EXECUTIVE SESSION MINUTES OF FEBRUARY 15, MARCH 1, AND APRIL 19, 2011; SECONDED BY VICE MAYOR SEYMORE; PASSED UNANIMOUSLY.**

13. **ADJOURNMENT.**

There being no further business to be brought before the Council, **MAYOR FERNAU ADJOURNED THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL OF JUNE 7, 2011 AT 8:35 P.M.**

ATTEST:

APPROVED:

\_\_\_\_\_  
Ann Kurasaki, City Clerk

\_\_\_\_\_  
Rick Fernau, 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 7, 2011. 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