

MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, DECEMBER 5, 2006 AT 7:00 P.M. IN THE CITY COUNCIL CHAMBERS, 180 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 Rick Fernau; Vice Mayor Gordon Kearl; Council members Gene Kelley, Rennie Crittenden, and Daryl Seymore.

COUNCIL MEMBERS ABSENT: Council members Gerry Whipple and Virginia Evans.

STAFF PRESENT: Ed Muder, Interim City Manager; Joel Weeks, Interim Deputy City Manager; K. Kane Graves, City Attorney; Kenneth Patterson, Public Works Director; Mike Urie, Administrative Services Director; Tad Spader, Director of Finance; Gus Lundberg, Accountant; Jessica Hawn, Community Development Specialist; Justen Tregaskes, Senior Planner; Stefan Wehnau, Recreation Coordinator-Special Events; and Tamra Reidhead, Deputy City Clerk.

GUESTS: Bob Saner, Conrad Monroe, Dianne Kearl, Kim Fernau, Bob and Sharon Adams, Craig Trout, Michael Taylor, Bruce Butler, Gary Martinson, Gene Gregory, Joe Keaster, Jerry Howell, Les and Bette Vance, Norma Robertson, Heather Lindsey, J.W. Clark, Rhoda McGuire, Mary Ann Wiederkehr, Jerry LeCompte, and others.

3. Invocation.

Councilman Seymore gave the invocation.

4. Pledge of Allegiance.

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

5. **SPECIAL EVENTS:**

- A. Presentation of "Character First" Trait for the Month of December. (Joel Weeks)

Mr. Weeks said the character trait for the month December was sensitivity, the opposite of which was callousness. Since the sound for the DVD did not work, he discussed the five keys to building sensitivity: observing closely, listening carefully, trying to understand, empathizing, and doing

what you can. He said this month was a good opportunity to do things for other people and be sensitive to other's needs.

B. Presentation of Show Low DEAL Afterschool Program. (Stefan Wehnau)

Mr. Wehnau presented an update of this semester's Show Low DEAL (Discovery of the arts, Exploration of Recreation, After School Learning) program, open to Show Low's fourth through sixth graders. There were 48 participants this semester, Monday through Thursday from the end of school until 5:30 p.m. He said they started early on Thursdays because students were released early from school that day.

Mr. Wehnau said the program emphasized safety and youth development and was a place where children could grow through arts, physical activity, and educational enrichment. Activities included poetry, a pencil drawing class, the Tech Trek-Media club, and a photography program.

Mr. Wehnau said a big partner this year was Majik 101.7 FM radio which was helping to produce "A Christmas Carol," with the students reciting a live presentation on December 8 at 6:30 and then rebroadcast again at 8:00 p.m. The Extravaganza, a "showcase of success" highlighting this semester's activities, was December 14, 5:30 p.m., at the Show Low Intermediate School.

Mr. Wehnau said the spring session would run January 8 through April 19, with registration beginning December 11. He thanked the Council for supporting the DEAL program.

Vice Mayor Kearl asked how many years the City had been doing this program. Mr. Wehnau said this was the third year. He said there were plans to provide this program to other age groups. It was considered a drop-in program because of state licensing issues.

C. Presentation of Certificate of Achievement from Government Finance Officers Association. (Mayor Rick Fernau)

Mayor Fernau presented a plaque from the Government Finance Officers Association to Finance Director Tad Spader for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for fiscal year ending June 30, 2005. This award was for cities under 10,000 population and, of those, less than 1% qualified for this award.

D. Presentation of the Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2006. (Mike Urie)

Mr. Spader said the Comprehensive Annual Financial Report (CAFR) included four sections: Introduction, Financial, Statistical, and Single Audit (federal grants). The introduction explained who the City was and its financial outlook. The financial section explained the technical aspects of how the City performed this year. The statistical section illustrated how the City had progressed the last few years and the single audit section reviewed expenditures of federal awards received by the City.

Mr. Spader introduced Andy Spillman from Eide Bailley. Mr. Spillman said Eide Bailley was hired to audit the City's financial statements and then provide an opinion. He read a portion of the Communication to the Council dated June 30, 2006 that said there were no significant audit adjustments and they encountered no significant difficulties dealing with management in performing their audit.

Councilman Crittenden asked if he was confident that if there was something amiss in the City's finances it would have been discovered during the audit. Mr. Spillman said in planning the audit, they evaluated risks and looked to see where it would be likely that there could be problems. Their testing was geared toward risk areas.

Councilman Kelley asked for whom Eide Bailly worked. Mr. Spillman said they had been engaged by the Council to provide the audit.

Councilman Kelley asked if there was anything of which the Council should be aware. Mr. Spillman said the biggest thing would be if there were any adjustments, but there were none.

Mr. Urie presented trends in the City's overall picture including revenues; fund balances; sales taxes; state-shared taxes paid to Show Low; general government, public safety, public works, and culture and recreation expenditures; building permit income and total building starts; and residential and commercial building values.

Vice Mayor Kearn observed a trend in the number of permits issued vs. value. The increased number of permits issued was fairly steady which indicated that the homes were of larger value. He said this could affect affordable housing views. Mr. Muder said the number of building permits issued from January through October 2006 (766) included more than single-family residential permits.

Vice Mayor Kearn asked how the City's debt compared with the state's mandated debt limits. Mr. Urie said the City didn't come close to the limits as it had no General Obligation debt.

Councilman Crittenden asked about the City's investments. Mr. Urie said they were cash investments in the local government investment pool on which the City earned interest.

Mr. Urie pointed out that the City still had to transfer \$272,000 to the wastewater account. The wastewater system was still not providing for itself and continued to be a drain on the rest of the system.

Councilman Kelley asked if it still required a transfer from the General Fund even with the two recent rate increases. Mr. Urie said yes, although the funds might come from the Water Fund as opposed to the General Fund. Councilman Kelley asked if the transfer would be larger or smaller than in the past. Mr. Spader said the two rate increases were not in the same budget year. The rate change in June did not provide an overall revenue increase in the Wastewater Fund. Consequently, the transfer would be approximately the same.

6. **CONSENT CALENDAR:**

- A. Consideration of Resolution No. R2006-54 Adopting a Contract Review and Standard Form Contracts Policy for the City of Show Low. (K. Kane Graves)
- B. Consideration of Acceptance of Tatanka Resort Casitas at Bison Ridge. (Ed Muder)
- C. Consideration of Acceptance of Tatanka Center at Bison Ridge. (Ed Muder)
- D. Consideration of Acceptance of Fairview Estates, Unit II. (Ed Muder)
- E. Consideration of Approval of Final Plat for the Retreat at Bison Crossing. (Ed Muder)
- F. Consideration of Approval of Final Plat for Retreat Villas at Bison Crossing. (Ed Muder)
- G. Consideration of Approval of Final Plat for Estate Villas at Bison Crossing. (Ed Muder)
- H. Consideration of Acceptance of West Merrill Street. (Kenneth Patterson)
- I. Consideration of Minutes of Show Low City Council meetings:
 - (1) Special Meeting of November 8, 2006 Held at 6:00 p.m.
 - (2) Special Meeting of November 8, 2006 Held at 7:00 p.m.
 - (3) Special Meeting of November 21, 2006.

(4) Special Meeting of November 28, 2006.

Councilman Seymore declared a conflict of interest on Item 6-D, accepting Fairview Estates, Unit II, because he was the developer of the property.

Councilman Seymore referred to Item 6-H, accepting West Merrill Street, and asked if the City had any liability if someone drove off the end of that street. Mr. Patterson said the end of the street actually had two driveways there but one area did have about a 28% slope and the City might consider putting up a Type 3 barricade.

Councilman Crittenden referred to Item 6-B, accepting Tatanka Resort Casitas at Bison Ridge, and asked what the City and developer had done to accommodate the residents next to Tatanka. Mr. Muder said Tatanka was actually located in the original Bison Ridge development. There was a requirement for a dedicated trail system to connect to the Forest Service trails. He said another agenda item later tonight would address accommodating adjacent property owners.

Councilman Crittenden referred to Item 6-E, the final plat for the Retreat at Bison Crossing, and recalled that the Bison group was to pay for a portion of paving Old Linden Road along its property. Mr. Muder said when Bison Crossing was approved, the condition was that Bison would perform a traffic study and be responsible for any improvements required from that study.

VICE MAYOR KEARL MOVED TO APPROVE THE CONSENT CALENDAR AS PRESENTED EXCEPT FOR ITEMS 6-A (RESOLUTION NO. R2006-54 ADOPTING A CONTRACT REVIEW AND STANDARD FORM POLICY) AND 6-D (ACCEPTANCE OF FAIRVIEW ESTATES, UNIT II); SECONDED BY COUNCILMAN SEYMORE; PASSED UNANIMOUSLY.

Mr. Graves referred to Item 6-A, Resolution No. R2006-54 adopting a contract review and standard form contracts policy. He said he had made a small change to Exhibit A. This resolution adopted a formal policy approving standard form contracts that were repetitive in nature. The policy stated that when pre-approved contracts were used, only the relevant details would be included in the Council packets. Where nonstandard contracts were used, the entire contract would be included in the packets. He proposed adding the wording, "Insubstantial or conforming modifications may be made to these standard contracts as may be approved by the City Attorney from time to time and reported to Council." He would report when changes were made to the standard contract.

COUNCILMAN SEYMORE MOVED TO ADOPT RESOLUTION NO. R2006-54 ADOPTING A STANDARD FORM CONTRACTS POLICY FOR THE CITY OF SHOW LOW, ADDING THE FOLLOWING SENTENCE TO THE LAST PARAGRAPH OF "EXHIBIT A," SECTION II: "INSUBSTANTIAL OR

CONFORMING MODIFICATIONS MAY BE MADE TO THESE STANDARD CONTRACTS AS MAY BE APPROVED BY THE CITY ATTORNEY FROM TIME TO TIME AND REPORTED TO COUNCIL”; SECONDED BY VICE MAYOR KEARL.

Councilman Kelley asked how this change affected what the Council would receive in the packets. Mr. Graves said this was a move for efficiency. Insubstantial or minor changes to any contract would be reported to the Council as they occurred.

MOTION PASSED UNANIMOUSLY.

COUNCILMAN KELLEY MOVED TO ACCEPT FAIRVIEW ESTATES, UNIT II, AND THE STREETS, WATER, AND WASTEWATER INFRASTRUCTURE FOR OPERATION AND MAINTENANCE, AND TO INITIATE THE TWO-YEAR WARRANTY PERIOD; SECONDED BY COUNCILMAN CRITTENDEN; PASSED 4 TO 0 WITH COUNCILMAN SEYMORE ABSTAINING.

7. **NEW BUSINESS:**

- A. **PUBLIC HEARING** – Ordinance No. 2006-25 Amending the Zoning Ordinance of the City, Amending the Zoning Map, Changing the Zoning on A.P. Nos. 209-33-065, 209-49-164A, and the Adjacent 30-Foot Service Alley as Indicated on the Final Plat for Fairway Park, Unit 5, from MH (Manufactured Homes) to P.U.D. (Planned Unit Development/Residential) and Adding Those Parcels to the Bison Ridge Master Plan. (Ed Muder)

Mr. Tregaskes said on November 14, 2006 the Planning and Zoning Commission voted 6 to 0 (Commissioner Sipes was absent) to recommend approval of the zone change request submitted by Gary Martinson of Bison Ridge, L.L.C. seeking to amend the zoning on property located on SR260 in northwest Show Low. The developer proposed adding an additional 7.4 acres to the 148-acre development for a total 155.5 acres. The 60 units proposed for this portion of the development would result in a density of approximately 2.1 units per acre.

Councilman Seymore asked if an additional trail would attach to the trail system. Mr. Tregaskes said Bison had dedicated a public trail going through the Bagnol Wash area. As part of the land exchange and one of the conditions recommended by the Commission, Bison would provide connectivity from the Forest to this property. Exact details of the access had not been finalized.

Mayor Fernau said the Forest Service was not obligated to have a trail there in the future and Mr. Martinson was not obligated to ensure that the

Forest Service provided its trail into the Bison property. Mr. Tregaskes said that was correct but Mr. Martinson had created a trail on his property.

Councilman Crittenden asked about an additional setback on property adjacent to Fairway Park. Mr. Tregaskes said Mr. Martinson agreed to a 50-foot no-build buffer, excluding roads, for properties adjacent to Fairway Park. Fairway Park did not have a no-build buffer other than the minimum required rear-yard setback.

Mayor Fernau opened the matter for a public hearing.

JoAnn Mills, 820 North 47th Drive, addressed the no-build area. She said Ordinance No. 2006-22 referred to the public trail easement and the no-build restriction on the southern portion. It was indicated on the map at the November 14 Commission meeting. She asked if the same map was attached to this ordinance and whether Ordinance No. 2006-22 stating the no-build portion was attached. Mr. Muder said the map was included in Ordinance No. 2006-25 as Exhibit B, the six conditions recommended by the Commission were included as Exhibit C, and the conceptual plan showing the no-build buffer was shown on Exhibit D.

Ms. Mills thought the no-build restriction was a bit vague and asked if the Fairway Park lot numbers could be part of the ordinance. Mr. Muder said the sixth condition stated, "There will be a no-build restriction as shown on the conceptual plan." He said the condition was added at the Commission meeting at the property owners' request. The no-build area was shown as a crosshatched area on the conceptual plan. It was clear on the map that the no-build area went along the southern line of Bison Ridge. Ms. Mills requested a clearer description. Mayor Fernau said it was not vague in land description terms. Vice Mayor Kearl asked if Ms. Mills wanted the area identified by Fairway Park lot numbers. Ms. Mills said yes.

Mr. Graves said it was not necessary to include the lot numbers. The conceptual plan showing the no-build area was Exhibit D to the ordinance and would be a permanent record. Mr. Muder agreed. It would be shown as a no-build area when the preliminary plat was submitted and the final plat would be recorded with Navajo County. Councilman Seymore asked if the no-build area included lots 7 through 12. Ms. Mills said yes.

There being no further input, Mayor Fernau closed the public hearing.

Councilman Kelley asked if the developer had received any relief that the no-build zone was still there. Mr. Muder said no.

(1) Consideration of Above Item.

COUNCILMAN SEYMORE MOVED TO READ ORDINANCE NO. 2006-25 BY TITLE ONLY SINCE ALL COUNCIL MEMBERS HAD A COPY; SECONDED BY VICE MAYOR KEARL; PASSED UNANIMOUSLY.

Ms. Reidhead read Ordinance No. 2006-25 by title only.

“AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SHOW LOW, ARIZONA, AMENDING THE ZONING ORDINANCE OF THE CITY, ARTICLE 15-1, AMENDING THE ZONING MAP, CHANGING THE ZONING ON PROPERTY LOCATED IN SECTIONS 14 AND 15, TOWNSHIP 10 NORTH, RANGE 21 EAST OF THE GILA AND SALT RIVER MERIDIAN, NAVAJO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS A.P. NOS. 209-33-065, 209-49-164A, AND THE ADJACENT 30-FOOT SERVICE ALLEY AS INDICATED ON THE FINAL PLAT FOR FAIRWAY PARK, UNIT 5, FROM MH (MANUFACTURED HOMES) TO P.U.D. (PLANNED UNIT DEVELOPMENT/RESIDENTIAL) AND ADDING THOSE PARCELS TO THE BISON RIDGE MASTER PLAN”

COUNCILMAN SEYMORE MOVED TO ADOPT ORDINANCE NO. 2006-25 NOTING THAT THE NO-BUILD ZONE CORRESPONDED TO FAIRWAY PARK LOTS 7 THROUGH 12 (TO BE CONFIRMED); SECONDED BY COUNCILMAN CRITTENDEN.

Vice Mayor Kearl staff to provide a percentage decrease in the acreage presently zoned for manufactured housing within the City and affected by this development. Mr. Muder agreed.

Councilman Kelley asked that the motion be amended to add that this action would provide no further relief to the developer from the no-build zone.

COUNCILMAN SEYMORE AMENDED HIS MOTION AND MOVED TO ADOPT ORDINANCE NO. 2006-25 NOTING THAT THE NO-BUILD ZONE CORRESPONDED TO FAIRWAY PARK LOTS 7 THROUGH 12 (TO BE CONFIRMED), AND THAT THIS ACTION WOULD PROVIDE NO FURTHER RELIEF TO THE DEVELOPER FROM THE NO-BUILD ZONE IF IT EXTENDED BEYOND LOTS 7 THROUGH 12; COUNCILMAN CRITTENDEN SECONDED THE AMENDED MOTION; PASSED UNANIMOUSLY.

- B. Consideration of Application Submitted by Heather D. Lindsey for an Extension of Premises/Patio Permit for Branding Iron Steakhouse and Cocktail Lounge at 1261 East Deuce of Clubs. (Ann Kurasaki)

Ms. Reidhead said Heather D. Lindsey had submitted an application on behalf of Branding Iron Steakhouse and Cocktail Lounge for a permanent Extension of Premises/Patio Permit for its location at 1261 East Deuce of Clubs. The Branding Iron currently held a #6, *Bar*, liquor license.

Ms. Reidhead said the owners of the restaurant recently purchased the existing China Café, located next door. They planned to create an opening between the two restaurants and use the café space for private parties and other functions. They wanted to extend their premises to include this new space. As required by state statutes, they must apply for an Extension of Premises/Patio Permit from the Department of Liquor Licenses and Control, with approval from the Council. Their application included a diagram showing the proposed physical alteration of the licensed premises.

COUNCILMAN CRITTENDEN MOVED TO RECOMMEND APPROVAL TO THE STATE LIQUOR BOARD OF THE APPLICATION SUBMITTED BY HEATHER D. LINDSEY, ON BEHALF OF BRANDING IRON STEAKHOUSE AND COCKTAIL LOUNGE, FOR A PERMANENT EXTENSION OF ITS PREMISES; SECONDED BY MAYOR FERNAU.

Vice Mayor Kearl referred to Section 14 of the application which had not been completed. He wondered if it was left blank because the applicant would have to declare that 40% of its annual gross revenue must be from food sales. Mr. Graves said the applicant would have to comply with the 40% annual gross revenue for food sales. Ms. Lindsey said this action would not affect the proportion of food sales.

MOTION PASSED UNANIMOUSLY.

Councilman Seymore said the Council's job was to ensure that establishments serving liquor were not too close to schools or churches. The state issued the liquor license. The City only declared if the applicant was in compliance.

- C. Consideration of Award of Contract for Downtown Streetscape. (Kenneth Patterson)

Mr. Patterson said the streetscape contract would include the area along the Deuce of Clubs from Show Low Creek bridge to Old Linden Road. He said Conrad Monroe would provide some history and background of the project.

Mr. Monroe said the next step to revitalize the Deuce of Clubs was an architectural design and streetscape plan. He said citizens had communicated through surveys that they agreed that the Deuce needed to be improved. Main Street also held meetings regarding the downtown redevelopment area to brief businesses on the streetscape plan. He felt they did a good job communicating their plans for the downtown area to the citizens.

Mr. Monroe said the plan included increasing sidewalk widths to provide wider setbacks from the street and more space for businesses to provide amenities such as outdoor dining. The wider sidewalks would be pedestrian-friendly with trees, benches, and pedestrian-level lighting. He said there were fairly strict guidelines about what could be done along the highway because it was owned by the Arizona Department of Transportation (ADOT). There had to be a minimum five feet from the curb to any major obstructions (trees, light poles, benches, etc.). He said unless the curbs, gutters, and sidewalks were moved further into the street and the existing on-street parking was relocated, none of the downtown plans could be accomplished.

Mr. Monroe said there could be unfavorable impacts on downtown businesses with ADOT paving the Deuce next year and when streetscape work was under way. He said off-street parking would increase pedestrian safety and provide enhanced visibility to the storefronts. He said the business would have to spend some money to modernize and make their rear entrances attractive. Work on the curbing and sidewalks would be done after ADOT completed repaving the Deuce. He said 36 parking spaces would have to be relocated.

Mr. Monroe said Main Street had reviewed proposals from the two contractors bidding on the downtown streetscape project and felt both were acceptable.

Mr. Patterson said the total project was anticipated to be \$1 to \$1.8 million; the engineering and architectural study would amount to 10% to 15% of that cost. Approximately \$750,000 had been set aside for capital improvements of the Deuce. If the Council approved this contract, the City would need to find extra funds to complete the project next year. If the City constructed the curbs and sidewalks, a number of business owners and residents would contribute trees, lights, benches, etc. He felt the City would have community support and donations for this project.

Councilman Crittenden said if he were a downtown business owner and was told he couldn't have parking in front of his business and would have to spend money remodeling, he wondered why he would favor this project.

Mr. Monroe said because it was the first step in revitalizing an area that had been declared a redevelopment area. The east side of the Uptown building was recently covered with graffiti, as well as the west side of the building adjacent to it. There were signs of decay downtown. This project would help improve business, and property values would increase with more people frequenting the area.

Councilman Crittenden said he could see this project taking enough business away from "mom and pop" operations to force them to close their doors. Mr. Monroe said it could happen but in discussions with business owners, most had been fairly favorable to this plan. He said with Show Low Bluff planning 100 acres of commercial property, some of the downtown businesses envisioned losing a lot of their business and some were even talking about relocating.

Councilman Seymore advised that some business owners might have insurance policies and would be covered for loss of income as a business interruption.

Mayor Fernau said businesses had been told for many years that the parking would disappear. He saw this as a positive step that would increase pedestrian activity and lessen crime.

Councilman Kelley referred to the parking issue and asked if the parking would be taken away by ADOT or prompted by the City's action. Mr. Monroe said it would be prompted by the City's action. If the City wanted to improve downtown, it would have to remove the no-parking zones.

Councilman Seymore asked about the scope of work. Vice Mayor Kearl said the scope of work involved design, not the work itself. The Council's decision tonight was whether to spend money to design what would be done downtown with input from the community. Then there would be sufficient information to hire a contractor to put in curbs and sidewalks and do the actual physical construction. Mr. Patterson said that was correct.

Mr. Patterson said Main Street and staff met with both architects that submitted quotes and there were some things left out of the Coe and Van Loo quote. For example, Coe and Van Loo didn't propose doing any design work on Cooley where it came in on a 70% angle to the Deuce. Both companies were capable but staff was recommending McGann. After an architect was hired, its representatives would meet with citizens to come up with a conceptual plan from Old Linden Road to the Show Low Creek bridge. Once that was agreed upon, the architect would go back and do engineering drawings, etc. When that was finished, the City would get a complete set of plans to go out to bid. The project would be done in phases. He hoped to have some volunteer work with donated trees, light

fixtures, etc. The project could take two to three years. The first phase would be curb removal and replacement and sidewalk placement.

Mr. Patterson said this was not only a beautification project, but also a safety issue. There wasn't much room for people to get out of their cars when they parallel-parked along the Deuce.

Councilman Seymore asked if the curb could be done before ADOT did the asphalt overlay. Mr. Patterson said no, the overlay project would be bid in March and construction would begin in June. He hoped ADOT would do the overlay at night to help downtown businesses as much as possible.

Mayor Fernau invited anyone in the audience to speak.

Gary Martinson of Bison Ridge said he had visited with Main Street periodically about projects and, in his mind, this project was necessary. As a business and land owner in Show Low, he supported this step. He suggested starting a fund through Main Street to help business owners pay for remodeling.

Gene Gregory, 281 Silverleaf Lane, felt this project was important to support economic development in the community. He said this area offered recreational and tourism opportunities, but economic development was important to this area's quality of life. One important issue was retaining talented youth and the City's involvement in keeping them from leaving the area. He said the Deuce of Clubs was not very impressive to tourists who first came here. Improving the Deuce's aesthetic value would have a major positive impact on recreation and tourism and develop opportunities for the youth to remain.

Councilman Kelley was concerned about the project's cost. Mr. Muder said there was \$722,000 in the budget for downtown development. The Council had authorized setting aside money the last six years in anticipation of doing a project similar to this scope. Councilman Kelley said it was inevitable that this project could be accomplished only by eliminating parking. He was pleased to hear Mr. Martinson say businesses could participate and help with storefronts, etc. However, he didn't understand paying an architect \$154,000 to design a project that the City didn't know how much it would cost to build. The City already knew the sidewalk's design and elevations ADOT required. He preferred seeing that amount of money go into something constructive instead of hiring someone to tell the City what would be attractive as well as meet safety standards.

Councilman Seymore could see it would cost a lot of money but all Council members said they wanted to revitalize downtown when they were elected. Given the community support to revitalize downtown, he suggested the City start budgeting \$1 million in the 2007-08 budget or ask the community for a bond for more to fund this vital project.

MAYOR FERNAU MOVED TO AWARD THE CONTRACT FOR THE DOWNTOWN STREETScape PROJECT TO MCGANN & ASSOCIATES IN AMOUNT NOT TO EXCEED \$154,000; SECONDED BY COUNCILMAN SEYMORE.

Vice Mayor Kearl said he had been working with this project for two years and had conducted a forum on this issue. He expressed his views on the downtown revitalization effort and said he was in support of it.

Councilman Seymore called for the question.

MOTION PASSED 4 TO 1 WITH MAYOR FERNAU, VICE MAYOR KEARL, COUNCILMAN CRITTENDEN, AND COUNCILMAN SEYMORE VOTING IN FAVOR; COUNCILMAN KELLEY OPPOSED.

Councilman Crittenden said most businesses had been here a long time and the City shouldn't consider doing anything that would interfere with their business. Mayor Fernau said the City would do what it could to minimize any negative impact.

- D. Consideration of Transfer of Funds from Council Contingency for Repainting Police Department Vehicles. (James Griffith)

Chief Griffith said the police department was requesting funds to continue repainting police vehicles. He explained that former City Manager Michael Maag had approved funding to paint the existing police vehicles in a black-and-white scheme. When the purchase of the new vehicles was funded from GADA (Greater Arizona Development Authority) bonds, the \$94,000 that had been set aside for the vehicles was put back into the General Fund. Consequently, this money was no longer available for this project. The police budget had over \$100,000 in vacancy savings but personnel money was not generally used to fund this type of project.

Chief Griffith said many Arizona police agencies were switching to "black and whites." Recent studies showed black and whites were seen by the public as more visible and highly recognizable in comparison to all-white cars. The black and whites were instantly perceived as police cars and projected a presence in the community that was otherwise overlooked.

Chief Griffith said three years ago the fleet was too old to invest this much money, but the current fleet would be used anywhere from four to seven years. The cost to paint the existing vehicles locally was about \$800 per vehicle (the new cars would be ordered as black and whites). He said the black and whites would need fewer lights because they were so distinguishable, saving \$800 to \$1,000 per vehicle. The \$94,000 that was set aside in the budget for the cars was still available but the Council asked that it be put back into the General Fund to make next fiscal year's lease payment, so he was asking for money from Council Contingency.

Vice Mayor Kearl liked the idea of black and whites. He asked if the police cars being bought with GADA bonds would be black and white. Chief Griffith said yes but the money was no longer available to paint the other vehicles. He said only the front-line vehicles would be painted and would not include the Senior Patrol vehicles.

Councilman Kelley also liked the black and white concept. He asked if one local vendor would do all the painting. Chief Griffith said yes, Sergeant McNeil had done a lot of research to find a good price.

Councilman Kelley felt tonight was not the time to ask for money from Council Contingency. Councilman Seymore agreed and said if it were three months from now, he could agree with taking it from Council Contingency but didn't feel this was the best time to do so.

Vice Mayor Kearl asked what the Contingency balance was. Mr. Muder said it was originally around \$150,000 and there was \$87,000 remaining.

Mayor Fernau liked the idea of fewer lights and said the \$800 savings would offset at least a portion for upfitting the new cars. Chief Griffith said he felt this would pay the City back in the long term with crime deterrence, improved morale, etc.

Mayor Fernau agreed with Councilman Seymore's idea of waiting six months and then budgeting for the repainting. Mr. Muder said the money could be taken out of the \$94,000 and then put back next year during the budget process.

Vice Mayor Kearl asked when the new vehicles would arrive. Chief Griffith said next January or February.

Councilman Kelley agreed with moving the \$17,500 from the savings created by not having a full staff rather than taking it from Contingency.

COUNCILMAN KELLEY MOVED TO APPROVE THE PAYMENT OF \$17,500 FOR PAINTING POLICE CARS WITH UNSPENT FUNDS

FROM THE POLICE DEPARTMENT BUDGET; SECONDED BY MAYOR FERNAU; PASSED UNANIMOUSLY.

- E. Consideration of Approval of Preliminary Plat for Golf Villas II at Torreon, Golf Casitas at Torreon, and Parcel A at Torreon. (Ed Muder)

Mr. Tregaskes said Gary Martinson of Bison Homes submitted a preliminary plat on behalf of Summit Development and Torreon Golf Club for three site developments called Golf Villas II at Torreon, Golf Casitas at Torreon, and Parcel A at Torreon. The Planning and Zoning Commission recommended approval of the preliminary plat at its November 14 meeting by a vote of 6 to 0 (Commissioner Sipes was absent) subject to specified conditions. He read the conditions aloud.

1. All development shall comply with all applicable federal, state, and local requirements.
2. The developer shall coordinate with the City of Show Low Public Works Department in determining the feasibility of installing gravity sewer to the proposed project.
3. Fire hydrants shall be shown on the required improvement plans.

Mr. Tregaskes said the plat showed three separate developments: a twin-home area, condominium area, and commercial area. The gross area of the entire project was 37.97 acres with 27.61 of those designated as open space; however, roadways and private parking garages were part of those 27.61 acres. Golf Villas II included 22.78 acres and consisted of 45 buildings, each containing two twin homes, for a total 90 lots. Golf Casitas included 10.21 acres and consisted of 12 buildings, each containing six condominiums, for a total 72 units. Parcel A consisted of five acres of commercial development.

Councilman Crittenden asked the site's location. Mr. Tregaskes said the area abutted Venture In on two sides and along Summit Trail on the west.

Councilman Seymore asked if this area had been purchased from Torreon or if Torreon had a vested interest in this development. Mr. Martinson of Bison Homes said they were developing the Golf Villas II and Casitas in the same manner as the original Golf Villas. The property was owned by Summit Development until it was developed.

Vice Mayor Kearl asked where Summit Development fit into the equation. Mr. Muder said Summit Development was the applicant on the original master plan.

Mr. Martinson said they looked at this property for a long time because of its location and to determine how to develop it appropriately. Continuing the twin-home theme seemed to be suitable. It was a low-density development, even lower than the first phase. They would add garages to all the units not included in Phase I. Also, they might eliminate two of the twin-home units. They were also in discussions with Desert Troon to put in a second amenity with a pool to accommodate this section of Torreon. They would do it at their cost and then contribute it to Torreon.

COUNCILMAN SEYMORE MOVED TO APPROVE THE PRELIMINARY PLAT FOR GOLF VILLAS II AT TORREON, GOLF CASITAS AT TORREON, AND PARCEL A AT TORREON; SECONDED BY VICE MAYOR KEARL.

Councilman Kelley wanted to include a definition of the term “open space” so it did not include roads and garages. Mr. Muder said there was a definition of usable open space for multi-family developments. This particular development had 27.61 acres that were specified to be used as open space, parking, garages, and roadways.

MOTION PASSED UNANIMOUSLY.

- F. Consideration of Ordinance No. 2006-26 Amending Sections 12-2-3 and 12-2-5 of the Show Low City Code. (Ed Muder/K. Kane Graves)

Mr. Graves said he included in his Council communication a briefing on Proposition 207 (passed by Arizona’s voters in the November General Election) and a recommendation from the League of Arizona Cities and Towns. Ordinance No. 2006-26 would implement one of the League’s recommendations, amending the Subdivision Code by requiring from the owner a waiver of Proposition 207 claims as part of the application process. The proposed waiver would waive claims for diminution of value arising out of the owner’s request for subdivision approval. The ordinance provided for such waivers at both the preliminary and final plat stages. He said waivers would be requested only from the owner of the development so the City could review his request for approval. No waivers would be required from adjacent land owners or citizens.

Vice Mayor Kearl asked if other towns or cities in the state had taken similar action. Mr. Graves didn’t know. Tonight was a unique opportunity because any ordinances enacted prior to Proposition 207 would be completely unaffected by it.

Vice Mayor Kearl asked Mr. Graves’ opinion about this recommendation. Mr. Graves said he had been working with the committee that developed the recommendations. It would probably be an adventure in court for

several years, but this seemed to be the best first remedial step the City could take. Vice Mayor Kearn said this ordinance was a recommendation from a non-government source and wondered how strong the League's position was. Mr. Graves said not as strong as he would have liked. Some cities and town were proceeding to other more nontraditional land use approaches. However, after discussing this option with Mr. Muder, the City didn't have time to take this step.

VICE MAYOR KEARL MOVED TO READ ORDINANCE NO. 2006-26 BY TITLE ONLY SINCE ALL COUNCIL MEMBERS HAD A COPY; SECONDED BY COUNCILMAN SEYMORE; PASSED UNANIMOUSLY.

Ms. Reidhead read Ordinance No. 2006-26 by title only.

"AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SHOW LOW, ARIZONA, AMENDING SECTIONS 12-2-3 AND 12-2-5 OF THE SHOW LOW CITY CODE"

MAYOR FERNAU MOVED TO ADOPT ORDINANCE NO. 2006-26; SECONDED BY COUNCILMAN SEYMORE; PASSED UNANIMOUSLY.

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.

Mr. Martinson of Bison Homes said that affordable housing was a serious issue and one that his company discussed often. He had seen incredible changes in land values, improvement values, etc. in the last few years. He felt that trend could be reversed. Affordable housing was not necessarily low-cost housing. It was for a work force that needed housing and for recreational second homes, retired people, and empty nesters. He didn't anticipate the cost of housing to increase in the next few years and felt the trend could be reversed to create a product that was very livable and affordable.

9. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Councilman Seymore thanked the businesses who participated in the fantastic Electric Light Parade. He encouraged every citizen to do something for someone less fortunate this season.

Councilman Crittenden said it was important that something be done to spruce up the downtown area. He wanted to re-emphasize that many people had been in business a long time, and if the City did anything to put them out of business, then shame on the City.

Vice Mayor Kearl echoed Councilman Seymore's thoughts on the parade. He was impressed by the floats and recognized those sponsoring organizations including the Chamber of Commerce and Main Street, who sponsored the tree lighting at Festival Marketplace. He appreciated the talents of the outstanding group of high school students that sang at the tree lighting ceremony.

B. Mayor

Mayor Fernau also referred to the parade and thanked the Public Works department for the fantastic painted snow plows entered in the parade. He appreciated the employees getting involved and the businesses and homeowners who put up Christmas lights. He read a press release from Steve Johnson of White Mountain Radio regarding Barbara Bruce accepting a position there beginning January 2007. Mayor Fernau said Ms. Bruce would be missed at the Chamber but she agreed to serve on the Chamber board.

C. City Manager

Mr. Muder reminded citizens of the upcoming holiday events in Show Low, including the Feast of Carols, Santa at the Victorian, the Show Low DEAL students performing "The Christmas Carol" on Majik 101.7 FM, the White Mountain Chorale performing "The Messiah," the high school music department's annual Christmas concert, and a Christmas concert with Jon Schmidt and Cherie Call. He invited the public to enjoy the Christmas lights around the City.

Mr. Muder reported that Barbara Bruce resigned as the Show Low Chamber of Commerce Director. The Chamber had already begun seeking a replacement. He thanked Ms. Bruce for the tireless support she gave the City and the Chamber. He also thanked the Chamber and Main Street for the tree lighting and parade.

Mr. Muder said the bus stop on McNeil had been repaired, a bus stop bench across from High in the Pines had been installed, and the slab for

the stop at Timberline Mobile Home Park had been poured and would be completed next week.

Mr. Muder said the move from the old City Hall was progressing. Tonight was the first live broadcast from this facility. The last day to make utility payments at 200 West Cooley was December 29. The City would begin taking payments at the library on January 2.

Councilman Seymore thanked staff, the police department, and the fire department for helping prepare this facility to host the meeting tonight.

10. **SCHEDULING OF MEETINGS:**

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

A Study Session was scheduled for December 19 at 6:00 p.m. to discuss the City Manager selection process and to study the matrix that Human Resources put together.

11. **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 DECEMBER 5, 2006 AT 10:35 P.M.**

ATTEST:

APPROVED:

Ann Kurasaki, City Clerk

Rick Fernau, Mayor

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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 5, 2006. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2006.

(SEAL)

Ann Kurasaki, City Clerk