



TOWN COUNCIL REGULAR MEETING

Wednesday, February 17, 2021 at 6:00 pm

Attendees: STAFF PRESENT: Heidi Wink- Interim Town Manager/
Finance Director, Kelsi Miller - Town Clerk, Dayson Merrill- Chief
of Police, James Kempt- Police Sergeant, Robert Pena Jr. - Fire
Chief

**Springerville Town Council Chambers - 418 E. Main St.
Springerville, AZ 85938**

Pursuant to A.R.S. Section 38-431.02, notice is hereby given to the members of the Springerville Town Council and to the general public that the Council will hold a meeting open to the public at the Springerville Town Hall, 418 East Main Street, Springerville, Arizona. The Town Council reserves the right to adjourn into Executive Session in accordance with Arizona Revised Statutes Section 38-431.03 (A)(1)(3)(4) and (7) for legal consultation on any of the following agenda items.

TOWN COUNCIL MEETING: 6:00 P.M.

1. CALL MEETING TO ORDER AND PLEDGE OF ALLEGIANCE:

2. ROLL CALL:

Members of the Town Council or Legal Counsel that are unable to be present in person at a scheduled Council meeting, may participate in the meeting by telephone or video conference.

3. PUBLIC PARTICIPATION:

Non-agenda items presented during the public participation portion of this agenda cannot be acted on at this time by the Council. Individual council members may ask questions of the public or ask staff to review the matter, or defend themselves, but are prohibited by State of Arizona Open Meeting Laws from discussing the item among themselves until the item is noticed according to open meeting requirements as an agenda item. The Chair MAY allow public comment on agenda items and will limit time of discussion to 3 minutes per person no longer than 10 minutes per topic.

4. COUNCIL, MANAGER AND STAFF REPORTS:

Summary reports will be given on the items listed and no action will be taken on any

matters mentioned in the summary unless listed in the agenda. (A.R.S. 38.431.02(k))

- a. Mayor & Council Reports: Summary Updates on committee meetings.**
- b. Staff Reports: Summary Updates**
- c. Interim Town Manager Heidi Wink: Summary Updates & presentation(s)**

5. CONSENT ITEMS:

- a. Consider approval of the January 20, 2021 Regular Town Council minutes.**
- b. Consider approval of the January 26, 2021 Special Council Meeting minutes.**
- c. Consider ratification and approval of accounts payable register from 1/13/2021 through 02/09/2021.**

OLD BUSINESS

6. COVID-19:

Possible discussion and updates.

NEW BUSINESS

7. PROJECT AWARD FOR CDBG PARK IMPROVEMENTS:

Discussion and possible action regarding awarding the bid and approving payment to McCauley Construction to complete the Community Development Block Grant ADA project at the Town Hall Park.

8. RESOLUTION 2021-R005: LEASE PURCHASE AGREEMENT:

Discussion and possible action on Resolution 2021-R005, regarding the lease-purchase agreement for SCBA equipment.

9. ADJOURNMENT:

Submitted by: _____

Posted by: _____

Members of the public who only want to provide written comments can express their comments by emailing the Town Clerk at **kmiller@springervilleaz.gov** to be read during the call to the public. All comments must be submitted by 5:00 p.m. on the day of the meeting.

Americans with Disabilities Act (A.D.A.): The Town of Springerville intends to comply with A.D.A. If you are physically challenged or disabled and need special accommodations to participate in this town meeting, please contact the Town Clerk at (928) 333-2656 ext. 224 forty-eight (48) hours prior to the meeting to arrange necessary accommodations.

Contact: Kelsi Miller, Town Clerk (kmiller@springervilleaz.gov (928) 333-2656 x 224) | Agenda
published on 02/11/2021 at 5:16 PM



Town Council Agenda Staff Report

February 1, 2021

AIRPORT MANAGER'S REPORT

1. Recent Fuel Sales

a. January 2021: \$10,558.23 (3,427.00 gallons ↓ 41% from January 2020)

2. Recent Traffic Operations

a. January 2021

267 Total (↓ 7% from January 2020 (288 total))

10 Local, 115 Itinerant, 142 Air Taxi, 0 Military

267 GA, 0 Military

120 Medevac

73% Business Related

43% Based / 57% Transient

44 Fuel Purchases

3. ACIP Projects:

Runway 3/21 Reconstruction: The design is in progress as well as the CatEx for the construction. This project covers the portion of Runway 3/21 at the intersection of Runway 11/29 as well as the removal of the current Taxiway A3, which is serving no real purpose, and installation of a new A3 adjacent to the terminal parking apron.

APMS Runway 3/21 Overlay: The overlay project funded through a State/Local grant is underway. The contract has been executed and the Town's grant match of 10% has been submitted to ADOT. The engineer has already made one site visit and the surveyor should make a visit this week. The engineer expects construction to begin in the spring. This project covers the portions of Runway 3/21 which were not reconstructed in 2013, but excludes the portion at the intersection of Runway 11/29.

4. Comments

Our current based aircraft count is 10.

JTJ Holdings hangar structure has been erected and enclosed, except for the door. They continue to work on the interior.

The South Hangar gate has been delivered and I am attempting to collect bids for the installation.



Town Council Agenda Staff Report

Arizona Game & Fish Department has been operating daily since January 20th on the wolf capture mission and will stay until February 12th for the elk capture mission. They are renting nightly hangar space and purchasing fuel.

We have implemented a new advertising program with a digital kiosk inside the terminal and will be scheduling sales presentations this month. The kiosk will also display local events and points of interest.



Town Council Agenda Staff Report

COMMUNITY SERVICES DEPARTMENT REPORT February, 2021

With this being my first council report, and my first official week as the Community Services Director, I thought I would begin by introducing myself:

On a personal note, I have been a part of the Round Valley Community since 2003. Prior to moving to the area we lived in several places within the state to include Ajo and the Grand Canyon and earlier on, while in the Air Force, we lived in Italy for four years and Las Vegas, NV for two. My husband and I have both worked in Public Service throughout our time here and feel fortunate to have raised our two children in this community that we love. Both of our children are grown and married and thriving and we have two energetic grandchildren for which we are extremely proud of them all.

From a professional stand point, although new to the Round Valley Community Services & Senior Center, I have been working in various capacities managing state and federal grants since 1997. Prior to working with the Town of Springerville, I was the Education Division Grant Manager with the Apache County Health District for 11.5 years. My role required that I develop and implement the organizational and management structure for the Division of Public Health Education. I managed government grant budgets including WIC, BTCDD, Smoke Free AZ and Snap-Ed (HZA). It was my responsibility to plan and coordinate services with ADHS, overseeing funding and reporting while meeting contract requirements and successfully passing financial audits, conducted by ADHS. I have been responsible for conducting trainings and presentations for staff while setting goals which focus on staff performance and customer service to ensure that clients are provided the most effective care and services. I also served as Planning Chief and PIO during ICS responses. In 2004 I was responsible for the state wide expansion of a non-profit organization, Arizona Youth Partnership, AZYP (previously Pima Youth Partnership), and received an "Agent of Change" award from the state for that accomplishment. My role with AZYP, as White Mountain Regional Director, was to plan, implement, coordinate and evaluate the AZYP programs in the White Mountain Region. I was responsible for training, recruiting and supervising staff, securing resources for grant opportunities and future development opportunities, complete federal, state, and local reports, comply to fund source contract requirements and obtain process and program outcomes. I could go back in time a bit more, but I think that is enough to give you an idea of my background.

I would welcome an opportunity to get to know each of you as well as any expectations you have for me as the Community Services Director or for the Community Services & Senior Center. I offer an invitation to you to come see us at the center so that you can get to know the variety of services we provide as well as the staff and volunteers.



Town Council Agenda Staff Report

Along with the usual monthly stats for January, I wanted to share some information that I recently pulled together and which I found to be an eye opener to the services we provide here.

Below are some of the assistance categories for our Low Income Assistance Program through NACOG. The dates for these calculations are from January 2020 – December 2020. As you can see, we are providing a much needed service to the Round Valley community.

Jan – Dec 2020	Mortgage Assistance	Rental Deposits	Rental Payments	Utility Assistance	Appliance Replacement	Clients Served	Total Amount
Eagar		\$450.00	\$11,731.60	\$79,057.60	\$6,255.62	83	\$97,494.82
Springerville	\$2,315.51		\$10,813.87	\$68,104.82	\$4,922.54	77	\$76,426.74
Total	\$2,315.51	\$450.00	\$22,545.47	\$147,162.42	\$11,178.16	160	\$173,921.56

January – Community Assistance and Senior Services:

Senior Services		Low Income Assistance	
Congregate Meals	403	Food Commodity Box (households)	376
Home Delivered Meals	255	Rental Assistance	7
Long Term Care Meals	45	Adult Diapers	3
Indigent Meals	76	Fuel Cards	5
		Emergency Water	2
Head Start Breakfasts	0	NACOG Senior Equipment	2
Head Start Lunches	0	Bus Passes	0
		Utility Assistance	23
Senior Food Boxes	123		
Pet Food Bags Delivered			
Transportation Units	86		
Blood Pressure Checks	0		
Referrals	8		
Volunteer Hours	296		



Town Council Agenda Staff Report

UPCOMING:

Silver Fit Classes will begin on February 17th. This is a collaboration with the University of Arizona's Cooperative Extension, AZ Health Zone. It is open to all senior citizens and all fitness levels invited.

In order to begin the process of opening the center, we will be hosting a weekly social hour. This will give the seniors an opportunity to begin socializing again at their own pace. They will be encouraged to wear a mask if they feel concerned about COVID.

Our SCEP staff with AARP will be coming back to their training program on March 1st. They have not been permitted to continue their training program due to COVID since June, 2020. They have reported that they are very excited to return.

It is grant writing season, which means that not only are some grants due for a full renewal but many are due for updated contracts. I have already begun the process of completing some of these and have also been considering some new grant opportunities. I will keep you updated as this is an ongoing process.

SUCCESS:

We do not have very many homeless families who come into our community however, when they do, we thrive on the opportunity to assist them and give them a hand up.

In January we had a mother of four reach out to us for assistance. She and her children had been living in her car for several nights. The weather was extremely cold and we had just received a few inches of snow. She arrived in town after a long journey from Florida. When they arrived, they did not have winter clothing nor warm blankets and they were completely out of water. By reaching out to our community partners we were able to secure a hotel room for her for a few nights, give her wool blankets and food which could be cooked in a microwave or did not need to be cooked. We needed a few more days to sustain her until she received her SS check and after announcing an SOS through our Facebook page, we were able to secure her the three nights needed in a hotel room, a hot plate and pan for cooking, the local thrift stores offered clothing and jackets and many community members dropped off gloves, hats and boots. We were able to assist her with a rental deposit to get her into an apartment and she was able to enroll her children into school. Thank you to the community for being there for them while they were in need! Our Facebook post was viewed 889 times and shared a total of 12 times.

Please be sure to follow us on Facebook: The Round Valley Community Services Center

Respectfully Submitted,
Robin Aguero



Springerville Fire Dept.

Staff Report

February 2021



Council the FD would like to thank you for the funding support of the department having an annual firefighters' dinner. Every Year the department celebrates its accomplishments from the previous year and elects a "Firefighter of the Year" who has shown their professionalism, drive and service to the community. 2020's nomination was Firefighter Hagen Hobson.

Starting 2021 the FD is sponsoring two firefighters (Hagen Hobson, Elyse Sluiter) in an Academy in St. Johns that will finish in April. This will give the fire department two more qualified firefighters in our organization.

Council the SCBA Lease Purchase Agreement with LN Curtis and lease through National Bank of Arizona is going very well we are finishing up the steps to complete the purchase with Finance Director Heidi Wink. This purchase will put the fire department back in to NFPA compliance with Self Contained Breathing Apparatus standards.

The last several years all emergency service agencies in surrounding areas have experienced an increase in work-loads and call volumes. 2020 proved to be a very challenging year for many organizations especially health and emergency services with COVID-19. 2021 is starting out to be a very busy year for emergency services in all White Mountain Communities all call volumes are up just in the first month of the year and we all expect that trend to continue. The FD continues to try to make steps to share work-loads and make service and training improvements across the department and will continue to provide a professional service to the citizens of Round Valley.

The renovation of the 225 E Main Street (PSB) location has taken some good steps and is coming along exceptionally. We hope to have a lot of the big items for the department either finished or in progress in the next couple months.



Town Council Agenda Staff Report

Report for January 2021

Springerville Heritage Center & Casa Malpais Archaeological Park

- Visitor count in January for the Heritage Center was estimated to be approximately 81 visitors. The Heritage Center was closed on Friday, January 1st for New Year's Day. Our winter visitor counts continue to be down from the average, as a result of less overall travel by tourists due to COVID-19.
- The Heritage Center remains open during the winter months, however with reduced staffing and a few possible short-term closures.
- Although on winter break from the Casa Malpais site tours, we did conduct a tour on one date in January, as nice weather prevailed.
- Susan attended four webinars via Zoom during January:
 - Arizona Commerce Authority – Social Media Marketing Webinar
 - Arizona Historical Society – Introduction to AHS Certified Historical Institution Program
 - NACOG – Arizona Tourism Industry Update
 - Agave House chapter of the Arizona Archaeology Society – Presentation on “The Astronomy of Ancestral Puebloans: Wupatki, Mesa Verde & Chaco” (there were periodic audio difficulties, so this presentation may be repeated at a future date).
- The Winter Art Sale at the Heritage Center continues through mid-March, featuring 30% off on local consignment art items.



Town Council Agenda Staff Report

2-2021

Mayor & Council Report for Public Works

Projects Completed in January 2021

- Street sweeping
- Pothole repairs
- Multiple sewer call outs (plugged sewer lines)
- Multiple water turn on and off
- Water meter reads
- Water meter replacements
- Multiple water break/ repairs
- Street light repairs
- Cemetery- Funeral
- Working on Hooper Ranch Road, new material

Projects Working On

- Town Hall roof
- WIFA- Water projects
- WIFA- Sewer Projects
- Road Paving Projects
- ADA- Park and Town Hall
- Hot patching multiple roads (water repairs)
- Meter installs (Town)
- Hopi Adjudication Lawsuit
- Water meters for all wells (WIFA)
- List station meters (WIFA)
- Well rehab- Wilkins well (WIFA)
- Water line replacement- Merrill & Sheldon (WIFA)
- Public safety building- sewer line

**TOWN OF SPRINGERVILLE
MEMORANDUM**

TO: Springerville Town Council
FROM: Heidi Wink, Interim Town Manager
DATE: 2/11/2021
SUBJECT: Consent Item(s)

SUGGESTED MOTIONS:

I move we adopt consent items 5a 5b and 5c as presented.

OR

I move we table the consent items until next meeting.

STAFF REPORT

Please see attached documentation.



TOWN COUNCIL REGULAR MEETING

Minutes

Wednesday, January 20, 2021 at 6:00 pm

Attendees: Staff: Joseph Jarvis - Town Manager, Kelsi Miller - Town Clerk, Dayson Merrill - Chief of Police, James Kempt- Police Sergeant, Robin Aguero - Community Services

**Springerville Town Council Chambers - 418 E. Main St.
Springerville, AZ 85938**

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TOWN COUNCIL MEETING: 6:00 P.M.

1. CALL MEETING TO ORDER AND PLEDGE OF ALLEGIANCE:

Minutes:

Mayor Hanson called the meeting to order at 6:00 p.m.
Jena Dodge led the pledge of allegiance.

2. ROLL CALL:

Minutes:

The Town Clerk completed a Roll Call:
Councilor Llamas - Present, Vice-Mayor MacKenzie - Present, Mayor Hanson - Present,
Councilor Davis- Present, Councilor Reidhead - Present
A quorum is present.

3. PUBLIC HEARING & PUBLIC FORUM:

a. White Mountains Flower LLC.:

Minutes:

Mayor Hanson declared a conflict of interest and recused himself and turned this

item of the meeting over to Vice-Mayor MacKenzie. Councilor Ruben Llamas also declared a conflict and interest and informed them he will be recusing himself from this item.

ACTION: Richard/ Shelly motion to enter into a public forum to take public and Council comments on White Mountains Flower LLC.

Ayes: 3 Nays: 0

Discussion:

Manager Jarvis started by reading a statement of events he prepared regarding WMF LLC. The following events and dates were included: July 8, 2020, Special Council Meeting Council voted in favor to negotiate a development and lease agreement. September 16, 2020, Council Meeting included an update from the tenant. October 21, 2020, Council Meeting included discussion regarding development and lease agreement dependent on P & Z's November 10th meeting. November 10, 2020 Planning and Zoning Commission Meeting regarding rezoning and conditional use permits. Passed by commission 4-0. November 12, 2020, Council Meeting, passed the development and lease agreement 5-0. November 18, 2020, Council Meeting no public comment on the subject. December 16, 2020, Council meeting no public comment on the subject. January 2, 2021, the public commented on WMF.

Between July 8th and November 12th, the Town Council held 5 public meetings in which public comments could have been shared with the Town Council.

As it pertains to the employment of Councilmembers by WMF, there are now members of the Town Council that are employed by WMF. After reviewing, each Council member was hired after the November 12th Special Council Meeting. Chris Dodge addressed the Council and Public. He is sure there will be a lot of questions regarding WMF. But right now he is here as a resident of the community and a father. He feels there will be both fact and fiction said tonight regarding marijuana, he encourages everyone to do their own research. There is a lot of false information out there, he and Jena are always willing to answer questions regarding the plant. They will be available to answer them.

Jena Dodge addressed the Council and the public. Although she is a part-owner of WMF she is speaking as a resident of this community. She understands there are people for this and against this. Within the last year, she has witnessed new businesses closing. It is scary to be in a small town with few businesses and then seeing them close. She feels this farm is good for this community and employment here in order for people to have good jobs.

Steven Petuck introduced himself as the CEO and representative of WMF. He thanked everyone for having questions and the ability to come and answer them. He said many of his team members have joined them tonight. He feels the relationship between the Town and WMF is successful. He is here to answer questions as they come.

Lisa Edwards introduced herself as the CFO and Human Resource representative of WMF. She wanted to give an update on employment and how they have been

giving back to the community. They currently have 40 people on site with plans to hire 20 more. To address traffic concerns 25% of the employees are carpooling. All third party vendors are local. Materials that can be purchased locally are sourced here first. Several employees that were previously unemployed are now able to put money back into our community through supporting local stores and restaurants. She is also available for questions. Kay Dyson addressed the Council and public and thanked Council for this opportunity to speak. She has questions left over from the last meeting regarding the environmental issues with WMF. There has been no hydrology study done. She went over the amount of water needed for this farm, based on Chris's estimates from a former meeting. Has the city done due diligence to find out if we have enough water? She has not been given an answer to that question yet. Will the Town be willing to work with WMF and the citizens of Springerville to determine if we have enough water? She would like to know if this is sustainable. Chris Dodge let her know those amounts are for phases 1 and 2. At this point, they have not committed to expanding to phase 2. Although phase 2 has been approved by the Town Council. She asked if WMF would be willing to pay for a hydrology study, they responded at this time one is not required by the Town, they are not willing to pay for one.

Scott Hamblin on behalf of Round Valley Coalition for Family Values addressed the Council and public. He explained the RVCFV is made up of many churches and other organizations centered around maintaining Christian family values. He gave the analogy of George Bailey and Mr. Potter and the future of the Town. He is concerned about debt and drugs in our community. He feels this farm is not good for our community, he understands we are all worried about the power plants closing, but questions if we want our biggest employer to be that of an illicit substance. He feels these jobs will entice our youth and moral compass. He wants to know what type of message it is sending the children by embracing this enterprise. We have a family-oriented community, drugs destroy families, they are calling upon the governing body to promote measures that support strength in family, not potentially destroy it.

Travis Schroeder on behalf of Momentum Life Church, Assembly of God, president of the RV Cares Foodbank, a Christian, and a representative for the Round Valley Coalition for Family Values addressed the Council and public. He has concerns about marijuana in the community. While the state of AZ voted in favor of recreational marijuana, the four precincts of Round Valley voted strongly against it. While the Council knows this, they still approved measures to seek to allow recreational marijuana in our community. He mentioned the conflicts of interest issues he has with WMF and two Council members. He is concerned about the amount WMF is paying in the lease and the discounts for utilities. Water bills are increasing, and the town is giving out water-saving devices due to constant droughts and water supply problems. He feels our community does not want the growth, sale, use, or transportation of any kind of

drugs including recreational marijuana. He feels they have made their voices heard on recreational marijuana and Council has disregarded how the majority of the community spoke on this issue. We are a family-friendly community with faith and values committed to keeping our children and adults safe and free from the impact of drugs. He stands with many faith and community leaders asking this council to reject any further actions that would allow the growth, use, sale, and transport of recreational marijuana in the Town of Springerville. Stephen Martin addressed the public and Council and thanked Ruben for recusing himself. He announced they have a petition circulating the room for anyone wishing to sign, this is for legal, procedural issues, and improper conduct of officials it also includes issues pertaining to zoning, construction, ordinances, code, and potential impacts to the Town. The current agreement is 25 years and he feels the cost of living increases are totally ignored in that, he feels this is below fair market value. Water resources are a concern and we do not know if we can provide millions of gallons of water for this farm. No environmental assessment has been done. He feels the broader issues are wildlife, river habitat, air quality, pollution, noise, and effects to well owners. These are things he feels an ADEQ study will address. He mentioned the conflict of interest issues and feels these issues need to be addressed.

Acey Martin introduced himself as a husband, father, and pastor of this community. He stated he is not opposed to the medicinal use of marijuana, but he is opposed to the recreational use of marijuana. He understands the state has voted and chosen to allow that. But he has reasons why he stands opposed and would like to share those; marijuana is a drug that causes an apathy of the user, he doesn't want to see more apathy in the lives of our young people, he would like to see our youth moved out of the areas of grey and into honesty and integrity and work that produces a bright future, marijuana is a gateway drug, he has seen this first hand, marijuana can lead to more drugs coming into our community, he worries about the safety of our children in Round Valley, he feels adding WMF to our community of vendors will add bring added risk to our children and their freedoms, lastly, our nation is condoning behaviors not good for our wellbeing, we are a community that needs to point people to the light of Christ. Looking for a quick fix to economic issues will add to the downward spiral and will cost us. He feels we could be sacrificing our greatest commodity, our children.

Kerry Nedrow addressed the Council and the public. His comments are on the planning and zoning issues related to notices and public hearings. He referenced the A.R.S. on requirements for adopting a town ordinance for rezoning applications specifically requiring a public hearing, posting requirements, and publishing notices. He said the only place he saw postings in this area was down past Reidheads. He also stated there have been no public hearings, only a planning and zoning meeting.

Amber Baca introduced herself on behalf of the Youth Council of Apache County.

The majority of what she does works with the middle school kids in our community. She understands their interests, strengths, struggles, and trends. This is an impressionable age and they form opinions on things based on what they see. They have developing brains that need guidance from adults. She believes there are kids in our middle school using marijuana, she works with these kids and knows these kids and she understands their perception of marijuana is casual. We have a responsibility to protect our youth in our community and the decisions Council makes regarding dispensaries in our community will make an impact on the youth. Youth will have higher chances of using marijuana and the message we are sending these kids. Having a dispensary here will give the appearance of acceptance to the use of marijuana especially if we have the opportunity to stop or delay the opening of a dispensary.

Jason Leininger addressed the Council and the public. He is a resident of this area, works construction, and is married to an elementary school teacher. He said they are both here tonight to show support to White Mountains Flower. They believe they are a much-needed asset in this community. With the current situation regarding fossil fuels and coal SRP and TEP will be closing in 5-8 years and this community will be losing jobs and this town will suffer from the lack of opportunities. With WMF coming into our community they will be hiring locally. They will eventually be bringing 100's of desperately needed jobs here. He believes that in order for this town to stay a great tight-knit place to raise our kids we will need great employment opportunities to put money back into our economy. With COVID this money for small businesses could be the difference between staying afloat or closing their doors permanently. He hopes everyone can see the bigger picture of what this company could do if everyone could keep an open mind while issues arise to help solve them. This is something new and different, give it time and patience.

Cameron Hunt addressed the public and Council. He said he lives just down the hill from where the farm is being built. Originally he was not opposed to the idea, bringing in more jobs is great. With the passing of recreational marijuana, he is a little more opposed. He is open to education as he voices his concerns tonight. He stated he is a father of three children ages 8, 6, and 3. They were very excited when they purchased their home on the bluff, it was a place for their kids to go play. They were not informed what so ever about this project. They did not receive anything in the mail, notices of public hearings, or see any signs. There was no communication with them until they saw the fence being built. He said he believes the farm is about 200 feet from his house. His first concern is the odor from the plants as he is downwind and if they are outside or have windows open they do not want to smell marijuana. He is curious to know what measure the Town has put in place regarding odor and the effects on his property. The second concern is will this farm affect his property value? They love their place, but if the odor is an issue will he be able to sell the home? He

feels everything should be stopped until some of the issues have been addressed. He suggested with the hundreds of acres all around town away from all residences the farm could move. He does not understand why this is being built in the middle of a neighborhood. He said that would also be better for the company. He feels it's destroying his neighborhood.

Chris Dodge asked to respond to some of the concerns, Vice-Mayor MacKenzie approved of him responding. He responded to Mr. Hunt, stating historically marijuana has been a big industry throughout the United States over a period of time. Over the long term, it has shown there is actually an increase in property value because of the jobs offered. He has probably 20 employees here that would probably love to buy Mr. Hunt's house to be as close to work as possible. When you have industry property values go up. Regarding the smell concerns, this is an agricultural product, at the end of the day regardless if this is a cotton farm there will be some smells involved. They have contacted ADEQ and were told they are not eligible for any air quality permits. Basically, the air quality concern and smell issues are so minimal that ADEQ is saying they do not need a permit. He said there is a mild smell, but not an overabundance of odor. He has spoken to the Mayor of Snowflake who has a large growery and the Town has nothing but positive things to say. Mr. Hunt responded that the people in Snowflake are who have warned him about the odor. Mr. Dodge feels overall people feel the groweries are a positive thing. He mentioned the fence questions, he wanted to remind the public that they are still currently a construction site and things will be changing and being built daily. He said in the long list of things they would like to complete they have included trying to beautify the fence, maybe have local artists come out and get input from the neighbors. Mr. Hunt asked if they have a fence permit? Mr. Dodge responded they do have a fence permit and it is hanging along with the conditional use permit for all of the other construction. He said they will get the building permit closer to the building construction time. Vice-Mayor MacKenzie said some people are concerned they will be selling marijuana with a storefront out there. Chris Dodge responded they will not have a storefront out there, they are strictly cultivation and reselling.

Shelly Reidhead/ Richard Davis made a motion to end public hearing 3a

Ayes: 3

Nays: 0

ACTION: Shelly Reidhead/ Richard Davis motioned to close the public hearing 3a.

VOTE: Ayes: 3 Nays: 0

b. Small cells wireless facilities in the right-of-way fees:

Minutes:

ACTION: Ruben Llamas/ Richard Davis motioned to open a public hearing to take public and Council comments on Small cells item 3b.

Ayes: 5

Nayes: 0

No Public Comment

ACTION: Shelly Reidhead/ Richard Davis motion to close the public hearing and enter regular session.

Ayes: 5

Nayes: 0

4. PUBLIC PARTICIPATION:

Minutes:

Mayor Hanson announced if you have already spoken to the Council tonight they have heard you, unless you have new comments or questions please allow this time for those who haven't spoken.

Cindy Henderson a resident of the airport area addressed the Council and public. Her comments are regarding the sale of the airport home previously owned by the Town of Springerville and sold to the Lefler family. She is not a spokesperson for the Lefler family, but rather a neighbor looking out for a neighbor. She stated the Town sold the home to the family Lefler family and failed to mention the City was in negotiations with a marijuana farm next door. The family had no idea they would be raising their family next to a marijuana farm. She feels that would be very important information to have when deciding to purchase a home. She questions if this was illegal. She believes it was very unethical. Was the Town so busy with negotiations they just missed this one? She stated the Lefler family was also not notified of the planning and zoning meeting to change the zoning of the parcel. She received a letter, why didn't the Lefler's? She is ashamed of how the Town has treated this family. She would like the town to make a public apology and have a discussion on rectifying this situation or will the Town blame the realtor who handled the transaction who may not have even know about the project? Is this how the Town plans to encourage new people to come to the community? She feels the Town did not follow proper procedures or follow their own ordinances. We should all be good neighbors and Springerville let down all of her neighbors.

Robert Dyson addressed the Council and the public. He thanked Council for the opportunity to talk and Mr. Dodge for providing information they did not have. He feels the Town has messed up with its public involvement process, back in June or July the residence did not know anything about it. By going to the sale of marijuana and by growing it here the Town is on the slippery slope, his faith teaches him that if you contribute to the burden of people's addiction you are complicit. He feels they have made an immoral decision and they need to fix it.

Kay Dyson addressed the Council and the public. She would like to address item 18 "Planning and Zoning Administrator". She let them know she spent 10 years on this Town Council, during that time she learned a lot. One thing she learned is you must work as a team. And she sees that the Town Manager now wants to be the planning and zoning administrator. She stated he is already the Town Manager and Community Development Director and now he wants to do P&Z. We all know Joe is bright and

young, but he should not do three jobs. If you are a member of a team, you need to study an issue, research it, discern what is right, and debate it. If you are getting it all from one person, he is the one telling Council what to do. Is Council doing their homework on the issues? She challenges Council to do that. It is not fair to the Town Manager to do all of these jobs. She also questioned where the Town Attorney was? Who is making the legal decisions? Is the Town Manager doing that job as well. She said this needs to stop, it is improper, not good town management, and needs to be fixed.

Terry Shove addressed the Council and Public as a school board member. She updated the Council with the controversy on AIA sports. With basketball, the only way they will be allowed to have a basketball season is if all the parents and community members participate in the manner the AIA wants them to participate. That means the only people that will be allowed at home games are two parents or guardians for each player. They will be checked in at the door. Players, officials, coaches, and parents must wear a mask. If the official makes the decision that someone is not wearing a mask it could cause that team to forfeit the game. If it happens repeatedly they could make the team forfeit the season. Parents will not be allowed to attend out of town games. We need to remember this basketball season is about having the opportunity for the players to get to play. Most parents and coaches don't like the idea of the kids wearing a mask on the court but they will do it so the kids will have the ability to play. Wrestling season will be similar. She asks everyone to support the school board, athletic director, and coaches. Little League basketball starts January 3rd, all spectators are welcome.

Erin Silva addressed the Council and Public. She asked why the Town Manager and the Town attorney have signed documents to join Apache County and Apache County Attorney's office in a class-action lawsuit against the drug manufacturers and the pharmacies without talking to the Council?

Gayle Rich addressed the Council and Public and announced her residence is on East Main St. She lives 70 feet from the groomer Happy Tails. In actuality, she feels it is a groomer, boarder, breeder. Again she is seeking the Council's help to enforce the Zoning codes. She read a code from Chapter 17 Zoning regarding no pet shops. She said this is and what has been happening there for over a year and a half. Noise problem aside, she would just like the law addressed. In trying to get this enforced she has spoken with the Animal Control Officer, Public Works Director, Police Chief, Town Manager, and server Officers, and now the Council twice. She does not understand why it is so difficult to get the zoning codes enforced. She feels that unless the Town Manager orders the code to be enforced it won't be enforced. She has followed up with the Town Manager, the last being January 14th, and told the same thing. She said she was told to call the police after hours and make a noise complaint. She feels this is going backward. She hopes after addressing this again, some action will be taken to enforce the codes.

Gypsy addressed the Council and Public. She said she is very new to the area and has been involved in several different businesses as well as owning her own. She is

involved in the herb industry and works for WMF. What she has seen is that this company cares greatly about the neighbors, how the construction site is left at the end of the day, and about the community. She stated she is a Christian, missionary, and Pastor, she has traveled across the united states helping people. The things said tonight are nothing new to her. She said the people tonight are attacking. She believes as adults we should walk with love and honor and care about our community, and employees. If those have questions about the medical industry they should be asking questions. If you want your children to learn about marijuana, teach them at home. She does not feel like that is White Mountain Flowers responsibility.

5. COUNCIL, MANAGER AND STAFF REPORTS:

a. Mayor & Council Reports: Summary Updates on committee meetings.

Minutes:

None

b. Staff Reports: Summary Updates

Minutes:

None

c. Manager Joseph Jarvis: Summary Updates & presentation(s)

Minutes:

Manager Jarvis reported that the water adjudication trial began on November 21, 2021. Tim Rasmussen represented the Town in our testimony. Next, he reported that the Town received a memorandum of understanding about a settlement from the Arizona Attorney Generals Office. By signing the MOU the Town joined other cities and towns across Arizona agreeing to the terms of the proposed settlement. He further explained the Town did not join a lawsuit of any kind regarding the opioid crisis. The state Attorney General did that for us. Many other municipalities and counties across the state have shown their support also. The lawsuit did not individually name all of the cities and counties damaged by the opioid crisis. But the AG's office filed a fully encompassing suit. He asked if Council is interested in holding a Special Council meeting next week in order for the Council to discuss this specific item. Council directed that they would like to hold this meeting on Tuesday the 26th of January. They would like Mr. Shaffery available for questions. Manager Jarvis said he will let the individual know and the public is welcome to attend.

6. CONSENT ITEMS:

Minutes:

ACTION: Robert MacKenzie/ Richard Davis motioned to approve consent items 6a, 6b, 6c, and 6d as presented.

DISCUSSION: None

Vote results:

Ayes: 5 / Nays: 0

- a. **Consider approval of the December 16, 2020 Regular Town Council minutes.**
- b. **Consider approval of the January 6, 2021 Special Council Meeting minutes.**
- c. **Consider ratification and approval of accounts payable register from 12/09/2020 through 01/12/2021.**
- d. **Consider reappointment of Brian Carpenter to the Planning and Zoning Commission with a 3 year term.**

7. APACHE COUNTY YOUTH COUNCIL PRESENTATION:

Minutes:

Shannon Latham on behalf of the Apache County Youth Council asked to have this item on the agenda prior to knowing that this was a topic of action today. She wanted to focus on the support, the success, and positive outcomes of the community. They only share information that has been proven factual by SAMHSA. Today she is concerned about youth use increasing if we have an increase in growth and dispensaries of marijuana in our community. SAMHSA did a study of youth in the United States among 17-year-olds and younger and showed an increase of use in the states with legal marijuana. The trends show the more the substance is available the higher the use. As youth see messages such as its medicine now and voters said it is okay, they think it is not harmful and it is okay to use. Marijuana affects youth differently including dependency and brain development. Most youth surveyed got their marijuana from a medical cardholder. Marijuana has changed, the THC levels are now being manufactured at 3 times the concentration and have many different forms. The concentrates are appealing to children in different forms of candy. There are increase risks to mental illness with high potency use over a period of time. In closing, a university in Colorado completed a study showing for every \$1.00 of revenue from marijuana costs \$4.00 to mitigate the social and economic cost to the community. The youth council strongly opposes any dispensaries, as it pertains to our youth she hopes the dollars aren't the deciding factor and that they look at the effects on youth. She said once you allow a dispensary you cannot go back per the law of prop 207.

8. BROADBAND PRESENTATIONS:

a. ATNI:

Minutes:

John Champagne with ATNI addressed the Council and the public. He explained ATNI specializes in building broadband in rural areas with fiber and wireless technology. Everyone wants fiber, it's economical and can be subsidized with wireless. He explained his project with Barry Williams to run cable to all of the schools in Apache County. They finished the last school last summer. This gave them a very good "middle mile". There are three types of fiber long haul, middle mile, and last mile. He gave the example of the long haul being the interstate, middle mile fiber is doing the operations of a highway taking you from interstate into a community, and the last mile fiber is when it is in the community and you need to get the fiber to all the homes and businesses. He built the middle mile

fiber when he brought it to the schools. He is working on several grants, there are three more attractive grants coming up. he would like to work with the Town and go after some of these grants to finish the last mile of fiber. In addition to the grants, they will be running fiber to some of the ADOT yards. Between cell towers and ADOT, he is going to try to build some more fiber. When you try to build last-mile fiber you have to be a telephone company or do it to yourself. He prides ATNI on being a hybrid of those. He explained some of his recent projects and how they worked on the Navajo Nation. He explained if the Town tries to put in their own telephone company and doesn't have experience doing this the hope is to work with someone to help. He explained he is not a consultant. He has no interest in consulting. But rather coming here, partnering, and building a business together. John said when the Town applied for the EDA grant he wrote a support letter saying if the Town wins the grant he will support the Town with the middle mile. He explained why his letter was important for the access to the middle mile fiber. Manager Jarvis asked the Council if they would like him to work with John in providing proposals for applying for future grants. Council gave no direction. John explained there won't be one big grant, they will need to apply for smaller grants and do it in stages. The grant right now is for healthcare and for colleges. There is also COVID grants for small communities. The state is about to reinstate some grants. Southern Apache county is high up, if we build fiber in Springerville, we will need to help with all of Southern Apache County as a region. If some areas develop and others don't at the same time it could cause issues. Manager Jarvis asked if they have any questions for John. Councilor Reidhead asked if he writes the grant will he be writing his salary into the grant? He explained as a carrier, not a consultant, he has his own grant writers and the internal company will write the grant. The Town will need to supply support such as economic data, commitments, and human capital not money. The Town will not pay him. He explained he has access to capital if he goes after a grant that requires a down payment. There are some cool projects that could be done in 3-4 months that won't require a grant. They are self-funded. ADOT is paying him to build fiber to their yard, he could come to the Council and show them he needs to get from A to B and see what makes the most sense to pick a path. Barry Williams joined John at the podium as the retired superintendent of the schools. He explained this was their project and the success he had working with John.

b. Executive Session:

Minutes:

ACTION: Robert MacKenzie/ Shelly Reidhead motioned to enter into executive session at 7:30 p.m.

Ayes: 5

Nayes: 0

ACTION: Robert MacKenzie/ Shelly Reidhead motion to enter into regular session

at 7:56 p.m.

Ayes: 5

Nays: 0

OLD BUSINESS

9. RESOLUTION 2021-R002:

Minutes:

ACTION: Robert MacKenzie/ Shelly Reidhead motioned to adopt Resolution 2021-R002, regarding establishing fees associated with small cell wireless facilities in the right-of-way.

DISCUSSION: None

Vote results:

Ayes: 5 / Nays: 0

10. Discussion/Action leading to the events of White Mountains Flower LLC (Erin Silva, Doug Henderson).

Minutes:

Mayor Hanson declared a conflict of interest and recused himself and turned this item of the meeting over to Vice-Mayor MacKenzie. Councilor Ruben Llamas also declared a conflict of interest and informed them he will be recusing himself from this item. Vice-Mayor MacKenzie invited Erin Silva to the podium. Erin Silva introduced herself. She started by stating this is not about jobs, they are for economic development and good-paying jobs in Round Valley. She explained they are not against White Mountains Flower, they are addressing the improper and unethical manner that some staff and Councilors have pushed this project forward with no regard to implications. She would like to explain to the Council and audience what has not been handled procedurally and ethically and what continues to show disregard for the community, ordinances, and procedures. She feels the Town did not do its due diligence. The RV voters spoke clearly against prop 207. Why would cultivation be any different? She listed Ordinances that she believes the Town violated regarding WMF. There was not a neighborhood meeting or a public hearing. She explained the difference between a public hearing and a public meeting. Notification letters were sent to the residence within 300 feet regarding the November 10th Planning and Zoning Meeting. She said Cameron Hunt has stated tonight his house is 200 feet and he did receive the letter. But excluded from the notification letters was the Lefler family. Did the Town disclose to the Lefler family that a marijuana farm was going in across from the home before they purchased it? The Planning and Zoning meeting on November 10, 2020, was not a public hearing. At that meeting, the residence voiced their comments, concerns, and protests, and yet instead of tabling the item, the Commission voted to approve the Conditional Use Permit. Did the Commission already have their minds made up before the meeting? After the Planning and Zoning recommendation, the Town had the chance to hold the public hearing since there were objections at the planning and zoning hearing. The Town did not have an environmental impact study or a study on

the effects of the farm on the neighborhoods near the operation, the Town never had a hydrologist study. Tonight, Steve said they are not interested in furthering the study because they already have an agreement with the Town. There weren't any permits prior to the construction yet, excavation began in mid-August to early September without any permits. WMF stated in an email dated September 28, 2020, no building permit is required due to the agricultural and temporary nature of the structure. She feels the Town just took their word for it and let them proceed. She feels ADEQ was not notified prior to any digging. There was not an NOI, SWPPP, discharge permits for water, soil, or air. As of January 14, 2021, ADEQ was finally notified. The Department of Health Services as of December 21, 2020, had WMF as preliminary and nothing approved. In the development agreement and master plan, WMF states that we in conjunction with the Town of Springerville have selected the Springerville Industrial Park as our home to avoid many of the residential issues found elsewhere. In the lease it states WMF is a commercial venture, she feels there haven't been any commercial contractors licensed with the ROC on this project. A contractor working on the project that knows that codes are not being followed is at risk of losing their own licenses. She asked if the Town has received COI's and Work Comp certificates prior to work starting. Did WMF require their vendors to supply the certificates? In conclusion, they are requesting the following items be enacted; Mayor Hanson and Councilman Llamas recuse themselves from any and all discussions and decisions involving WMF, a moratorium on further development by WMF, a moratorium on any ordinance or zoning changes. They are a group of individuals that believes any business in our community can succeed on its own if the playing field is level and the process is transparent. She feels it has not been and it has been self-serving. She said this is just the start, in the coming weeks they will be bringing more information to the Council that will show many other items that prove her points. The information they will supply will be complete and researched. The information given to them tonight should give them thought of who is the Mayor and Councilperson working for.

Vice-Mayor MacKenzie introduced Doug Henderson and invited him to the podium. Doug introduced himself and said he will be covering a lot of stuff that has been covered tonight and he apologizes for that. He has been asked to speak on behalf of concerned citizens regarding how the town has handled the development agreement and that the town is now revising ordinances after the fact that the agreement has already been adopted including a variety of concerns. Therefore they submit a moratorium petition the Town Council signed by citizens of Springerville with concerns regarding WMF that have not been addressed and questions have not been answered satisfactorily. The list of concerns includes; legal and procedural issues, Ordinances regarding zoning and construction permits as seen in item 13. He feels the Town is now attempting to revise this after the fact under new business item 12. Other concerns are property values, crime rates, safety, and other public nuisance concerns that appear to him to be unaccounted for. He feels the town is now trying to revise this after the fact. He has concerns regarding resources and environmental issues. The current agreement obligates the Town for 25 years without adjustments for cost

of living and other financial increases. No assessments have been done to look at effects on wildlife, river, habitats, air quality, noise, light pollution, sewer, and groundwater pollutants. Well owners have not been given a guarantee regarding the integrity of their well. The FAA's position on the use of the development of the land is uncertain. Other concerns are the impacts on roads, bridges, waste disposal, electricity, etc. He talked about the breach of faith that has already been covered. He revisited the Conflict of Interest concerns. He feels the town is rewriting ordinances instead of enforcing ordinances. He feels there has been a failure to ensure the long and short-term effects of the development. In closing, they would like a moratorium on any further development and ordinance/zoning changes until research can be done and an investigation be completed by the Attorney Generals Office.

Councilor Davis asked why the 200-foot setback is not being followed. He feels everyone was aware of it before this project started construction. Manager Jarvis said we are focusing on the buildings that are on the property now are considered temporary structures treated as temporary structures. With that, they are not permitted structures. Councilor Davis asked doesn't any building or structure that has water or electricity require a permit? Manager Jarvis said it is his understanding that the buildings that are on-site do not require a permit. Councilor Davis disagrees, he said any building with water or electricity should have a permit. Manager Jarvis said in that case if we are treating the greenhouses as permitted structures then yes, they are not meeting the 200 feet from residential properties. They are closer than 200 feet to the Lefler property and the properties off the cliff near the airport. The properties north and west of the farm are zoned agricultural by the county. The Lefler property is zoned agricultural and resides in the county. The staff has reached out to the county for clarification. There is inconsistent information. The County has not yet provided us with a confirmed answer but he feels the county has suggested they reside in the county. Councilor Davis asked is it based on residential properties or zoned residential properties. Manager Jarvis said the way the zoning wording is, is if a property is zoned residential. So the properties on the North and West do not apply, he is not sure why those aren't zoned residential but they are not. But he agrees with Councilor Davis, if you treat the greenhouses as permitted buildings then yes they are within 200 feet of residentially zoned properties. Councilor Davis asked if that is the house the Town sold. Manager Jarvis said the house that the town sold is zoned agricultural. Councilor Reidhead asked if that is also the case for the Henderson property? Manager Jarvis said yes. She asked Mr. Henderson if he pays residential taxes or agricultural? He responded, residential taxes and he has also voted in every Town election since 2002. Manager Jarvis said he is unaware of documentation showing that the Town of Springerville ever annexed Mr. Henderson's property into the Town. However, Mr. Henderson has shown that he received a building permit from the Town of Springerville. Manager Jarvis is not sure why the Town of Springerville would issue a building permit to a property that is in the County. He understands the Hendersons questioning if they are County or Town. Councilor Davis asked who gave permission for these to be done within 200 feet of the property line. Manager Jarvis

said he did, he always treated those buildings as non permitted buildings. Councilor Davis asked if he can take a mobile home put it anywhere he wants as long as it is not hooked up to water and electricity and not have to permit it. Manager Jarvis said no, that is not what he is saying. Councilor Davis feels it's the same thing. Barry Williams asked to make a comment on the situation, approval granted. He explained his family was in the chain of title for this property 30 years ago. At that time that property was considered within the town limits. He is not sure how it ever could have been deemed county. The Williams road itself the county has for access, he at one point owned that road. Councilor Davis said at one point the property on the North West side, the Town had a water tank within the Town limits on. He said this was around the '60s to '70s. Manager Jarvis said the town could own property outside the Town limits. Scott Silva also wanted to add to this subject. He stated years ago he was Chair of the Planning and Zoning commission. They were part of the original group that contemplated what was industrial or light industrial in the zones around that property. He said all of those zoning maps show it in the City. The discussions included those being in the city limits. This was in 1986 he still has those maps. The questions are is this a county island. He said the city has always maintained the roads and utilities. He feels it's a distraction. The setbacks affect people regardless if it's in the county or the city. When making decisions like this it the setback should go for anyone in the area. He said as they have already stated, they are not against development and jobs. They have been employers in the community for over 30 years. They understand the value. There is a procedure that needs to be followed to make sure everyone is treated fairly. Manager Jarvis said this is valuable information. We need to remember the Town goes above and beyond to provide services to properties they maybe should or shouldn't. Councilor Davis also asked what is going on with the FAA. Manager Jarvis said he would provide an update on that. The FAA has given authority over a large amount of land around the airport. Springerville has put in the effort to create an industrial zone. In order for the industrial zone to be developed those areas must be used related to aviation. The FAA has authority over specific parcels. The Town specifically asked the FAA if the farm could be built on the northside of the airport. They affirmed it could be built there, it is outside of their authority. Councilor Reidhead asked even though it is the same parcel? Manager Jarvis said yes, even though it is the same parcel. It is divided by a road. The Town has submitted a request to the FAA to release some of those properties so we can develop them. In addition, Manager Jarvis has reached out to some of his contacts and it seems only a few cities and towns have passed specific ordinances that require the city to follow its own zoning ordinances. Most cities and Towns can choose if they want to follow their own zoning since we are our own zoning administrator. Mr. Jarvis feels the Town of Springerville was going above in providing opportunities for the public to comment and be involved in the process. He recognizes some do not feel this way, but he said in some ways the Town could have done whatever we wanted to our own property. Councilor Davis asked about the Eastside properties, he is trying to explore and find a solution to move the greenhouses that are in conflict. He asked if

the FAA releases the other side of the road could those be moved? Manager Jarvis said if they release those, that could be an option. Manager Jarvis stated that when the Town Council directed staff back in June to begin talking with White Mountains Flower about options. We talked to the FAA about the south side and they said no. We came up with the creative solution to develop the north side of the road as phase 1. And if and when the FAA releases the southern part of that parcel and the other 55 acres then they could pursue developing those sections. The lease was written in a way that it's one lease amount for the part they are developing and if and when they can develop the other part the lease amount increases. Councilor Davis clarified he is asking because of the setback issues is there a way to buy the property from the Harpers and move all of those over there within a reasonable amount of time? Manager Jarvis stated as the Town Council you can make declarations and determinations at your decision. You must remember those decisions will have positive and negative impacts. He suspects that even if all of the greenhouses were moved to Mr. Harper's property they will potentially still be within 200 feet of Mr. Lefler's house. He also noted that Mr. Lefler is not here tonight, wasn't at the previous meeting, and wasn't at the planning and zoning meeting. He was at the meeting where Council approved the Development Agreement and Lease but we have not seen him since. If we move to phase 2 and development occurs in phase 2 that will probably be more than 200 feet away from every residential property. But, at this time we are not legally authorized to move forward with phase 2. Councilor Reidhead asked when we sold the property to Mr. Lefler, was Manager Jarvis the one who was responsible for filling out the seller's disclosure statement that was provided to the buyer? Manager Jarvis let her know he provided the information to the seller. He explained we listed the property in either May or June and it was prior to the conversation that occurred with White Mountains Flower. Councilor Davis asked before it was sold was this already in progress? Manager Jarvis said he does not remember the specifics and he will have to check into that. He is willing to email the Council or any citizen looking for that information the specifics. Councilor Reidhead asked if Brenda does. Brenda said the property transfer was on September 10, 2020. The disclosure should have been made prior to closing. Councilor Reidhead asked when was the contract opened? Brenda said she would have to check. Manager Jarvis said if it closed in September the name should have changed in September with Apache County. She said no, the assessor is months behind on updating the assessor's website. Erin Silva said Mr. Lefler's family made the proposal to the Town at the July Town Council meeting. The Proposal was accepted by the Town Council at an August meeting. Mr. Lefler has given Mrs. Silva permission to bring up his name. She feels what the Town has done to this family is not right. Cindy Henderson said Mr. Lefler is a private pilot and a father and was unable to attend. Councilor Reidhead asked Brenda Ciminski with Ponderosa Realty if the Lefler family has come to them with any requests for remedy. Mrs. Ciminski responded no, their agent has come to her but she has not spoken to the Lefler's. Kerry Nedrow commented on Mr. Lefler's behalf that he is a commercial pilot who cannot take in any substances in the air, and

he has concerns about being in that close proximity of the marijuana farm. Mr. Dodge explained you have to physically ingest or inhale the substance. Councilor Davis asked what are some solutions to these issues? Vice-Mayor MacKenzie feels the town is operating in good faith. Councilor Reidhead disagreed and Councilor Davis feels we have overstepped. Vice-Mayor MacKenzie said there is some confusion on setbacks. Manager Jarvis said we received a proposed plan and construction is in line with that plan. Councilor Davis said originally it was going in on the other side of the road. He also is wondering if the Town is ready to give them 20 gallons of water a minute, that was the original amount he recalls them needing. He asked if the Town's well goes down who do we give water to, the townspeople or WMF? Manager Jarvis said we treat all of our customers the same. Councilor Davis then asked if there isn't enough water to furnish their crops and they lose them is their liability on the Town? Manager Jarvis said the Town is planning on providing them water if there is a water emergency, everyone would be impacted. Councilor Davis said there has been no snow and low moisture, this is a bad time we are in a drought. He understands this side of town is fully furnished from the River Well. What happens if that well goes down, can Springerville East Well produce enough water for everyone? Manager Jarvis said with the Voight upgrade project it is his understanding we can move water from one side of town to the other. Manager Jarvis said he understands the frustrations and where they are disagreeing, but we have gone through a public process per the Council's request, started these conversations in June, held many public meetings where individuals could come comment on these subjects and meetings where these decisions have been made. He said whatever direction Council would like, staff, will move in that direction. Erin Silva asked when were these public hearings? Manager Jarvis responded to Mrs. Silva that on July 8th there was a Special Council Meeting. She explained that is not a public hearing. Manager Jarvis once more read a time frame of events explaining there were 5 public meetings where the public could have come and spoken. Councilor Davis asked once more for suggestions to resolve the 200-foot setback issue.

Chris Dodge on behalf of WMF said they will maintain, based on AZ Agricultural code that those greenhouses are temporary structures. Councilor Davis said yes, but they are within 200 feet. Chris understands that but through this whole process, WMF has been given the understanding that that was fine, they gave layouts and maps showing exactly what they were building. He feels WMF has always done what the Town has required of them. He knows some feel it was pushed through but he said no action was taken until June and he was having these conversations with the Town Manager in February/March of last year. He said it has been a year almost that they have been going through this. He doesn't feel it was rushed. Where they sit as a company they have jumped through every hoop including changing all plans from the north side of the road to the south side of the road. In doing so, they lost thousands of dollars, they had already paid for engineering. When the City had requested them to change they did and still chose to bring their business to Springerville. He understands Mr. Davis's concerns but the fact of the matter is it is not as simple as

moving some greenhouses. In about 90 days he has put about \$1 million into the project. They have a significant investment into that property at this point. He is trying to do good by the neighbors, they want to be the best neighbors that they can. He said there have been many complaints about the traffic. People need to understand the traffic isn't them, they have a shift where people start at 8 am and leave at 5 pm. The traffic issue could be the drivers from the lumber mill or the construction workers coming and going from the new hanger being built. They have offered to put in a pedestrian walkway or purchase some yellow pedestrian flags. He explained they are continuously asking what they can do to be good neighbors. Kay Dyson said they still have the question if there will be enough water? What are the specs of wells the Town has? She asked if the Town has treated this company fairly if we do not even know if we can supply them with enough water? Her concerns are if this company has been given factual and honest information from the Town regarding water. She feels WMF is unaware of our water situation. Councilor Davis explained there have been issues with the wells on the south side. He explained an issue they had in the past with having to redrill a new well. He said it is not feasible to run water from the North side to the South side. Kay asked if we have any idea if we have enough water for Springerville Ditch, Pioneer Irrigation, Arizona Game and Fish who have rights to the Town's water? Councilor Davis said a lot of people in Coronado acres have wells. Kay said we could answer these questions with a water study and see if this is sustainable. Water is a valuable resource. She said we need to stop now and find out the truth about our water. Someone can analyze the wells. Councilor Davis agrees.

Chris Dodge said a possible solution although not an immediate solution is upon FAA approval they could move the greenhouses that infringe on the 200 foot setbacks from the Northside to the Southside leaving 7 greenhouses on the Southside property. They would obviously not want to do that short term. Councilor Davis asked if the property is filled now or if they could be moved among that parcel now? Chris explained the parcel is full they couldn't be moved within the parcel, it would have to be on the other side of the road. The two-acre site on the other side owned by a private party was attempted to be purchased by them. They were told the owner was not interested in selling the property to them. It is also a narrow property and is not ideal. Chris also said the license is attached to the parcel, it would take significant efforts to change the parcel. Manager Jarvis explained to Councilman Davis that even if the Town sold the parcel where the development agreement is the FAA would still assert their authority over that southern portion. Chris said he feels even if they aren't infringing on the 200 feet, many of the people upset are still going to be upset because the farm is still up there. Councilor Davis said we as the Town have violated our own code and have done whatever we wanted, he is not happy about this. Chris said he understands, but what Manager Jarvis has told them is that the Town controls the codes and owns the property and doesn't have to follow the codes. Councilor Davis and Councilor Reidhead both agreed we should be following the codes, the Town shouldn't be any different than anyone else. Vice-Mayor MacKenzie said he feels

the Town did not intentionally violate codes as it was hitting agricultural property. Councilor Davis asked about the east side buildings, are they within 200 feet? Manager Jarvis said the greenhouses on the east side are, the permitted building is not. Chris said Tim did the research and agreed with that on the permanent structure. He said they have done this same thing in AZ and NM and have never had problems with the greenhouses as temporary structures. They are doing everything they can to do this right. Chris added on a side note that they were going to keep as much money local as they could and it is disappointing that people are now being looked poorly upon for doing the work. He said look at the other business being built in Town, they aren't using local contractors. They made a commitment to the Town and community and are doing everything they can to stand by those commitments. Councilor Davis asked if the Council is interested in a water feasibility study? Manager Jarvis said we could budget for one, he would estimate one would cost us around \$50,000. Manager Jarvis said or we could stop our other planned projects and use that money to get it done this year. Up to this point he hasn't seen interest in the study, but clearly, there is strong interest from the community. Councilor Davis said he would like one done for their benefit and our own. Manager Jarvis asked when would they like one done? Manager Jarvis said we could come up with a plan to give options on when we could get one done.

Kay Dyson said she has been given names of hydrologists that could help or to save some money we could contact U of A or NAU and for free or not much the college could possibly complete the study. When she was the Mayor they partnered with NAU and completed several projects that way. If the Town is willing to consider that, she is willing to volunteer to try to find someone at a reduced rate and work with the Town Manager to get it completed. Councilor Davis said we need to proceed with this sooner rather than later. Councilor Reidhead agreed we need to do this as soon as possible to not hold up the progress. Manager Jarvis reiterated that two of the three Council members are directing staff to work with Mrs. Dyson to see if a university is willing to supply us a hydrology study at a reduced rate. In the meantime, he will reach out to some hydrologists to get some estimated costs. Staff will provide Council with estimates. Vice-Mayor MacKenzie said it is a good idea, even for just our own knowledge, he does not want it to hold up WMF. Manager Jarvis reminded Council that our Town code is not requiring this study. Council understands.

11. COVID-19:

Minutes:

Discussion: None

NEW BUSINESS

12. PROPOSED CHANGES TO THE TOWN CODE PERTAINING TO ADULT-USE MARIJUANA:

Minutes:

DISCUSSION: Manager Jarvis reminded the Council they have the option to table items

for future agendas if they see fit. Council asked Manager Jarvis to further explain the item. Manager Jarvis explained in the November election Prop 207 passed allowing the adult use of cannabis in Arizona. The Town of Springerville modified the Code in 2011 allowing medical growth, dispensing, manufacturing, and infusion in the Town of Springerville. That code clearly says medical marijuana. We have no ability of auditing if a plant is a medical or adult-use plant. If the Town Council supports dispensing manufacturing in the community, it is suggested to modify the Town Code to allow adult-use also. What has been presented tonight is a draft consideration. This is not an Ordinance. If Council would like an Ordinance one will be drafted and presented for a first reading and a second reading. At those times the public can come out and speak on the subject. The Arizona League of Cities and Towns has provided us with two versions. One version allows adult use and one says no marijuana at all. He is proposing to the Council how we manage dispensaries, infusion and growth, and an increase in the fees regarding this particular business.

Councilor Llamas stopped Manager Jarvis and declared a conflict of interest and asked to be recused from this item, Mayor Hanson said he would like to be recused as a conflict of interest as well.

ACTION: Shelly Reidhead/ Richard Davis motioned to table item 12.

Vote results:

Ayes: 3 / Nays: 0

13. CONFLICT OF INTEREST:

Minutes:

DISCUSSION: Manager Jarvis said a Councilmember has requested this item be placed on the agenda. The attorney is ready and willing to discuss with them Conflicts of Interest. We are all aware two Councilmembers have declared a conflict tonight. If Council would like the attorney is ready to provide information either in public or in executive session.

ACTION: Robert MacKenzie / Richard Davis motioned to enter into executive session at 9:07 p.m.

Ayes: 5 Nays: 0

ACTION: Robert MacKenzie/ Ruben Llamas motioned to enter back into regular session at 9:20 p.m.

Ayes: 5 Nays: 0

14. CONTRACTED TOWN MANAGER:

Minutes:

ACTION: Ruben Llamas/ Shelly Reidhead motioned to table item 14 Contracted Town Manager

DISCUSSION: Councilor Llamas said the Council plans to meet Tuesday, January 26, 2021. He would like this item added to that meeting.

Vote results:

Ayes: 5 / Nays: 0

15. LOCKHART BUILDING LLC:

a. Limited Release and Settlement Agreement:

Minutes:

ACTION: Shelly Reidhead/ Robert MacKenzie motioned to approve the Limited Release and Settlement Agreement.

DISCUSSION: None

Vote results:

Ayes: 5 / Nays: 0

b. Resolution 2021-R004:

Minutes:

ACTION: Richard Davis/ Robert MacKenzie motioned to approve Resolution 2021-R004, regarding the easement at the Lockhart Building.

DISCUSSION: None

Vote results:

Ayes: 5 / Nays: 0

16. DRUG AND ALCOHOL TESTING POLICY:

a. Resolution 2021-R003:

Minutes:

ACTION: Robert MacKenzie motioned to adopt Resolution 2021-R003, regarding the drug and alcohol policies.

Motioned failed with the lack of a second.

DISCUSSION: Manager Jarvis said we have an existing drug and alcohol testing policy, however, it is outdated. He would like to update it to current law. He asked if Council would like it brought up at a future agenda? Council gave no direction.

ACTION: Shelly Reidhead / Richard Davis motioned to table Resolution 2021-R003, regarding the drug and alcohol testing policies and item 16b.

VOTE ON SECOND MOTION:

Ayes 5

Nays 0

b. WMRMC Testing:

17. PIONEER IRRIGATION ANNUAL MEETING:

Minutes:

DISCUSSION: Manager Jarvis is not sure if the Council has ever appointed anyone to represent the Town at the annual meeting for Pioneer Irrigation. Last year Manager Jarvis went. We have shares in the company, meaning we have a vote. He was unsuccessful in joining the board last year. He said they meet annually. Councilor Davis said depending on disputes they could meet more. Councilor Reidhead nominated Richard Davis to go, all other Councilmembers agreed. Richard Davis agreed to be our representative at the Pioneer Irrigation meetings.

18. PLANNING AND ZONING ADMINISTRATOR:

Minutes:

ACTION: Ruben Llamas / Shelly Reidhead motion to table this item.

DISCUSSION: None

Vote results:

Ayes: 5 / Nays: 0

19. ADJOURNMENT:

Minutes:

ACTION: Robert MacKenzie/ Shelly Reidhead motioned to adjourn the meeting at 9:26 p.m.

Vote results:

Ayes: 5 / Nays: 0

Members of the public who only want to provide written comments can express their comments by emailing the Town Clerk at kmiller@springervilleaz.gov to be read during the call to the public. All comments must be submitted by 5:00 p.m. on the day of the meeting.

Americans with Disabilities Act (A.D.A.): The Town of Springerville intends to comply with A.D.A. If you are physically challenged or disabled and need special accommodations to participate in this town meeting, please contact the Town Clerk at (928) 333-2656 ext. 224 forty-eight (48) hours prior to the meeting to arrange necessary accommodations.



TOWN COUNCIL SPECIAL MEETING

Minutes

Tuesday, January 26, 2021 at 6:00 pm

Attendees: Staff: Joseph Jarvis - Town Manager, Kelsi Miller - Town Clerk

**Springerville Town Council Chambers - 418 E. Main St.
Springerville, AZ 85938**

Pursuant to A.R.S. Section 38-431.02, notice is hereby given to the members of the Springerville Town Council and to the general public that the Council will hold a meeting open to the public at the Springerville Town Hall, 418 East Main Street, Springerville, Arizona. The Town Council reserves the right to adjourn into Executive Session in accordance with Arizona Revised Statutes Section 38-431.03 (A)(1)(3)(4) and (7) for legal consultation on any of the following agenda items.

TOWN COUNCIL SPECIAL MEETING: 6:00 P.M.

1. CALL MEETING TO ORDER AND PLEDGE OF ALLEGIANCE:

Minutes:

Mayor Hanson called the meeting to order at 6:00 p.m.
Brian Carpenter led the pledge of allegiance.

2. ROLL CALL:

Minutes:

The Town Clerk completed a Roll Call:
Council Llamas - Present, Vice-Mayor MacKenzie - Present, Mayor Hanson - Present,
Councilor Davis- Present, Councilor Reidhead - Present
A quorum is present.

3. COUNCIL, MANAGER AND STAFF REPORTS:

a. Mayor & Council Reports: Summary Updates on committee meetings.

Minutes:

DISCUSSION: None

b. Manager Joseph Jarvis: Summary Updates & presentation(s)

Minutes:

DISCUSSION: None

c. Staff Reports: Summary Updates

Minutes:

DISCUSSION: None

OLD BUSINESS

4. Memorandum of Understanding with the Attorney General: opioid crisis

Minutes:

DISCUSSION: Manager Jarvis stated we are prepared to reach out to our attorney for clarification on the Memorandum of Understanding with the Attorney General. We have also received a full copy of the MOU that was signed by many of the cities and towns in Arizona. It was signed by Mayors, Attorneys, and Town Managers. Vice-Mayor MacKenzie asked if we signed. Manager Jarvis informed him we had. Manager Jarvis explained this MOU pertains to the Attorney General of Arizona invited cities and towns to participate in a settlement agreement that they are working out with the pharmaceutical companies. He said he and the Town Attorney reviewed the information and felt it was sufficient for the Town Manager to sign the document. Manager Jarvis connected Timothy Shaffery the Town Attorney to the conference line. Manager Jarvis explained he has provided some background on the MOU. Mr. Shaffery explained the opioid crisis has been in the news for the last 3 -5 years. There are class action suits again pharmaceuticals, doctors, and hospitals. It has been very widespread on who is to blame for the opioid crisis. The pharmaceuticals are now the companies on the hook. The problem is when there is a crisis there is a lot of second-guessing going on. Being aware of this when he received this package in the mail as the Town Attorney from the Attorney Generals Office he reviewed it and deciphered it as simply an MOU. The MOU explained the Attorney General has joined a class-action lawsuit against pharmaceuticals responsible for the opioid crisis. They are in settlement negotiations with the pharmaceuticals and the other defendants. When Mr. Shafferey read it, he felt the Town should be involved after reading it, the Town could potentially get money from the suit if there is even a settlement. He asked everyone to keep in mind that at this point there is not a settlement yet. He brought it to Manager Jarvis and explained what it was. A month to a month and a half later, they learned that they are being accused of joining a lawsuit against a local business. He was concerned when he heard this. After some research, they felt that was not true. The MOU is not legally binding, it is saying we supported it, and if the money goes to counties and cities then sure the Town of Springerville would take part in that. The Town was probably affected by this, the police probably were tasked a little more than usual because of the crisis. When he heard a town business was named in the lawsuit he was surprised, he was not aware of that. At that point, we

asked for a full copy of the lawsuit. The lawsuit was actually filed by Apache County. It did not say filed by Apache County and Springerville or St. Johns, or any other city that supported the MOU. The plaintiff in the lawsuit is Apache County. they sued the pharmaceuticals and the local business in the lawsuit. It does not mean the Town joined the lawsuit. All we agreed to is if there is a settlement and distribution of settlement funds the Town could be entitled to some of those funds. Politically should the Town join in supporting the suit? He said that is the Council's decision, not a legal question. He will admit if he had known this was a County lawsuit and named the Town business they would have originally brought it to the Council. It was not presented that way. He is very confident the Town could back out of the MOU if they wished. If the Town Council feels this is politically toxic and wants to be removed from the situation, he would go to the Attorney Generals Office and explain it is a small town and we would rather not be involved. He explained the opioid crisis is a nationwide issue and these lawsuits are happening across the United States, this is not unique to AZ. He asked if the Town had any questions. Councilor Reidhead voiced she would like us to be removed from this MOU. Mayor Hanson agreed. Vice-Mayor MacKenzie asked Mr. Shaffery if the Town of Springerville is removed from the MOU is the local business still being sued by other parties? Mr. Shaffery replied yes, we aren't the ones suing them. He said in all honesty regardless if we withdraw or not our local business is in a lawsuit. Mayor Hanson asked Mr. Shaffery if the Attorney Generals' office is trying to remove Western Drug from being named in its suit? Mr. Shaffery responded he is not privy to that. He spoke with the new League attorney and she wasn't really sure. They suggested contacting the AG Attorney for clarification. Councilman Llamas asked if Western Drug is the only business identified in Apache County? Mr. Shaffery responded the few pages he saw Western Drug was the only local business he recognized. However, it is a lawsuit if you read the suit it reads the large pharmaceuticals, Western Drug, then it names John Does 1 - 1,000 that means if they feel someone else is at fault they can name the 1-1,000 John Does. They could name any assistant or pharmacist if they felt they didn't do their job. This is purely speculation. This is an escape route used by attorneys. At this stage, he guesses they wouldn't name additional defendants but they could. He doesn't believe it will happen but the AG's office could say it is too late to withdraw support.

Councilor Llamas wanted to add in closing a statement on this matter. He asked where does this end? He explained he feels we live in a time where individuals are not responsible for their own actions. He gave examples of eating unhealthy foods, consuming alcohol excessively, and that the people doing these things have made this choice. The number one killer in this country is heart-related disease that could be contributed to poor diets. Does this mean we should sue the fast food companies? He gave facts from the CDC on alcohol-related deaths. Prescriptions from the doctors come with very clear instructions on how to consume the prescriptions. If they are not consumed as prescribed is this really the pharmacist's fault? For those who abuse opioids and assume he does not relate to living in pain, he is a disabled Veteran that lives daily with pain. He understands the struggles with pain on a daily basis and

people make the choice. They should be responsible for their own choices.

ACTION: Shelly Reidhead/ Richard Davis motioned to have the Town ask to withdraw its support of the opioid crisis Memorandum of Understanding

Vote results:

Ayes: 5 / Nays: 0

5. Town Manager Contract:

Minutes:

ACTION 1: Richard Davis/ Shelly Reidhead motion to terminate the contract with Joseph Jarvis as Springerville Town Manager effective immediately.

DISCUSSION: Councilor Llamas started by explaining six months into Manager Jarvis's contract he requested a performance evaluation be completed on Joseph Jarvis. He feels no one took part in that with the exception of himself so the Council should be partially responsible. He feels had Mr. Jarvis been receiving counseling on a regular basis, which his contract allows, he feels it could have been different. Given some of the issues, he has witnessed and seen over the past year and 10 months and morale being extremely low with the employees of the Town of Springerville he believes Mr. Jarvis has attempted to micromanage. Manager Jarvis should allow each of his directors to perform their tasks and not do their tasks. Because morale is low, he supports the motion.

Vice-Mayor MacKenzie disagrees, he feels Manager Jarvis is doing a fine job for this town and isn't seeing low morale. He feels Mr. Jarvis was hired to run this town, micromanage or not he is doing a good job. Councilor Llamas said his job is to manage, it is the finance director's job to do finance and the public works managers job to do public works. It is not his responsibility to try to do that work for them. He personally likes Mr. Jarvis, but as a Councilmember, he has to put those feelings aside. He feels he has so much potential, knowledge, and skills. Councilor Llamas said he talks to employees on a very regular basis and he is seeing it.

Mayor Hanson stated he is seeing low morale in some places and high in others. Some people aren't happy with what Mr. Jarvis is doing. He feels two years isn't enough time, he was thinking of giving him another year then looking at his contract. He likes Mr. Jarvis. Vice-Mayor MacKenzie said there isn't the perfect person, there will be faults. He is new to this area and not used to the culture of the people.

Councilor Davis explained he has nothing personally against Manager Jarvis. He knows he has done a lot to get us to where we are, but he disagrees with some things and feels it's time to move on.

Councilor Reidhead agreed that she likes Mr. Jarvis as a person, but she feels it's time to put the residence of this town first. Councilor Llamas feels he has always had the residence of this town in mind, you can't appease everyone.

Manager Jarvis firstly asked the Council if he is able to perform the duties that they assigned him to do. Council responded yes. He continued stating this is the first time he is hearing these comments from Councilmembers. He asked Council how they would like to handle the transition? Some options he is presenting include: collect his

personal items tonight and leave, he could be given the opportunity to soften the transition, for example, there is a pending EDA grant that could be a challenge if he leaves now, additionally he highly recommended that Council select someone to be an interim Town Manager tonight to minimize the confusion. His last item is it has been an honor and a pleasure to work for the Town of Springerville. He appreciates the leadership of the Council. He recalled asking the Council during his interview how willing they were to take risks to pursue economic development, he said one Councilmember said they are very ready to take risks and the others agreed they wanted economic development. The powerplants are going to close, the Council needs to figure out a plan. He said the managers and directors are great people and really care about this community. He appreciates this opportunity, he has really enjoyed serving this community, he understood he signed a contract for two years and if it was time to go somewhere after that, it was okay. He explained he is in public service because he loves public service. He feels it's unfortunate he wasn't given the opportunity to reconcile differences, if Council changes their mind he would love the opportunity to reconcile those differences. He asked for direction and offered to assist in the process of finding the next Town Manager. He said he would not undermine or sabotage their efforts because that is not the kind of person he is. Vice Mayor MacKenzie asked how much time is left on his contract. He responded his current contract expires April 2, 2021. Vice-Mayor MacKenzie would like to give him that time to reconcile the differences. Councilmember Llamas said there is already a motion on the floor, he doesn't feel immediately removing Mr. Jarvis from office would benefit the Town of Springerville. Whoever they decide to appoint as interim will need to know what he is working on. It is going to be a heavy load for that individual. Mr. Jarvis reminded them they can go executive session to discuss this, he gave his suggestions of hiring an interim manager from an interim managers company or appointing an existing staff member. Mr. Belshe from the league could also be a resource.

VOTE ON FIRST MOTION: Ayes: 1 Nays: 0

Motioned Failed

ACTION 2: Shelly Reidhead/ Ruben Llamas motion to enter executive session at 6:41 p.m.

VOTE ON SECOND MOTION: Ayes: 5 Nays: 0

ACTION 3: Robert MacKenzie/ Shelly Reidhead motioned to enter back into regular session at 7:18 pm

VOTE ON THIRD MOTION: Ayes: 5 Nays: 0

ACTION 4: Shelly Reidhead/ Ruben Llamas motioned to appoint Heidi Wink as the interim Town Manager starting Wednesday, February 3, 2021.

DISCUSSION: Councilor Llamas thanked Joseph Jarvis for all he has done for the Town of Springerville.

VOTE ON FOURTH MOTION: Ayes: 5 Nays: 0

NEW BUSINESS

6. ADJOURNMENT:

Minutes:

ACTION: Ruben Llamas/ Robert MacKenzie motioned to adjourn at 7:21 p.m.

DISCUSSION: None

Vote results:

Ayes: 5 / Nays: 0

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TOWN OF SPRINGERVILLE

"GATEWAY TO THE WHITE MOUNTAINS"

Council Meeting February 17, 2021

Check Register

01/13/21 thru 02/09/21 Accounts Payable Expenses	\$264,198.07
Pay Period End 01/16/21 & 01/30/21	\$139,284.50
Total Expensed Dollar Amount for Consent Agenda	\$403,482.57
Total Revenue Received 01/13/21 thru 02/09/21	\$389,181.04

Balances on all cash accounts as of February 09, 2021

Checking Account	\$5,093,651.42
LGIP Savings	\$3,030,438.41

Report Criteria:

Report type: GL detail

Check Issue Date	Check Number	Payee	Description	Amount	Invoice GL Account
01/19/2021	97696	Air Methods	Flight Insurance	1,030.00- V	01-000-2023
01/13/2021	97747	Albertsons / Safeway	Milk	13.34	19-255-5060
01/13/2021	97747	Albertsons / Safeway	milk, bananas	20.24	19-255-5060
01/13/2021	97747	Albertsons / Safeway	Bisquick	15.42	19-255-5060
01/13/2021	97748	Apache Co Board of Supervisor	Monthly Payment	3,356.25	01-110-5056
01/13/2021	97749	Apache Co Treasurer	Dec Docket Fees	15.68	01-000-2011
01/13/2021	97750	Ascent Aviation Group, Inc.	wing points	12.31	04-180-5027
01/13/2021	97751	AZ State Treasurer	citation sucharge Dec 2020	1,751.58	01-000-2011
01/13/2021	97752	Brown & Brown Law Offices-(PT) Corp.	water adjudication	4,098.43	10-210-5033
01/13/2021	97753	Devin Brown	Legal prosecution fees	765.00	01-106-5068
01/13/2021	97754	Killum Pest Control	quarterly pest control	180.00	01-145-5062
01/13/2021	97754	Killum Pest Control	quarterly pest control	45.00	04-180-5062
01/13/2021	97754	Killum Pest Control	quarterly pest control	45.00	02-170-5062
01/13/2021	97754	Killum Pest Control	quarterly pest control	45.00	11-215-5062
01/13/2021	97754	Killum Pest Control	quarterly pest control	45.00	16-240-5062
01/13/2021	97755	Lazy Gate Mfg	Vertical Pivot Gate for South Hangers	6,580.60	04-180-5071
01/13/2021	97756	Rhinehart Oil Co. , LLC	Dyed fuel	697.78	02-170-5011
01/13/2021	97756	Rhinehart Oil Co. , LLC	Dyed fuel	149.52	10-210-5011
01/13/2021	97756	Rhinehart Oil Co. , LLC	Dyed fuel	149.52	11-215-5011
01/13/2021	97757	Shamrock Foods Co	Carrot, bean, corn, potato	602.88	19-255-5060
01/13/2021	97757	Shamrock Foods Co	towels	38.06	16-240-5089
01/13/2021	97758	Sierra Propane	Propane	273.88	01-115-5022
01/13/2021	97758	Sierra Propane	Propane	164.33	01-120-5022
01/13/2021	97758	Sierra Propane	Propane	109.55	01-125-5022
01/13/2021	97758	Sierra Propane	Propane	286.48	01-130-5022
01/13/2021	97758	Sierra Propane	Propane	164.56	01-135-5022
01/13/2021	97758	Sierra Propane	Propane	815.65	01-140-5022
01/13/2021	97758	Sierra Propane	Propane	547.76	01-150-5022
01/13/2021	97758	Sierra Propane	Propane	75.53	01-155-5022
01/13/2021	97758	Sierra Propane	Propane	72.53	01-160-5022
01/13/2021	97758	Sierra Propane	Propane	108.79	02-170-5022
01/13/2021	97758	Sierra Propane	Propane	167.00	04-180-5022
01/13/2021	97758	Sierra Propane	Propane	54.39	10-210-5022
01/13/2021	97758	Sierra Propane	Propane	54.39	11-215-5022
01/13/2021	97758	Sierra Propane	Propane	201.70	16-240-5022
01/13/2021	97759	Timothy B. Shaffery Law Office	legal fee Dec 2020	1,615.00	01-106-5138
01/13/2021	97760	TOS Municipal Property	Fire engine loan payment to USDA Jan	1,933.80	01-100-5988
01/13/2021	97760	TOS Municipal Property	Fire engine loan payment to USDA Jan	1,678.00	01-100-5988
01/13/2021	97761	Veritas Polygraphy & Investiga, LLC	Polygraph test-R. Beard	225.00	01-130-5012

Check Issue Date	Check Number	Payee	Description	Amount	Invoice GL Account
01/13/2021	97762	Websites That Work, LLC	Transfer website	500.00	04-180-5025
01/13/2021	97763	White Mountain Publ Co	Publication of ordinance	219.33	01-105-5019
01/13/2021	97763	White Mountain Publ Co	Publication of ordinance	188.55	01-105-5019
01/13/2021	97763	White Mountain Publ Co	Publication of ordinance	230.88	01-105-5019
01/20/2021	97766	Albertsons / Safeway	3 cases of water	5.13	01-105-5030
01/20/2021	97766	Albertsons / Safeway	Kleenex	7.72	01-130-5030
01/20/2021	97766	Albertsons / Safeway	food/supplies for Christmas party	204.13	01-105-5020
01/20/2021	97767	Allegra	Retirement plaque for D. Gregory	136.72	01-115-5057
01/20/2021	97768	Beard, Ronnie	Uniform Allowance	600.00	01-130-5008
01/20/2021	97769	Business Solutions Group LLC	Tax Forms	32.90	01-120-5019
01/20/2021	97770	Frontier	phone service	16.65	01-115-5016
01/20/2021	97770	Frontier	phone service	3.78	01-120-5016
01/20/2021	97770	Frontier	phone service	3.78	01-125-5016
01/20/2021	97770	Frontier	phone service	30.26	01-130-5016
01/20/2021	97770	Frontier	phone service	11.29	01-140-5016
01/20/2021	97770	Frontier	phone service	3.78	01-150-5016
01/20/2021	97770	Frontier	phone service	5.44	02-170-5016
01/20/2021	97770	Frontier	phone service	3.10	04-180-5016
01/20/2021	97770	Frontier	phone service	7.57	10-210-5016
01/20/2021	97770	Frontier	phone service	6.06	11-215-5016
01/20/2021	97771	LegalShield	0026900Jan2021	59.80	01-000-2019
01/20/2021	97772	Shamrock Foods Co	Gravy mix, fruit, veg, eggs, bread	691.88	19-255-5060
01/20/2021	97773	Syntech	Receipt paper for fuel master	62.50	04-180-5009
01/20/2021	97774	United Food Bank	snacks, beverages	41.04	19-255-5060
01/20/2021	97775	White Mountain Communications	Radio batteries/earpieces	843.62	01-140-5140
01/27/2021	97776	Arizona Dept. of Transportation	APMS Grant Match	59,680.10	04-180-5082
01/27/2021	97777	Employers Council Services Inc	2021 Labor Law Posters	259.78	01-115-5057
01/27/2021	97778	Ford Credit Dept 67-434	2018 Police Chief Vehicle	3,623.08	01-130-5093
01/27/2021	97778	Ford Credit Dept 67-434	2018 Police Chief Vehicle interest	183.72	01-130-5094
01/27/2021	97779	Frontier	Telephone	50.98	01-140-5016
01/27/2021	97780	Mohave Environmental Lab corp	2 microbiological water analysis	60.00	11-215-5123
01/27/2021	97780	Mohave Environmental Lab corp	5-fecal coliform and cuerier service	275.00	11-215-5123
01/27/2021	97780	Mohave Environmental Lab corp	2 nitrogen, PH/Trihalomethanes/Residual Chlorine	350.00	11-215-5123
01/27/2021	97780	Mohave Environmental Lab corp	Water testing	1,890.00	10-210-5123
01/27/2021	97780	Mohave Environmental Lab corp	2 microbiological water analysis	60.00	11-215-5123
01/27/2021	97780	Mohave Environmental Lab corp	new source approval-forest service	3,355.00	10-210-5123
01/27/2021	97781	Navopache Electric Co-Op	Electricity	524.19	01-115-5021
01/27/2021	97781	Navopache Electric Co-Op	Electricity	26.66	01-120-5021
01/27/2021	97781	Navopache Electric Co-Op	Electricity	17.77	01-125-5021
01/27/2021	97781	Navopache Electric Co-Op	Electricity	306.49	01-130-5021
01/27/2021	97781	Navopache Electric Co-Op	Electricity	62.08	01-135-5021
01/27/2021	97781	Navopache Electric Co-Op	Electricity	214.62	01-140-5021

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01/27/2021	97781	Navopache Electric Co-Op	Electricity	400.82	01-150-5021
01/27/2021	97781	Navopache Electric Co-Op	Electricity	159.13	01-155-5021
01/27/2021	97781	Navopache Electric Co-Op	Electricity	759.01	01-160-5021
01/27/2021	97781	Navopache Electric Co-Op	Electricity	2,858.18	02-170-5021
01/27/2021	97781	Navopache Electric Co-Op	Electricity	1,940.49	04-180-5021
01/27/2021	97781	Navopache Electric Co-Op	Electricity	4,229.44	10-210-5021
01/27/2021	97781	Navopache Electric Co-Op	Electricity	2,690.74	11-215-5021
01/27/2021	97781	Navopache Electric Co-Op	Electricity	667.52	22-270-5021
01/27/2021	97782	NBA Bank Card Center	4 Imprint-gift pullover	553.92	01-105-5020
01/27/2021	97782	NBA Bank Card Center	4 Imprint-Award Jacket	388.51	01-140-5008
01/27/2021	97782	NBA Bank Card Center	Averys-Christmas party	306.03	01-105-5020
01/27/2021	97782	NBA Bank Card Center	Black Hawk 3-point sling	24.37	01-130-5042
01/27/2021	97782	NBA Bank Card Center	Sling TV	60.00	04-180-5025
01/27/2021	97782	NBA Bank Card Center	Home Depot-serveillance Camera for OPS Office	42.24	04-180-5009
01/27/2021	97782	NBA Bank Card Center	Vista Prints-business cards	21.82	16-240-5019
01/27/2021	97782	NBA Bank Card Center	Boogas-Christmas party	110.01	01-105-5020
01/27/2021	97782	NBA Bank Card Center	Boogas-Christmas party	73.34	01-105-5020
01/27/2021	97782	NBA Bank Card Center	ACMA Winter Confrence Registration	100.00	01-115-5017
01/27/2021	97782	NBA Bank Card Center	Retirement Gift-Sharon RVSC	163.60	01-115-5057
01/27/2021	97782	NBA Bank Card Center	Amazon-Christmas party	276.96	01-105-5020
01/27/2021	97782	NBA Bank Card Center	Outside donations	500.00	01-130-5030
01/27/2021	97782	NBA Bank Card Center	Goobs-Christmas Party	105.41	01-105-5020
01/27/2021	97782	NBA Bank Card Center	LD Consulting LLC-Professional Standards Training	699.00	01-130-5017
01/27/2021	97782	NBA Bank Card Center	Late fee	39.00	01-115-5027
01/27/2021	97783	Pioneer Irrigation Company	yearly assessment	3,000.00	10-210-5027
01/27/2021	97784	Pitney-Bowes Purchase Power	Fee to Purchase Postage	7.50	01-115-5010
01/27/2021	97784	Pitney-Bowes Purchase Power	Fee to Purchase Postage	12.50	01-120-5010
01/27/2021	97784	Pitney-Bowes Purchase Power	Fee to Purchase Postage	4.50	01-125-5010
01/27/2021	97784	Pitney-Bowes Purchase Power	Fee to Purchase Postage	10.00	01-130-5010
01/27/2021	97784	Pitney-Bowes Purchase Power	Fee to Purchase Postage	2.00	02-170-5010
01/27/2021	97784	Pitney-Bowes Purchase Power	Fee to Purchase Postage	5.50	04-180-5010
01/27/2021	97784	Pitney-Bowes Purchase Power	Fee to Purchase Postage	98.00	10-210-5010
01/27/2021	97784	Pitney-Bowes Purchase Power	Fee to Purchase Postage	98.00	11-215-5010
01/27/2021	97784	Pitney-Bowes Purchase Power	Fee to Purchase Postage	10.00	03-175-5010
01/27/2021	97785	Proforce Law Enforcement	Glock 9mm Handgun	446.22	01-135-5042
01/27/2021	97786	Quill	calciator for Marcie, 1099 Misc forms, Storage boxes	131.61	01-120-5009
01/27/2021	97787	Rhinehart Oil Co. , LLC	Fuel	32.61	01-115-5011
01/27/2021	97787	Rhinehart Oil Co. , LLC	Fuel	404.76	01-130-5011
01/27/2021	97787	Rhinehart Oil Co. , LLC	Fuel	86.31	01-135-5011
01/27/2021	97787	Rhinehart Oil Co. , LLC	Fuel	89.93	01-140-5011
01/27/2021	97787	Rhinehart Oil Co. , LLC	Fuel	107.96	01-155-5011
01/27/2021	97787	Rhinehart Oil Co. , LLC	Fuel	72.75	02-170-5011

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01/27/2021	97787	Rhinehart Oil Co. , LLC	Fuel	60.59	11-215-5011
01/27/2021	97787	Rhinehart Oil Co. , LLC	Fuel	11.30	13-225-5011
01/27/2021	97787	Rhinehart Oil Co. , LLC	Fuel	11.30	15-235-5011
01/27/2021	97787	Rhinehart Oil Co. , LLC	Fuel	11.28	42-365-5011
01/27/2021	97788	Safelite Fulfillment Inc	Windshield replacement- P Stahnke broken at RV CS	342.73	16-240-5024
01/27/2021	97789	Woodson Engineering & Surveying	Professional Services	417.50	25-285-5301
02/03/2021	97796	Aflac	Feb UY855	319.77	01-000-2024
02/03/2021	97797	Ascent Aviation Group, Inc.	2200 Gallon Jet Refueler	350.00	04-180-5023
02/03/2021	97798	Blue Hills Env Assn Inc.	Feb Services	21.20	01-115-5018
02/03/2021	97798	Blue Hills Env Assn Inc.	Feb Services	11.04	01-120-5018
02/03/2021	97798	Blue Hills Env Assn Inc.	Feb Services	11.04	01-125-5018
02/03/2021	97798	Blue Hills Env Assn Inc.	Feb Services	11.04	01-130-5018
02/03/2021	97798	Blue Hills Env Assn Inc.	Feb Services	21.08	01-135-5018
02/03/2021	97798	Blue Hills Env Assn Inc.	Feb Services	44.08	01-140-5018
02/03/2021	97798	Blue Hills Env Assn Inc.	Feb Services	22.10	01-150-5018
02/03/2021	97798	Blue Hills Env Assn Inc.	Feb Services	43.33	01-160-5018
02/03/2021	97798	Blue Hills Env Assn Inc.	Feb Services	38.25	02-170-5018
02/03/2021	97798	Blue Hills Env Assn Inc.	Feb Services	44.08	04-180-5018
02/03/2021	97798	Blue Hills Env Assn Inc.	Feb Services	38.25	10-210-5018
02/03/2021	97798	Blue Hills Env Assn Inc.	Feb Services	44.08	11-215-5018
02/03/2021	97798	Blue Hills Env Assn Inc.	Feb Services	44.08	22-270-5018
02/03/2021	97799	Car Quest	battery	184.37	11-215-5061
02/03/2021	97799	Car Quest	battery	260.51	02-170-5061
02/03/2021	97800	CMI Engineering	Coconino PDM FMA Grant Application DEMA- HMA	13,013.75	50-400-5012
02/03/2021	97801	Dana Kepner Company	Meters, gaskets, bolt kits	2,874.41	10-210-5126
02/03/2021	97801	Dana Kepner Company	Clamps, couplings, ball valve	5,902.76	10-210-5129
02/03/2021	97802	Devin Brown	Legal prosecution fees	1,050.00	01-106-5068
02/03/2021	97803	Employers Council Services Inc	Membership Dues Febuary 2021-January 2022	3,837.56	01-115-5025
02/03/2021	97804	GreatAmerica Financial Svcs	TH Lanier lease principal	363.07	01-115-5093
02/03/2021	97804	GreatAmerica Financial Svcs	TH Lanier Lease Interest	32.36	01-115-5094
02/03/2021	97804	GreatAmerica Financial Svcs	SC Lanier lease principal	104.08	16-240-5093
02/03/2021	97804	GreatAmerica Financial Svcs	SC Lanier lease interest	9.48	16-240-5094
02/03/2021	97804	GreatAmerica Financial Svcs	Additional prints	48.90	01-115-5019
02/03/2021	97805	David, Verna	Beaded necklace with 2 buffalo nickels	50.40	01-000-2006
02/03/2021	97806	Law Office of Tevis Reich, PLLC	Professional Services-Easement Dispute	102.00	01-106-5131
02/03/2021	97807	Maverick Magazine	Ad for Maverick Magazine	120.00	01-150-5019
02/03/2021	97808	Mohave Environmental Lab corp	Nitrogen, PH/Trihalomethanes/Residual Chlorine	350.00	11-215-5123
02/03/2021	97809	Napa Auto Parts	wiper-blades/motor tune-up	39.79	03-175-5024
02/03/2021	97809	Napa Auto Parts	Filters, oil	305.87	02-170-5061
02/03/2021	97809	Napa Auto Parts	oil/filters	58.22	03-175-5024
02/03/2021	97809	Napa Auto Parts	oil/filters	84.43	03-175-5024
02/03/2021	97809	Napa Auto Parts	oil filter/oil	6.59	03-175-5024

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02/03/2021	97809	Napa Auto Parts	windshield washer fluid	21.34	02-170-5028
02/03/2021	97809	Napa Auto Parts	oil filter/oil	78.42	11-215-5024
02/03/2021	97809	Napa Auto Parts	oil/filter	62.75	01-130-5024
02/03/2021	97809	Napa Auto Parts	Booster cable	109.09	02-170-5024
02/03/2021	97809	Napa Auto Parts	oil filter/oil	20.48	02-170-5024
02/03/2021	97809	Napa Auto Parts	wiper-blades/motor tune-up	39.79- V	03-175-5024
02/03/2021	97809	Napa Auto Parts	Filters, oil	305.87- V	02-170-5061
02/03/2021	97809	Napa Auto Parts	oil/filters	58.22- V	03-175-5024
02/03/2021	97809	Napa Auto Parts	oil/filters	84.43- V	03-175-5024
02/03/2021	97809	Napa Auto Parts	oil filter/oil	6.59- V	03-175-5024
02/03/2021	97809	Napa Auto Parts	windshield washer fluid	21.34- V	02-170-5028
02/03/2021	97809	Napa Auto Parts	oil filter/oil	78.42- V	11-215-5024
02/03/2021	97809	Napa Auto Parts	oil/filter	62.75- V	01-130-5024
02/03/2021	97809	Napa Auto Parts	Booster cable	109.09- V	02-170-5024
02/03/2021	97809	Napa Auto Parts	oil filter/oil	20.48- V	02-170-5024
02/03/2021	97810	Painted Sky Engineering & Surv, LLC	Well meter reccomendations, site visit, replacements on Sheldon an	4,625.00	10-210-5301
02/03/2021	97811	Rhinehart Oil Co. , LLC	Fuel	478.75	01-130-5011
02/03/2021	97811	Rhinehart Oil Co. , LLC	Fuel	46.10	01-135-5011
02/03/2021	97811	Rhinehart Oil Co. , LLC	Fuel	131.61	01-140-5011
02/03/2021	97811	Rhinehart Oil Co. , LLC	Fuel	42.44	01-155-5011
02/03/2021	97811	Rhinehart Oil Co. , LLC	Fuel	63.65	01-160-5011
02/03/2021	97811	Rhinehart Oil Co. , LLC	Fuel	101.16	02-170-5011
02/03/2021	97811	Rhinehart Oil Co. , LLC	Fuel	39.30	04-180-5011
02/03/2021	97811	Rhinehart Oil Co. , LLC	Fuel	62.62	10-210-5011
02/03/2021	97811	Rhinehart Oil Co. , LLC	Fuel	55.37	11-215-5011
02/03/2021	97811	Rhinehart Oil Co. , LLC	Fuel	19.99	13-225-5011
02/03/2021	97811	Rhinehart Oil Co. , LLC	Fuel	20.00	15-235-5011
02/03/2021	97811	Rhinehart Oil Co. , LLC	Fuel	20.00	42-365-5011
02/03/2021	97812	Standard Insurance Co, RA	00 156419 0003 Feb 21	64.80	01-115-5004
02/03/2021	97812	Standard Insurance Co, RA	00 156419 0003 Feb 21	49.76	01-120-5004
02/03/2021	97812	Standard Insurance Co, RA	00 156419 0003 Feb 21	14.89	01-125-5004
02/03/2021	97812	Standard Insurance Co, RA	00 156419 0003 Feb 21	226.16	01-130-5004
02/03/2021	97812	Standard Insurance Co, RA	00 156419 0003 Feb 21	19.44	01-135-5004
02/03/2021	97812	Standard Insurance Co, RA	00 156419 0003 Feb 21	28.62	01-140-5004
02/03/2021	97812	Standard Insurance Co, RA	00 156419 0003 Feb 21	18.02	01-145-5004
02/03/2021	97812	Standard Insurance Co, RA	00 156419 0003 Feb 21	21.55	01-150-5004
02/03/2021	97812	Standard Insurance Co, RA	00 156419 0003 Feb 21	7.73	01-155-5004
02/03/2021	97812	Standard Insurance Co, RA	00 156419 0003 Feb 21	11.48	01-160-5004
02/03/2021	97812	Standard Insurance Co, RA	00 156419 0003 Feb 21	67.98	02-170-5004
02/03/2021	97812	Standard Insurance Co, RA	00 156419 0003 Feb 21	32.40	03-175-5004
02/03/2021	97812	Standard Insurance Co, RA	00 156419 0003 Feb 21	31.54	04-180-5004
02/03/2021	97812	Standard Insurance Co, RA	00 156419 0003 Feb 21	67.86	10-210-5004

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02/03/2021	97812	Standard Insurance Co, RA	00 156419 0003 Feb 21	55.51	11-215-5004
02/03/2021	97813	Sunstate Technology Group	Computer service for Feb 2021	324.10	01-115-5036
02/03/2021	97813	Sunstate Technology Group	Computer service for Feb 2021	324.10	01-120-5036
02/03/2021	97813	Sunstate Technology Group	Computer service for Feb 2021	162.05	01-125-5036
02/03/2021	97813	Sunstate Technology Group	Computer service for Feb 2021	1,134.35	01-130-5036
02/03/2021	97813	Sunstate Technology Group	Computer service for Feb 2021	162.05	01-140-5036
02/03/2021	97813	Sunstate Technology Group	Computer service for Feb 2021	324.10	01-150-5036
02/03/2021	97813	Sunstate Technology Group	Computer service for Feb 2021	648.20	02-170-5036
02/03/2021	97813	Sunstate Technology Group	Computer service for Feb 2021	162.00	04-180-5036
02/03/2021	97813	Sunstate Technology Group	Computer service for Feb 2021	81.03	10-210-5036
02/03/2021	97813	Sunstate Technology Group	Computer service for Feb 2021	81.02	11-215-5036
02/03/2021	97813	Sunstate Technology Group	Computer service for Feb 2021	162.00	22-270-5036
02/03/2021	97813	Sunstate Technology Group	Phone service for Feb 2021	135.20	01-115-5016
02/03/2021	97813	Sunstate Technology Group	Phone service for Feb 2021	90.14	01-120-5016
02/03/2021	97813	Sunstate Technology Group	Phone service for Feb 2021	45.07	01-125-5016
02/03/2021	97813	Sunstate Technology Group	Phone service for Feb 2021	585.90	01-130-5016
02/03/2021	97813	Sunstate Technology Group	Phone service for Feb 2021	135.20	01-140-5016
02/03/2021	97813	Sunstate Technology Group	Phone service for Feb 2021	90.13	01-150-5016
02/03/2021	97813	Sunstate Technology Group	Phone service for Feb 2021	22.54	10-210-5016
02/03/2021	97813	Sunstate Technology Group	Phone service for Feb 2021	22.54	11-215-5016
02/03/2021	97813	Sunstate Technology Group	Phone service for Feb 2021	171.15	16-240-5016
02/03/2021	97814	Town of Eagar	1/2 NPC Electric Jan 2021	109.27	01-115-5048
02/03/2021	97815	Valley Auto Parts	Manifold, gasket, bolt freight	482.82	02-170-5061
02/03/2021	97815	Valley Auto Parts	Reel, flare, MPX	29.95	02-170-5024
02/03/2021	97816	Websites That Work, LLC	last payment to build new website	4,450.00	01-115-5012
02/03/2021	97817	WMRMC	Med Clearance- A. Fisher, S. Hayes	154.50	01-130-5134
02/10/2021	97818	Albertsons / Safeway	Red pepers, dressing, spring mix, garlic, cabbage, parsley, oranges,	12.63	19-255-5060
02/10/2021	97818	Albertsons / Safeway	cucumbers, bananas	53.43	19-255-5060
02/10/2021	97819	Apache Co Board of Supervisor	Monthly Payment	3,356.25	01-110-5056
02/10/2021	97820	Ascent Aviation Group, Inc.	100LL fuel purchase	25,962.96	04-180-5091
02/10/2021	97820	Ascent Aviation Group, Inc.	wing points	11.03	04-180-5027
02/10/2021	97821	AZ Dept of Revenue	Sales Tax Payable	10.00	16-240-5025
02/10/2021	97822	Brown & Brown Law Offices	water adjudication	4,617.33	10-210-5033
02/10/2021	97823	LN Curtis	Ready Rack Hangers-25	1,582.23	01-140-5071
02/10/2021	97824	Napa Auto Parts	wiper-blades/motor tune-up	39.79	03-175-5024
02/10/2021	97824	Napa Auto Parts	Filters, oil	305.87	02-170-5061
02/10/2021	97824	Napa Auto Parts	oil/filters	58.22	03-175-5024
02/10/2021	97824	Napa Auto Parts	oil/filters	84.43	03-175-5024
02/10/2021	97824	Napa Auto Parts	oil filter/oil	6.59	03-175-5024
02/10/2021	97824	Napa Auto Parts	windshield washer fluid	21.34	02-170-5028
02/10/2021	97824	Napa Auto Parts	oil filter/oil	78.42	11-215-5024
02/10/2021	97824	Napa Auto Parts	oil/filter	62.75	01-130-5024

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02/10/2021	97824	Napa Auto Parts	Booster cable	109.09	02-170-5024
02/10/2021	97824	Napa Auto Parts	oil filter/oil	20.48	02-170-5024
02/10/2021	97825	Quill	tape, pencils, push pins, clips, pens, ink	461.32	01-140-5009
02/10/2021	97826	RAGHT	Feb Prem	5,978.43	01-000-2020
02/10/2021	97826	RAGHT	Feb Prem	1,667.68	01-115-5004
02/10/2021	97826	RAGHT	Feb Prem	1,982.05	01-120-5004
02/10/2021	97826	RAGHT	Feb Prem	387.78	01-125-5004
02/10/2021	97826	RAGHT	Feb Prem	12,652.05	01-130-5004
02/10/2021	97826	RAGHT	Feb Prem	1,229.57	01-135-5004
02/10/2021	97826	RAGHT	Feb Prem	1,675.04	01-140-5004
02/10/2021	97826	RAGHT	Feb Prem	507.77	01-145-5004
02/10/2021	97826	RAGHT	Feb Prem	681.27	01-150-5004
02/10/2021	97826	RAGHT	Feb Prem	502.52	01-155-5004
02/10/2021	97826	RAGHT	Feb Prem	990.35	01-160-5004
02/10/2021	97826	RAGHT	Feb Prem	4,197.01	02-170-5004
02/10/2021	97826	RAGHT	Feb Prem	1,233.82	03-175-5004
02/10/2021	97826	RAGHT	Feb Prem	1,233.82	04-180-5004
02/10/2021	97826	RAGHT	Feb Prem	3,453.49	10-210-5004
02/10/2021	97826	RAGHT	Feb Prem	2,575.30	11-215-5004
02/10/2021	97827	Shamrock Foods Co	Bean, biscuit mix, combread mix	738.64	16-240-5060
02/10/2021	97827	Shamrock Foods Co	foil containers	65.64	16-240-5089
02/10/2021	97828	Sierra Propane	Propane	260.26	01-115-5022
02/10/2021	97828	Sierra Propane	Propane	156.16	01-120-5022
02/10/2021	97828	Sierra Propane	Propane	104.10	01-125-5022
02/10/2021	97828	Sierra Propane	Propane	399.18	01-130-5022
02/10/2021	97828	Sierra Propane	Propane	273.04	01-135-5022
02/10/2021	97828	Sierra Propane	Propane	1,264.10	01-140-5022
02/10/2021	97828	Sierra Propane	Propane	520.51	01-150-5022
02/10/2021	97828	Sierra Propane	Propane	91.09	01-155-5022
02/10/2021	97828	Sierra Propane	Propane	91.09	01-160-5022
02/10/2021	97828	Sierra Propane	Propane	136.64	02-170-5022
02/10/2021	97828	Sierra Propane	Propane	276.01	04-180-5022
02/10/2021	97828	Sierra Propane	Propane	68.32	10-210-5022
02/10/2021	97828	Sierra Propane	Propane	68.32	11-215-5022
02/10/2021	97828	Sierra Propane	Propane	324.99	16-240-5022
02/10/2021	97829	Sunstate Technology Group	Rewire of town hall & police department	8,322.49	01-145-5062
02/10/2021	97830	Timothy B. Shaffery Law Office	legal fee Jan 2021	3,078.00	01-106-5138
02/10/2021	97831	Daniel Muth	515 Thunderbird-Muth	41.13	10-000-2025
02/10/2021	97832	Valley Imaging Solutions	Lanier Print Cart	28.75	16-240-5061
02/10/2021	97833	Verizon Wireless	Jan Cell Phone	48.88	04-180-5016
02/10/2021	97833	Verizon Wireless	Jan Cell Phone	28.34	10-210-5016
02/10/2021	97833	Verizon Wireless	Jan Cell Phone	28.34	11-215-5016

Check Issue Date	Check Number	Payee	Description	Amount	Invoice GL Account
02/10/2021	97833	Verizon Wireless	Jan Cell Phone	38.77	42-365-5016
02/10/2021	97834	Virtower LLC	Monthly Access	400.00	04-180-5025
02/10/2021	97835	Western Drug Co	Sealing tape, decoupage	12.31	02-170-5009
02/10/2021	97835	Western Drug Co	sponge brushes,	5.93	02-170-5073
Grand Totals:				<u>264,198.07</u>	

Summary by General Ledger Account Number

**TOWN OF SPRINGERVILLE
MEMORANDUM**

TO: Springerville Town Council
FROM: Tim Rasmussen, Public Works Director
DATE: February 17, 2021
SUBJECT: McCauley Construction Contract

SUGGESTED MOTION:

I move we award bid and approve payment to McCauley Construction, Inc. in the amount of \$126,654.00, authorize change order authority to the interim Town Manager for 10% of the bid amount, and authorize the interim Town Manager to execute the necessary documents.

STAFF REPORT

The project is being funded by the Town's 2019 Community Development Block Grant (CDBG). Bids were solicited, received, and opened on February 3, 2021 for this Town Hall Park ADA improvement project which consists of sidewalks and new ADA door openers around Town Hall Park and Town Hall. Bid Tabulation results are attached. As evidenced in the Bid Tabulation, this is a solid Bid by McCauley Construction. The bid amount plus the 10% change order authorization amount is within the total funded Grant amount available for the construction of this project.

**TOWN OF SPRINGERVILLE
MEMORANDUM**

TO: Springerville Town Council
FROM: Heidi Wink, Interim Town Manager
DATE: 01/20/2021
SUBJECT: Resolution 2021-R005

SUGGESTED MOTION:

I move to adopt Resolution 2021-R005, regarding a lease purchase agreement with Zions Bank for Self-Contained Breathing Apparatus equipment for the fire department.

OR

I move to table this item

STAFF REPORT

RESOLUTION 2021-R005

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF SPRINGERVILLE, ARIZONA, APACHE COUNTY APPROVING THE FORM OF THE LEASE/PURCHASE AGREEMENT WITH ZIONS BANCORPORATION, M.A., SALT LAKE CITY, UTAH AND AUTHORIZING THE EXECUTION AND DELIVERY THEREOF.

Whereas, The Town Council (the “Governing Body”) of Town of Springerville (the “Lessee”) has determined that the leasing of the property described in the Lease/Purchase Agreement (the “Lease/Purchase Agreement”) presented at this meeting is for a valid public purpose and is essential to the operations of the Lessee; and

Whereas, the Governing Body has reviewed the form of the Lease/Purchase Agreement and has found the terms and conditions thereof acceptable to the Lessee; and

Whereas, either there are no legal bidding requirements under applicable law to arrange for the leasing of such property under the Lease/Purchase Agreement, or the Governing Body has taken the steps necessary to comply with the same with respect to the Lease/Purchase Agreement.

Be it resolved by the Governing Body of Town of Springerville as follows:

SECTION 1. The terms of said Lease/Purchase Agreement are in the best interests of the Lessee for the leasing of the property described therein.

SECTION 2. The appropriate officers and officials of the Lessee are hereby authorized and directed to execute and deliver the Lease/Purchase Agreement in substantially the form presented to this meeting and any related documents and certificates necessary to the consummation of the transactions contemplated by the Lease/Purchase Agreement for and on behalf of the Lessee. The officers and officials of the Lessee may make such changes to the Lease/Purchase Agreement and related documents and certificates as such officers and officials deem necessary or desirable, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3. The officers and officials of the Governing Body and the Lessee are hereby authorized and directed to fulfill all obligations under the terms of the Lease/Purchase Agreement

Phil Hanson, Jr., Mayor

ATTEST:

Kelsi Miller, Town Clerk

APPROVED:

Timothy B. Shaffery, Town Attorney
Shaffery Law Offices, P.L.L.C.

ARIZONA FIXED EQUIPMENT LEASE

Long Name of Entity: Town of Springerville
Address: 418 E. Main Street
City, State Zip: Springerville, AZ 85938
Attention: Heidi Wink
Public Finance Office: Finance Director
County: Apache
Amount: 120,000.00
Rate: 2.18
Maturity Date: February 25, 2026
First Pmt Date: February 25, 2022
Payment Dates: February 25
Auto Extend: 4
Governing Body: Town Council
Resolution Date: February, 2021
Dated Date: February, 2021
Day: 25th
State: Arizona

\$120,000.00
Town of Springerville
Lease Purchase Agreement

1. Lease/Purchases Agreement of the Town of Springerville
2. Exhibit A. Calculation of Interest Component
3. Exhibit B. Description of Leased Property
4. Exhibit C. Resolution of Governing Body
5. Exhibit D. Opinion of Lessee's Counsel
6. Exhibit E. Security Documents
7. Exhibit F. Delivery and Acceptance Certificate
8. Form 8038-G
9. Wire Transfer Request

LEASE/PURCHASE AGREEMENT

Dated as of February 25, 2021

by and between

ZIONS BANCORPORATION, N.A.,
as Lessor

and

TOWN OF SPRINGVILLE,
as Lessee

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LEASE/PURCHASE AGREEMENT

THIS LEASE/PURCHASE AGREEMENT, dated as of February 25, 2021, by and between ZIONS BANCORPORATION, N.A., a national banking association duly organized and existing under the laws of the United States of America, as lessor (the “Bank” or “Lessor”), and Town of Springerville (the “Lessee”), a public agency of the State of Arizona (the “State”), duly organized and existing under the Constitution and laws of the State, as lessee;

W I T N E S S E T H:

WHEREAS, the Lessee desires to finance the acquisition of the equipment and/or other personal property described as the “Leased Property” in Exhibit B (the “Leased Property”) by entering into this Lease/Purchase Agreement with the Bank (the “Lease”); and

WHEREAS, the Bank agrees to lease the Leased Property to the Lessee upon the terms and conditions set forth in this Lease, with rental to be paid by the Lessee equal to the Lease Payments hereunder; and

WHEREAS, it is the intent of the parties that the original term of this Lease, and any subsequent renewal terms, shall not exceed 12 months, and that the payment obligation of the Lessee shall not constitute a general obligation under State law; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Lease;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

SECTION 1.1 Definitions and Rules of Construction. Unless the context otherwise requires, the capitalized terms used herein shall, for all purposes of this Lease, have the meanings specified in the definitions below. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Lease, refer to this Lease as a whole.

“Advance” shall have the meaning set forth in Section 2.1(l)(i)(D) hereof.

“Bank” shall have the meaning set forth in the Preamble hereof.

“Business Day” means any day except a Saturday, Sunday, or other day on which banks in Salt Lake City, Utah or the State are authorized to close.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commencement Date” means the date this Lease is executed by the Bank and the Lessee.

“Event of Nonappropriation” shall have the meaning set forth in Section 3.2 hereof.

“Governing Body” means the governing body of the Lessee.

“Lease Payments” means the rental payments described in Exhibit A hereto.

“Lease Payment Date” shall have the meaning set forth in Section 3.4(a) hereof.

“Leased Property” shall have the meaning set forth in the Whereas clauses hereof.

“Lessee” shall have the meaning set forth in the Preamble hereof.

“Net Proceeds” means insurance or eminent domain proceeds received with respect to the Leased Property less expenses incurred in connection with the collection of such proceeds.

“Obligation Instrument” shall have the meaning set forth in Section 2.1(c) hereof.

“Original Term” shall have the meaning set forth in Section 3.2 hereof.

“Permitted Encumbrances” means, as of any particular time: (i) liens for taxes and assessments, if any, not then delinquent, or which the Lessee may, pursuant to provisions of Section 5.3 hereof, permit to remain unpaid; (ii) this Lease; (iii) any contested right or claim of any mechanic, laborer, materialman, supplier or vendor filed or perfected in the manner prescribed by law to the extent permitted under Section 5.4(b) hereof; (iv) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the execution date of this Lease and which the Lessee hereby certifies will not materially impair the use of the Leased Property by the Lessee; and (v) other rights, reservations, covenants, conditions or restrictions established following the date of execution of this Lease and to which the Bank and the Lessee consent in writing.

“Rebate Exemption” shall have the meaning set forth in Section 2.1(l)(ii)(A) hereof.

“Regulations” shall have the meaning set forth in Section 2.1(l)(i) hereof.

“Renewal Term” shall have the meaning set forth in Section 3.2 hereof.

“Scheduled Term” shall have the meaning set forth in Section 3.2 hereof.

“State” shall have the meaning set forth in the Preamble hereof.

“Term” or “Term of this Lease” means the Original Term and all Renewal Terms provided for in this Lease under Section 3.2 until this Lease is terminated as provided in Section 3.3 hereof.

SECTION 1.2 Exhibits. Exhibits A, B, C, D, E and F attached to this Lease are by this reference made a part of this Lease.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1 Representations, Covenants and Warranties of the Lessee. The Lessee represents, covenants and warrants to the Bank as follows:

(a) Due Organization and Existence. The Lessee is a public agency of the State duly organized and existing under the Constitution and laws of the State.

(b) Authorization; Enforceability. The Constitution and laws of the State authorize the Lessee to enter into this Lease and to enter into the transactions contemplated by, and to carry out its obligations under, this Lease. The Lessee has duly authorized, executed and delivered this Lease in accordance with the Constitution and laws of the State. This Lease constitutes the legal, valid and binding special obligation of the Lessee enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(c) No Conflicts or Default; Other Liens or Encumbrances. Neither the execution and delivery of this Lease nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby (i) conflicts with or results in a breach of the terms, conditions, provisions, or restrictions of any existing law, or court or administrative decree, order, or regulation, or agreement or instrument to which the Lessee is now a party or by which the Lessee is bound, **including without limitation any agreement or instrument pertaining to any bond, note, lease, certificate of participation, debt instrument, or any other obligation of the Lessee** (any such bond, note, lease, certificate of participation, debt instrument, and other obligation being referred to herein as an "Obligation Instrument"), (ii) constitutes a default under any of the foregoing, or (iii) results in the creation or imposition of any pledge, lien, charge or encumbrance whatsoever upon any of the property or assets of the Lessee, or upon the Leased Property except for Permitted Encumbrances.

By way of example, and not to be construed as a limitation on the representations set forth in the immediately preceding paragraph:

(A) no portion of the Leased Property is pledged to secure any Obligation Instrument; and

(B) the interests of the Lessor in the Leased Property hereunder do not violate the terms, conditions or provisions of any restriction or revenue pledge in any agreement or instrument pertaining to any Obligation Instrument.

If any Obligation Instrument existing on the date of execution of this Lease creates any pledge, lien, charge or encumbrance on any revenues, property or assets associated with the Leased Property that is higher in priority to the Bank's interests therein under this Lease, the Bank hereby subordinates its interests therein, but only to the extent required pursuant to such existing Obligation Instrument.

(d) Compliance with Open Meeting Requirements. The Governing Body has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which the Lessee's execution of this Lease was authorized.

(e) Compliance with Bidding Requirements. Either there are no procurement or public bidding laws of the State applicable to the acquisition and leasing of the Leased Property pursuant to this Lease, or the Governing Body and the Lessee have complied with all such procurement and public bidding laws as may be applicable hereto.

(f) No Adverse Litigation. There are no legal or governmental proceedings or litigation pending, or to the best knowledge of the Lessee threatened or contemplated (or any basis therefor) wherein an unfavorable decision, ruling, or finding might adversely affect the transaction contemplated in or the validity of this Lease.

(g) Opinion of Lessee's Counsel. The letter attached to this Lease as Exhibit D is a true opinion of Lessee's counsel.

(h) Governmental Use of Leased Property. During the Term of this Lease, the Leased Property will be used solely by the Lessee, and only for the purpose of performing one or more governmental or proprietary functions of the Lessee consistent with the permissible scope of the Lessee's authority, and the Leased Property will not be subject to any direct or indirect private business use.

(i) Other Representations and Covenants. The representations, covenants, warranties, and obligations set forth in this Article are in addition to and are not intended to limit any other representations, covenants, warranties, and obligations set forth in this Lease.

(j) No Nonappropriations. The Lessee has never non-appropriated or defaulted under any of its payment or performance obligations or covenants, either under any municipal lease of the same general nature as this Lease, or under any of its bonds, notes, or other obligations of indebtedness for which its revenues or general credit are pledged.

(k) No Legal Violation. The Leased Property is not, and at all times during the Term of this Lease will not be in violation of any federal, state or local law, statute, ordinance or regulation.

(l) General Tax and Arbitrage Representations and Covenants.

(i) The certifications and representations made by the Lessee in this Lease are intended, among other purposes, to be a certificate permitted in Section 1.148-2(b) of the Treasury Regulations promulgated pursuant to Section 148 of the Code (the "Regulations"), to establish the reasonable expectations of the Lessee at the time of the execution of this Lease made on the basis of the facts, estimates and circumstances in existence on the date hereof. The Lessee further certifies and covenants as follows:

(A) The Lessee has not been notified of any disqualification or proposed disqualification of it by the Commissioner of the Internal Revenue Service as an issuer which may certify bond issues.

(B) To the best knowledge and belief of the Lessee, there are no facts, estimates or circumstances that would materially change the conclusions, certifications or representations set forth in this Lease, and the expectations herein set forth are reasonable.

(C) The Scheduled Term of this Lease does not exceed the useful life of the Leased Property, and the weighted average term of this Lease does not exceed the weighted average useful life of the Leased Property.

(D) Each advance of funds by the Bank to finance Leased Property under this Lease (each an "Advance") will occur only when and to the extent that the Lessee has reasonably determined and identified the nature, need, and cost of each item of Leased Property pertaining to such Advance.

(E) No use will be made of the proceeds of this Lease or any such Advance, or any funds or accounts of the Lessee which may be deemed to be proceeds of this Lease or any such Advance, which use, if it had been reasonably expected on the date of the execution of this Lease or of any such Advance, would

have caused this Lease or any such Advance to be classified as an "arbitrage bond" within the meaning of Section 148 of the Code.

(F) The Lessee will at all times comply with the rebate requirements of Section 148(f) of the Code as they pertain to this Lease, to the extent applicable.

(G) In order to preserve the status of this Lease and the Advances as other than "private activity bonds" as described in Sections 103(b)(1) and 141 of the Code, as long as this Lease and any such Advances are outstanding and unpaid:

(I) none of the proceeds from this Lease or the Advances or any facilities or assets financed therewith shall be used for any "private business use" as that term is used in Section 141(b) of the Code and defined in Section 141(b)(6) of the Code;

(II) the Lessee will not allow any such "private business use" to be made of the proceeds of this Lease or the Advances or any facilities or assets financed therewith; and

(III) none of the Advances or Lease Payments due hereunder shall be secured in whole or in part, directly or indirectly, by any interest in any property used in any such "private business use" or by payments in respect of such property and shall not be derived from payments in respect of such property.

(H) The Lessee will not take any action, or omit to take any action, which action or omission would cause the interest component of the Lease Payments to be ineligible for the exclusion from gross income as provided in Section 103 of the Code.

(I) The Lessee is a "governmental unit" within the meaning of Section 141(b)(6) of the Code.

(J) The obligations of the Lessee under this Lease are not federally guaranteed within the meaning of Section 149(b) of the Code.

(K) This Lease and the Advances to be made pursuant hereto will not reimburse the Lessee for any expenditures incurred prior to the date of this Lease and do not constitute a "refunding issue" as defined in Section 1.150-1(d) of the Regulations, and no part of the proceeds of this Lease or any such Advances will be used to pay or discharge any obligations of the Lessee the interest on which is or purports to be excludable from gross income under the Code or any predecessor provision of law.

(L) In compliance with Section 149(e) of the Code relating to information reporting, the Lessee will file or cause to be filed with the Internal Revenue Service Center, Ogden, UT 84201, within fifteen (15) days from the execution of this Lease, IRS Form 8038-G or 8038-GC, as appropriate, reflecting the total aggregate amount of Advances that can be made pursuant to this Lease.

(M) None of the proceeds of this Lease or the Advances to be made hereunder will be used directly or indirectly to replace funds of the Lessee used directly or indirectly to acquire obligations at a yield materially higher than the

yield on this Lease or otherwise invested in any manner. No portion of the Advances will be made for the purpose of investing such portion at a materially higher yield than the yield on this Lease.

(N) Inasmuch as Advances will be made under this Lease only when and to the extent the Lessee reasonably determines, identifies and experiences the need therefor, and will remain outstanding and unpaid only until such time as the Lessee has moneys available to repay the same, the Lessee reasonably expects that (I) the Advances will not be made sooner than necessary; (II) no proceeds from the Advances will be invested at a yield higher than the yield on this Lease; and (III) the Advances and this Lease will not remain outstanding and unpaid longer than necessary.

(O) The Lessee will either (i) spend all of the moneys advanced pursuant to this Lease immediately upon receipt thereof, without investment, on the portion of the Leased Property that is to be financed thereby; or (ii) invest such moneys at the highest yield allowable and practicable under the circumstances until they are to be spent on the portion of the Leased Property that is to be financed thereby, and track, keep records of, and pay to the United States of America, all rebatable arbitrage pertaining thereto, at the times, in the amounts, in the manner, and to the extent required under Section 148(f) of the Code and the Treasury Regulations promulgated in connection therewith. At least five percent (5%) of the total amount of moneys that are expected to be advanced pursuant to this Lease are reasonably expected to have been expended on the Leased Property within six (6) months from the date of this Lease. All moneys to be advanced pursuant to this Lease are reasonably expected to have been expended on the Leased Property no later than the earlier of: (I) the date twelve (12) months from the date such moneys are advanced; and (II) the date three (3) years from the date of this Lease.

(P) This Lease and the Advances to be made hereunder are not and will not be part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the regulations promulgated in connection therewith (I) enabling the Lessee to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (II) overburdening the tax-exempt bond market, as those terms are used in Section 1.148-10(a)(2) of the Regulations.

(Q) To the best of the knowledge, information and belief of the Lessee, the above expectations are reasonable. On the basis of the foregoing, it is not expected that the proceeds of this Lease and the Advances to be made hereunder will be used in a manner that would cause this Lease or such Advances to be "arbitrage bonds" under Section 148 of the Code and the regulations promulgated thereunder, and to the best of the knowledge, information and belief of the Lessee, there are no other facts, estimates or circumstances that would materially change the foregoing conclusions.

(ii) Arbitrage Rebate Under Section 148(f) of the Code. With respect to the arbitrage rebate requirements of Section 148(f) of the Code, either (check applicable box):

(A) Lessee Qualifies for Small Issuer Exemption from Arbitrage Rebate. The Lessee hereby certifies and represents that it qualifies for the exception contained in Section 148(f)(4)(D) of the Code from the requirement to rebate

arbitrage earnings from investment of proceeds of the Advances made under this Lease (the "Rebate Exemption") as follows:

(1) The Lessee has general taxing powers.

(2) Neither this Lease, any Advances to be made hereunder, nor any portion thereof are private activity bonds as defined in Section 141 of the Code ("Private Activity Bonds").

(3) Ninety-five percent (95%) or more of the net proceeds of the Advances to be made hereunder are to be used for local government activities of the Lessee (or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the Lessee).

(4) Neither the Lessee nor any aggregated issuer has issued or is reasonably expected to issue any tax-exempt obligations other than Private Activity Bonds (as those terms are used in Section 148(f)(4)(D) of the Code) during the current calendar year, including the Advances to be made hereunder, which in the aggregate would exceed \$5,000,000 in face amount, or \$15,000,000 in face amount for such portions, if any, of any tax-exempt obligations of the Lessee and any aggregated issuer as are attributable to construction of public school facilities within the meaning of Section 148(f)(4)(D)(vii) of the Code.

For purposes of this Section, "aggregated issuer" means any entity which (a) issues obligations on behalf of the Lessee, (b) derives its issuing authority from the Lessee, or (c) is subject to substantial control by the Lessee.

The Lessee hereby certifies and represents that it has not created, does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 148(f)(4)(D)(i)(IV) of the Code.

Accordingly, the Lessee will qualify for the Rebate Exemption granted to governmental units issuing less than \$5,000,000 under Section 148(f)(4)(D) of the Code (\$15,000,000 for the financing of public school facilities construction as described above), and the Lessee shall be treated as meeting the requirements of Paragraphs (2) and (3) of Section 148(f) of the Code relating to the required rebate of arbitrage earnings to the United States with respect to this Lease and the Advances to be made hereunder.

- or -

(B) Lessee Will Keep Records of and Will Rebate Arbitrage. The Lessee does not qualify for the small issuer Rebate Exemption described above, and the Lessee hereby certifies and covenants that it will account for, keep the appropriate records of, and pay to the United States, the rebate amount, if any, earned from the investment of gross proceeds of this Lease and the Advances to be made hereunder, at the times, in the amounts, and in the manner prescribed in Section 148(f) of the Code and the applicable Regulations promulgated with respect thereto.

(m) Small Issuer Exemption from Bank Nondeductibility Restriction. Based on the following representations of the Lessee, the Lessee hereby designates this Lease and the interest

components of the Lease Payments hereunder as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code: (i) this Lease and the Lease Payments hereunder are not private activity bonds within the meaning of Section 141 of the Code; (ii) the Lessee reasonably anticipates that it, together with all “aggregated issuers,” will not issue during the current calendar year obligations (other than those obligations described in clause (iii) below) the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code which, when aggregated with this Lease, will exceed an aggregate principal amount of \$10,000,000; (iii) and notwithstanding clause (ii) above, the Lessee and its aggregated issuers may have issued in the current calendar year and may continue to issue during the remainder of the current calendar year private activity bonds other than qualified 501(c)(3) bonds as defined in Section 145 of the Code. For purposes of this subsection, “aggregated issuer” means any entity which (a) issues obligations on behalf of the Lessee, (b) derives its issuing authority from the Lessee, or (c) is subject to substantial control by the Lessee. The Lessee hereby certifies and represents that it has not created, does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code.

(n) Reports to State. The Lessee has duly authorized and executed this Lease in accordance with A.R.S. section 35-501 and has filed with the State of Arizona all reports required thereunder relating to this Lease.

SECTION 2.2 Representations, Covenants and Warranties of the Bank. The Bank is a national banking association, duly organized, existing and in good standing under and by virtue of the laws of the United States of America, has the power to enter into this Lease, is possessed of full power to own and hold real and personal property, and to lease and sell the same, and has duly authorized the execution and delivery of this Lease. This Lease constitutes the legal, valid and binding obligation of the Bank, enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

ARTICLE III

AGREEMENT TO LEASE; TERM OF LEASE; LEASE PAYMENTS

SECTION 3.1 Lease. The Bank hereby leases the Leased Property to the Lessee, and the Lessee hereby leases the Leased Property from the Bank, upon the terms and conditions set forth herein.

Concurrently with its execution of this Lease, the Lessee shall deliver to the Bank fully completed documents substantially in the forms attached hereto as Exhibits B, C, D E and F hereto. Prior to the Bank making the final Advance hereunder, Lessee shall provide the Bank an executed copy of the Delivery and Acceptance Certificate found in Exhibit F.

SECTION 3.2 Term. The Term of this Lease shall commence on the date of execution of this Lease, including delivery to the Bank by the Lessee of fully completed documents in the forms set forth in Exhibits B, C, D, E and F attached hereto, and continue until the end of the fiscal year of Lessee in effect at the Commencement Date (the “Original Term”). Thereafter, this Lease will be extended for 4 successive additional periods of one year coextensive with Lessee's fiscal year, except for the last such period which may be less than a full fiscal year, (each, a “Renewal Term”) subject to an Event of Nonappropriation as described herein below in this Section 3.2 and in Section 3.3(a), with the final Renewal Term ending on February 25, 2026, unless this Lease is terminated as hereinafter provided. The Original Term together with all scheduled Renewal Terms shall be referred to herein as the “Scheduled Term” irrespective of whether this Lease is terminated for any reason prior to the scheduled commencement or termination of any Renewal Term as provided herein.

If Lessee does not appropriate funds for the payment of Lease Payments due for any Renewal Term in the adopted budget of the Lessee for the applicable fiscal year (an "Event of Nonappropriation"), this Lease will terminate upon the expiration of the Original or Renewal Term then in effect and Lessee shall notify Bank of such termination at least ten (10) days prior to the expiration of the Original or Renewal Term then in effect.

SECTION 3.3 Termination. This Lease will terminate upon the earliest of any of the following events:

- (a) upon the expiration of the Original Term or any Renewal Term of this Lease following an Event of Nonappropriation;
- (b) the exercise by Lessee of any option to purchase granted in this Lease by which Lessee purchases all of the Leased Property;
- (c) a default by Lessee and Bank's election to terminate this Lease under Article VII herein; or
- (d) the expiration of the Scheduled Term of this Lease, the Lessee having made payment of all Lease Payments accrued to such date.
- (e) Lessee may terminate this Lease at any time pursuant to A.R.S. § 38-511, to the extent applicable.

SECTION 3.4 Lease Payments.

- (a) Time and Amount. During the Term of this Lease and so long as this Lease has not terminated pursuant to Section 3.3, the Lessee agrees to pay to the Bank, its successors and assigns, as annual rental for the use and possession of the Leased Property, the Lease Payments (denominated into components of principal and interest) in the amounts specified in Exhibit A, to be due and payable in arrears on each payment date identified in Exhibit A (or if such day is not a Business Day, the next succeeding Business Day) specified in Exhibit A (the "Lease Payment Date").
- (b) Rate on Overdue Payments. In the event the Lessee should fail to make any of the Lease Payments required in this Section, the Lease Payment in default shall continue as an obligation of the Lessee until the amount in default shall have been fully paid, and the Lessee agrees to pay the same with interest thereon, to the extent permitted by law, from the date such amount was originally payable at the rate equal to the original interest rate payable with respect to such Lease Payments.
- (c) Additional Payments. Any additional payments required to be made by the Lessee hereunder, including but not limited to Sections 4.1, 5.3, and 7.4 of this Lease, shall constitute additional rental for the Leased Property.

SECTION 3.5 Possession of Leased Property Upon Termination. Upon termination of this Lease pursuant to Sections 3.3(a), (c) or (e), the Lessee shall transfer the Leased Property to the Bank in such manner as may be specified by the Bank, and the Bank shall have the right to take possession of the Leased Property by virtue of the Bank's ownership interest as lessor of the Leased Property, and the Lessee at the Bank's direction shall ship the Leased Property to the destination designated by the Bank by loading the Leased Property at the Lessee's cost and expense, on board such carrier as the Bank shall specify.

SECTION 3.6 No Withholding. Notwithstanding any dispute between the Bank and the Lessee, in connection with this Lease or otherwise, including a dispute as to the failure of any portion of the Leased

Property in use by or possession of the Lessee to perform the task for which it is leased, the Lessee shall make all Lease Payments when due and shall not withhold any Lease Payments pending the final resolution of such dispute.

SECTION 3.7 Lease Payments to Constitute a Current Obligation of the Lessee. Notwithstanding any other provision of this Lease, the Lessee and the Bank acknowledge and agree that the obligation of the Lessee to pay Lease Payments hereunder constitutes a current special obligation of the Lessee payable exclusively from current and legally available funds and shall not in any way be construed to be an indebtedness of the Lessee within the meaning of any constitutional or statutory limitation or requirement applicable to the Lessee concerning the creation of indebtedness. The Lessee has not hereby pledged the general tax revenues or credit of the Lessee to the payment of the Lease Payments, or the interest thereon, nor shall this Lease obligate the Lessee to apply money of the Lessee to the payment of Lease Payments beyond the then current Original Term or Renewal Term, as the case may be, or any interest thereon.

SECTION 3.8 Net Lease. This Lease shall be deemed and construed to be a “net-net-net lease” and the Lessee hereby agrees that the Lease Payments shall be an absolute net return to the Bank, free and clear of any expenses, charges or set-offs whatsoever, except as expressly provided herein.

SECTION 3.9 Offset. Lease Payments or other sums payable by Lessee pursuant to this Lease shall not be subject to set-off, deduction, counterclaim or abatement and Lessee shall not be entitled to any credit against such Lease Payments or other sums for any reason whatsoever, including, but not limited to: (i) any accident or unforeseen circumstances; (ii) any damage or destruction of the Leased Property or any part thereof; (iii) any restriction or interference with Lessee's use of the Leased Property; (iv) any defects, breakdowns, malfunctions, or unsuitability of the Leased Property or any part thereof; or (v) any dispute between the Lessee and the Bank, any vendor or manufacturer of any part of the Leased Property, or any other person.

ARTICLE IV

INSURANCE

SECTION 4.1 Insurance. Lessee, at Bank's option, will either self-insure, or at Lessee's cost, will cause casualty insurance and property damage insurance to be carried and maintained on the Leased Property, with all such coverages to be in such amounts sufficient to cover the value of the Leased Property at the commencement of this Lease (as determined by the purchase price paid for the Leased Property), and public liability insurance with respect to the Leased Property in the amounts required by law, but in no event with a policy limit less than \$1,000,000 per occurrence. All insurance shall be written in such forms, to cover such risks, and with such insurers, as are customary for public entities such as the Lessee. A combination of self-insurance and policies of insurance may be utilized. If policies of insurance are obtained, Lessee will cause Bank to be a loss payee as its interest under this Lease may appear on such property damage insurance policies, and an additional insured on a primary and noncontributory basis on such public liability insurance in an amount equal to or exceeding the minimum limit stated herein. Subject to Section 4.2, insurance proceeds from insurance policies or budgeted amounts from self-insurance as relating to casualty and property damage losses will, to the extent permitted by law, be payable to Bank in an amount equal to the then outstanding principal and accrued interest components of the Lease Payments at the time of such damage or destruction as provided by Section 8.1. Lessee will deliver to Bank the policies or evidences of insurance or self-insurance satisfactory to Bank, together with receipts for the applicable premiums before the Leased Property is delivered to Lessee and at least thirty (30) days before the expiration of any such policies. By endorsement upon the policy or by independent instrument furnished to Bank, such insurer will agree that it will give Bank at least thirty (30) days' written notice prior to cancellation or alteration of the policy. Lessee will carry workers compensation insurance covering all employees working on, in, or about the Leased Property, and

will require any other person or entity working on, in, or about the Leased Property to carry such coverage, and will furnish to Bank certificates evidencing such coverages throughout the Term of this Lease.

SECTION 4.2 Damage to or Destruction of the Leased Property. If all or any part of the Leased Property is lost, stolen, destroyed, or damaged, Lessee will give Bank prompt notice of such event and will, to the extent permitted by law, repair or replace the same at Lessee's cost. If such lost, stolen, destroyed or damaged Leased Property is equipment, it shall be repaired or replaced within thirty (30) days after such event. If such lost, stolen, destroyed or damaged Leased Property is other than equipment, it shall be repaired or replaced within one hundred eighty (180) days after such event. Any replaced Leased Property will be substituted in this Lease by appropriate endorsement. All insurance proceeds received by Bank under the policies required under Section 4.1 with respect to the Leased Property lost, stolen, destroyed, or damaged, will be paid to Lessee if the Leased Property is repaired or replaced by Lessee as required by this Section. If Lessee fails or refuses to make the required repairs or replacement, such proceeds will be paid to Bank to the extent of the then remaining portion of the Lease Payments to become due during the Scheduled Term of this Lease less that portion of such Lease Payments attributable to interest which will not then have accrued as provided in Section 8.1. No loss, theft, destruction, or damage to the Leased Property will impose any obligation on Bank under this Lease, and this Lease will continue in full force and effect regardless of such loss, theft, destruction, or damage. Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss, theft, destruction, or damage to the Leased Property and for injuries or deaths of persons and damage to property however arising, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such damage to property be to Lessee's property or to the property of others.

ARTICLE V

COVENANTS

SECTION 5.1 Use of the Leased Property. The Lessee represents and warrants that it has an immediate and essential need for the Leased Property to carry out and give effect to the public purposes of the Lessee, which need is not temporary or expected to diminish in the foreseeable future, and that it expects to make immediate use of all of the Leased Property.

The Lessee hereby covenants that it will install, use, operate, maintain, and service the Leased Property in accordance with all vendors' instructions and in such a manner as to preserve all warranties and guarantees with respect to the Leased Property.

The Lessor hereby assigns to the Lessee, without recourse, for the Term of this Lease, all manufacturer warranties and guaranties, express or implied, pertinent to the Leased Property, and the Lessor directs the Lessee to obtain the customary services furnished in connection with such warranties and guaranties at the Lessee's expense; provided, however, that the Lessee hereby agrees that it will reassign to the Lessor all such warranties and guaranties in the event of termination of this Lease pursuant to Sections 3.3(a) or 3.3(c).

SECTION 5.2 Interest in the Leased Property and this Lease. Upon expiration of the Term as provided in Section 3.3(b) or 3.3(d) hereof, all right, title and interest of the Bank in and to all of the Leased Property shall be transferred to and vest in the Lessee, without the necessity of any additional document of transfer.

SECTION 5.3 Maintenance, Utilities, Taxes and Assessments.

(a) **Maintenance; Repair and Replacement.** Throughout the Term of this Lease, as part of the consideration for the rental of the Leased Property, all repair and maintenance of the Leased

Property shall be the responsibility of the Lessee, and the Lessee shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Property excepting ordinary wear and tear, and the Lessee hereby covenants and agrees that it will comply with all vendors' and manufacturers' maintenance and warranty requirements pertaining to the Leased Property. In exchange for the Lease Payments herein provided, the Bank agrees to provide only the Leased Property, as hereinbefore more specifically set forth.

(b) Tax and Assessments; Utility Charges. The Lessee shall also pay or cause to be paid all taxes and assessments, including but not limited to utility charges, of any type or nature charged to the Lessee or levied, assessed or charged against any portion of the Leased Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are required to be paid during the Term of this Lease as and when the same become due.

(c) Contests. The Lessee may, at its expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom; provided that prior to such nonpayment it shall furnish the Bank with the opinion of an independent counsel acceptable to the Bank to the effect that, by nonpayment of any such items, the interest of the Bank in such portion of the Leased Property will not be materially endangered and that the Leased Property will not be subject to loss or forfeiture. Otherwise, the Lessee shall promptly pay such taxes, assessments or charges or make provisions for the payment thereof in form satisfactory to the Bank.

SECTION 5.4 Modification of the Leased Property.

(a) Additions, Modifications and Improvements. The Lessee shall, at its own expense, have the right to make additions, modifications, and improvements to any portion of the Leased Property if such improvements are necessary or beneficial for the use of such portion of the Leased Property. All such additions, modifications and improvements shall thereafter comprise part of the Leased Property and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage any portion of the Leased Property or cause it to be used for purposes other than those authorized under the provisions of State and federal law or in any way which would impair the exclusion from gross income for federal income tax purposes of the interest components of the Lease Payments; and the Leased Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is not substantially less than the value of the Leased Property immediately prior to the making of such additions, modifications and improvements.

(b) No Liens. Except for Permitted Encumbrances, the Lessee will not permit (i) any liens or encumbrances to be established or remain against the Leased Property or (ii) any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any additions, modifications or improvements made by the Lessee pursuant to this Section; provided that if any such mechanic's lien is established and the Lessee shall first notify or cause to be notified the Bank of the Lessee's intention to do so, the Lessee may in good faith contest any lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Bank with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Bank. The Bank will cooperate fully in any such contest.

SECTION 5.5 Permits. The Lessee will provide all permits and licenses necessary for the ownership, possession, operation, and use of the Leased Property, and will comply with all laws, rules, regulations, and ordinances applicable to such ownership, possession, operation, and use. If compliance with any law, rule, regulation, ordinance, permit, or license requires changes or additions to be made to the Leased Property, such changes or additions will be made by the Lessee at its own expense.

SECTION 5.6 Bank's Right to Perform for Lessee. If the Lessee fails to make any payment or to satisfy any representation, covenant, warranty, or obligation contained herein or imposed hereby, the Bank may (but need not) make such payment or satisfy such representation, covenant, warranty, or obligation, and the amount of such payment and the expense of any such action incurred by the Bank, as the case may be, will be deemed to be additional rent payable by the Lessee on the Bank's demand.

SECTION 5.7 Bank's Disclaimer of Warranties. The Bank has played no part in the selection of the Leased Property, the Lessee having selected the Leased Property independently from the Bank. The Bank, at the Lessee's request, has acquired or arranged for the acquisition of the Leased Property and shall lease the same to the Lessee as herein provided, the Bank's only role being the facilitation of the financing of the Leased Property for the Lessee. THE BANK MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE LESSEE OF THE LEASED PROPERTY, OR ANY PORTION THEREOF. THE LESSEE ACKNOWLEDGES THAT THE BANK IS NOT A MANUFACTURER OR VENDOR OF ALL OR ANY PORTION OF THE LEASED PROPERTY, AND THAT THE LESSEE IS LEASING THE LEASED PROPERTY AS IS. In no event shall the Bank be liable for incidental, direct, indirect, special or consequential damages, in connection with or arising out of this Lease, for the existence, furnishing, functioning or Lessee's use and possession of the Leased Property.

SECTION 5.8 Indemnification. To the extent permitted by applicable law, the Lessee hereby agrees to indemnify and hold harmless the Bank, its directors, officers, shareholders, employees, agents, and successors from and against any loss, claim, damage, expense, and liability resulting from or attributable to the acquisition, construction, or use of the Leased Property. Notwithstanding the foregoing, the Bank shall not be indemnified for any liability resulting from the gross negligence or willful misconduct of the Bank.

SECTION 5.9 Inclusion for Consideration as Budget Item. During the Term of this Lease, the Lessee covenants and agrees that it shall give due consideration, in accordance with applicable law, as an item for expenditure during its annual budget considerations, of an amount necessary to pay Lease Payments for the Leased Property during the next succeeding Renewal Term. Nothing herein shall be construed to direct or require that Lessee take or direct that any legislative act be done, or that the Governing Body of Lessee improperly or unlawfully delegate any of its legislative authority.

SECTION 5.10 Annual Financial Information. During the Term of this Lease, the Lessee covenants and agrees to provide the Bank as soon as practicable when they are available: (i) a copy of the Lessee's final annual budget for each fiscal year; (ii) a copy of the Lessee's most recent financial statements; and (iii) any other financial reports the Bank may request from time to time.

ARTICLE VI

ASSIGNMENT AND SUBLEASING

SECTION 6.1 Assignment by the Bank. The parties hereto agree that all rights of Bank hereunder may be assigned, transferred or otherwise disposed of, either in whole or in part, including without limitation transfer to a trustee pursuant to a trust arrangement under which the trustee issues certificates of

participation evidencing undivided interests in this Lease and/or the rights to receive Lease Payments hereunder, provided that notice of any such assignment, transfer or other disposition is given to Lessee.

SECTION 6.2 Assignment and Subleasing by the Lessee. The Lessee may not assign this Lease or sublease all or any portion of the Leased Property unless both of the following shall have occurred: (i) the Bank shall have consented to such assignment or sublease; and (ii) the Bank shall have received assurance acceptable to the Bank that such assignment or sublease: (A) is authorized under applicable state law, (B) will not adversely affect the validity of this Lease, and (C) will not adversely affect the exclusion from gross income for federal income tax purposes of the interest components of the Lease Payments.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.1 Events of Default Defined. The following shall be “events of default” under this Lease and the terms “events of default” and “default” shall mean, whenever they are used in this Lease, any one or more of the following events:

(a) Payment Default. Failure by the Lessee to pay any Lease Payment required to be paid hereunder by the corresponding Lease Payment Date.

(b) Covenant Default. Failure by the Lessee to observe and perform any warranty, covenant, condition or agreement on its part to be observed or performed herein or otherwise with respect hereto other than as referred to in clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the Lessee by the Bank; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Bank shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected.

(c) Bankruptcy or Insolvency. The filing by the Lessee of a case in bankruptcy, or the subjection of any right or interest of the Lessee under this Lease to any execution, garnishment or attachment, or adjudication of the Lessee as a bankrupt, or assignment by the Lessee for the benefit of creditors, or the entry by the Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Lessee in any proceedings instituted under the provisions of the federal bankruptcy code, as amended, or under any similar act which may hereafter be enacted.

The foregoing provisions of this Section 7.1 are subject to the provisions of Section 3.2 hereof with respect to nonappropriation.

SECTION 7.2 Remedies on Default. Whenever any event of default referred to in Section 7.1 hereof shall have happened and be continuing, the Bank shall have the right, at its sole option without any further demand or notice to take one or any combination of the following remedial steps:

(a) take possession of the Leased Property by virtue of the Bank’s ownership interest as lessor of the Leased Property;

(b) hold the Lessee liable for the difference between (i) the rents and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term, as appropriate, and (ii) the rent paid by a lessee of the Leased Property pursuant to such lease; and

(c) take whatever action at law or in equity may appear necessary or desirable to enforce its right hereunder.

SECTION 7.3 No Remedy Exclusive. No remedy conferred herein upon or reserved to the Bank is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Bank to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

SECTION 7.4 Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party contained herein, the defaulting party agrees that it will pay on demand to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

SECTION 7.5 Waiver of Certain Damages. With respect to all of the remedies provided for in this Article VII, the Lessee hereby waives any damages occasioned by the Bank's repossession of the Leased Property upon an event of default.

ARTICLE VIII

PREPAYMENT OF LEASE PAYMENTS IN PART

SECTION 8.1 Extraordinary Prepayment From Net Proceeds. To the extent, if any, required pursuant to Section 4.1 the Lessee shall be obligated to purchase the Leased Property by prepaying the Lease Payments in whole or in part on any date, from and to the extent of any Net Proceeds or other moneys pursuant to Article IV hereof. The Lessee and the Bank hereby agree that in the case of such prepayment of the Lease Payments in part, such Net Proceeds or other moneys shall be credited toward the Lessee's obligations hereunder pro rata among Lease Payments so that following prepayment, the remaining annual Lease Payments will be proportional to the initial annual Lease Payments.

SECTION 8.2 Option to Purchase Leased Property. Subject to the terms and conditions of this Section, the Bank hereby grants an option to the Lessee to purchase all or a portion of the Leased Property by paying on any date a price equal to the portion of the outstanding principal component of the Lease Payments that is allocable to such portion of the Leased Property that is being so purchased, without premium, plus the accrued interest component of such portion of the Lease Payments to such payment date. To exercise this option, the Lessee must deliver to the Bank written notice specifying the date on which the Leased Property is to be purchased (the "Closing Date"), which notice must be delivered to the Bank at least thirty (30) days prior to the Closing Date specified therein. The Lessee may purchase the Leased Property pursuant to the option granted in this Section only if the Lessee has made all Lease Payments when due (or has remedied any defaults in the payment of Lease Payments, in accordance with the provisions of this Lease) and all other warranties, representations, covenants, and obligations of the Lessee under this Lease have been satisfied (or all breaches thereof have been waived by the Bank in writing).

Upon the expiration of the Scheduled Term of this Lease and provided that all conditions of the immediately preceding paragraph have been satisfied (except those pertaining to notice), the Lessee shall be deemed to have purchased the Leased Property (without the need for payment of additional moneys) and shall be vested with all rights and title to the Leased Property.

ARTICLE IX

MISCELLANEOUS

SECTION 9.1 Notices. Unless otherwise specifically provided herein, all notices shall be in writing addressed to the respective party as set forth below (or to such other address as the party to whom such notice is intended shall have previously designated by written notice to the serving party), and may be personally served, telecopied, or sent by overnight courier service or United States mail:

If to Bank:

ZIONS BANCORPORATION, N.A.
One South Main Street, 17th Floor
Salt Lake City, Utah 84133
Attention: Kirsi Hansen

If to the Lessee:

Town of Springerville
418 E. Main Street
Springerville, AZ 85938
Attention: Heidi Wink

Such notices shall be deemed to have been given: (a) if delivered in person, when delivered; (b) if delivered by telecopy, on the date of transmission if transmitted by 4:00 p.m. (Salt Lake City time) on a Business Day or, if not, on the next succeeding Business Day; (c) if delivered by overnight courier, two Business Days after delivery to such courier properly addressed; or (d) if by United States mail, four Business Days after depositing in the United States mail, postage prepaid and properly addressed.

SECTION 9.2 System of Registration. The Lessee shall be the Registrar for this Lease and the rights to payments hereunder. The Bank shall be the initial Registered Owner of rights to receive payments hereunder. If the Bank transfers its rights to receive payments hereunder, the Registrar shall note on this Lease the name and address of the transferee.

SECTION 9.3 Instruments of Further Assurance. To the extent, if any, that the Bank's interest in the Leased Property as Lessor under this Lease is deemed to be a security interest in the Leased Property, then the Lessee shall be deemed to have granted, and in such event the Lessee does hereby grant, a security interest in the Leased Property to the Bank, which security interest includes proceeds, and this Lease shall constitute a security agreement under applicable law. Concurrently with the execution of this Lease, the Lessee has executed, delivered, and filed and/or recorded all financing statements, UCC forms, mortgages, deeds of trust, notices, filings, and/or other instruments, in form required for filing and/or recording thereof, as are required under applicable law to fully perfect such security interest of the Bank in the Leased Property (collectively, "Security Documents"). Attached hereto as Exhibit E are copies of all such Security Documents. The Lessee will do, execute, acknowledge, deliver and record, or cause to be done, executed, acknowledged, delivered and recorded, such additional acts, notices, filings and instruments as the Bank may require in its sole discretion to evidence, reflect and perfect the title, ownership, leasehold interest, security interest and/or other interest of the Bank in and to any part or all of the Leased Property, promptly upon the request of the Bank.

SECTION 9.4 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Bank and the Lessee and their respective successors and assigns.

SECTION 9.5 Amendments. This Lease may be amended or modified only upon the written agreement of both the Bank and the Lessee.

SECTION 9.6 Section Headings. Section headings are for reference only and shall not be used to interpret this Lease.

SECTION 9.7 Severability. In the event any provision of this Lease shall be held invalid or unenforceable by a court of competent jurisdiction, to the extent permitted by law, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 9.8 Entire Agreement. This Lease and the attached Exhibits constitute the entire agreement between the Bank and the Lessee and supersedes any prior agreement between the Bank and the Lessee with respect to the Leased Property, except as is set forth in an Addendum, if any, which is made a part of this Lease and which is signed by both the Bank and the Lessee.

SECTION 9.9 Execution in Counterparts. This Lease may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.10 Arbitration. To the extent permitted by law, any dispute, controversy or claim arising out of or based upon the terms of this Lease or the transactions contemplated hereby shall be settled exclusively and finally by binding arbitration. Upon written demand for arbitration by any party hereto, the parties to the dispute shall confer and attempt in good faith to agree upon one arbitrator. If the parties have not agreed upon an arbitrator within thirty (30) days after receipt of such written demand, each party to the dispute shall appoint one arbitrator and those two arbitrators shall agree upon a third arbitrator. Any arbitrator or arbitrators appointed as provided in this section shall be selected from panels maintained by, and the binding arbitration shall be conducted in accordance with the commercial arbitration rules of, the American Arbitration Association (or any successor organization), and such arbitration shall be binding upon the parties. The arbitrator or arbitrators shall have no power to add or detract from the agreements of the parties and may not make any ruling or award that does not conform to the terms and conditions of this Lease. The arbitrator or arbitrators shall have no authority to award punitive damages or any other damages not measured by the prevailing party's actual damages. Judgment upon an arbitration award may be entered in any court having jurisdiction. The prevailing party in the arbitration proceedings shall be awarded reasonable attorney fees and expert witness costs and expenses.

SECTION 9.11 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 9.12 Immigration. To the extent applicable and except as stated below, pursuant to the provisions of the Section 41-4401 of the Arizona Revised Statutes, and in accordance with federal law and Bank's practice, Bank hereby warrants and certifies that Bank complies with the Immigration Reform and Control Act of 1986 and employment with the Bank is contingent on the successful completion of the I-9 verification process and the E-Verify requirements of Section 23-214(A) of the Arizona Revised Statutes. Such employment with Bank is not contingent on any of the other requirements of Section 23-214(A). Bank does not knowingly employ any individuals in the United States who are not legally authorized to work in the United States. For associate confidentiality reasons, Bank generally does not disclose or allow the inspection of its personnel records of its associates to third parties, including I-9 or e-Verify documentation. However, if there are concerns about an individual's eligibility to perform work in connection with this Agreement, please contact Lessor in accordance with Section 9.1 of this Agreement and Lessor will investigate and respond to these concerns.

SECTION 9.13 Boycotting Israel. Pursuant to Section 35-393 et seq., Arizona Revised Statutes, Bank hereby certifies it is not currently engaged in, and for the duration of this Agreement shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes. If it is determined that Bank's certification above is false or that it has breached such agreement, Lessee may impose remedies as provided by law.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the Bank has caused this Lease to be executed in its name by its duly authorized officer, and the Lessee has caused this Lease to be executed in its name by its duly authorized officer, as of the date first above written.

ZIONS BANCORPORATION, N.A., as Lessor

By: _____
Authorized Officer

TOWN OF SPRINGVILLE, as Lessee

By: _____

Title

EXHIBIT A

FIXED RATE

LEASE PAYMENT DEBT SERVICE SCHEDULE*

1. Interest. Interest components payable on the principal amount outstanding have been computed at the rate of two and eighteen hundredths percent (2.18%) per annum calculated based on twelve 30-day months during a 360-day year.

2. Payment Dates and Amounts.

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/25/2021	-	-	-	-	-
02/25/2022	22,976.16	2.180%	2,616.00	25,592.16	25,592.16
02/25/2023	23,477.04	2.180%	2,115.12	25,592.16	25,592.16
02/25/2024	23,988.84	2.180%	1,603.32	25,592.16	25,592.16
02/25/2025	24,511.80	2.180%	1,080.36	25,592.16	25,592.16
02/25/2026	25,046.16	2.180%	546.01	25,592.17	25,592.17
Total	\$120,000.00	-	\$7,960.81	\$127,960.81	-

EXHIBIT B

DESCRIPTION OF THE LEASED PROPERTY

Self-Contained Breathing Apparatus:

LN	QTY	UNIT	PART NUMBER	DESCRIPTION	UNIT PRICE	TOTAL PRICE
1	16	EA	A-G1FS-444MA2C2LAR MSA	G1 4500# scba, with: * CGA quick connect remote connection * Serviceable tunnel with chest strap harness * Metal band cradle * Adjustable swiveling lumbar pad * Solid cover left shoulder regular type * Continuous regulator hose * Extendaire II emer breathing support * Left chest speaker module * Pass right shoulder * Rechargeable battery	\$4,504.53	\$72,072.48
2	16	EA	10156459 MSA	Medium G1 facepiece with medium noseup, includes: * 4-point adjustable cloth head harness * Fixed push-to-connect regulator connection * ATO number: a-g1fp-fm1m401 This product contains PFAS to reduce the risk of parts sticking or becoming inoperable.	\$236.29	\$3,780.64
3	32	EA	10175708 MSA	45min 4500# G1 scba low profile cylinder, with air, with quick connect remote connection	\$882.47	\$28,239.04
4	6	EA	10148741-SP MSA	Battery pack, G1, rechargeable	\$248.51	\$1,491.06
5	1	EA	10158385 MSA	G1 scba charging station kit	\$481.25	\$481.25
6	1	EA	10149700-SP MSA	4500/5500 quick connect coupling	\$290.83	\$290.83
7	1	EA	10144230 MSA	Spectacle kit for G1 facepiece	\$86.39	\$86.39
8	1	EA	10206313 MSA	Uebss 2018 edition G1 rit extendaire II system, 4500#, medium facepiece, regulator, 6ft quick-fill hose, urc, quick-connect	\$2,952.83	\$2,952.83
9	1	EA	RBL20 TRUE NORTH	Red L-2 Rit Bag W/ Iron-Cloth Technology & Heat-Shield Skid Plate	\$285.00	\$285.00
10	1	EA	10175710 MSA	60min 4500# G1 scba cylinder, with air, with quick connect remote connection	\$1,084.93	\$1,084.93

EXHIBIT C

RESOLUTION OF GOVERNING BODY

A resolution approving the form of the Lease/Purchase Agreement with ZIONS BANCORPORATION, N.A., Salt Lake City, Utah and authorizing the execution and delivery thereof.

Whereas, The Town Council (the “Governing Body”) of Town of Springerville (the “Lessee”) has determined that the leasing of the property described in the Lease/Purchase Agreement (the “Lease/Purchase Agreement”) presented at this meeting is for a valid public purpose and is essential to the operations of the Lessee; and

Whereas, the Governing Body has reviewed the form of the Lease/Purchase Agreement and has found the terms and conditions thereof acceptable to the Lessee; and

Whereas, either there are no legal bidding requirements under applicable law to arrange for the leasing of such property under the Lease/Purchase Agreement, or the Governing Body has taken the steps necessary to comply with the same with respect to the Lease/Purchase Agreement.

Be it resolved by the Governing Body of Town of Springerville as follows:

SECTION 1. The terms of said Lease/Purchase Agreement are in the best interests of the Lessee for the leasing of the property described therein.

SECTION 2. The appropriate officers and officials of the Lessee are hereby authorized and directed to execute and deliver the Lease/Purchase Agreement in substantially the form presented to this meeting and any related documents and certificates necessary to the consummation of the transactions contemplated by the Lease/Purchase Agreement for and on behalf of the Lessee. The officers and officials of the Lessee may make such changes to the Lease/Purchase Agreement and related documents and certificates as such officers and officials deem necessary or desirable, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3. The officers and officials of the Governing Body and the Lessee are hereby authorized and directed to fulfill all obligations under the terms of the Lease/Purchase Agreement.

Adopted and approved this _____ day of _____, 2021.

By _____

Print Name _____

Title _____

Attest:

By _____

Print Name _____

Title _____

STATE OF ARIZONA

)

) ss.

COUNTY OF APACHE

)

I, _____ hereby certify that I am the duly qualified and acting
_____ of Town of Springerville (the "Lessee").
(Title)

I further certify that the above and foregoing instrument constitutes a true and correct copy of the minutes of a regular meeting of the governing body including a Resolution adopted at said meeting held on February 17, 2021, as said minutes and Resolution are officially of record in my possession, and that a copy of said Resolution was deposited in my office on _____, 2021.

In witness whereof, I have hereunto set my hand on behalf of the Lessee this _____ day of _____, 2021.

By _____

Print Name _____

Title _____

EXHIBIT D
Opinion of Lessee's Counsel

To: ZIONS BANCORPORATION, N.A.
One South Main Street, 17th Floor
Salt Lake City, Utah 84133

As counsel for Town of Springerville ("Lessee"), I have examined duly executed originals of the Lease/Purchase Agreement (the "Lease") dated this 25th day of February, 2021, between the Lessee and ZIONS BANCORPORATION, N.A., Salt Lake City, Utah ("Bank"), and the proceedings taken by Lessee to authorize and execute the Lease (the "Proceedings"). Based upon such examination as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is a body corporate and politic, legally existing under the laws of the State of Arizona (the "State").
2. The Lease and the Proceedings have been duly adopted, authorized, executed, and delivered by Lessee, and do not require the seal of Lessee to be effective, valid, legal, or binding.
3. The governing body of Lessee has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which the Proceedings were adopted and the Lessee's execution of the Lease was authorized.
4. The Lease is a legal, valid, and binding obligation of Lessee, enforceable against Lessee in accordance with its terms except as limited by the state and federal laws affecting remedies and by bankruptcy, reorganization, or other laws of general application affecting the enforcement of creditor's rights generally.
5. Either there are no usury laws of the State applicable to the Lease, or the Lease is in accordance with and does not violate all such usury laws as may be applicable.
6. Either there are no procurement or public bidding laws of the State applicable to the acquisition and leasing of the Leased Property (as defined in the Lease) from the Bank under the Lease, or the acquisition and leasing of the Leased Property from the Bank under the Lease comply with all such procurement and public bidding laws as may be applicable.
7. There are no legal or governmental proceedings or litigation pending or, to the best of my knowledge, threatened or contemplated (or any basis therefor) wherein an unfavorable decision, ruling or finding might adversely affect the transactions contemplated in or the validity of the Lease.
8. The adoption, execution and/or delivery of the Lease and the Proceedings, and the compliance by the Lessee with their provisions, will not conflict with or constitute a breach of or default under any court decree or order or any agreement, indenture, lease or other instrument or any existing law or administrative regulation, decree or order to which the Lessee is subject or by which the Lessee is or may be bound.
9. Although we are not opining as to the ownership of the Leased Property or the priority of liens thereon, it is also our opinion that the Security Documents attached as Exhibit E to the Lease are sufficient in substance, form, and description, and indicated place, address, and method of filing and/or recording, to completely and fully perfect the security interest in every portion of the Leased Property granted under the Lease, and no other filings and/or recordings are necessary to fully perfect said security interest in the Leased Property.

Attorney for Lessee

EXHIBIT E
SECURITY DOCUMENTS

[Attach a UCC-1 Financing Statement showing ZIONS BANCORPORATION, N.A. as the lien holder]

EXHIBIT F

DELIVERY AND ACCEPTANCE CERTIFICATE

To: ZIONS BANCORPORATION, N.A.
One South Main Street, 17th Floor
Salt Lake City, Utah 84133

Reference is made to the Lease/Purchase Agreement between the undersigned (“Lessee”), and ZIONS BANCORPORATION, N.A. (the “Bank”), dated February 25, 2021 , (the “Lease”) and to that part of the Leased Property described therein which comprises personal property (collectively, the “Equipment”). In connection therewith we are pleased to confirm to you the following:

1. All of the Equipment has been delivered to and received by the undersigned; all installation or other work necessary prior to the use thereof has been completed; said Equipment has been examined and/or tested and is in good operating order and condition and is in all respects satisfactory to the undersigned and as represented, and that said Equipment has been accepted by the undersigned and complies with all terms of the Lease. Consequently, you are hereby authorized to pay for the Equipment in accordance with the terms of any purchase orders for the same.
2. In the future, in the event the Equipment fails to perform as expected or represented we will continue to honor the Lease in all respects and continue to make our rental and other payments thereunder in the normal course of business and we will look solely to the vendor, distributor or manufacturer for recourse.
3. We acknowledge that the Bank is neither the vendor nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capacity, functioning or other characteristics of the Equipment.
4. The serial number for each item of Equipment which is set forth on Exhibit “B” to the Lease is correct.

This certificate shall not be considered to alter, construe, or amend the terms of the Lease.

Lessee:

TOWN OF SPRINGERVILLE

By: _____
(Authorized Signature)

Date: _____