

**MINUTES OF THE STUDY SESSION OF THE
TOWN COUNCIL OF THE TOWN OF CHINO VALLEY
TUESDAY, JANUARY 28, 2025
5:00 PM
COUNCIL CHAMBERS | 202 N. STATE ROUTE 89 | CHINO VALLEY,
ARIZONA 86323**

STUDY SESSION

1. CALL TO ORDER; ROLL CALL

Mayor Armstrong called the meeting to order at 5:03 p.m.

Present: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Robert Schacherer, Councilmember Larry Holt, Councilmember Robert Switzer

Absent: Councilmember Sherri Phillips

Staff Present: Town Manager Terri Denemy, Town Attorney Andrew McGuire - remote, Officer Scott Unterseher (Sgt. at Arms), Development Services Director Laurie Lineberry, Assistant Development Services Director Will Dingee, Senior Planner Jessica Barragan, Finance Director Katie Pehl, Public Works Director/Town Engineer Frank Marbury, Economic Development Manager Maggie Holmberg, Community Services Director Cyndi Thomas, IT Manager Spencer Guest, IT Support Tech Sandra Santos, Audio Visual Technician Nicholas Harwick, Deputy Town Clerk Sara Burchill, Town Clerk Erin N. Deskins

2. Presentation and discussion by Development Services, "Development 101 - The Project Approval Process."

Laurie Lineberry, Development Services Director and Will Dingee, Assistant Development Services Director, presented the following:

- Gave a brief overview of how the process starts. They prefer to start with over-the-counter conversations before properties are purchased to make sure that what the owner wants to do is possible on that property.
- The official first step is a Pre-Application Meeting where they review very basic conceptual drawings with the applicant.
- The next step was to have the applicant hire someone to do a site plan drawing.
 - At that point, if a rezone or Conditional Use Permit (CUP) was required, they go to Planning & Zoning (P&Z) and Council for approval.
 - If not, the applicant could then proceed through the typical building permit process.
- Once a rezone or CUP is approved, the applicant could then go to the building permit process.

- Gave a more in-depth description of the Pre-Application Meeting. The meeting was free and allows the applicant to give and get as much information as possible to make their application as complete and accurate as possible.
 - There was a 15-day review window as there are a lot of other agencies staff uses and they need time to get through the work load.
 - Applicants leave this meeting with all the comments from the Town and as many outside agencies as possible, and the assurance that, for one year, if any code changes come along after this meeting, the developer can still do what they had planned.
- Gave a more in-depth description of the Site Plan Review. This step was more specific to commercial development and follows a similar review window as the Pre-Application Meeting. The result of this meeting is hopefully moving towards a rezone or moving forward with a building permit.
- Gave a more in-depth description of the process to bring items to P&Z and Council for approval. It is a 63 calendar day process to work through getting comments from other agencies and get the packet to the P&Z Commissioners 13 days prior to the P&Z meeting as their items can be complex and require a lot of review time.
 - Staff tasks included a neighborhood meeting, legal notices, notifications to the newspaper, post cards to surrounding properties, etc.
- Gave a brief overview of the building permit process including:
 - Plans reviewed for code compliance
 - This included the Town's development standards, building standards, fire code, etc.
 - This process had a 30-day minimum turn around time.
 - Issuing of permits
 - Construction inspections
 - A typical commercial construction project has 33 inspections
 - Inspections were offered within 24 hours.
 - Inspections were also offered on Friday and weekends in some circumstances.
 - If an inspection was not passed after three tries the Town would assess a fee. Otherwise, they are free.
 - Building Final
 - This step is when the developer received their Certificate of Occupancy

Council and staff discussed the following:

- Councilmember Schacherer inquired what a person had to do to get a property rezoned and specifically referred to an apartment complex that had been presented with a napkin drawing.
 - Staff stated that they tightened down on the Site Plan Review process after that rezone went to Council. Staff ensures that plans for a property align with the General Plan. Whether or not staff felt the development had a benefit to the Town, if they have the zoning, they have the right to do anything within the zoning district.
 - Staff stated they won't take a project to Council without projects that are well vetted. For example, if someone wanted to rezone 60 acres of AR-5 to half-acre lots, staff would not bring forward a favorable recommendation knowing

that the applicant would take 60 acres and split it into a subdivision without at least having a conceptual plan of the subdivision.

- Staff stated they were also adding time limits to rezones per Council wishes.
- Councilmember Switzer inquired further about time limits on rezones and conceptual ideas.
 - Staff stated that every rezone had a time limit as recommended by P&Z. Staff gave a time range at the Pre-Application meeting of usually three to four years.
- Councilmember Switzer inquired about time limits on permits.
 - Staff stated that permits have a time limit of 180 days. If the project is showing progress, it will stay active. If not, they have to go through the permit process again.
 - Councilmember Switzer inquired about the Fletcher project on Road 1 South.
 - Staff stated they had an active permit. Building was slow but steady.
- Councilmember McCafferty inquired about sunset clauses.
 - Staff stated that the issue would have to come back to council to revert the zoning.
- Councilmember McCafferty inquired if there was something that could be done so that the rezoning process was not so cost prohibitive.
 - Staff stated that it was project specific, but even for subdivisions, staff did not ask for all the engineering until the preliminary subdivision was approved.
- Councilmember McCafferty referred to a specific scenario where two developers doing the same type of project on neighboring lots and one had to do a lot of work prior to Council approval and the other did not.
 - Staff stated that there had been times when they presented a project to Council that did not have so much work up front and Council did not like that. Staff stated they try to strike a balance as every property is different even though they look the same. Staff stated they did not require a lot of money be put out up front.
 - Further discussion ensued regarding what issues should be known prior to rezoning such as flooding issues.
- Discussion ensued regarding public perception of working with the Town on development projects.
- Mayor Armstrong stated that off-hours inspections needed to be paid for.
- Mayor Armstrong inquired if staff ran into a lot of last minute waivers.
 - Staff stated they were pretty flexible especially if it's something like landscaping.
- Mayor Armstrong stated that this would be good training for the new P&Z commissioners.
- Councilmember Holt inquired about the entitlement on a rezone stating that it didn't exist.
 - Staff stated that it did exist.
 - Councilmember Holt stated that the Town could request to rezone a piece of property.
 - Staff stated that they could not rezone a property without the landowners' permission.
 - Andrew McGuire, Town Attorney, stated that there was no prohibition against a city or town rezoning a piece of property because they have the legislative capacity to do so. However, there is a practical prohibition against it in terms of whether the Town would have to pay diminished value. Prop

207 changed the legislative discretion to have a price tag for any diminished value. The property owner could sue within three years of that action to say the Town diminished the value by “x” amount.

- The other issue would be if the property owner had done something with the property and spent a certain amount of money according to the approved plans. The property owner then may have vested rights opening the town to a “takings lawsuit” [if the property was rezoned involuntarily].
- Further discussion ensued about removing entitled PADs and whether diminished value would apply to any property just based on the time period in which it was purchased.

3. ADJOURNMENT

Mayor Armstrong adjourned the meeting at 5:46 p.m.

REGULAR MEETING

1. CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL

Mayor Armstrong called the meeting to order at 6:00 p.m. and led the Pledge of Allegiance.

Josh McIntire, Chief of Police gave remarks and expressed appreciation for the life of Roger Voegel, a long-time volunteer of the Chino Valley Police Department.

Mayor Armstrong asked for a moment of silence for Mr. Voegele.

Erin Deskins, Town Clerk, called Roll.

Present: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Robert Schacherer, Councilmember Larry Holt, Councilmember Robert Switzer

Absent: Councilmember Sherri Phillips

Staff Present: Town Manager Terri Denemy, Town Attorney Andrew McGuire - remote, Officer Scott Unterseher (Sgt. at Arms), Development Services Director Laurie Lineberry, Assistant Development Services Director Will Dingee, Senior Planner Jessica Barragan, Finance Director Katie Pehl, Public Works Director/Town Engineer Frank Marbury, Police Chief Josh McIntire, Lieutenant Amy Chamberlin, Community Services Director Cyndi Thomas, IT Manager Spencer Guest, IT Support Tech Sandra Santos, Audio Visual Technician Nicholas Harwick, Deputy Town Clerk Sara Burchill, Town Clerk Erin N. Deskins

2. INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

- a. Presentation by Katie Pehl, Finance Director, regarding the October-December 2024 quarterly financial report.

Katie Pehl, Finance Director, presented the following:

- Gave details on where the report could be viewed on the website.
- Staff would be monitoring the Transaction Privilege Tax (TPT) and Highway Users Revenue Fund (HURF) activity as they were coming in slightly lower than last fiscal year. All other revenues were on track.
- Gave a brief overview on the TPT revenues and compared them to last year.
 - Impacts to this fund could include lags in reporting status, slower construction for winter months, etc.
- Gave a brief overview of the General Fund Revenues. Currently under by \$31,000 and that was primarily attributed to funds not yet received from the County Library in the amount of approximately \$38,000. Last year it was received in December, but this year it was received in January.
- Gave a brief overview of the expenditures by department. Departments had spent nearly \$1 million less than was budgeted.
- Gave a brief overview of expenditures by type. All categories were under budget.
- Gave a brief overview of HURF revenues and expenditures. Revenues were slightly under budget by about \$32,000, but was slightly more than what was received last year. Expenses were \$128,000 less than budgeted.
- Gave a brief overview of Water Fund revenues and expenditures. Revenues were currently under budget by nearly \$15,000. Expenditures were well under budget by \$323,000.
- Gave a brief overview of Wastewater fund revenues and expenditures. Revenues were under budget by \$36,000. Expenditures were under budget by \$238,000. Personnel was over budget due to an allocation between water and wastewater funds and would be aligned in June.
- Gave a brief overview of capital including vehicles, machinery, and equipment.
- Gave a brief overview of capital projects.
- Gave a brief overview of cash balances by fund. Everything was in the positive except the wastewater and wastewater capital improvement funds.

Council and staff discussed the following:

- Councilmember Switzer inquired if the fee increase on wastewater was expected to meet or exceed expenditures?
 - Staff stated they hoped to meet them, but did have concerns. It was a little early to tell, but with the lack of new home permits there were a lot less this year than staff had hoped for, but it could still pick up in the spring.
- b. Presentation and update from Katie Pehl, Finance Director, regarding Partners Against Narcotics Trafficking (PANT) Program and funding.

Josh McIntire, Police Chief, presented the following:

- Gave a high level overview of what PANT does. Chino Valley does not currently have a detective in PANT, but has in the past and plans to again in the future.
- The PANT program administered the following:
 - Drug enforcement operations including investigating and dismantling trafficking organizations in Yavapai County, and targeting distribution and manufacture of illegal drugs.

- Community education and outreach through schools, community groups, and local organizations to raise awareness of drug use and addiction.
- Collaboration with local, state, and federal agencies.
- Support for opioid and drug abuse prevention including seizure and disposal of illegal drugs, and supporting initiatives to help reduce opioid abuse.
- Provides funding for local programs through asset seizure.

Katie Pehl, Finance Director, presented the following:

- Gave an overview of the opioid settlement with manufacturers, distributors, and retailers for their role in the opioid epidemic. Dollar amounts were based on the population and impact of the community.
- Funds were distributed to state, county, and local governments and have to be used toward opioid remediation such as prevention programs, treatment and recovery services, education and outreach, and support for affected families.
- The Town had received about \$37,000 over the last three years and returned those funds to PANT.

3. CALL TO THE PUBLIC - Individuals requesting to speak, please complete a Speaker Comment Card and return to the Clerk.

Call to the Public is an opportunity for the public to address the Council on any issue within the jurisdiction of the Council that is not on the agenda. Public comment is at the discretion of the Council and not required by law. Individuals are limited to speak for three (3) minutes, yielding of time will not be permitted. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism. Disrespectful behavior will not be tolerated; this includes loud outbursts, profanity, and disruptive discussions among our audience.

Kim Huck (not a Chino Valley resident) presented the following:

- She had not yet seen a notice for the special meeting on the solar ordinance that Town Manager Terri Denemy said would be coming. She requested a 30-day notice of the upcoming meeting on the solar ordinance.

Keng Chan (not a Chino Valley resident) presented the following:

- He submitted a records request for documents from the solar committee. He stated there were hundreds of pages on why solar was good, but no data or documents on the associated health hazards or any reference to the already overdrawn aquifer. He stated that the public had been told that Chino Valley was unaware of solar projects in the works but development had applications that had been completed. He referred to industry representatives attending solar committee meetings and felt it was a conflict of interest when members or the public could not attend as observers. He requested more transparency. He requested Council consider changing the ordinance to state no utility scale solar or battery energy storage systems in Chino Valley.

Rhonda Ceremony (Chino Valley resident) presented the following:

- She expressed her strong disapproval of a utility scale solar ordinance. She had sent a letter to Council over the weekend and read the letter in which she expressed concerns that utility scale solar in Chino Valley would affect water, lacked financial benefits for ChinoValley, and the apparent involvement of Lightsource BP being involved in the drafting of the ordinance.

Richard Huck (not a Chino Valley resident) presented the following:

- He expressed opposition to utility scale solar. He stated that he has not seen any solar fields located near any residential homes. He referred to a letter by AriSEIA dated December 27th wherein they used the Town of Eloy as a comparison where they have 16% of their town set aside for solar, so 10% in Chino Valley is no big deal. The demographics and geography of the two towns were not comparable.

Laura Chan (not a Chino Valley resident) presented the following:

- She was opposed to utility scale solar. She discussed the safety of utility scale solar and referred to a recent fire at a California energy storage facility which led to the evacuation of 1,200 residents over 7,600 acres, about 19% of the size of Chino Valley. She stated the effects were felt from up to 25 miles away. She referred to heavy metal particles being found in the soil. She stated that the ordinance was industry biased and did not address safety concerns, water requirements, or emergency response. She stated that there should be no utility scale solar or battery energy storage systems in Chino Valley and there should be no waivers.

4. CURRENT EVENT SUMMARIES AND REPORTS

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events. If listed below, there may also be a presentation on information requested by the Mayor and Council and questions may be answered. No action will be taken.

- a. Status reports by Mayor and Council regarding current events.

Mayor Armstrong presented the following:

- He attended a water seminar in the Verde Valley along with the Town Manager and Town Water Consultant.
- Attended State of the Town in Prescott Valley where Mayor Palguta discussed a regional water plan. Everyone seemed to be looking at trying to help.

- b. Status report by Town Manager Terri Denemy regarding Town accomplishments, and current or upcoming projects.

Terri Denemy, Town Manager, presented the following:

- The Water Smart Workshop was a grant funded opportunity and was great to have access to experts in the industry via grant funds.

- The old Police Department was renovated for the Public Works department and HR moved into the vacated detective building. Spaces were being reused to meet Town needs and ensure fiscal responsibility.
- Mayor Armstrong and Town Manager were on KQNA on Monday to discuss what he hoped to accomplish. The Chamber of Commerce had the links on their website.
- Staff was getting ready for budget season and Council wanted more input from citizens. The Capital Improvement Program Citizen's Advisory Committee had their first meeting to help Council hear where money should be spent. The online survey had about 175 responses.
- Staff was working on the final details of reserving space for the planned utility scale solar meeting. Staff was planning for the last week of February. Once confirmed it would be posted on the website and social media pages.

5. CONSENT AGENDA

All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember Robert Switzer to approve consent agenda item 5a.

AYE: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Robert Schacherer, Councilmember Larry Holt, Councilmember Robert Switzer

NAY: None

6 - 0 Passed – Unanimously

- a. Consideration and possible action to appoint members to the Planning & Zoning Commission and the Building Advisory Board.

6. ACTION ITEMS

The Council may vote to recess the public meeting and hold an Executive Session on any item on this agenda pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of discussion or consultation for legal advice with the Town Attorney. Executive sessions are not open to the public and no action may be taken in executive session.

- a. Consideration and possible action to approve Resolution No. 2024-1267 to authorize the application for a loan from the Water Infrastructure Finance Authority of Arizona for the design of the "Old Home Manor Water Production Facility."

Recommended Action: Approve Resolution No. 2024-1267 to authorize the application for a loan from the Water Infrastructure Finance Authority of Arizona for the design of the "Old Home Manor Water Production Facility."

Katie Pehl, Finance Director, presented the following:

- Previously held a study session where the Town Water Consultant gave an in-depth presentation explaining the needs of the Town's water and wastewater systems.
- The next step in getting funding for the improvements on the systems is a WIFA debt authorization.
- Further discussed the process of applying for a loan from WIFA.
 - This meeting would fulfill step three of the seven-step process.
- Discussed the Old Home Manor water production facility project.
 - This project was for the design of a larger well and storage tank at OHM mainly brought on by the recent PFAS and PFOS requirements.
 - Construction after design was estimated at \$10.7 million and would come back to Council at a later time for approval.

Council and staff discussed the following:

- Councilmember Holt inquired how many residents were currently served by Town utilities.
 - Staff stated they had about 1,000 water customers and about 2,000 sewer customers.
- Councilmember McCafferty stated that he thought the Town had already gone through this process with WIFA. He stated that it was previously 80/20.
 - Staff stated that the projects didn't usually go to the advisory board until after the debt authorization step, but they had already looked at the project back in December. Once the board did their analysis they found that the Town would need to cover a larger percentage. It was the same project but with subtle changes.

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember John McCafferty to approve RES 2024-1267.

AYE: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Robert Schacherer, Councilmember Larry Holt, Councilmember Robert Switzer

NAY: None

6 - 0 Passed – Unanimously

- b. Consideration and possible action to approve Resolution No. 2024-1274 to authorize the application for a loan from the Water Infrastructure Finance Authority of Arizona for the improvements of the Water Reclamation Facility.

Recommended Action: Approve Resolution No. 2024-1274 to authorize the application for a loan from the Water Infrastructure Finance Authority of Arizona for the improvements of the Water Reclamation Facility.

Katie Pehl, Finance Director, presented the following:

- This item was regarding the water reclamation facility and was a little different as it was currently in the design engineering phase now.
- The project would be done in two phases as two standalone projects to meet WIFA loan limits.
- The entire project cost was expected to be 9.5 million. The authorization would be \$10 million so that if there was a change in the cost staff would not have to come back to Council for another authorization.
- Staff would still have to return to Council for approval of the actual loan documents.

Council and staff discussed the following:

- Councilmember Switzer inquired if there would be any fees if Council chose to the deny the loan.
 - Staff stated there would be no fees for denial.

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember John McCafferty to approve RES 2024-1274.

AYE: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Robert Schacherer, Councilmember Larry Holt, Councilmember Robert Switzer

NAY: None

6 - 0 Passed – Unanimously

- c. Consideration and possible action to approve the Memorandum of Understanding for the Peavine Trail Connection with the City of Prescott.

Recommended Action: Approve the Memorandum of Understanding for the Peavine Trail Connection with the City of Prescott.

Frank Marbury, Public Works Director, presented the following:

- Provided a map showing the Peavine trail. The portion coming out of Prescott was already built. There was a small portion through County and two miles through Chino Valley to connect the Prescott portion of the trail to Chino Valley's portion.
- The Town currently had a grant for the design from ADOT to get across the Granite Creek wash.
- Prescott had been working with the State to get the permits to build through State land. They had also received approval from the owner of the property to grant easements across their property.
- Eventually, staff also wanted to connect the Peavine Trail to the future state park at Del Rio Springs. This would complete a rails to trail line.
- Gave a brief overview of the MOU stating that it would:
 - Allow the City to access Town property for construction, maintenance, and operation of the extension.

- Make reasonable modifications and improvements to Town property as necessary for the extensions safety and useability.
- City of Prescott will design, construct, maintain, and operate the extension within Town property.
- Ensure the extension remains in good condition and safe for public use.
- Bare the costs associate with the design, construction, maintenance, and operation of the extension within Town boundaries.
- Staff felt this was a benefit to the Town and helped promote regionalism.

Council and staff discussed the following:

- Councilmember McCafferty inquired about the funding that was dedicated for the study to cross the wash.
 - Staff stated that it was still at the beginning stages, but they should have surveyors out in a week or two.
- Councilmember McCafferty inquired if staff still had dedicated money for fencing.
- Staff stated that was correct, but they wanted to wait to see if the grant would pay for it rather than Town funds.

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember Robert Switzer to approve the Memorandum of Understanding for the Peavine Trail Connection with the City of Prescott.

AYE: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Robert Schacherer, Councilmember Larry Holt, Councilmember Robert Switzer

NAY: None

6 - 0 Passed – Unanimously

7. ADJOURNMENT

MOVED by Councilmember John McCafferty, seconded by Councilmember Robert Switzer to adjourn the meeting at 6:58 p.m.

AYE: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Robert Schacherer, Councilmember Larry Holt, Councilmember Robert Switzer

NAY: None

6 - 0 – Unanimously

Tom Armstrong

Tom Armstrong, Mayor

ATTEST:



Erin N. Deskins

Erin N. Deskins, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session and Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 28th day of January, 2025. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 25th day of February, 2025.

Erin N. Deskins

Erin N. Deskins, Town Clerk