

**MINUTES OF THE STUDY SESSION AND
REGULAR MEETING OF THE
TOWN COUNCIL OF THE TOWN OF CHINO VALLEY
TUESDAY, MAY 13, 2025**

6:00 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 5:00 p.m.

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

Absent:

Staff Present: Town Manager Terri Denemy, Town Attorney Andrew McGuire, Human Resources Director Laura Kyriakakis, Development Services Director Laurie Lineberry, Assistant Development Services Director Will Dingee, Finance Director Katie Pehl, Public Works Director/Town Engineer Frank Marbury, Utilities Manager Jesse Holyfield, Community Services Director Cyndi Thomas, IT Support Tech Sandra Santos, Audio Visual Technician Nicholas Harwick, Town Clerk Erin N. Deskins

2. Discussion on Water Reclamation Facility upgrade and expansion strategies.

Mark Holmes, Town Water Consultant, presented the following:

- Gave a brief history of the water reclamation facility (WRF) plant expansion process thus far.
- Presented a diagram of the modifications being proposed to include two 100,000-gallon basins and associated appurtenances.
- Presented a graph outlining the flow rates of the WRF during a typical 24-hour period. Nitrate levels have been increasing for the last two years.
- Briefly reviewed the cost estimates provided by PACE over the course of the assessment.
- Discussed the process of applying for a WIFA grant/loan and how the project would be phased out to accommodate WIFA funding limits. The total loan for the project would be \$5.4 million with \$3.6 million being covered by a grant.
- PACE estimated this project to delay expansion for eight to nine years unless a larger sewer Discharger came on the Town sewer system.
- Gave a breakdown of the cost estimate for the next expansion.

- Discussed next steps and considerations Council should make when deciding how to move forward with WRF modifications and expansion.
- The recent rate study allowed for \$1.85 million more than was being proposed in the modifications and 40% would be covered by a grant. However, possible changes in the Federal Revolving Funds could mean higher prices and project delays.

Council and staff discussed the following:

- Councilmember Holt inquired how high nitrates had to be before the plant was in violation.
 - Staff stated 10ppm was the maximum contaminant level set by the EPA.
 - Councilmember Holt inquired how much of an increase in sewage the project would allow the Town to bring in.
 - Staff stated it was more about bringing down the treatment levels and reducing peak flows.
 - Staff stated that 50–100 homes would produce about 20,000 gallons per day. The Town was increasing by about 20,000 gallons per day per year. Staff had looked at projections and the Town was on a steady 1.5% growth rate.
- Councilmember Switzer inquired if the potential \$12 million expansion would be at the current location.
 - Staff stated that was correct. Staff would use those additional years to look at the Town's overall WRF options.
 - Councilmember Switzer inquired how long a full expansion would accommodate the Town.
 - Staff stated it would get them another 20–30 years.
- Councilmember McCafferty inquired if PFAS was attributed to recharge filtration.
 - Staff stated they have tested the effluent leaving the plant, and it does have PFAS. There was no maximum contaminant level for water outside the house, only for drinking water which staff was working on treating at Brightstar.
- Councilmember McCafferty inquired if the WIFA application for Phase 2 had been submitted.
 - Staff stated the first application was for the water production facility design. Phase 1 for the WRF was still in the process.
- Councilmember McCafferty inquired if the expansion would play into the Integrated Water Master Plan.
 - Staff stated it all works together.

3. ADJOURNMENT

MOVED by Councilmember Sherri Phillips, seconded by Vice-Mayor Eric Granillo to adjourn the meeting at 5:21 p.m.

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

NAY: None

7 - 0 Passed – Unanimously

REGULAR MEETING

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

Mayor Armstrong called the meeting to order at 6:00 p.m.

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

Absent:

Staff Present: Town Manager Terri Denemy, Town Attorney Andrew McGuire, Officer Dylan Wilhide (Sgt. at Arms), Development Services Director Laurie Lineberry, Assistant Development Services Director Will Dingee, Finance Director Katie Pehl, Accountant Megan Arietta, Town Water Consultant Mark Holmes, Public Works Director/Town Engineer Frank Marbury, Utilities Manager Jesse Holyfield, Fleet Manager Matthew Green, Police Chief Josh McIntire, Officer John Arietta, Community Services Director Cyndi Thomas, IT Support Technician Sandra Santos, Audio Visual Technician Nicholas Harwick, Town Clerk Erin N. Deskins

2. INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

- a. Presentation of "Officer of the Year" from The Elks Lodge to Officer John Arietta.

Jim Ray, Exalted Ruler for the Chino Valley Elks Lodge, presented John Arietta with Officer of the Year on behalf of the Elks Lodge.

- b. Presentation of Life Saving Awards by Chino Valley Police Chief McIntire to Officer J. Ehlert and Officer R. Sanchez.

Joshua McIntire, Chief of Police, presented the following:

- Thanked Officer Arietta for his dedication to the police department, the Town, and its citizens.
- Officers Ehlert and Sanchez responded to a call on January 5, 2025, about a man who had suffered a seizure, was not breathing, and had no pulse. The officers arrived within two minutes of the call and immediately began CPR, switched off with EMS who arrived four minutes later to avoid fatigue, until a pulse was obtained. The man was transported to the hospital and received treatment. Commended Officers Ehlert and Sanchez for saving the man's life.

- c. Presentation and recognition to Tom and Rebecca Cutlip of Custom Towing, Chino Valley Small Business of the Quarter.

This item was not called.

- d. Presentation of Proclamation for Frontline Worker Appreciation Month.

Mayor Armstrong presented the proclamation for Frontline Worker Appreciation Month.

- e. Presentation from Donna Norris regarding the AARP Foundation Tax-Aide Program.

Donna Norris and Linda McCoy, AARP Tax-Aide Program, presented the following:

- The Tax-Aide program was a volunteer program and available to anyone.
- They utilized the Library Community Room on Wednesdays and Thursdays from February 4th through April 9th. In the 22 days they worked they assisted:
 - 469 taxpayers
 - 359 federal returns were processed, generating \$202,008 in refunds.
 - 357 state returns were processed, generating \$86,987 in refunds.
- Customers came from Chino Valley, Paulden, Prescott, Prescott Valley, Ash Fork, Cottonwood, Wickenburg, etc.
- They also did some 2023 returns and amended returns.
- They had a large range of clients in age and income levels.
- Discussed other programs and donations taxpayers could use to get additional funds back.

Mayor Armstrong stated that this was a great service that had been provided for many years and the Town looked forward to having them back next year.

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. Public comment is invited and encouraged, however, personal attacks on individuals is not appropriate. Disrespectful behavior will not be tolerated; this includes loud outbursts, profanity, and disruptive discussions among our audience.

Jessica Martin, Town of Chino Valley resident, presented the following:

- She had two students attending Chino Valley High School.
- Parents and students spoke at last night's board meeting regarding Student Resource Officer (SRO) Noden as they had been informed that it was a possibility he would not be returning to that role next year. Students had collected over 400 signatures to keep him as the SRO.

- She spoke about the positive impact Officer Noden had on the students.

Laura Chan, not a Town of Chino Valley resident, presented the following:

- She was inquiring as to the status of the revised solar ordinance as was directed by Council.
- She referred to a Conditional Use Permit (CUP) applied for by Prospect14 for a solar farm and subsequent Planning & Zoning (P&Z) and Town Council meetings where this would be discussed. She wanted to know how the matter could be discussed prior to an ordinance being presented. She requested that the ordinance be presented to P&Z before the CUP is discussed.

Mayor Armstrong directed the Town Manager to discuss the matter.

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.

Councilmember Holt presented the following:

- This week is National Police Officer's Memorial week and Thursday, May 15th was National Police Officer's Memorial Day in honor of those fallen in the line of duty.

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

Terri Denemy, Town Manager, presented the following:

- The Town received the Government Finance Officer's Association of the United States and Canada Certificate of Achievement Award for Excellence in Financial Reporting for the Town's Annual Comprehensive Financial Report. This was the highest honor for transparency and comprehensiveness that a Town can receive in financial reporting. Recognized Finance Director Katie Pehl.
- Recognized Maggie Holmberg for being awarded the 2025 Economic Developer of the Year for Small Communities under 50,000 from the Arizona Association for Economic Development.
- Recognized Erin Deskins for being named to the 2025 National Municipal Clerks Honor Roll. Only four clerks in the state of Arizona received the honor.
 - All of the details of the awards could be found on the Town's Facebook page.
 - Ms. Denemy stated these awards pointed to the competency, dedication, and level of expertise and professionalism the Town staff has.
- Dump day was held last weekend. 323 vehicles came and filled 18 40-yard dumpsters, a 26-yard dumpster, and a large pile of slash.
- Town offices would be closed on Monday, May 26th in recognition of Memorial Day. It would also be the soft opening of the pool.

- The 20th Anniversary Pool Party would be held on Saturday, June 7th.
- Staff and the donor of funds for the Fred Harvey buildings went out and toured the land and thanked them for their contribution.
- Kay Lauster with The Historic Society gave a special presentation to the Fred Harvey Society and is available on the Town's Facebook page.

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.

Councilmember Schacherer requested to remove item 5(b) and 5(c).

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember John McCafferty to approve Consent Agenda items a, d, e, and f.

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

NAY: None

7 - 0 Passed – Unanimously

- Consideration and possible action to approve the Professional Services Agreements with Tri City Towing and Custom Recovery for towing services.
- Consideration and possible action to approve a Public Utility Easement through a Town-owned property at Old Home Manor for power service to the Yavapai College Housing Project.

Council, staff, and James Crockett with Yavapai College discussed the following:

- Councilmember Schacherer stated that there was no mention of the lines being underground.
 - Staff stated that the builders intend to have the service lines underground.
- Councilmember Schacherer stated that the address is listed as Road 4 North, but is actually located on Colorado Street.
 - Staff stated that road goes by several names, but it aligns with what most people know at the highway as East Road 4 North. As it goes through the Sunrise Subdivision, it is named Colorado Way, and then beyond that where the easement is located there is no physical paved road and might not actually have a name.
- Councilmember Schacherer inquired how many parcels the lines would be going through.
 - Mr. Crockett stated that it would go through one parcel owned by the Town and leased by the College for the lineman's program.

The vote on this item was held after hearing item 5(c).

- c. Consideration and possible action to approve the purchase of a 2025 Ford F550 Fleet Service Truck from San Tan Ford for \$132,429.66.

Council and staff discussed the following:

- Councilmember Schacherer inquired if this item was on last year's budget.
 - Staff stated this was a rollover item from the last Fiscal Year (23/24).
 - This truck would be used to better service the Town's needs and service some of the larger equipment.

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember John McCafferty to approve Consent Agenda items b and c.

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

NAY: None

7 - 0 Passed – Unanimously

- d. Consideration and possible action to appoint applicants to fill vacancies on the Capital Improvement Program Citizen's Advisory Committee (CIPCAC), Parks and Recreation Advisory Board (PRAB), and Board of Adjustment (BOA) per recommendations of the Appointments Subcommittee.
- e. Consideration and possible action to approve the March 25, 2025, study session and regular meeting minutes.
- f. Consideration and possible action to approve the April 8, 2025, study session and regular meeting minutes.

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.

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember John McCafferty to move item 6(e) to be heard first.

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

NAY: None

7 - 0 Passed – Unanimously

- a. Consideration and possible action to approve Ordinance No. 2025-952, amending the Town Code to create a new section regarding urban camping.

Recommended Action: Approve Ordinance No. 2025-952, amending the Town Code to create a new section regarding urban camping.

Laurie Lineberry, Development Services Director, presented the following:

- She and the previous police chief had worked on this ordinance in 2022, but there was a pending case that prevented staff and Council from moving forward with the ordinance. That case has since been settled, so staff was bringing the ordinance back for consideration.
- The ordinance outlines how the Town can address people who choose to use either an RV, tent, or other means to sleep overnight in Town in non-designated areas.
 - The ordinance designates the police department for enforcement as opposed to code enforcement per the current code.
 - Tasking Code Enforcement for these matters can cause the matter to be drawn out for several months.
 - The ordinance also provides the police with discretion and the ability to move people to a facility if it appears they need assistance.
 - Commercial or industrial land will need to be posted for no trespassing to allow the police to remove urban campers.

Council and staff discussed the following:

- Councilmember Schacherer inquired if staff was working with businesses about posting on their private property.
 - Staff stated they have, and were not successful. Staff felt they could be more proactive with property owners if this ordinance was in place.
- Councilmember McCafferty inquired if the police department was satisfied with the ordinance and felt it would work for their officers.
 - Staff stated the police department worked extensively with development services and the attorney on the ordinance. The ordinance provided more guidance and direction on what police could do.
- Vice-Mayor Granillo stated it sounded a lot safer for the Code Enforcement Officers.

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember John McCafferty to approve Ordinance No. 2025-952, amending the Town Code to create a new section regarding urban camping.

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

NAY: None

7 - 0 Passed – Unanimously

- b. Consideration and possible action to enter into an Intergovernmental Agreement with Yavapai County for the Town to use "Home of my Own" building plans.

Recommended Action: Approve the Intergovernmental Agreement with Yavapai County for the Town to use "Home of my Own" building plans.

Laurie Lineberry, Development Services Director, presented the following:

- Yavapai County had a program that provided modest housing plans to be used by residents who can't afford an architect or don't know where to go. The plans are free.
 - Staff wanted to use those plans for local builders, but could not unless the Town had an intergovernmental agreement (IGA) with the County.

Council and staff discussed the following:

- Councilmember Schacherer inquired about the mention of "workforce" in the packet and if it was available to anybody.
 - Staff stated it would be available to anybody who wanted to come in and use them. Staff stated it was an easy plan for workforce housing because they are not complicated plans and there was not a lot of waste in how they were designed.
- Councilmember Switzer inquired if staff felt this would end up being a good product for the Town.
 - Staff stated they believed it would and could decide if they wanted to add some things after they saw a few of them built.
 - Yuma has a similar program and the City made them more historically and architecturally consistent with the area.
 - Staff stated that some people were already waiting for these to be available.

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember Sherri Phillips to approve the Intergovernmental Agreement with Yavapai County for the Town to use "Home of my Own" building plans.

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

NAY: None

7 - 0 Passed – Unanimously

- c. Continuation of public hearing, consideration, and possible action to approve Resolution No. 2025-1282, adopting a new consolidated fee schedule, and to approve Ordinance No. 2025-951, amending Town Code Chapter 51 - Water and Sewers.

Recommended Action: 1) Continue the public hearing; 2) Approve Resolution No. 2025-1282, adopting the new consolidated fee schedule with an effective date of July 1, 2025; 3) Approve Ordinance No. 2025-951, amending Chapter 51 - Water and Sewers.

Katie Pehl, Finance Director, presented the following:

- Gave a brief review of the process to compile the consolidated fee schedule, steps taken thus far, and next steps.
- Reviewed the water and wastewater buy-in fees for RV/mobile home park spaces, and the different options staff presented to Council including rates at 50%, 80%, and 100% of the residential home rate.
 - Discussed why the buy-in fees had previously been discounted.
- Reviewed the wastewater base fees for RV/mobile home park spaces, and the different options staff presented to Council including rates at 50%, 80%, and 100% of the residential home rate.
- Discussed Council considerations regarding if there should be a reduced rate on buy-in and base fees and, if so, what those rates should be.
- Gave an overview of proposed Town Code changes.

Council and staff discussed the following:

- Councilmember Hold inquired if there were any cost differences to providing water or wastewater to mobile and manufactured homes versus stick-built homes.
 - Staff stated there was not.
- Councilmember Switzer inquired why RV parks did not have higher nitrates.
 - Staff stated that parks that were more transient in nature where users were using the park as a dump station, that would cause higher nitrate levels. More permanent parks would function more like a mobile home.
- Councilmember McCafferty inquired if the recent rate study was based on current rates or one of the discounted rates. Then asked if staff had assessed the economic impact if Council accepted a discounted rate.
 - Staff stated it was assumed that the rates would be the full amount. The discounted rates were likely a reason the system had been struggling, as there were nearly 300 RV and mobile home units.
- Discussion ensued regarding who was being charged in the RV and mobile home parks, the park itself, or each individual residence.

Mayor Armstrong opened the public hearing and gave parameters for the public hearing. Beverly Duffy, Town of Chino Valley resident, presented the following:

- She was a resident of Country West and requested that the Council refuse the fee schedule as proposed and submitted comparisons of a location like Country West on 30 acres holding 300 homes versus 30 homes spread out on one-acre lots. She felt there was no legitimate, honest, fair, or equitable reason to increase the fees for mobile home communities.

Leia Stinnett, Town of Chino Valley resident, presented the following:

- She was the president of the Country West Residents Association and was representing over 250 of the park's residents.
- Discussed the demographics of the park, Town sales taxes, and cost of living. She stated the increase targeted a large population that was already struggling and encouraged Council to vote no.

Tom Biron, Town of Chino Valley resident, presented the following:

- He lived in Country West in one of the 13 RV spots.
- He stated a 130% increase was unreasonable.

Alma Peters, Town of Chino Valley resident, presented the following:

- Discussed the history of rates for wastewater at Country West along with cost of living increases and yearly social security increases.

Barbara Lucas, Town of Chino Valley resident, presented the following:

- She lives in Country West and discussed the life stages of the community residents along with how the residents support Chino Valley through shopping, volunteering, and eating at local restaurants.
- She stated that increasing the rates in smaller increments would make it easier for those on limited incomes.

Megan Meurs, not a Town of Chino Valley resident, presented the following:

- Her family had owned Country West Mobile Home and RV Park for 30 years.
- She reviewed their current wastewater rates and why they were set that way.
- She stated that Country West meets the definition of multi-family housing with multiple homes living on shared land with consolidated wastewater lines, functionally no different than an apartment complex, hotel, or duplex, and should not be reclassified. And if they were comparable to single-family homes the Town would have to maintain 204 separate service connections.
- Discussed the financial burden of having to pay \$61.53 for a vacant RV lot.
- She urged the Council to vote no.

Mayor Armstrong closed the public hearing.

Council discussed the following:

- Councilmember Schacherer inquired when the park last saw a rent increase.
 - The crowd responded that rent increased every year.
 - Megan Meurs clarified that rent varied. The longer residents were at Country West, the lower their rent would be. Some pay \$360, some pay \$535. The park tries to make very minimal increases, about \$5 to \$10 unless they had been there longer and had one of the lower rates. The park had not passed increases in sewer rates to their residents over the last few years, but an increase of this amount would have to be passed to the residents.
- Councilmember Holt inquired what the current rate was. He further inquired if the stated 137% increase was accurate.
 - Staff stated that it was approximately \$26/mobile home park space and a little over \$18/RV space. They had increased along with the rest of the rates by a flat percentage. The increase is significant, and the rates should have been about \$10 higher.
- Councilmember Switzer stated that if the rates had increased steadily since 2017 the fee would have gone up about \$4/month which was in line with inflation.
- Councilmember McCafferty asked for clarification on the proposed rate.

- Staff stated that Council had asked staff to raise the rate to 100%; staff recommended 50%. Further discussed the reasons for that recommendation and the fact that the fees are for the entire treatment plant, not just for maintaining connections.
- Councilmember McCafferty made note that Country West accounted for approximately 15% of the Town's sewer customers.
- Councilmember McCafferty inquired about increasing to 80% incrementally over several years and if that would be an unreasonable request.
 - Staff reasoned that if the rate was moved to 50% or 80% of the residential charge, that they could be implemented immediately as it had been discounted for so long.
- Vice-Mayor Granillo inquired about the system installed at Country West.
 - Staff stated that they do not maintain sewer main lines within the park. Water was different as the Town bought the water system.
- Councilmember McCafferty inquired if Mountain View and Country West were the same type of operation and inquired if there was anyone from Mountain View as they hadn't heard from their residents.
 - There were none.
 - Staff stated that Mountain View was on Prescott water and the Town provided sewer. Staff did not believe it was an age-restricted park, and it was smaller than Country West in regard to number of units.
- Councilmember Switzer stated that he agreed with RV's being at 80% of the residential rate.
 - Discussion ensued regarding whether RV waste required more treatment.
- Mayor Armstrong inquired if all RV's were hooked up to water and sewer.
 - Ms. Meurs stated they were and the park did not have a dumping station.
- Councilmember McCafferty discussed the Wastewater Fund deficit and the rest of the Town having to cover that cost even though they may not be sewer customers. He felt they would have to raise the fees by some amount.
 - Further discussed the different price points.
- Mayor Armstrong inquired how much of the rate would be passed on to residents.
 - Ms. Meurs stated that they had already absorbed the rate increases from 2024 and 2025. It would all be passed to residents.
- Council discussed what rates they felt were most appropriate along with whether they should allow reduced rates, but charge the full buy-in.

MOVED by Councilmember Robert Switzer, seconded by Councilmember Sherri Phillips to approve Resolution No. 2025-1282, adopting a new consolidated fee schedule, with an effective date of July 1, 2025, approve Ordinance No. 2025-951, amending Chapter 51 - Water and Sewers with the change of the RV and mobile home base rate at a 20% discount.

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

NAY: Mayor Tom Armstrong

6 - 1 Passed - Unanimously

Mayor Armstrong explained his "nay" vote stating that he was happy with the staff recommendation of a 50% discount rate.

- d. Consideration and possible action to adopt a notice of intent and set a public hearing to consider increasing the transaction privilege tax rate on manufactured building sales.

Recommended Action: Adopt the Notice of Intent and set a public hearing for August 26, 2025, to consider increasing the transaction privilege tax rate to 2.6% on manufactured building sales.

Katie Pehl, Finance Director, presented the following:

- Gave a brief history of the Town's tax on manufactured homes.
- Discussed how manufactured buildings are taxed per state, county, and town laws and codes.
- Gave a breakdown of manufactured building tax rates in neighboring communities.
- Gave an example of total tax collected for a manufactured building versus a site-built house at rate of 2.0%, 2.6%, and 4.0%. However, there would be variations on the site-built house due to possible different deductions.
- Gave a list of the next steps to change the tax rate.

Council and staff discussed the following:

- Councilmember Schacherer inquired how many sellers were located in Chino Valley.
 - Staff stated they only have one routinely reporting.
 - Megan Meurs was asked to come up and speak about how she sells mobile homes for her park. She stated that they remove old mobile homes, purchase new ones, and place them in the park. She stated they were a Cavco dealer.
- Councilmember Holt doubted that someone would purchase in Prescott rather than Chino Valley to save on tax.
- Councilmembers discussed their rate preferences.
- Mayor Armstrong clarified that the fee was not being set tonight.
 - Staff stated they would be setting the cap on the fee, but it could be lowered later. It could not be increased.

MOVED by Councilmember Robert Switzer, seconded by Councilmember Sherri Phillips to adopt a notice of intent and set a public hearing for August 26, 2025, to consider increasing the transaction privilege tax to 3% on manufactured building sales.

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

NAY: None

7 - 0 Passed – Unanimously

- e. Consideration and possible action to award a Construction Manager at Risk (CMAR) Agreement to Felix Construction Company for pre-construction and potential construction

services related to the Water Reclamation Facility Improvement Project.

Recommended Action: Award a Construction Manager at Risk Agreement (CMAR) to Felix Construction Company for pre-construction and potential construction services related to the Water Reclamation Facility Improvement Project

This item was heard before item 6(a), but retained here for consistency.

Frank Marbury, Public Works Director, presented the following:

- This item was regarding bringing on a contractor to be part of the design process for the WRF improvements discussed during the study session.
- The utilization of a CMAR during the design phase ensures better building as they have input into the constructability and provide a guaranteed maximum price (GMP).
- Gave a brief overview of the improvements to be made.
- Reviewed the CMAR process and the responses received.
- Gave a breakdown of the pre-construction services and fees.

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember Robert Switzer to award a Construction Manager at Risk Agreement to Felix Construction Company for pre-construction and potential construction services related to the Water Reclamation Facility Improvement Project.

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

NAY: None

7 - 0 Passed – Unanimously

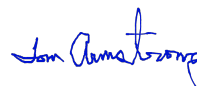
7. ADJOURNMENT

MOVED by Councilmember Sherri Phillips, seconded by Vice-Mayor Eric Granillo to adjourn.

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

NAY: None

7 - 0 Passed – Unanimously



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 13th day of May, 2025. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 24th day of June, 2025.

Erin N. Deskins

Erin N. Deskins, Town Clerk