

**MINUTES OF THE SPECIAL MEETING OF THE
TOWN COUNCIL OF THE TOWN OF CHINO VALLEY
WEDNESDAY, DECEMBER 17, 2025
5:00 PM**

COUNCIL CHAMBERS | 202 N. STATE ROUTE 89 | CHINO VALLEY, ARIZONA 86323

1. CALL TO ORDER, ROLL CALL

Mayor Armstrong called the meeting to order at 5:04 p.m.

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

Absent: Vice-Mayor Eric Granillo

Staff Present: Town Manager Terri Denemy, Town Attorney Andrew McGuire - remote, Executive Analyst Jessi Sorteberg, Human Resources Director Laura Kyriakakis, Finance Director Katie Pehl, Assistant Engineer Steven Sullivan, Fleet Manager Matt Green, Streets Manager Paul Smith, Economic Development Manager Maggie Holmberg, IT Manager Spencer Guest, Town Clerk Erin N. Deskins

2. ACTION ITEM

- a. Consideration and possible action to modify the FY2025-2026 Staffing schedule, reclassifying two positions in the Public Works Department.

Terri Denemy, Town Manager, presented the following:

- With the Public Works Director/Town Engineer's resignation, staff reviewed ways to improve the organization's efficiency and financial position.
- Reviewed Town Code regarding staffing of department heads and staffing schedules which are approved during the budget process.
- Gave an overview of staff intent and the desired outcome of the amendment request.
- Discussed the current salary schedule for the existing positions and how those would change with the proposed staffing adjustments.
- Offered an alternative proposal to move the Public Works Management Analyst position to an Administrative Technician Senior position and drop the pay grade from 27 to 20.
- Reviewed action considerations that Council could make.

Laura Kyriakakis, Human Resources Director, presented the following:

- Discussed how staff analyzed the positions and came to the pay grades they are proposing via a competitive regional market and like populations in your state comparisons.

Katie Pehl, Finance Director, presented the following:

- Reviewed the budgeted and projected personnel expenses for the Public Works department and how they would change based on the proposed personnel changes.

Council and staff discussed the following:

- Councilmember McCafferty inquired how many direct reports the previous Public Works Director had.
 - Staff stated he had nine direct reports.
- Councilmember McCafferty inquired how the Assistant Town Engineer was being paid above his range maximum.
 - Staff stated that there are exceptions so that employees still receive the COLA increase.
 - Councilmember Switzer inquired if there was something in Town Code that caps employees at 10% above the range like the County does.
 - Staff stated they do not believe that is in Town Code, and it is negotiated on a case-by-case basis and typically only happens with long-term employees.
- Councilmember Holt inquired what the difference is between the personnel schedule and ranges and the general employee salary schedule.
 - Staff stated the salary schedule is a comprehensive listing of all titles the Town has, and has had in the past. The personnel schedule has only those titles currently programmed and being paid.
- Councilmember Schacherer inquired why it wasn't brought to Council for the Assistant Town Engineer to be paid a higher grade than the schedule states.
 - Staff stated that he is outside of the 35 range, but he is not classified as a 36.
 - Councilmember Schacherer inquired how high he can go outside of the range.
 - Staff stated they would need to look, but did not believe the Town Code called out a specific cap.
- Councilmember Schacherer pointed out that the pay grade changes of each position would result in a \$18,000 raise in salaries based on the range maximum.
 - Staff stated that the Assistant Public Works Director/Town Engineer would not be hired at the range maximum. Staff does not yet know what the Public Works Director would be hired at, but estimated them being hired at mid-range. Staff was not asking for more budget, so what they negotiate would have to be within the current budget.
- Councilmember Switzer inquired what the previous Public Works Director's salary was.
 - Staff stated that he was just under \$172,000.
- Councilmember McCafferty inquired how many disciplines the Development Services Director has and was concerned about fairness regarding division of labor and pay.
 - Staff stated they have Code Enforcement, Planning, and Building Inspection. Staff further stated that they analyzed the positions, and with removing the engineering component, staff was comfortable that they could hire within that range and that candidates would be comfortable with that arrangement.
 - Staff explained that they look at a variety of things when comparing positions, including duties and responsibilities, education and experience required, etc, not just direct reports. They also use an external firm, Public Sector Personnel Consultants, to obtain a third-party, unbiased recommendation.
 - Staff stated that in addition to the external market, they take internal compression into consideration so that they don't create unnecessary internal compression with existing staff as they are the primary responsibility.
- Councilmember Switzer inquired what the budget would look like in FY27-28 using the same formula.

- Staff stated they did not project out that far, but stated it would stay the same unless insurance and worker's compensation rates changed. Any increase would be at Council discretion during budget talks.
- Discussion ensued regarding the proposed Assistant Public Works Director/Town Engineer pay range.
- Discussion ensued regarding the differences in duties and responsibilities between the proposed positions.
- Discussion ensued regarding personnel being paid above range maximum and whether Council should instate a policy regarding a maximum cap.
- Councilmember Holt inquired if there were any employees that did not receive a merit salary increase, and stated that the Town was one of the top payers in the whole state regardless of size, but the median income for a family is under \$60,000/year.
 - Staff stated not recently, and it's a good reason to keep up with compensation and classification studies to make sure the pay scale is in line with recruitment and retention.
 - Councilmember Switzer agreed with Councilmember Holt's statement regarding personnel salaries.
- Mayor Armstrong inquired if the Town Attorney had any input on the matter.
 - Andrew McGuire, Town Attorney, stated that he had not heard anything in staff's proposal or Council discussions that gave him any pause. There are policy discussions to have on other related topics, but they have remained in their lane.
- Further discussion ensued regarding current salaries, projected salaries, and projected savings.

MOVED by Councilmember John McCafferty, seconded by Councilmember Sherri Phillips to modify the FY2025-2026 staffing schedule, reclassifying three positions in the Public Works Department. Title of Public Works Director/Town Engineer to Public Works Director; reduce grade to 40. Title of Assistant Town Engineer to Assistant Public Works Director/Town Engineer; increase grade to 38. Public Works Management Analyst changed to Administrative Technician, Senior; reduce grade to 20.

AYE: Mayor Tom Armstrong, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Robert Switzer

NAY: Councilmember Robert Schacherer, Councilmember Larry Holt

4 - 2 Passed

3. ADJOURNMENT

MOVED by Councilmember Sherri Phillips, seconded by Councilmember John McCafferty to adjourn the meeting at 5:58 p.m.

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

NAY: None

6 - 0 Passed - 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 Special Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 17th day of December, 2025. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 13th day of January, 2026.

Erin N. Deskins

Erin N. Deskins, Town Clerk