

**MINUTES OF THE STUDY SESSION OF THE
TOWN COUNCIL OF THE TOWN OF CHINO VALLEY
MONDAY, JANUARY 26, 2026**

1:00 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 1:02 p.m.

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

Absent: Councilmember Robert Schacherer

Staff Present: Town Manager Terri Denemy, Executive Analyst Jessi Sorteberg, Executive Assistant Mike Coomer, Human Resources Director Laura Kyriakakis, Town Engineer/Assistant Public Works Director Steven Sullivan, Development Services Director Laurie Lineberry, Assistant Development Services Director Will Dingee, IT Manager Spencer Guest, IT Support Technician Sandra Santos, Town Magistrate Angela Bradshaw-Napper, Finance Director Katie Pehl, Police Chief Josh McIntire, Community Services Director Cyndi Thomas, Economic Development Manager Maggie Holmberg, Deputy Town Clerk Sara Burchill, Town Clerk Erin N. Deskins

2. DISCUSSION ITEMS

- a. Town Council will engage in strategic planning and discussion to determine priorities which will guide the 2025/26 budget process.

Terri Denemy, Town Manager, presented the following:

- Gave a broad overview of the Town's revenue and discussed challenges and strategies in finding additional funds and managing the Town's budget amidst the impact of inflation.
- Discussed possible plans for street repairs for this fiscal year and different approaches to take in that regard.

Katie Pehl, Finance Director, presented the following:

- This meeting would give staff an opportunity to present the items they see as upcoming needs for the budget season and get a good idea of where Council stands and what their priorities are.
- Discussed the objective of the budget, including aligning the budget with community goals, ensuring fiscal responsibility, and finding long-term sustainability.
- Gave an overview of the budget process thus far and upcoming steps and meetings to be held, including meetings and recommendations from the Capital Improvement Program Citizen Advisory Committee (CIPCAC).

- Staff would be working to schedule replacements of things like PD vehicles so that not everything comes at one time.
- Gave an overview of the Community Budget Priorities Survey Results including demographics, key priorities, satisfaction with the current state of local streets, streets that need to be addressed (stars indicate that staff plans to put them in this budget), familiarity with the Chino Connected App, budget priorities, biggest challenges, and comments received.
- Reviewed the Town's current strategic priorities and invited discussion about if Council still felt those were accurate or if anything needed to be adjusted.
- Discussed possible ways to cut the Town budget and what that would look like for services while keeping inflation in mind.
- Gave an overview of the Town's future financial outlook including challenges (high interest rates affecting affordable housing, moderating personal income growth, elevated construction costs, etc.) and positive indicators (low unemployment, population growth, steady housing demand).
- Reviewed the Town's debt and projections of such through 2047.
- Discussed the status of the WIFA loans that Council has been working on. Those plans have needed to change based on the terms of the WIFA programs and loans changing. Staff discussed ways to pivot using the IWMP, which may provide a different vision than staff saw five years ago.
- Discussed future considerations for the Town's aging infrastructure, PFAS and PFOS treatment, potential impact on revenues depending on proposed legislation, PSPRS unfunded liability, potential new businesses, and plans for Old Home Manor. Retail revenue went up by 3%, and restaurant and bar revenue went up by 12%.

Meeting recess at 2:23 p.m.

Meeting resumed at 2:35 p.m.

Community Services

Cyndi Thomas, Community Services Director, presented the following:

- Gave an overview of the department, including statistics on participation and growth in various Town programs and events.
- Discussed the various facilities and programs for practical and budgetary needs.
- Community Services was not asking for any additional funding for big ticket items other than capital improvements that have recently been discussed.

Development Services

Laurie Lineberry, Development Services Director, presented the following:

- Discussed the functions of Development Services and what they were currently working on.
- Reviewed the department's priorities, including upgrading a current code enforcement position to manager to free up the Assistant Development Services Director.
- The department was asking for funds for General Plan implementation funds for a footprint of Horizontal Multi-Use centers.
- Discussed future plans for succession to move the Assistant Director to Director and downgrade the Assistant Director to a Principal Planner position to be over the Senior

Planner. These changes would increase personnel expenditures for one year, but they would balance back out once the Assistant Director position was vacated.

Finance

Katie Pehl, Finance Director, presented the following:

- Reviewed the functions and successes of the finance department.
- The department was not seeking an increase in funding.

Human Resources

Laura Kyriakakis, Human Resources Director, presented the following:

- Discussed the department's mission and its critical role in driving business success.
- The department was not requesting anything for this fiscal year.
- Reviewed the department's priorities for the fiscal year, including stabilizing low turnover, improving performance management, and completing a compensation and classification study.
- Gave an overview of the future outlook on human resources in the public sector with changes in workforce planning, technology enhancements, flexible work-models, employee development, and employee experience.

IT

Spencer Guest, IT Manager, presented the following:

- Outlined the various functions of the department.
- Discussed the items the department would be focusing on for the next year, including security, workflow automation, and on-premise server migrations.
- Provided a future outlook for the department.
- It is unclear at this point whether the department would need an increase in funds for this fiscal year as a drop in hardware may compensate for increases in security services.

Municipal Court

Angela Bradshaw-Napper, Town Magistrate, presented the following:

- Reviewed the functions of the department.
- Outlined priorities for this fiscal year including filling a part-time position, security improvements, technology improvements, etc.
- Discussed possible complications with needing more indigent services.

Police Department

Josh McIntire, Chief of Police, presented the following:

- Reviewed the functions of the police department.
- Outlined priorities for this fiscal year including achieving accreditation, public communication, officer advanced training and leadership development, etc.

Public Works

Steven Sullivan, Town Engineer/Assistant Public Works Director, presented the following:

- Listed the functions of the Public Works department

- Outlined the priorities of the Public Works department for the next fiscal year including the streets improvement project, water reclamation facility improvements, purchase of a vactor truck, Town Hall re-roof, etc.
 - Staff discussed the vactor truck in more detail.
- Gave a brief overview of the future outlook of the department.

Town Clerk

Erin Deskins, Town Clerk, presented the following:

- Business would remain as usual. The department was not asking for any additional budget items going forward.
- Discussed the possibility of needing additional funds for a special election as there have been rumors of a referendum.

Town Manager

Terri Denemy, Town Manager, presented the following:

- She did not have slides for her department or Council as their budgets were fairly static and there were no planned changes.
- Last year's staffing decisions had been a great benefit to the department.

Maggie Holmes, Economic Development Manager, presented the following:

- Gave a brief overview of the department's function and objectives.
- Briefly discussed grocery store talks and developments in the surrounding area, and the challenges for economic development in Chino Valley.
- Discussed the department's funding needs, which would be cross-departmental, to increase data-driven decision-making.

Council and staff discussed the following:

- Councilmember Holt asked for an update on the request for the Boys & Girls Club to come to Chino.
 - Staff stated that they had meeting with the Boys & Girls Club and the school and it would have duplicated programs that were already in the school system and they wanted to use school resources and facilities, so it didn't work out.
- Councilmember Switzer inquired if the Town should add some of the roads to the construction plans that were requested in the survey.
 - Staff stated that they were already getting everything ready to bid the job and wouldn't be able to get it done this year if they had to start over now. Staff suggested continuing with the current plan, but discussing options, including the requested roads, in future meetings.
- Councilmember Switzer suggested Mike make a video regarding the Chino Connected app to increase engagement like he did with Town notifications.
- Council discussed their individual opinions regarding the Town's strategic priorities.
 - Councilmember Holt stated that Economic Development should be placed under financial stability.
 - Councilmember Switzer suggested changing Prosperous Community to Economic Development.
 - Discussion ensued regarding other ways to connect the community to Town notices.

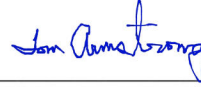
- Staff discussed expanding the priorities to make them less vague.
- Mayor Armstrong asked for an update about the previously proposed message center sign.
 - Staff stated they are working to find some funding for a permanent sign and would put one in a supplemental budget for Council consideration.
- Discussion ensued regarding the lack of property tax and what the Town might be able to gain from having one.
- Councilmember McCafferty discussed the lack of fire suppression as a consideration in economic development and felt the Town still needed to place some focus on that.
- Councilmember Switzer discussed economic development and suggested development agreement provisions to make developers commit to a more solid timeline.
- Councilmember Holt inquired if Pinal County was losing a portion of revenue that they were getting before San Tan Valley incorporated.
 - Staff stated that there are different portions for counties, cities and towns.
- Councilmember Switzer felt that the pool fees were very low, and the matter should be revisited.
 - Staff stated that they can put some options out for Council to consider. Staff further stated that Prescott Valley does not charge an entrance fee, and even though Chino Valley does, the Town gets a significant number of Prescott Valley residents attending.
- Councilmember McCafferty inquired at what scale the requested Code Manager would be.
 - Staff stated that a supervisor is typically two to three steps above their subordinate.
- Councilmember Switzer inquired about the agenda item he had submitted about how to handle out-of-range employees.
 - Staff stated they were working on the policy and would be bringing it to Council to formalize the policy in the future.
 - Staff discussed different philosophies on how to structure the matter.
- Councilmember McCafferty inquired about updates to the code of conduct.
 - Staff stated that would be addressed with the attorney about what they can do before moving forward.
- Councilmember McCafferty inquired how the police department is doing with lateral transfers.
 - Staff stated that it's hard right now because within the county, Chino Valley is fifth for starting pay. In spite of that, Chino Valley has become an employer of choice because the Town has a desirable culture.
- Councilmember Switzer inquired if the Town could look into a contract with Prescott to use their vector trucks.
 - Staff stated they could look into that. Staff was concerned about having the truck experience a critical failure that would remove any potential resale value.
 - Councilmember Holt suggested a GSA contract.
- Vice-Mayor Granillo inquired what the Town Hall re-roof would cost.
 - Staff estimated the project would be more than \$50,000.
 - Councilmember McCafferty inquired what was wrong with the roof.
 - Staff stated leaks started this year and could be heard hitting the light fixtures. Staff was trying to go through the Town building methodically to keep up on maintenance items like roofs and parking lots.
- Vice-Mayor Granillo inquired how much a special election would cost.
 - Staff stated about \$25,000 to \$30,000.
- Councilmember Switzer inquired if anyone had reached out to Olsen's to expand their business and possibly move to Old Home Manor.

- Staff stated they had not reached out, but heard that was something they were thinking about.
- Staff provided discussion starting points to facilitate Council discussion regarding their priorities.
- Mayor Armstrong suggested waiting until staff had actual numbers to get further into budget discussions and decisions.
- Vice-Mayor Granillo inquired about wholesale taxes that the Town would receive in terms of development of Phase 2 of the proposed airstrip.
 - Staff stated they would be receiving retail taxes.
 - Staff stated that military contracts where they are not reselling the product would give tax to the Town based on where the order was being taken.
 - Discussion ensued regarding how tax dollars are distributed on various products depending on location and point of delivery.
 - Discussion ensued regarding possible requirements for the development agreement.
- Discussion ensued regarding potential legislation to reduce food tax and how that would impact the Town.
- Vice-Mayor Granillo inquired how many Prescott Valley residents would stop using the pool if the Town increased the fee.
 - Staff stated they believed they would still attend.
 - Discussion ensued about what the fee could change to and ways to analyze that.
- Vice-Mayor Granillo inquired if the Town was still leasing the fields for little league and softball to Urnaments.
 - Staff stated they were. The average fee for little league was about \$3,000 for their season.
- Councilmember Switzer stated the following:
 - Economic development was the #1 priority over roads and everything else, and felt that a hotel would take priority over a grocery store.
 - From 2020 - 2024 the Town had a 40% increase in staff and benefits and salaries increased by 52%, but the population only went up 8%. He felt there needed to be a cap on staff salaries.
 - He felt the Town would not survive without a property tax.
- Councilmember Holt stated the following:
 - Economic development and roads were priorities because that's what the public wants. He felt the Town would get a lot more done for same amount of money with the new repaving strategy.
 - He ran a survey on Goodparty.org. 500 surveys went out, and he only got 28 responses, but one response had a good idea for an equestrian event center at Old Home Manor.
- Councilmember Phillips agrees with the other councilmembers and commended staff on the work they do.
- Councilmember McCafferty stated the following:
 - There was no greater priority than the water reclamation facility EQ basins.
 - He likes the idea of restructuring Development Services.
 - Economic Development comes down to a lot of infrastructure and he felt the Town needed to earmark money to expand infrastructure.
- Councilmember Switzer inquired if staff felt they needed to fill in some of the canceled meetings with everything that staff has to do.
 - Staff stated they would get through the budget and then reevaluate in May or June.

- o Further discussion ensued regarding future meetings and what would be discussed.

3. ADJOURNMENT

Mayor Armstrong adjourned the meeting at 4:23 p.m.



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 of the Town Council of the Town of Chino Valley, Arizona held on the 26th day of January, 2026. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 24th day of February, 2026.

Erin N. Deskins

Erin N. Deskins, Town Clerk