

**MINUTES OF THE STUDY SESSION
AND REGULAR MEETING OF THE
TOWN COUNCIL OF THE TOWN OF CHINO VALLEY**

TUESDAY, MAY 12, 2026

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 5:01 p.m.

Present: Mayor Tom Armstrong, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Larry Holt, Councilmember Robert Switzer - remote, Councilmember John Stankewicz

Absent: Vice-Mayor Eric Granillo

Staff Present: Town Manager Terri Denemy, Town Attorney Andrew McGuire, Executive Analyst Jessi Sorteberg, Executive Assistant Mike Coomer, Town Water Consultant Mark Holmes, Development Services Director Laurie Lineberry, Assistant Development Services Director Will Dingee, Town Engineer/Assistant Public Works Director Steven Sullivan, Community Services Director Cyndi Thomas, IT Manager Spencer Guest, Audio Visual Technician Nicholas Harwick, Deputy Town Clerk Sara Burchill, Town Clerk Erin N. Deskins

2. Update, discussion, and council direction on potential application for WIFA Funding for the ADEQ-led Bright Star Water Production Facility PFAS Remediation project.

Terri Denemy, Town Manager, presented the following:

- Staff originally thought the project would be fully funded through ADEQ, but that is no longer the case. Staff would explain why and the increases in project cost.
- There is a funding opportunity that does not put the bulk of the burden on the Town.
- Discussed the water fund status. This fund collects fees with the intention that they will cover costs.
- Due to the most recent rate study, the water fund now has some capacity to fund the project.
- Discussed the wastewater fund which is not doing as well as the water fund due to the debt taken on for the water reclamation facility improvements.
- Gave an overview of debt obligations through 2046.
- Discussed next steps in the process.

Mark Holmes, Town Water Consultant, presented the following:

- Introduced the Carollo and ADEQ project managers (Kara Festa and Sara Konrad respectively).
- Gave a brief history on this matter since the EPA proposed maximum contaminant levels for PFAS/PFOA.
- Discussed the various funding opportunities staff explored to fund the project.
- Reviewed the complexities of the project, including the need for additional space, environmental assessments, designing an easement, etc.
- Discussed the completion of a Project Priority List application with WIFA to supply the 90% forgivable principal (due to the project being PFAS related) and 10% loan funding.
- Compliance must be obtained by 2029.
- Discussed the need for an IGA between the Town, WIFA, and, potentially, ADEQ outlining how invoicing would be handled, which monies will be spent first, handling administration and oversight, etc.
- Outlined ongoing operation cost estimates.

Kara Festa, Project Manager for Carollo Engineering, presented the following:

- Reviewed the assessments and options provided to the Town as solutions to the PFAS issue.
- Discussed the cost estimate of the project in greater depth, including direct and indirect costs.
- The project is currently estimated at \$8.1 million with an accuracy range of -20% - +30%. Further discussed some of the things affecting cost changes from the assessments provided in 2024. As the project progresses, cost estimates will become more accurate.

Council and staff discussed the following:

- Councilmember McCafferty inquired how much contingency was built into the estimate for the expansion.
 - Staff stated they didn't have that number on hand, but would get the answer and bring it back to Council.
- Councilmember McCafferty inquired if funds are interchangeable between the water and wastewater enterprises.
 - Staff stated they are not. Money lent from one fund to another has to be paid back or may be deferred indefinitely.
- Councilmember Holt inquired if the will RV Park would bring in enough to offset some of the wastewater costs.
 - Staff stated it will be the Town's first substantial wastewater customer that would be impactful.
- Councilmember McCafferty inquired if the easement has to be an improved road.
 - It will be a temporary road because the design for the development not been finalized in that area.
- Councilmember McCafferty inquired if the MCL set by the EPA was based on medical fact. And further inquired if it is possible the EPA may raise the MCL to a higher level, and, if so, would the Town's new system be able to be modified to extend its life.

- Staff stated they would need to bring experts in to discuss the matter. Regarding a change in the MCL, staff did expect a change with the current congress.
- Further discussion ensued regarding possibilities for the industry and in politics in the future.
- Councilmember Switzer inquired about pursuance of third party liability.
 - Staff stated they have been working with the Town Attorneys and submitted information as part of the 3M and Dupont class action lawsuits and staff is hoping to be compensated for some incurred costs that were not anticipated.
 - Andrew McGuire, Town Attorney, stated that's all we know at this point. Staff has not received anything advancing the ball in those litigations.
- Councilmember McCafferty inquired who the Town is paying sales tax to.
 - Staff stated it goes to the State of Arizona. Ms. Festa stated \$283,000 in sales tax is a conservative estimate as there are some waivers available and that would be fine-tuned as the project progresses.
- Councilmember Switzer inquired as to the amount of the land appraisal.
 - Staff stated that is still proprietary. Staff is working with the developer on the overall package.
 - Andrew McGuire, Town Attorney, stated that they need to have a deal in place before discussing the matter in public as it can drive up the price.
 - Councilmember Holt inquired how much property they were purchasing.
 - Staff stated it was one acre.
- Mayor Armstrong questioned the need for Council consensus on the matter when the Town is mandated to get it done.
 - Staff stated there really isn't an option, but pointed out that the Town would be receiving a \$10 million facility for \$500,000 which the revenue fund can manage.
- Councilmember McCafferty asked for clarity on the two pots of money that were mentioned.
 - Staff stated that all of the money is coming from WIFA, but the ADEQ will fund \$5.1 million. The Town will fund \$5 million with 90%/10% loan/grant.
- Councilmember McCafferty inquired if there was any possibility the Town's WIFA funding could go away.
 - Staff stated the Town is in the queue. Steps still have to be taken, but WIFA has assured staff that the Town is locked in with the PPL application.
- Council requested the item to come back for action on the May 26, 2026, meeting.

3. ADJOURNMENT

Mayor Armstrong adjourned the meeting at 5:42 p.m.

REGULAR MEETING

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

Mayor Armstrong called the meeting to order at 6:01 p.m. and led the Pledge of Allegiance.

Present: Mayor Tom Armstrong, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Larry Holt, Councilmember Robert Switzer - remote, Councilmember John Stankewicz

Absent: Vice-Mayor Eric Granillo

Staff Present: Town Manager Terri Denemy, Town Attorney Andrew McGuire, Officer Sean Snyder (Sgt. at Arms), Executive Analyst Jessi Sorteberg, Executive Assistant Mike Coomer, Town Water Consultant Mark Holmes, Human Resources Director Laura Kyriakakis, Development Services Director Laurie Lineberry, Assistant Development Services Director Will Dingee, GIS Specialist Maxwell Miller, Town Engineer/Assistant Public Works Director Steven Sullivan, Community Services Director Cyndi Thomas, IT Manager Spencer Guest, Audio Visual Technician Nicholas Harwick, Deputy Town Clerk Sara Burchill, Town Clerk Erin N. Deskins

2. INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

- a. Presentation of Proclamation for Building Safety Month.

Mayor Armstrong read and presented the proclamation to staff.

- b. Presentation from Laura Kyriakakis, Human Resources Director, regarding recent new hires.

Laura Kyriakakis, Human Resources Director, presented the following:

- Gave special recognition to Senior HR Specialist Tiffany Resendez and Senior Recreation & Events Coordinator Morgan Heiner for onboarding 30 new hires for the pool opening on May 30th.
- Introduced the 15 new staff hired and onboarded since July 2025.
- Offered to give quarterly updates going forward.

- c. Presentation and update on the impact of the new GIS position from Max Miller, GIS Specialist, and Will Dingee, Assistant Development Services Director.

Will Dingee, Assistant Development Services Director, presented the following:

- Introduced Maxwell Miller who has had a huge impact on various departments.

Maxwell Miller, GIS Specialist, presented the following:

- Gave a brief overview of what GIS is and what its function is within the Town's organization.
- Discussed how GIS takes in information and provides products such as maps, reports, tables, plans, etc.
- Gave a comparison of the different GIS systems and discussed strategies to build an efficient and user-friendly solution.
- Provided an overview of his progress and where staff is in terms of goals for various GIS projects.
- Discussed future plans including a GIS intern.

- d. Presentation and update by Katie Pehl, Finance Director, regarding the January-March 2026 quarterly financial report.

Mayor Armstrong stated that Ms. Pehl was unable to attend the meeting tonight.

MOVED by Councilmember John McCafferty, seconded by Councilmember Larry Holt to continue the item to the May 26, 2026, regular meeting.

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

NAY: None

6 - 0 Passed - Unanimously

- e. Consideration and discussion regarding the Fiscal Year 26/27 budget.

Terri Denemy, Town Manager, presented the following:

- She was filling in for Finance Director Katie Pehl to keep the budget process on track.
- Gave a review of the overall budget and included a breakdown of all the increases and decreases that have brought staff to the presented tentative budget recommendation of \$48,345,342.
- Further discussed changes from the preliminary budget, including increases/additions and rollover amounts.
- Staff is now recommending a soft freeze on Police Department positions and a hard freeze on others.
- Discussed the recommendations for Yavapai Regional Transit (YRT) and Yavapai Plan (YPlan) to allow spending capacity, but they can be removed or reduced later.
- Reviewed the rollovers and the reasons for them in more depth.
- Briefly discussed fund balances.
- Discussed the next steps in the budget process with final adoption to occur on June 23, 2026.

Council and staff discussed the following:

- Councilmember Stankewicz inquired if the soft freeze was for a recruit or lateral officer.
 - Staff stated it could be either. The department typically has one of each open.
- Councilmember Holt stated that he takes issue with freezing positions, and does not agree with holding funds for YPlan.
- Councilmember Switzer inquired if the general fund would increase, decrease, or stay the same.
 - Staff stated the draw on the general fund would be \$776,000.
- Councilmember Switzer clarified that the only negative to hard freezing all positions is that it would require council action.

- Staff stated that was correct and stated it could take about a month. Staff would notify Council of their intentions to fill a position that was in a soft freeze.
- Councilmember McCafferty stated that he supports the recommended personnel freezes and clarified that the purpose of such was to fund the 2% COLA.
 - Staff stated that was correct, along with the increases in Lieutenant and Sergeant positions. The department stated they would rather take care of current staff than add staff. If they didn't do the freezes, there would be a larger draw on fund balance.
- Councilmember McCafferty inquired what the actual anticipated revenue is.
 - Staff stated they didn't have it available in this presentation and would get it for Council at a later time.
- Councilmember McCafferty inquired about the YPlan increase of \$40,000.
 - Staff stated there was confusion about what is due when and would be discussed further when that item is called.
 - Councilmember McCafferty inquired where the funding for YPlan would be coming from.
 - Staff stated it is part of the \$776,000 draw on the general fund.
- Mayor Armstrong clarified that the NARTA officer is not affected by the position freeze.
 - Staff stated that is correct.

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. 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 on items not on the agenda 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.

Erin Deskins, Town Clerk, stated there were no requests to speak.

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 stated that Friday, May 15th at 10:00 a.m. is the National Law Enforcement Memorial being held at the 9/11 Memorial on Perkinsville Road.\

Councilmember McCafferty stated that US Vets is hosting their Steps for Vets event in

Downtown Prescott starting at 9:00 a.m.

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

Terri Denemy, Town Manager, presented the following:

- Swim lessons, party registration, and season passes are open at the aquatic center. 94 people signed up on the first day.
- Free dump day is being held this weekend. Friday, May 15 & Saturday, May 16, from 9:00 a.m. - 3:00 p.m. Contact Development Services with any questions.
- Recognized Town Clerk Erin Deskins and Deputy Town Clerk Sara Burchill to the Municipal Clerks Honor Roll.
- Packets for Write-In candidates are available for the July 21st primary election. Applications are due May 22nd at 5:00 p.m. Make an appointment with the Town Clerk's office.
- Olsen's Grain is hosting a music video shoot for Colton Burris, and they are looking for extras. It will be held on Saturday, May 23rd at 4:30 p.m.
- The Chino Valley Pickleball Association was awarded \$7,500 from the AZOne Credit Union Foundation for the construction of the new pickleball courts.
- The Town's website is getting a refresh and will be going live tomorrow. Visit www.chinovalleyaz.gov. Staff will be working on departmental pages in the next few months.
- The Town's first Touch-a-truck event was a great success. Thanked all the companies that participated.

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 Councilmember John McCafferty, seconded by Councilmember Sherri Phillips to approve Consent Agenda item a.

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

NAY: None

6 - 0 Passed - Unanimously

- a. Consideration and possible action to approve the April 14, 2026, 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.

- a. Consideration and possible action to approve the Naming Rights for Fann Contracting in recognition of their \$25,000 donation to the Chino Valley Pickleball Association Capital Campaign.

Recommended Action: Approve the Naming Rights (format and placement) for Fann Contracting in recognition of their \$25,000 donation to the Chino Valley Pickleball Association Capital Campaign.

Jessi Sorteberg, Executive Analyst, presented the following:

- Introduced Mary Kelly to share exciting news and will return to present the staff recommendation.

Mary Kelly, Capital Campaign and Chino Valley Pickleball Association Secretary, presented the following:

- They received \$25,000 from Fann Contracting, Inc. to fund the new pickleball courts.
- Presented the letter received from Fann regarding the pledge.
- Discussed the donor category granting naming rights.
- Discussed the placing and design of the company logo along with industry standards of such, and presented conceptual plans.

MOVED by Councilmember John McCafferty, seconded by Councilmember Sherri Phillips to approve the Naming Rights for Fann Contracting in recognition of their \$25,000 donation to the Chino Valley Pickleball Association Capital Campaign.

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

NAY: None

6 - 0 Passed - Unanimously

- b. Consideration and possible action to approve a budget capacity transfer in the amount of \$77,448 from the General Fund contingency to the General Fund YPLAN account and to approve the FY 2025/26 funding allocation for Chino Valley's annual contribution to YPLAN for \$77,447.35.

Recommended Action: a) Approve the budget capacity transfer in the amount of \$77,448 from General Fund contingency to the General Fund YPLAN account; **and**
b) Approve the FY 2025-26 funding allocation for Chino Valley's annual contribution to YPLAN for \$77,447.35.

MOVED by Councilmember John McCafferty, seconded by Councilmember Larry Holt to enter Executive Session for legal advice at 6:54 p.m.

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

Stankewicz

NAY: None

6 - 0 Passed - Unanimously

Regular meeting resumed at 7:31 p.m. with all previously noted councilmembers still present.

Terri Denemy, Town Manger, presented the following:

- Discussed the funding requests for this and next fiscal year.
- Gave an overview of the YPlan organization and listed the past, active, and future benefits for the Town as a result of being part of the organization.
- Reviewed the options Council has regarding their membership with YPlan.

Council and staff discussed the following:

- Councilmember Holt stated that he would like to include language requireing discussion between the various agencies for IGA funding formula alternatives for FY26/27 and all ongoing years.
 - Staff stated they would also include an update of the basic IGA format.
 - Councilmember Switzer stated that he agrees.
- Councilmember McCafferty clarified that \$77,447.35 is worst case scenario as they have not yet calculated in-kind contributions.
 - Staff stated that is correct.
- Councilmember McCafferty clarified that approval of this item allows the funding capacity, not the actual funding.
 - Staff stated that is correct. They are only voting on funding and authorizing payment for this year. The tentative budget forthcoming will contain the \$111,000 for FY26/27 included.
- Councilmember McCafferty inquired as to Mayor Armstrong's position on the matter.
 - Mayor Armstrong stated he has been involved in YPlan (formerly CYMPO) and RTAC for years and has pushed as hard as he can for regional transportation money. They've had some success, but stated that the "proof is in the pudding," and he is in support if they can show that they can actually produce services.
- Staff summarized that the updates in the coming year showing the tangibles that have been delivered will be very important and the IGA rewrite has to be included in negotiations.

MOVED by Councilmember John McCafferty, seconded by Councilmember Sherri Phillips to approve the budget capacity transfer in the amount of \$77,448 from the general fund contingency to the General Fund YPlan account and approve the FY2026/26 funding allocation for Chino Valley's annual contribution to YPlan for \$77,447.35.

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

NAY: None

6 - 0 Passed - Unanimously

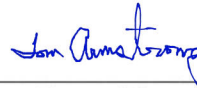
7. ADJOURNMENT

MOVED by Councilmember Sherri Phillips, seconded by Councilmember John McCafferty to adjourn the meeting at 7:44 p.m.

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

NAY: None

6 - 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 12th day of May, 2026. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 23rd day of June, 2026.

Erin N. Deskins

Erin N. Deskins, Town Clerk