



**City of Eloy
Minutes
City Council Regular Meeting
March 23, 2026 at 6:00 PM
City Council Chambers**

I. Call to Order

Mayor Andrew Sutton called the Regular Meeting of the Eloy City Council to order at approximately 6:20 PM on Monday, March 23, 2026. The meeting followed a Work Session held earlier that evening.

II. Roll Call

Present: Mayor Andrew Sutton
Vice-Mayor Michelle McKinley-Tarango
Councilmember Daniel Snyder
Councilmember Jose Garcia
Councilmember Josephine Galindo
Councilmember Michael Vodrazka
Councilmember Sara Curtis

Staff: City Manager Mackenzie Letcher
City Attorney Stephen Cooper
City Clerk Celine Kidwell

III. Moment of Silence

Mayor Sutton asked for a moment of silence.

IV. Pledge of Allegiance

The Pledge of Allegiance was led by Mayor Sutton.

V. Public Appearances

A. Scheduled

1. Legislative Update — Arizona State House of Representatives Teresa Martinez and Chris Lopez
This item has been postponed to a future meeting.

B. Unscheduled

Beverly Sikes, Eloy Resident, addressed the Council on behalf of Kevin Greene, a retired Illinois EPA Pollution/Project Protection Manager who was unable to attend. She read a prepared statement raising concerns about the proposed Freepoint Ecosystems plastics pyrolysis plant in Eloy.

- At a City Council work session in early February, two environmental groups shared information about ongoing regulatory and technical issues at Freepoint's Ohio facility, including multiple air permit violations such as excess particulate emissions, improper venting of process gases, and failure to report pollution control malfunctions in a timely manner. The Ohio EPA may pursue enforcement action.
- The plastics pyrolysis industry faces challenges in operational reliability, compliance with safety standards, and long-term economic viability. Multiple facilities across the country have shut down over the past decade due to technical and economic difficulties.
- Heating plastics at high temperatures poses health and environmental risks by releasing hazardous air pollutants and potentially producing hazardous waste.
- Ms. Seeker, on behalf of Mr. Green, asked the Council to reconsider the Freepoint facility permit and to discuss additional emission controls and continuous monitoring requirements with the company. She emphasized that once permitted, the facility could operate for decades, and that health risks would be borne by the community rather than the company.

Ralph Achoo, Eloy Resident, addressed the Council regarding the Freepoint Ecosystems air permit modification.

- On March 9, the Pinal County Air Quality Control District held a public hearing on Freepoint's permit modification. He asserted that the City of Eloy had an opportunity to request additional safeguards and continuous emissions testing with public reporting, but failed to participate.
- He noted that Freepoint's Ohio (T-1) facility, after more than one year, has not yet reached full capacity and continues to experience environmental compliance issues.
- He expressed that the Council had previously allowed Freepoint a 90-minute presentation while limiting rebuttal to less than 10 minutes, and that significant written documentation and expert testimony had been submitted to the Council regarding air quality risks to Eloy homes and schools.
- He called for continuous monitoring of toxic emissions rather than periodic spot checks, which he characterized as insufficient. He stated that failure to require such monitoring placed responsibility for any resulting health consequences on the Mayor, City Manager, and City Council.

Rachelle Giles, of Goodman Shorts Public Affairs, representing Freepoint Ecosystems, addressed the Council to provide information and updates on the air permit modification process. Key points included:

- Regulation of the Clean Air Act is delegated by the U.S. EPA to each state; ADEQ has further delegated permitting and enforcement to the Pinal County Air Quality Control District (PCAQCD). The Freepoint facility in Eloy was granted an air permit by PCAQCD in December 2022; a permit modification was submitted in November 2025.
- The project is permitted under a Class 2 Minor Source air permit, meaning

emissions are below Title V major source thresholds. The permit includes enforceable conditions such as required control devices, throughput limits, and emissions caps. The modification also reflects a decrease in total VOC emissions and adds recordkeeping and reporting requirements to demonstrate that more than 70% of input plastic is recycled.

- Freepoint voluntarily requested a public hearing during the permit modification process. The project is subject to oversight by numerous agencies, including U.S. EPA, ADEQ, Arizona Corporation Commission, PCAQCD, Pinal County Public Works, and the City of Eloy's Public Works, Fire Department, and Planning and Zoning Division.
- Freepoint offered to host Mayor and Council members on a tour of its Ohio facility to observe operations firsthand.
- Regarding the Ohio facility's regulatory history, Ms. Giles stated that Freepoint is in daily communication with the Ohio EPA to align on best practices and resolve issues, including those the company self-reported. She indicated the question before Arizona regulators is whether the project meets Arizona's permitting standards and conditions, not those of another state.

Mayor Sutton thanked Ms. Giles for her remarks and noted that Council is unable to engage in direct Q&A during public appearances.

4. Sheila Porter – Village Grand Valley Ranch, Eloy (Freepoint Ecosystems): Ms. Porter, residing at 1122 North Fairway Drive, addressed the Council regarding the Freepoint facility with concerns focused on the cumulative environmental and public health impact of increased truck traffic and chemical exposure in the surrounding neighborhood. She raised concerns about PFAS (per- and polyfluoroalkyl substances) contamination of Eloy's aquifer, noting that plastic companies can leach PFAS into water supplies, that many PFAS compounds are not currently on EPA recognized lists, and that cleanup costs and health effects from contamination tend to fall on communities. She also raised concerns related to reproductive health and hormonal effects of PFAS exposure on residents and future residents, particularly children. She submitted printed documentation to the Council and urged careful consideration before final permitting decisions are made.

Lenora Noble, Eloy Resident, addressed the Council, noting she had spoken at a prior meeting on the same subject. She urged the Council to take additional time to investigate the Freepoint facility before making a final decision, emphasizing the importance of resident input, incident response preparedness, and air quality protections. She noted that once particulates are released into the environment, remediation is difficult. She asked the Council to take a careful second look at the air quality environment and to ensure that the standard of care for the community is clearly defined and enforced. She stated that it does not hurt to take more time before a final decision, as the facility's presence will be long-term regardless of its operational success.

Mayor Sutton thanked all speakers and acknowledged the value of public comment in informing the Council's deliberations. No further unscheduled speakers came forward.

VI. Reports and Announcements

A. Mayor's Announcements

Mayor Sutton provided the following announcements:

- March 10: Attended the Sun Corridor MPO Board Meeting. Confirmed receipt of two grants from ADOT through the Sun Corridor MPO: (1) \$295,000 for a Safe Routes to School Study for Eloy, with staff now working to select a consultant; and (2) \$94,000 for a Transit Feasibility Study for Eloy. Mayor Sutton expressed strong support for the transit study, noting that public transportation is critical to community mobility and growth, and that Eloy currently has no bus stop. Residents should expect outreach materials in the mail regarding the transit study.
- March 11: Attended the Joint City Council and Planning & Zoning Commission Work Session on the Air Park Master Plan. Many ideas were brought forward, and the process is ongoing.
- March 16: Attended the AUTAC (Arizona Urban Transportation Advocacy Council) Regional Transportation Advocacy Council meeting, reviewing transportation-related legislation currently moving through the Arizona Legislature. Attended the City Council Work Session on the Battaglia Road Sidewalk Project. Mayor Sutton expressed satisfaction that a plan is in place, noting that coordinating the sidewalk installation with the upcoming sewer line project is the most prudent sequence to avoid tearing up new sidewalk for sewer work.
- Wednesday [date TBD]: Along with several Council members, attended the CoreCivic Quarterly Community Luncheon at Robson Ranch. Mayors from Casa Grande and Florence were also present. Robyn Klein showcased the La Palma facility. Mayor Sutton noted the facility's GED program for inmates and committed to speaking at an upcoming graduation ceremony.
- Pinal Regional Transportation Authority (PRTA) meeting: Described as contentious. The primary topic was the disposition of approximately \$40 million in leftover transportation tax funds collected in Pinal County. Mayor Sutton's position is that the funds should remain in Pinal County and be distributed fairly across all communities, rather than reverting to the state's general fund.
- March 23 (today): Met with the Arizona League of Cities and Towns to review bills currently moving through the Legislature. He noted 2,121 bills have been introduced this session, with 12 vetoed and 3 signed into law. Residents may track bills at the Arizona League website.
- Mayor Sutton also recognized Public Works staff member Paul Anchondo for installing a new water fountain in a City park, which he had recently noticed and praised for producing good, cold water.

B. Council Members' Announcements

Council Member JoAnne Galindo reported that on March 10, 2026, she visited the Senior Center at the Toltec Community Center. During the visit, she presented information about the Lions Club Vision Program and distributed over 20 vouchers to seniors interested in obtaining eyeglasses. She also conveyed Mayor Sutton's commitment to providing transportation for seniors to their vision appointments if they coordinate the visits.

Council Member Jose Garcia announced an upcoming Project Connect event

scheduled for Wednesday, from 1:00 p.m. to 5:00 p.m. at Pierce Park, designed to connect residents in need with local resources, including housing assistance and other social services, all in one location.

Council Member Dan Snyder noted there were no additional announcements beyond what the Mayor had covered, and deferred to the City Manager for the General Plan update.

C. City Manager's Announcements

City Manager Letcher provided the following updates:

The General Plan 60-day public review period remains open. City Manager Letcher encouraged all residents and Council members to submit comments via the City's website. He noted that this foundational document will guide development and growth over the next 20–30 years, and that this is the last opportunity to substantively influence its content. Comments can be uploaded directly through the General Plan tab on the City's website.

A General Plan Immersion Lab open house will be held at City Hall on Thursday, March 26, from 11:00 AM to 6:00 PM. The event will feature a 180-degree virtual reality experience showing what the City of Eloy could look like at full build-out, organized by activity area (downtown, air park, industrial areas, etc.). Sessions will be conducted in approximately 10–15-minute increments. City Manager Letcher encouraged community members to attend.

Pinal County Animal Control Vaccine Clinic, a drive-through pet vaccination clinic, will be held on Saturday, March 28, from 7:00 to 9:00 AM. Animals must remain in vehicles. Cats must be in a carrier; dogs must be on a leash. Residents should plan for wait times and bring snacks, treats, and water for their pets.

The Eloy Easter Egg Hunt will be held on Friday, April 3, from 10:30 AM to 1:00 PM at Jones Park. The egg hunt begins at 10:45 AM. Vendor booth applications are available through the Community Services Department for businesses interested in participating.

City Manager Letcher announced that the City of Eloy received a \$140,000 grant from APS for a downtown gateway project. The grant will fund planning and design for an improvement on the site where the former Dust Bowl and the old Veterans Center were demolished. Community Development Director Dan Symer has developed preliminary concepts. A formal presentation with APS Community Liaison Richard Rosales will be scheduled for a future meeting.

VII. Consent Agenda

Mayor Sutton presented the Consent Agenda. No Council member requested to pull any item from the Consent Agenda. Mayor Sutton called for a motion to approve the Consent Agenda as presented.

Motion to approve by Council Member Garcia; seconded by Vice Mayor Tarango. **Motion carried unanimously (7-0).** The following Consent Agenda items were approved:

- A. Approval of Minutes — February 9, 2026, and March 9, 2026, Regular Meeting Minutes and March 16, 2026, Work Session Minutes
- B. Approval of a One-Year Contract Extension with Armstrong Consultants, Inc. - Airport Engineering, Design, and Construction Management Consulting Services
- C. Authorization to utilize Pinal County School Office 1GPA contract #22-15P-04 with Sunland Asphalt & Construction, LLC for asphalt products and services on W. Tonto Rd., in an amount not to exceed \$38,500, as a part of the Annual Pavement Preservation Program identified and approved in the FY2025-2026 City of Eloy Capital Improvement Plan Budget.
- D. Authorization to enter into an Intergovernmental Agreement (IGA) between the City of Eloy and Pinal County for Commercial Driver License (CDL) Testing Services.
- E. Consideration and Approval of a Proposal from Motorola Solutions for the Replacement of the Eloy Police Department VHF Repeater Using Pricing per Arizona State Contract No. CTR046830, at a cost not to exceed \$70,000.00. This project was presented and approved in the FY2025-2026 Capital Improvement Plan (CIP).

VIII. Business: Possible Discussion and/or Action on the Following:

- A. Authorization to Utilize the Pinal County JOC Contract 233828ROQ with Ellison-Mills Construction, LLC for Civil Construction Services to Proceed with Phase 1 of the Battaglia Road Sewer Line Upsizing Project
Interim Public Works Director Refugio "Cookie" Gallegos presented the item, which is included in the City's FY 2025–2026 Capital Improvement Plan and represents a critical infrastructure investment in the City's wastewater system to support both current demand and future growth. Key details:
 - Scope: Replace the existing 8-inch sewer line with a new 24-inch line along Battaglia Road between 11 Mile Corner Road and Sunshine Boulevard. The current line is operating at or near capacity, creating a risk of backups and system failures as development continues.
 - Project phasing: Phase 1 includes design and construction to extend current sewer upgrades from 11 Mile Corner Road approximately 900 feet south to Battaglia Road, then continuing to Curiel Street. Phase 2 will extend from Curiel Street to Sunshine Boulevard and will return to Council for approval at a future meeting.
 - Total estimated project cost: \$5.5 million (\$3 million allocated to Phase 1; \$2.5 million to Phase 2, including contingency).
 - Funding: To be secured through a Utility Obligation Bond, which will be presented to Council at the last meeting in April. This approach allows engineering costs to be recouped prior to bond issuance. Approving Phase 1 now allows Ellison-Mills Construction to begin design work and keep the project on schedule.
 - Procurement: Utilizing the Pinal County JOC (Job Order Contracting) Contract No. 233828ROQ allows the City to expedite project delivery, maintain competitive pricing, and ensure procurement compliance.

Mayor Sutton expressed enthusiasm for the project, noting the importance of coordinating the sewer line installation with the Battaglia Road Sidewalk Project to avoid disrupting newly installed infrastructure. No Council members had questions.

Motion to approve by Council Member Garcia; seconded by Council Member Curtis.
Motion carried unanimously (7-0).

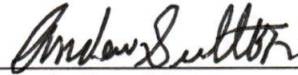
IX. Executive Session

No Executive Session was held.

X. Adjournment

Mayor Sutton called for a motion to adjourn. Motion was made and seconded. All were in favor. Mayor Sutton adjourned the meeting at 6:55 p.m.

BY:



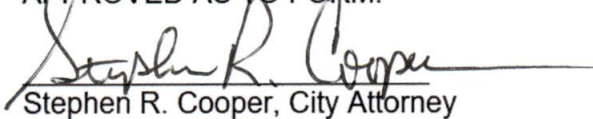
Andrew Sutton, Mayor

ATTEST:



Celine Kidwell, City Clerk

APPROVED AS TO FORM:



Stephen R. Cooper, City Attorney





**City of Eloy
Minutes
City Council Work Session Meeting
March 30, 2026 at 5:00 PM
City Council Chambers**

I. Call to Order

Mayor Andrew Sutton called the Budget Study Session of the Eloy City Council to order at 5:02 p.m. on Monday, March 30, 2026.

II. Roll Call

Present: Mayor Andrew Sutton
Vice Mayor Michelle Tarango
Council Member Sara Curtis via phone
Council Member JoAnne Galindo
Council Member Andrea Garcia (Arrived at 5:13 p.m.)
Council Member Dan Snyder
Council Member Michael Vodrazka

Excused: Council Member Dan Snyder

Staff Present: Mackenzie Letcher, City Manager
Stephen Cooper, City Attorney
Celine Kidwell, City Clerk

III. Pledge of Allegiance

The Pledge of Allegiance was led by Mayor Sutton.

IV. Unscheduled Public Appearances

There were no unscheduled public appearances.

V. Discussion Items

- A.** Presentation by Brian Wright, Finance Director, on revenue projections for the FY 2026-2027 annual budget and seeking guidance on the proposed property tax rate. Finance Director Brian Wright presented both items on the agenda. He acknowledged Finance Intern Abe Nase for his contributions to the preparation of the revenue presentation and the layout of the materials.

Key Economic Influences and Budget Context:

Finance Director Wright opened by summarizing the key influences on the FY 2026–2027 budget, noting that much of this information was previously presented to Council

at the budget retreat approximately six to eight weeks prior:

- Pinal County half-cent road sales tax distribution: No guidance has yet been received from Pinal County on how the road tax will be distributed to cities and towns following the incorporation of San Tan Valley, which has significantly impacted state shared revenues for Eloy.
- Property tax: Council is being asked to consider the maximum levy level as in prior years.
- State shared revenue: Significantly reduced due to San Tan Valley's incorporation, which redirects a portion of vehicle license tax, state income tax, and state sales tax distributions away from Eloy. The impact is estimated at over 30% of Eloy's state shared revenue base.
- Inflation: Current CPI for the Phoenix area is approximately 2.2% (down from a high of 9.5%). Inflation drives up expenses but also increases taxable sales, providing modest revenue benefit. Select categories showing year-over-year price increases include recreation (+6%), non-alcoholic beverages (+12%), and gasoline (+3.5%). Fruit and vegetable prices are down approximately 2%.
- State legislative actions: Potential four-year tax and fee freeze legislation is under discussion. If enacted, it would cap cities from increasing sales tax rates. The League of Arizona Cities and Towns has opposed the legislation. A proposed "no tax on overtime/tips" parity measure between federal and state law could reduce Eloy's state income tax distribution by approximately \$240,000 annually.
- Population growth: Modest, averaging approximately 817 new residents per year over the last three years (2,451 total). The number of winter visitors, including Canadians, was lower than prior years, which has modestly impacted local sales tax and state income tax distributions.
- Local sales tax: Continues to support the general fund, streets fund, and economic/community development fund. Retail sales tax growth is approximately 2–3%, consistent but not accelerating. Construction sales tax remains volatile.

FY 2026–2027 General Fund Revenue Overview:

- Total estimated general fund revenue: approximately \$23.8 million, up from approximately \$21.8 million in the prior year budget. Of the approximately \$2 million increase, approximately \$1.2 million is one-time revenue from planning and permit fees associated with a large commercial development project (identified as the Freepoint project). Without this one-time item, revenue would be modestly above the prior year.
- Sales tax: City sales tax is the largest single revenue source, increasing approximately 1.7% to approximately \$9.49 million for general fund operations. Combined with inter-governmental revenues, these two sources represent approximately 69% of total general fund revenue.
- Intergovernmental/state shared revenues: Declining approximately 5% due to San Tan Valley's impact on VLT and state income tax distributions. Estimated reduction of approximately \$387,000 in highway user revenue and approximately \$383,000 in streets-related impact. State income tax collections

have dropped from approximately \$4.5 million to approximately \$3.6–3.7 million in recent years due in part to the governor’s flat income tax legislation.

- License and permits: Budgeted up approximately 244% (from approximately \$491,000 to approximately \$1.7 million), primarily reflecting the one-time commercial permit and planning fees. This revenue is largely offset by corresponding expenses for third-party plan review, inspections, and outsourcing.
- Charges for services: Up approximately 55%, also primarily reflecting one-time planning and commercial development fees.
- Interest income: Modestly increasing; however, as fund balance is drawn down, interest income will decline over time.
- Miscellaneous revenue: Key components include the CoreCivic per-diem payment (approximately \$130,000 annually), the IGA with the City of Florence for judicial services (approximately \$80,000), and the fire district contribution (approximately \$60,000).

Finance Director Wright highlighted that three revenue categories — interest income, charges for services, and permit fees — will be revisited and refined over the next 30–45 days as the budget process progresses, particularly to ensure permit and fee revenues are not overstated given their dependency on large commercial projects.

Sales Tax Detail:

Local sales tax collections (3-year average FY 2023–2025) totaled approximately \$10.3 million, with the following allocations:

- General fund operations: approximately \$6.79 million for FY 2026–27
- Capital projects (construction sales tax one-time): approximately \$1,956,000
- Robson Ranch agreement: approximately \$7,500
- Streets one-time fund: approximately \$597,000
- Economic/Community Development Fund (2% food tax): approximately \$451,000
- Expresspill (former agreement): approximately \$54,000

Finance Director Wright noted that retail sales tax is growing modestly at approximately 2–3% while construction sales tax remains volatile and episodic. He noted that the construction sales tax one-time portion is being kept in the general fund for operating purposes in FY 2026–27, consistent with the direction provided at the Council retreat.

Highway User Revenue and Gas Tax:

In response to a question from Council Member Galindo, Finance Director Wright explained that highway user revenue represents the City’s proportional share of the state gas tax based on population — not what is collected at local truck stops. Eloy’s share has decreased approximately 20% and reflects state-level distribution formulas. Mayor Sutton noted that the Arizona Legislature is currently considering a gas tax holiday during summer months, which could result in a \$1 billion reduction to highway user revenue funds over 20 years.

Property Tax – FY 2026–2027 Rate Guidance:

Finance Director Wright presented the following property tax analysis and sought Council direction:

- Current tax rate: \$0.9769 per \$100 of assessed value (just under \$1.00)
- Maximum allowable levy for FY 2026–2027 (2% growth cap): \$0.9848 — an increase of approximately \$0.0079, less than one cent
- New construction valuation increase: approximately \$10 million (attributed primarily to the Gold Body facility), which generates an additional \$96,565 at the reduced rate of \$0.9655
- Adopting the maximum levy would generate an additional \$31,280 over the new construction baseline alone, at a rate of \$0.9848
- Impact on a \$300,000 home: less than \$3.00 per year
- Impact on a \$100,000 assessed value property: less than \$1.00 per year

Council discussion on property tax guidance:

- Council Member Vodrazka stated support for the maximum levy.
- Council Member Galindo expressed agreement with proceeding at the maximum, noting the increase is not substantial enough to cause hardship.
- Council Member Curtis concurred with adopting the maximum.
- Council Member Garcia (upon arrival) indicated agreement with the maximum levy.
- Council Member Snyder was excused from the session.

Council consensus: Proceed with the maximum property tax levy of \$0.9848 for FY 2026–2027. Finance Director Wright confirmed he will move forward with posting the required Truth in Taxation notice and incorporate the rate into the revenue projections. The property tax ordinance will be brought to Council for formal adoption as part of the budget process.

Special Revenue Funds:

Streets Fund:

- Revenue projected at approximately \$3.6 million with a fund balance of approximately \$7 million. Due to uncertainty around the Pinal County half-cent road sales tax distribution, Finance Director Wright maintained flat projections from the prior year for that category, with a contingency reserve built into the fund balance.
- Approximately \$3.5 million of the streets fund balance will be drawn down this fiscal year to fund the City's match for the Sunland Gin overpass project (\$5 million grant from the state; total project estimated at \$8 million).
- Right-of-way permit revenues include one-time fees from large projects such

as the Freeport development.

Airport Fund:

- Revenue projected up approximately 7.7%. Airport lease rates and fees are currently being renegotiated with existing tenants; finalized leases are expected to come before Council within approximately six to nine months. Updated rates will be reflected in a future budget amendment if adopted after the current budget cycle.
- The airport fund balance supports one-time city match contributions for FAA/state airport improvement grants.

Cemetery Fund:

- Revenue projected up approximately 2.6%. Current fund balance approximately \$411,000. Finance Director Wright noted that cemetery fees have not been reviewed in approximately 30–40 years and that a fee rate analysis is anticipated within the next six to nine months, subject to Cemetery Board consideration, as is standard procedure.

Enterprise Funds (Water, Sewer, Sanitation):

Water Fund:

- Revenue growing approximately 14.3% (from approximately \$3.8 million to approximately \$4.3 million), reflecting the second year of the five-year rate study, with a 14% rate increase taking effect July 1, 2026.
- Approximately 102 new water accounts added. The water system includes approximately 131–132 miles of water mains, 5.5 miles of water pipe, 4 wells, and 13 booster stations.

Sewer (Wastewater) Fund:

- Revenue growing approximately 6.7% (approximately \$2 million), reflecting an 11% rate increase effective July 1, 2026 per the five-year rate study. Approximately 32 new sewer accounts added. A significant number of homes in the Toltec area remain on septic systems (approximately 1,100 accounts), limiting wastewater account growth relative to water.

Sanitation Fund:

- Revenue decreasing approximately 5.6% due to loss of commercial customers to a prior contractor following the transition to WM (Waste Management), and significantly reduced roll-off billing (approximately half of prior year levels). Approximately 3,300 sanitation accounts; 44 new accounts added. Landfill fees are also lower as Arizona City Sanitation has reduced waste volumes.

- Sanitation rates are increasing 4.8% per the WM contract adjustment, effective July 1, 2026. Residential trash service: \$30.04 → \$31.00 (increase of \$0.96). Notification letters will be sent to all residential customers, and the rate change will be included in utility bill inserts and email reminders.

Landfill Study Update (City Manager Letcher):

In response to a question from Council Member Galindo, City Manager Letcher provided an update on the landfill feasibility study, which is approximately 85% complete. He noted that during the study process, inaccuracies were discovered in data previously submitted to the state regarding the landfill's fill rate. A drone/flyover assessment of the landfill will be contracted to establish an accurate fill rate baseline before the study can be finalized. The flyover contract is anticipated to come before Council in May. Following completion of the flyover and revised analysis, the consultant (MSW) will present findings at a dedicated work session. A community outreach process will then be conducted before any recommendations are brought back to Council for a final decision on the landfill's future (continue operations, privatize, or moth-ball). The study must be completed before making any determination on restricting Arizona City Sanitation from dumping waste at the facility or expanding staffing and equipment.

Fiscal Strategy Summary:

Finance Director Wright summarized the overall fiscal position for FY 2026–2027 as stable but constrained, with the following key observations:

- Local revenues, utility rates, and commercial permit activity are strong, but state shared revenues continue to decline due to legislative actions and San Tan Valley's redistribution of state-shared revenue.
- A conservative budget approach is recommended to avoid overstating revenue projections in uncertain categories.
- Long-term consideration: within approximately five to six years, the City may need to evaluate a half-cent local sales tax increase to offset the structural loss of state shared revenue. This is the only mechanism available to restore that revenue source. Finance Director Wright flagged this for future Council awareness.

- B.** Presentation by Brian Wright, Finance Director, on the City of Eloy's Capital Improvement Plan and Consolidated Rate and Fee Schedule for FY 2026-2027. Brian Wright, Finance Director, presented the City of Eloy's Capital Improvement Plan and Consolidated Rate and Fee Schedule for FY 2026-2027.

Capital Improvement Plan Overview:

- Total FY 2026–2027 CIP budget: approximately \$36.6 million across 41 projects.
- Five-year CIP (FY 2026–27 through FY 2030–31): approximately 197 projects totaling approximately \$236 million, up approximately \$41 million from the prior year. The increase primarily reflects updated valuations on out-year Public Works projects.

- Approximately \$29 million (of the \$36.6 million) is dedicated to water and wastewater infrastructure projects.

Utility Obligation Bond:

A Utility Obligation Bond not to exceed \$21 million will be presented to Council for adoption at the last meeting in April. The bond will fund approximately 10 water and wastewater projects, including:

- Continuation of the Battaglia Road sewer line upsizing from 8-inch to 24-inch from 11 Mile Corner Road to Sunshine Boulevard (Phase 1 approved March 23; Phase 2 to follow)
- Two major water line extension loops on Sunland Gin Road to improve water delivery and support growth
- Completion of the \$5 million state grant-funded Sunland Gin Road project

General Fund CIP Projects:

Consistent with Council guidance at the February retreat to limit general fund CIP spending due to revenue constraints, Finance Director Wright reported that four projects were selectively restored to the one-year CIP after evaluation:

- Interior improvements to the Senior Center
- Public Works shade structure
- Police Department vehicle replacements (fleet program)
- [Fourth project – TBD per staff review]

Combined cost of restored projects: approximately \$500,000. Staff indicated that additional general fund projects may be added if the overall budget can be balanced during the remaining budget process.

Pending Grants (Not Yet in CIP):

Finance Director Wright noted several grant applications are pending that are not currently reflected in the one-year CIP but are included in out-years of the five-year plan. If received, grant-funded projects will be budgeted through the grants fund; the City's matching contribution will be drawn from the unbudgeted capital projects fund balance (approximately \$2.3 million). Examples include:

- \$1 million APS downtown gateway grant (recently announced; expenditure not yet reflected in CIP)
- Phases 2 and 3 of road improvements (approximately \$3.5–4 million each phase) through One System funding
- Police Department CAD system replacement grant (approximately \$2.5 million) and dispatch console replacement grant (approximately \$350,000)
- Battaglia Road Sidewalk Project match: approximately \$160,000 from the

streets fund

Finance Director Wright also noted a pending AV/audio-visual upgrade for the Council Chambers. This project will likely be rolled over to FY 2027–28, as a two-to-three-week installation window during which no Council meetings can be scheduled has not yet been identified. The first meeting in July has been tentatively identified as a potential window.

Council Discussion – Animal Control Facility Added to Five-Year CIP:

Council Member Garcia asked that a future animal control facility be added to the five-year CIP for planning purposes. Finance Director Wright and City Manager Letcher agreed, noting that this approach is consistent with how long-range planning projects such as the Community Center have been carried in the plan — placed in out-years and moved up as funding and priorities shift. Council Member Garcia's request was acknowledged and confirmed for inclusion.

Consolidated Rate and Fee Schedule – FY 2026–2027:

Finance Director Wright and Community Development Director Symer presented proposed changes to the Consolidated Rate and Fee Schedule. The schedule was distributed to all departments for review; proposed changes are highlighted. Key adjustments include:

Utility Deposits:

- Water and sewer utility deposits: increasing approximately \$25.00, reflecting the 14% rate increase. The City's practice is to collect two months' deposit to reduce losses when accounts go delinquent.

Community Development/Permit Fees:

Director Symer led a comprehensive restructuring of community development fees, with several key changes:

- Transition from value-based to flat-rate fee structure for most permit categories: Rather than charging a percentage of construction value for each item (e.g., counting electrical outlets, sockets), fees are now based on a flat hourly rate of approximately \$140 per hour for the Community Development Department. This change reduces complexity and makes fees more predictable.
- High-value projects: The most significant changes apply to projects over \$5–10 million in construction value, where Eloy's fees were previously well below comparable communities. The restructuring corrects this gap.
- Small/infill projects: Fees are generally decreasing for smaller residential and remodel work (e.g., patios, additions). Director Symer cited an example where a 200-square-foot patio fee would decrease from approximately \$1,800 to approximately \$240 under the new structure.
- Cost recovery target: The department operates at a 75% cost recovery model, recognizing that 100% recovery is not achievable without high-volume

- commercial activity. The restructured fees better support that target.
- Vice Mayor Tarango asked about fee impacts on remodel and infill construction. Director Symer confirmed fees are decreasing for lower-value work and expressed support for maintaining competitive fees for infill housing projects, which the City needs to encourage.

Sanitation Rates:

- All sanitation rates increasing by 4.8% per the WM contract annual adjustment. Residential trash/recycle: \$30.04 → \$31.00 (\$0.96 increase effective July 1, 2026). Resident notification will include utility bill inserts, email reminders, and a direct mailing.

Water and Sewer – New Fee Categories:

- New 10-inch and 12-inch water/sewer line capacity and meter charge categories added to the fee schedule to accommodate larger infrastructure requests. These had been absent from the schedule despite growing demand. Fees are calculated consistent with existing line size fee methodology.

No Changes To:

- Administration, Police/Public Safety, Community Services, Cemetery (pending future rate study).

The Consolidated Rate and Fee Schedule will be posted to the City's Finance page for a 60-day public comment period beginning March 28, 2026. A public hearing and formal resolution for adoption will be presented to Council at the last meeting in May (at least 30 days before the July 1, 2026 implementation date).

Wrap-Up and Next Steps:

Finance Director Wright summarized next steps in the FY 2026–2027 budget process:

- Refine license/permit and charges-for-services revenue projections as large commercial permit fees are confirmed.
- Await updated state shared revenue figures from the League of Arizona Cities and Towns.
- Incorporate Council's direction on the maximum property tax levy into the Truth in Taxation posting and revenue projections.
- Add the Animal Control Facility to the five-year CIP.
- Update the CIP to include grant-matched projects (e.g., Battaglia Road sidewalk match) with appropriate funding sources identified.
- Bring the Utility Obligation Bond resolution to Council at the last meeting in April.
- Bring the Consolidated Rate and Fee Schedule resolution to Council at the

last meeting in May for adoption.

Mayor Sutton thanked Finance Director Wright and his team, including Finance Intern Abe Nase, for producing a clear, well-organized presentation. No further questions were raised by Council.

VI. Adjournment

Mayor Sutton adjourned the Eloy City Council Budget Study Session at 6:37 p.m.

BY:

Andrew Sutton
Andrew Sutton, Mayor

ATTEST:

Celine Kidwell
Celine Kidwell, City Clerk

APPROVED AS TO FORM:

Stephen R. Cooper
Stephen R. Cooper, City Attorney





**City of Eloy
Minutes
City Council Work Session Meeting
March 23, 2026 at 5:00 PM
City Council Chambers**

I. Call to Order

Mayor Andrew Sutton called the Work Session of the Eloy City Council to order at approximately 5:02 PM on Monday, March 23, 2026.

II. Roll Call

Present: Mayor Andrew Sutton
Vice Mayor Michelle Tarango
Council Member Sara Curtis
Council Member JoAnne Galindo
Council Member Andrea Garcia
Council Member Dan Snyder
Council Member Michael Vodrazka

Absent: None

Staff Mackenzie Letcher, City Manager
Present: Stephen Cooper, City Attorney
Celine Kidwell, City Clerk

III. Pledge of Allegiance

The Pledge of Allegiance was recited. No Moment of Silence was held at this Work Session.

IV. Unscheduled Public Appearances

Mayor Sutton noted that unscheduled public appearances would be deferred until the end of the Work Session to allow sufficient time for the presentation and discussion. No unscheduled public speakers came forward after the discussion was adjourned.

V. Discussion Items

- A.** Presentation and Discussion on the City of Eloy Animal Shelter Needs Assessment and Animal Control Study
Consultant presentation delivered by Michael Barnard, Principal, Shelter Planners of America (SPA), a division of FMD Architects, Grapevine, Texas. The Needs Assessment Study was originally issued on August 26, 2025, and revised on March 19, 2026.

Mr. Barnard introduced Shelter Planners of America as the most experienced animal shelter design firm in the nation, with over 30 years of experience and work with more than 750 animal shelter groups nationwide. He noted that the firm's founder operated four animal shelters in addition to his architecture practice, providing operational insights that inform the firm's design approach.

Animal Shelter Design Goals:

Mr. Barnard outlined the seven core design goals that guide SPA's shelter projects:

- Implement current best practices in humane animal care.
- Reduce animal stress through better species separation, soundproofing, two-compartment housing (allowing animals to separate sleeping/eating areas from elimination areas), and natural light.
- Prevent disease through medical isolation and quarantine areas, enhanced HVAC systems with fresh air (not recirculated), proper drainage, and quality laundry and grooming facilities.
- Create a warm and welcoming public environment with sound control, natural light, color, odor control, private get-acquainted rooms, and landscaping — moving away from the dark, institutional shelter model toward a retail-style experience that encourages adoption visits.
- Increase opportunities for human-animal socialization through get-acquainted rooms, outdoor walks, cat condos, and community cat rooms.
- Focus on education and prevention through spay/neuter programs, humane education, and informational displays.
- Create an effective workspace for staff with adequate offices, storage, conference rooms, adoption interview rooms, employee break room, and proper flow and cleanability.

Findings of the Needs Assessment Study:

- Eloy's total population is approximately 18,992 (2024 data), with a fluctuating incarcerated population of approximately 6,800, leaving an unincarcerated population of approximately 12,192.
- In 2024, 314 animals were received from Eloy at Pinal County Animal Care (PCAC): 215 dogs (68.4%) and 99 cats (31.6%). This represents a 2.58% animal intake ratio relative to the un-incarcerated population, which is within the national norm of 2–3%.
- Over the next 20 years, Eloy's population is projected to increase 100.1% to approximately 24,400 (net of prison population). Projected 2044 animal intake is estimated at 628 animals annually (430 dogs, 198 cats).

Disposition of Animals (2024):

- Adopted or transferred: 173 animals (75.22%) — above the national norm of 60–70%.
- Returned to owner: 39 animals (16.96%) — within the national norm of 10–20%.

- Euthanized: 13 animals (5.65%) — well below the national norm of 10–20%; above the nationally promoted 90% live release rate threshold.
- Died in shelter: 5 animals (2.17%).

Projected Animal Housing Capacity:

- Current housing capacity: 0 (City does not operate a shelter; animals are handled through PCAC).
- Proposed housing for a new City shelter: 32 dogs and 18 cats, based on an estimated unmet need for stray pickups beyond what the 20-year planning horizon alone would suggest.
- Current estimated average length of stay (ALS): 21 days for both dogs and cats. Proposed ALS with the recommended housing: 27 days for dogs, 33 days for cats. SPA noted that its general recommendation is a maximum of 14 days of ALS to avoid adverse behavioral effects, but acknowledges that this is not always achievable.

Building Space Program (20-Year Planning Horizon):

The proposed facility totals approximately 10,211 combined square feet:

- Administrative: 3,223 SF (interior)
- Medical Clinic: 1,108 SF (interior)
- Animal Housing – Interior: 2,210 SF
- Animal Housing – Exterior (covered): 880 SF
- Animal Support Areas – Interior: 1,771 SF
- Animal Support Areas – Exterior (unfinished): 1,020 SF

Site Considerations:

The City previously operated an animal shelter at 30130 W. Houser Road, which shares a site with the City's water booster station (total site approximately 1.95 acres; shelter-allocated portion approximately 0.52 acres). The existing building is still standing but is not suitable for reuse due to its limited size (12 kennels), its outdated single-compartment kennel configuration, its trench drains, and its inability to meet modern energy and design standards. The City is considering using the former shelter site for new construction. Mr. Barnard noted that, based on a site visit conducted that day, the current perimeter fence area appears too small for a facility meeting 10- and 20-year planning needs, but that acquiring an additional 20–30 feet of surrounding property could potentially make the site workable. No official site decision has been made.

Mr. Barnard noted that SPA's standard site selection criteria include: visibility (high-traffic location preferred for adoption visibility), accessibility (centrally located), suitability (utilities, zoning, drainage, easements), parking (28 spaces estimated for this facility), and a minimum site size of 1 to 1.5–2 acres for a single-story facility with surface parking.

Staffing:

For a City-operated shelter, SPA recommends a minimum of 6 full-time positions (Monday–Friday, daytime): Animal Control Manager (1), Adoption Specialist (1), Kennel Technician (1), Administrative Assistant (1), and Animal Control Officers/Field Staff (2). Evening and weekend coverage would require additional staffing. Part-time veterinary and vet tech services would be provided under contract. A volunteer program would be desirable in the new facility environment.

Estimated annual staffing cost: \$344,516 (hiring at minimum) to \$413,419 (hiring at midpoint). City Manager Letcher noted that, when including vehicle purchases and maintenance, building maintenance, food, and other operating costs, the estimated total annual operating cost is approximately \$650,000–\$700,000.

Operating Costs:

- Current City cost under the PCAC contract: \$75,000 per year (minimum), up to \$150,000 at full staffing. Current cost per animal: \$238.85–\$477.71 for 314 animals.
- National norm (updated): \$400–\$700 per animal. Small shelters with low intake numbers tend to have higher per-animal costs due to fixed staffing requirements.
- Mr. Barnard cautioned that any future renegotiation of the PCAC contract should account for the likelihood that Pinal County’s own costs will increase significantly as the region’s population grows, and that proportional cost allocations across jurisdictions may shift unfavorably for Eloy.

Opinion of Probable Cost (New Construction):

- Total construction cost (low): approximately \$3,319,362 (\$325/SF)
- Total construction cost (high): approximately \$4,335,031 (\$425/SF)
- With soft costs (15%), contingency (5%), and one-year escalation (3%), the estimated total project cost ranges from approximately \$4,122,647 (low) to \$5,384,108 (high).
- Land cost is not included. These figures are expressed in 2025 dollars; construction costs continue to rise.

Council Questions and Discussion:

Council Member Galindo asked why the existing shelter building was not considered for renovation rather than new construction. Mr. Barnard explained that SPA was not commissioned to study a renovation, but offered that reuse is feasible in some cases. He described his site visit that day and confirmed that the existing building is too small for the proposed program, has outdated single-compartment housing and trench drains, and lacks an adequate site footprint. He noted that one possible approach — as SPA has done elsewhere — would be to construct a new dog building adjacent to the existing structure and convert the old building to cat housing, potentially at lower cost than full new construction. He recommended that SPA be consulted before any site is purchased to conduct a “test fit” review. Council Member Galindo noted the building’s history, including that the City’s previous animals were housed at the sewer

pond before the building's construction approximately 25 years ago.

Council Member Snyder asked whether space for animals other than dogs and cats was included in the program. Mr. Barnard confirmed that zero square footage was currently designated for other species, but noted approximately 80 square feet could be added without significantly impacting cost or program size.

Council Member Snyder asked about different operational models (government-run vs. nonprofit partnerships). Mr. Barnard described approximately six common models, ranging from fully government-operated shelters to complete nonprofit operation with government contracts. He noted that the most effective model in many communities combines a city-owned and city-managed shelter with a "Friends of" nonprofit group that raises private funds to supplement city resources — giving the city control while enabling community-funded enhancements. He cautioned that relying on nonprofit volunteers introduces instability over time as personnel change.

Council Member Snyder asked about the feasibility and cost of a city-operated program. City Manager Letcher confirmed an estimated annual operational cost of approximately \$650,000–\$700,000 when all costs are included. Council Member Snyder noted that a city-nonprofit partnership would be the most viable model, with the nonprofit supporting adoption events, food drives, and other activities that city staff would not have the capacity to manage.

Council Member Snyder asked whether the current \$75,000 PCAC contract is sustainable given projected population growth in Pinal County. Mr. Barnard confirmed that as PCAC's own costs and intake numbers grow, jurisdictions like Eloy are likely to face significant increases in contract prices and encouraged the City to plan accordingly.

Vice Mayor Tarango asked whether Mr. Barnard had observed successful arrangements in which a city operates its own animal control officers and contracts for sheltering services to a county or third-party facility. Mr. Barnard confirmed that this is a common model, particularly in the northeastern United States, and stated that it would require renegotiating the current PCAC contract to separate field services from shelter services. He offered to share a previously prepared report outlining six operational models, which he agreed to send to Captain Jerome.

Chief Banales thanked Mr. Barnard for the presentation and offered context from the Police Department's perspective. He noted that the department's current capacity to respond to animal calls varies considerably: some weeks, there are no animal calls requiring officer involvement; others require significant time. He explained that if the City wants a true 24/7 animal control response capability, dedicated animal control personnel — not sworn officers — would be needed, as officers are not trained for routine animal pickup and may be unavailable during high-priority calls. He noted that the department's current protocol is to dispatch officers only for vicious-animal calls, active attacks, or injury incidents; routine stray reports are referred to PCAC. He also noted that the department responds to tethering violations under the City's municipal code, which PCAC no longer enforces. Chief Banales also acknowledged and thanked the Council for recognizing the vaccination clinic program being conducted collaboratively with Pinal County.

Council Member Galindo expressed strong support for expanding animal control services, emphasizing that the current arrangement leaves citizens without timely response — particularly on weekends and early mornings when residents are chased by loose dogs and have no one to call. She stated that Pinal County's on-call officer covers the entire county and responds only to person attacks, making the current service level unacceptable for Eloy residents' safety. She advocated for a minimum of two City-employed animal control officers to build community relationships and provide education, noting that the current arrangement does not deliver on what was promised under the contract. She also called for remodeling the existing shelter to a functional level sufficient to house animals overnight, if needed, and for the City to restore on-call animal control capability. She characterized the hybrid approach (City ACOs delivering animals to PCAC) as a reasonable direction while the City works toward its own shelter. She acknowledged PCAC's commitment and noted the County's capacity constraints are a systemic issue rather than a lack of effort.

Council Member Curtis expressed support for Vice Mayor Tarango and Council Member Galindo's comments and indicated the Council should give staff direction to move forward with a hybrid solution that pursues a near-24/7 response capability, whether through renegotiation with PCAC, addition of a City ACO, remodeling of the shelter, or engagement of another shelter partner.

Mayor Sutton summarized the direction emerging from the discussion and proposed the following sequenced approach:

- Step 1: City staff, led by City Manager Letcher in coordination with Chief Banales and Captain Jerome, will engage Pinal County Animal Care and Control in a renegotiation/exploration of contract options — including what enhanced services, expanded capacity, or modified terms (e.g., sheltering-only vs. full-service) are available, and at what cost.
- Step 2: Staff will convene a broader stakeholder think tank, including City staff, Pinal County representatives, and local rescue/nonprofit organizations, to develop and evaluate solution options.
- Step 3: Staff will present options to the City Council for direction and further action.

Mayor Sutton proposed a target completion date of July 30, 2026, for staff to bring forward options. Chief Banales confirmed understanding of the timeline.

Council Member Snyder asked whether the original PCAC contract included a dedicated full-time animal control officer for Eloy, and whether the City has been receiving that contractually promised level of service. Mayor Sutton and City Manager Letcher confirmed that the renegotiation process would include a review of contractual obligations and performance.

City Manager Letcher noted that a prior needs assessment study was completed in 2023 and expressed urgency about avoiding another multi-year delay before implementation. He committed to moving the process forward promptly.

VI. Adjournment

Mayor Sutton thanked the consultant, Chief Banales, Captain Jerome, and Council members for their participation and input. He announced a 10-minute recess before the Regular Meeting began. The Work Session was adjourned at approximately 6:02 PM.

BY:

Andrew Sutton
Andrew Sutton, Mayor

ATTEST:

Celine Kidwell
Celine Kidwell, City Clerk

APPROVED AS TO FORM:

Stephen R. Cooper
Stephen R. Cooper, City Attorney



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