



**City of Eloy
Minutes
City Council Work Session Meeting
January 26, 2026 at 5:00 PM
City Council Chambers**

I. Call to Order

Mayor Sutton called the meeting to order at 5:00 PM.

II. Roll Call

Present: Mayor Andrew Sutton
Vice Mayor Michelle Tarango
Council Member Sara Curtis
Council Member JoAnne Galindo
Council Member Jose Garcia - Arrived shortly after
Council Member Daniel Snyder

Excused: Council Member Michael Vodrazka

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

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.** Employee Compensation and Classification Study Presentation and Discussion
HR Director Sylvia Lopez introduced the item, after which Igor Shegolev, MSHRM, SPHR, President & Founder of HR Know Consulting, delivered the presentation to the Mayor and City Council. The item was for informational purposes only, with no formal action taken or fiscal impact at this stage.

Study Overview:

HR Know Consulting conducted a comprehensive compensation study comparing the City of Eloy's pay ranges against the relevant regional labor market. Primary comparators included the City of Casa Grande, City of Coolidge, Town of Oro Valley, City of Florence, Town of Marana, and Pinal County, with ERI survey data used for validation.

Key Findings:

Of 90 total City positions, 61 were directly studied. The remaining positions were benchmarked based on their relevance to the studied classifications. The study identified 25 positions falling between 5% and 9.9% below the market range and an additional 25 positions at 10% or more below market, representing a significant competitive gap in the City's current compensation structure. Notably, blue-collar and technical positions experienced the fastest market wage growth, driven by talent scarcity and regional competition.

Recommendations:

HR Know Consulting recommended adjusting the pay structure to establish a minimum of \$15.15 per hour, in compliance with Arizona's minimum wage law (Prop 206), maintaining a fixed 5% grade separation between midpoints, and assigning all positions to pay grades based on labor market data. The consultant also suggested administering market increases of 3%–5%, noting that the Employment Cost Index (ECI) rather than the Consumer Price Index (CPI) should guide wage increase decisions due to the CPI's volatility.

Council Discussion & Direction:

No formal vote or action was taken since the item was informational only. However, the Council engaged in meaningful discussion that provided clear directional feedback:

- Council Member Snyder expressed concern that the recommended 3–5% increase might not be enough given the competitive pressure from the expanding San Tan Valley area, noting that simply catching up to the market today could leave the City vulnerable in the near future. He suggested that the City might need to consider going higher to stay ahead of the curve.
- Vice Mayor Michelle Tarango inquired about the timing of health insurance premium projections, raising concerns that wage increases could be offset by rising benefit costs. HR Director Lopez responded that preliminary numbers were expected within 30–45 days and that the City hoped to keep any increase to single digits.
- Council Member Galindo raised the broader issue of workplace culture and employee retention versus simply chasing wages. Igor Shegolev acknowledged that research consistently shows compensation is not the top reason employees leave, but noted that the study's scope was limited to market data.

The general consensus among council members emphasized the importance of retention—especially for long-tenured blue-collar and technical employees—and recognized that the City's benefits package is a significant competitive advantage that should be actively promoted in recruitment.

Next Steps:

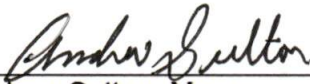
No specific percentage increase was approved at this session. Final figures and formal direction were deferred to the upcoming budget retreat as part of the Fiscal Year budget development process.

VI. Adjournment

With no further business, Mayor Sutton adjourned the work session at 5:44 p.m.

Note: A video recording of the meeting is available for further information in accordance with Arizona Revised Statutes § 38-431.01(E).

BY:



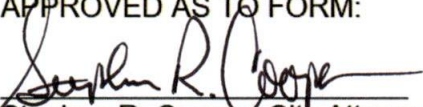
Andrew Sutton, Mayor

ATTEST:



Celine Kidwell, City Clerk

APPROVED AS TO FORM:



Stephen R. Cooper, City Attorney





**City of Eloy
Minutes
City Council Work Session Meeting
February 9, 2026 at 5:00 PM
City Council Chambers**

I. Call to Order

Mayor Andrew Sutton called the meeting to order at 5:00 PM.

II. Roll Call

Present: Andrew Sutton, Mayor Michelle Tarango, Vice Mayor
Michael Vodrazka, Council Member
JoAnne Galindo, Council Member
Jose Garcia, Council Member
Daniel Snyder, Council Member

Excused: Sara Curtis, Council Member

Staff Present: Mackenzie Letcher, Interim 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

Mayor Sutton announced that unscheduled public appearances would be held following the discussion item.

V. Discussion Items

- A.** Presentation and Discussion on the Proposed Advanced Recycling Facility in Eloy Operated by Freepoint Eco-Systems
The City Council received a presentation from Freepoint Eco-Systems, providing a high-level update on the proposed advanced recycling facility planned for Eloy. The item was informational only, with no formal action taken and no fiscal impact at this stage.

Presenter Jeff Story, Chief Development Officer, Freepoint Eco-Systems

Presentation Summary: Freepoint Eco-Systems operates in the advanced plastic recycling space, using pyrolysis to convert waste plastic back into recycled oil and gas

products, which are then sold to petrochemical companies such as Dow Chemical, DuPont, Exxon, and Shell. The company currently operates a facility in Hebron, Ohio, which has been in operation for approximately one year and serves as the model for the proposed Eloy facility.

Eloy was selected as Freepoint's Southwest hub to serve recycling operations across California, New Mexico, Nevada, and Colorado, with material transported primarily by truck and finished product shipped by rail via Union Pacific. The facility's location within the Eloy industrial park — situated between Phoenix and Tucson with direct I-10 and UP rail access — was cited as a primary factor in site selection.

The proposed Eloy facility would include a 350,000-square-foot warehouse for sortation, contaminant removal, and feedstock preparation, along with four pyrolysis kilns for thermal conversion of plastics into hydrocarbon vapors, and a condensation system to prepare the finished product for rail shipment. The facility is designed to process plastics such as polyethylene, polypropylene, and polystyrene, while excluding oxygenated plastics such as PET. Unrecoverable contaminants would be baled and sent to a landfill, while recoverable materials such as aluminum, cardboard, and PET bottles would be diverted to appropriate recyclers.

The facility is projected to create over 100 jobs, ranging from skilled operators and equipment operators to management, with a majority of positions classified as semi-skilled to highly skilled.

On the permitting front, site plan approval was received in December 2025. An air quality permit, originally filed with Pinal County in 2021, was modified and resubmitted in November 2025 to reflect process improvements learned from the Ohio facility. All regulated emissions — including carbon monoxide, NOx, SOx, and HAPs — are anticipated to fall under a minor source air permit. Both the Arizona Department of Environmental Quality and the Ohio EPA have determined that the facility does not require regulation as a waste combustor.

Additional community benefits noted included new road construction through the industrial park and Union Pacific mainline upgrades that would benefit future industrial park tenants requiring rail access.

Council Discussion Council members engaged in questions following the presentation:

Council Member Galindo asked for clarification on the types of plastics targeted by the facility, noting that a prior meeting with Freepoint representatives left the impression that the facility would focus on industrial manufacturing waste rather than post-consumer materials. Mr. Story clarified that the facility sources both manufacturing scrap and post-consumer materials, including materials that exit the traditional recycling stream and would otherwise go to landfill, citing pharmacy pill bottles and grocery store plastic bags as examples.

Council Member Galindo asked about the disposal of contaminants removed during the sortation process. Mr. Story responded that unrecoverable materials are baled and sent to landfill, but noted that the Eloy facility is being designed to recover and

divert additional materials — including PET bottles, aluminum cans, cardboard, and ferrous metals — to appropriate recyclers, an improvement over the Ohio facility.

Council Member Galindo asked about the skill levels of the projected 100-plus jobs. Mr. Story responded that the workforce would be a mix, with roughly three-quarters of employees in semi-skilled to highly skilled roles — including plant operators, skilled mechanics, and equipment operators such as forklift and skid steer operators — and approximately 15% in lower-skilled quality control and hand-sorting positions, in addition to salaried management staff.

Council Member Galindo suggested the City explore a partnership with Central Arizona College (CAC) to develop workforce training and certifications aligned with the facility's needs. Mr. Story agreed and welcomed the City's assistance in identifying and developing skilled workers locally.

Council Member Galindo raised concerns about railroad crossing congestion, noting that existing rail operations in the industrial park have brought traffic to a standstill as far as Toltec Road, creating challenges for both residents and emergency crews. Mr. Story responded that Freepoint's rail design incorporates a three-track system specifically to allow Union Pacific to perform expedited drop-and-pick operations with pre-loaded tank cars, minimizing crossing delays. He added that UP is also making mainline upgrades to improve switching efficiency, and acknowledged that he and his team could discuss the rail design in greater detail if needed.

Council Member Snyder asked about the form in which raw materials arrive at the facility and whether loose trucks posed any concern. Mr. Story confirmed that the vast majority of inbound material arrives baled in enclosed 53-foot trailers, offloaded directly at warehouse dock doors with no open outdoor handling, and that all residue leaving the facility is similarly baled and transported in enclosed trailers.

Council Member Snyder asked about the anticipated daily truck volume. Mr. Story estimated approximately 30 inbound trucks per day, with outbound volume varying, all routing via I-10 access through the industrial park.

Council Member Snyder asked about kiln operating temperatures and what occurs during a shutdown. Mr. Story noted that internal reaction temperatures reach approximately 500–600 degrees Celsius and that the kilns are designed for continuous operation. He explained that a cold shutdown requires a multi-day process to ensure all plastic is fully pyrolyzed before the kilns cool, as hardened plastic remaining in the equipment creates significant operational challenges.

Public Appearances

Three members of the public, who agreed to share a combined 10-minute allotment, addressed the Council with concerns about the proposed facility:

- Ralph Atchue (local resident) expressed concern about truck traffic near a residential subdivision and characterized the facility as a chemical plant rather than a recycling operation, urging the Council to err on the side of caution in protecting community health and safety. He also requested a copy of

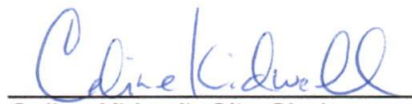
Freepoint's full presentation.

- Kevin Greene (Stop Waste Tucson, Tucson, AZ) raised concerns based on Freepoint's compliance record at its Hebron, Ohio facility, citing at least three Notices of Violation issued by the Ohio EPA, including repeated bypassing of vapor combustors on 79 separate occasions between February and June 2025. He also cited broader industry challenges, including technical failures, facility closures, and questions about whether pyrolysis oil is being used for new plastic production versus fuel blending. He requested that the Council conduct a thorough, independent review with meaningful input from community and environmental experts, and offered to distribute an informational packet that includes copies of the Ohio NOV's.
- Rita O'Connell (National Organizer, Beyond Plastics, New Mexico) noted that of 11 recently operational chemical recycling facilities nationwide, only 9 remain in operation, with many running below capacity and facing ongoing compliance issues. She raised concerns about the integrity of ISCC certification, citing ongoing fraud investigations in the European Union and the United Kingdom. She also highlighted that mass balance accounting practices allow facilities to label plastic products as recycled even when recycled content is a small fraction of the total feedstock. She further noted that Eloy already ranks in the 94th percentile nationally on the Environmental Justice Index for ozone, and expressed concern that the facility's permitted allowance of up to 100 tons of volatile organic compounds annually could exacerbate existing community health disparities, particularly for children.

VI. Adjournment

Mayor Sutton thanked all presenters and members of the public, acknowledging that the discussion provided the Council with significant material to consider and research. The work session was adjourned at 5:53 p.m., with the regular City Council meeting to follow after a brief recess.

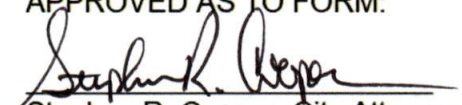
ATTEST:


Celine Kidwell, City Clerk

BY:


Andrew Sutton, Mayor

APPROVED AS TO FORM:


Stephen R. Cooper, City Attorney

