



**City of Eloy
Minutes
City Council Regular Meeting
April 13, 2026 at 6:00 PM
City Council Chambers**

I. Call to Order

The Eloy City Council Regular Meeting was called to order by Mayor Andrew Sutton at 6:00 P.M.

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

Staff Mackenzie Letcher, City Manager
Present: Stephen Cooper, City Attorney
Michelle Hall, Deputy City Clerk

III. Moment of Silence

Mayor Sutton called for a moment of silence, which was observed by all present.

IV. Pledge of Allegiance

Council Member Sara Curtis led the Pledge of Allegiance.

V. Public Appearances

A. Scheduled

There were no scheduled public appearances.

B. Unscheduled

There were no unscheduled public appearances.

VI. Reports and Announcements

A. Mayor's Announcements

Mayor Sutton provided the following announcements:

- **April 1 – Central Arizona Governments Meeting:** Mayor Sutton attended the Central Arizona Governments meeting in Apache Junction, which included an executive session as part of the Arizona Department of Transportation's (ADOT) listening tour. Mayor Sutton stressed the importance of improved communication between ADOT and municipalities, particularly regarding maintenance and issues along state rights-of-way. He cited the new hospital development as an example, noting that the city had sought permission to clean the adjacent freeway on and off-ramps but faced coordination challenges. Mayor Sutton expressed a commitment to maintaining an open and collaborative dialogue with ADOT going forward.
- **April 3 – Annual Easter Egg Hunt:** Mayor Sutton volunteered in his capacity as a police volunteer at the City's annual Easter Egg Hunt. The event was well attended by families and children and was described as a great community occasion. Mayor Sutton noted it was gratifying to see the community come together to create positive memories for young residents.
- **April 8 – Meals on Wheels Ride-Along:** Mayor Sutton participated in a ride-along with Central Arizona Aging's Meals on Wheels program in Eloy. He accompanied driver Pat on visits to approximately a dozen homes and had the opportunity to connect with residents he might not otherwise have met. Mayor Sutton praised the program and its staff, noting the volunteers' genuine care and dedication. He encouraged community members to support the program at www.cahra.org, and mentioned an upcoming fundraising bingo event at which tables may be purchased.
- **April 10 – Ribbon Cutting and Scholarship Dinner:** Mayor Sutton, along with current and former council members, attended the ribbon-cutting ceremony for La Carnicera La Mejor, a family-owned butcher shop on Main Street. Mayor Sutton wished the business continued success. Later that evening, several council members attended the Pinal Scholars Committee's Awards Ceremony and Scholarship Dinner in Casa Grande.
- **April 11 – Police Department Picnic:** Mayor Sutton and other council members attended the Eloy Police Department's annual picnic at a local park. Mayor Sutton expressed appreciation for the dedication of the men and women of the Eloy Police Department and noted the event provided a welcome opportunity for officers and their families to relax and connect.

1. Proclamation — Week of the Young Child

Mayor Sutton presented the Proclamation recognizing the Week of the Young Child, April 11–17, 2026. Mayor Sutton noted that no representative was present to accept the proclamation in person; however, he proceeded to read it in full and indicated that

it would be forwarded to the appropriate recipients. The proclamation acknowledged the critical importance of early childhood education and care, recognizing that high-quality early care programs build lifelong learning skills in children from birth through age 5. It further recognized the essential role of early childhood educators and childcare providers in supporting Arizona families, as well as the importance of public investment in equitable early learning opportunities. Mayor Sutton, as Mayor of the City of Eloy, proclaimed April 11–17, 2026, as the Week of the Young Child and encouraged all citizens to support and invest in early care and education in the community.

2. Proclamation — National Public Safety Telecommunicators Week

Vice Mayor Tarango presented the Proclamation recognizing National Public Safety Telecommunicators Week, April 12–18, 2026, in honor of the dispatchers of the Eloy Police Department. Prior to reading the proclamation, Mayor Sutton offered remarks recognizing public safety telecommunicators as the first of the first responders — the voices behind the call who provide calm and steady guidance during emergencies. He acknowledged their long hours and the often-unseen nature of their contributions, and expressed sincere appreciation on behalf of the City.

Vice Mayor Tarango read the proclamation in full, which recognized that emergencies require prompt responses from public safety personnel and that public safety telecommunicators serve as the vital link between the community and emergency responders. The proclamation recognized the professionalism, compassion, and commitment to excellence of the Eloy Police Department's telecommunicators, who serve the community 24 hours a day, seven days a week. Representatives from the Eloy Police Department's dispatch team were present to accept the proclamation.

B. Council Members' Announcements

Council Member Galindo provided the following announcements: attendance at a community virtual tour event showcasing future development plans for the city, which she found exciting and commended; recognition of Community Services for an exceptional Easter Egg Hunt; a welcome back to Mr. Mandeville, a former Eloy resident who returned to the community to pursue his career; a productive meeting on April 8 with constituents concerned about the Freeberg plant, resulting in agreements on community safety coordination; attendance at the Police Department barbecue; and attendance at the Pannau Community Scholarship Banquet, where her daughter, a former scholarship recipient, was invited to speak as the banquet celebrated its 20th anniversary. Council Member Galindo noted that the City of Eloy was also recognized as a founding sponsor of the scholarship.

A council member reported attending an Opportunity Zones partnership meeting on April 3, which focused on an anticipated second round of the federal Opportunity Zones program. Discussion at the meeting addressed concerns that the first round disproportionately benefited large urban centers rather than rural communities like Eloy. The member noted that upcoming workshops will address how municipalities can position themselves competitively for the new round of designations.

Council Member Vodrazka reported on the April 10 ribbon-cutting for La Panaderia La Mejor on Main Street, which was well attended, and urged residents to support the business. He also attended the Pannau Hispanic Council Scholarship Dinner, which he noted drew over 200 attendees and 50 scholarship recipients, and expressed pride in the City's continued support of the program. He also attended the Police Department picnic and thanked Chief Banales and his staff for the invitation.

A council member expressed enthusiasm about the Easter Egg Hunt, noting the event had clearly outgrown the current park, given the turnout. The member also raised a question regarding the status of a hospital directional sign on Sunshine Boulevard, noting that a semi-truck recently made a wrong turn into the area. Staff indicated that the City has been in communication with ADOT regarding the sign, as the location falls within state right-of-way, and that coordination is ongoing.

C. City Manager's Announcements

City Manager Mackenzie Letcher reported on the success of the Easter Egg Hunt, noting over 500 attendees. He also announced two upcoming community events: the Eloy Adopt A Street Spring Cleanup on Saturday, April 18, from 7:00 a.m to 10:00 a.m. at Shumway North Park; and the Spring Concert in the Park featuring Soul Town Train on Saturday, April 18, from 6:00 p.m. to 9:00 p.m. at Main Street Park.

1. Police Chief Sergio Banales Council Briefing

Police Chief Sergio Banales presented the monthly Police Department activity briefing for March 2026. Chief Banales recognized the Communications Unit and dispatchers by name for their dedication and service. He reported on current staffing levels, community engagement activities conducted during March, the upcoming launch of a public-facing crime mapping tool on April 20, and six traffic enforcement campaigns planned through September 2026 covering DUI enforcement, speed enforcement, and child passenger safety initiatives.

Council discussion included suggestions for a bicycle safety education program, interest in reviving the Coffee with the Cops community outreach program, and expressions of appreciation for the return of the crime mapping tool as a transparency resource for the public. Chief Banales expressed support for the bicycle safety and Coffee with the Cops initiatives and indicated both would be explored.

VII. Consent Agenda

Mayor Sutton read the consent agenda notice, advising that all items are considered routine matters to be enacted by one motion and one roll call vote, with no separate discussion unless requested by a council member.

Council Member Snyder requested that Item A be removed for a separate vote, noting he had not been present at the March 30, 2026, Budget Study Session and wished to abstain on that item. Council Member Garcia requested clarification on Item C prior to the vote.

Items A and C were removed from the Consent Agenda for separate consideration.

Motion: Council Member Jose Garcia made a motion to approve Consent Agenda Items B, D, E, F, and G as presented. The motion was seconded by Michael Vodrazka, Deputy City Clerk. Hall conducted a roll call vote: Council Member Garcia – Yes; Council Member Vodrazka – Yes; Council Member Galindo – Yes; Council Member Curtis – Yes; Council Member Snyder – Yes; Vice Mayor Tarango – Yes; Mayor Sutton – Yes. **Motion carried unanimously (7-0).**

Item A – Approval of Minutes (March 23, 2026, Work Session and Regular Meeting; March 30, 2026, Budget Study Session):

Council Member Snyder explained that he wished to abstain from voting on the approval of the March 30, 2026, Budget Study Session minutes, as he was not present at that meeting.

Motion: A motion was made to approve Item A of the Consent Agenda as presented. The motion was seconded. Deputy City Clerk Hall conducted a roll call vote. Council member Snyder abstained due to his absence from the March 30, 2026, Budget Study Session.
Motion carried.

Item C – E1 Audiovisual Technologies – Police Department Briefing/Training Room Upgrade:

Council Member Galindo inquired whether \$60,000 would be sufficient, noting that prior discussions regarding a comprehensive telecommunications upgrade had estimated costs closer to \$500,000. Staff clarified that this specific item covers upgrades to the Police Department's briefing and training room used for emergency operations, and is funded from the existing FY 25/26 CIP budget for that purpose. Council Member Galindo asked whether opioid settlement funds could supplement the upgrades; staff responded that opioid settlement funds must be directly tied to opioid use, prevention, and treatment, making application to this room upgrade unlikely.

Motion: A motion was made to approve Item C of the Consent Agenda as presented. The motion was seconded. Deputy City Clerk Hall conducted a roll call vote: Council Member Galindo – Yes; Council Member Garcia – Yes; Council Member Vodrazka – Yes; Council Member Curtis – Yes; Council Member Snyder – Yes; Vice Mayor Tarango – Yes; Mayor Sutton – Yes. **Motion carried unanimously (7-0).**

- A. Approval of Minutes — March 23, 2026, Work Session and Regular Meeting, and March 30, 2026, Budget Study Session
- B. Acceptance of a Proposal from Coro Medical/ZOLL, for the Purchase of Automated External Defibrillators (AEDs), using funds from the One Arizona Opioid Settlement Agreement, Earmarked for Use by the City of Eloy, with Pricing Per Sourcewell Contract # 041823-ZLL, at a Cost not to Exceed \$62,000.00.
- C. Acceptance of a proposal from E1 Audiovisual Technologies for a project to upgrade existing technologies in the Police Department briefing/training room, using funds allocated in the FY 25/26 City of Eloy Capital Improvement Project (CIP) budget, with

pricing per Arizona State Contract (CTR075310) at a cost not to exceed \$60,000.00. Furthermore, authorization for the Mayor or his designee to sign any contracts necessary for project completion.

- D. Approval of an Intergovernmental Agreement (IGA) with the Arizona Department of Transportation (ADOT) for the Administration of Final Design and Construction of the Battaglia Road Sidewalk Project (Eleven Mile Corner Road to Sunshine Boulevard).
- E. Adopt Resolution 26-1652, approving Case No. CUP2025-011 Park 8-10 Freeberg Outdoor Storage. A request for a Conditional Use Permit to allow outdoor storage on the property zoned Light Industrial (I-1) located at 5610 North Sunland Gin Road, and consisting of approximately 13.62 acres.
- F. Adopt Resolution No. 26-1653 accepting the public right-of-way dedication for Sunland Gin Road
- G. Recommendation to the Arizona Department of Liquor Licenses and Control (ADLLC) for issuance of a Series 15 Special Event License to the Eloy Chamber of Commerce for the Cinco de Mayo event, May 1, 2026.

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

- A. Conduct a public hearing, and consider adopting Resolution No. 26-1654, finding that the applicable criteria have been met, and approve a two-year time extension to the previously approved Conditional Use Permit (Case No.: CUP2022-022) to allow a Solar, Utility Scale Generation and Battery Energy Storage System Facility, submitted by W. Ralph Pew of Pew & Lake, PLC, on behalf of NextEra Energy Resources, DBA Eloy Valley Solar, LLC, for a property located at the northeast corner of Sunshine Boulevard and Pretzer Road, consisting of approximately 320 acres.

Community Development Director Dan Symer, AICP, presented this item on behalf of the staff. Mayor Sutton opened the public hearing.

Director Symer noted that this is the third request to extend the previously approved Conditional Use Permit for a utility-scale solar generation and battery energy storage system facility at the northeast corner of Sunshine Boulevard and Pretzer Road, covering approximately 320 acres. Staff recommends approval and deferred to the applicant to explain the project's status and the reasons for the extension request.

Sean Lake, representing NextEra Energy Resources (DBA Eloy Valley Solar, LLC), presented on the applicant's behalf. Mr. Lake outlined the progress made since the original approval, including: approval of a larger conditional use permit for the broader project area; execution of a contract with Arizona Electric Power Cooperative (AEPC) — a rural utility cooperative serving areas including ED-2, ED-5, and Trico — confirming this is a contracted, not speculative, project; finalization of a 10-year plan with the Arizona Corporation Commission (ACC); unanimous recommendation from the ACC's line-siting committee; receipt of a Certificate of Environmental Compatibility from the ACC; completion of environmental work under the National Environmental Policy Act (NEPA), with the project designated as a Categorical Exclusion (the least impactful NEPA category), submitted to WAPA in March 2026 and anticipated for completion by late April or early May; and submission of a preliminary landscape plan

with Pinal County as part of the county permitting process.

Mr. Lake stated the project anticipates breaking ground by the end of 2026, pending completion of the county permitting process expected by late July or early August.

Council Discussion: Council Member Galindo inquired about coordinating with the Eloy Fire District on fire coverage for the project, which partially lies outside the city limits. Stuart McCurdy, the Vice President of Development for NextEra, has confirmed ongoing coordination with the Eloy Fire District since October 2025 to establish a coverage agreement. Council Member Galindo and Council Member Curtis emphasized the importance of thoughtful external landscaping, noting that many solar projects in the area have not met community standards. Mr. Lake committed to working with both the City and Pinal County to deliver a landscape plan meeting those standards. Vice Mayor Tarango asked about the NEPA Categorical Exclusion designation and its implications for environmental review of the farmland site. Staff confirmed the designation reflects the project's low environmental impact. Council Member Snyder expressed support for the project, noting that the power will serve local cooperative members rather than be exported to the Phoenix metro or California. Council Member Galindo asked about the applicant's application status with Pinal County; the applicant confirmed that the application is currently being processed with the county.

No members of the public came forward. Mayor Sutton closed the public hearing.

Motion: A motion was made to read Resolution No. 26-1654 by title only. The motion was seconded. Upon voice vote, the motion carried.

Deputy City Clerk Hall read the title of the resolution:

Motion: A motion was made to approve Resolution No. 26-1654 as read. The motion was seconded. City Clerk Kidwell conducted a roll call vote: Council Member Synder – Yes; Council Member Vodrazka – Yes; Council Member Curtis – Yes; Council Member Galindo – Yes; **Council Member Garcia – No**; Vice Mayor Tarango – Yes; Mayor Sutton – Yes. **Motion carried (6-1).**

- B.** Consideration and Possible Action of Resolution No. 26-1655 Authorizing the Franchise Agreement with Arizona Public Service (APS) to be submitted to the Voters of the City of Eloy at the November 2026 General Election.

City Manager Mackenzie Letcher presented this item. He advised that the City's current franchise agreement with Arizona Public Service Company (APS) was last approved in 2002 and is set to expire in 2027. The proposed Resolution No. 26-1655 does not approve the franchise agreement itself but authorizes its placement on the November 3, 2026, General Election ballot for approval by the voters of Eloy.

City Manager Letcher noted the key change from the previous agreement: the prior agreement provided a flat fee with a CPI adjuster (approximately \$100,000 annually), whereas the new agreement shifts to a 2% gross revenue franchise fee. In the last year, this fee generated approximately \$788,000 for the City. As Eloy continues to grow and add new residential, commercial, and industrial customers, this revenue is

expected to increase accordingly.

Richard Rosales, Public Affairs Representative for APS, then presented the nature of the franchise agreement. He explained that a franchise agreement is a right-of-way contract that allows APS to work within the city's right-of-way to maintain, construct, and upgrade utility infrastructure without obtaining individual permits for each project. Key provisions of the agreement include: relocation costs (APS bears costs when relocating equipment due to City CIP projects); vegetation management; restoration of disturbed rights-of-way; and the 2% franchise fee. Mr. Rosales confirmed the agreement covers APS's service area within Eloy, including Toltec, Mission Valley along Toltec Road, the San Miguel area, and businesses along the freeway corridor. The agreement also automatically incorporates any future annexations into the city.

The City Attorney provided additional context, noting that while franchise agreements with large utilities offer limited negotiating room, City staff secured a significant concession not found in agreements with other municipalities: a provision requiring APS to meet annually with City staff to coordinate planning and discuss a five-year infrastructure plan, with additional meetings as needed. The City Attorney credited this to City Manager Letcher's insistence on stronger coordination, given the volume of active development projects in Eloy. He noted that other municipalities in the state that have since sought similar provisions have had their requests declined by APS.

The City Manager clarified that APS's ability to respond to emergency situations in the right-of-way is already addressed by the existing City code, which allows immediate emergency response with retroactive permitting. The franchise agreement strengthens the overall coordination framework but does not restrict emergency response.

Council Discussion: Council members discussed community outreach and public education ahead of the November election. Members emphasized the importance of clearly communicating to voters that approval of the franchise will not increase utility bills and that the 2% rate is unchanged from the prior 25-year agreement. Suggestions included leveraging APS's existing customer notification channels, such as outage text messages, to share information about the franchise vote. Council members also suggested town halls at Robson Ranch, Grand Valley, the senior center, and other community venues. Mr. Rosales confirmed APS will conduct public notices, participate in any candidate forums, and conduct outreach as directed by the City. He noted that similar franchise agreements are on the ballot in other Pinal County municipalities this cycle, including Superior, Florence, Coolidge, and the Town of Miami. He added that franchise agreements historically pass with 60–70% approval, and referenced a recent approval in the Town of Winkelman at approximately 70%.

Motion: A motion was made to read Resolution No. 26-1655 by title only. The motion was seconded. **Upon voice vote, the motion carried.**

Deputy City Clerk Hall read the title of the resolution:

Motion: A motion was made to approve Resolution No. 26-1655 as presented. The motion was seconded. City Clerk Kidwell conducted a roll call vote: Council Member Snyder– Yes; Council Member Garcia – Yes; Council Member Galindo –

Yes; Council Member Vodrazka – Yes; Council Member Curtis – Yes; Vice Mayor Tarango – Yes; Mayor Sutton – Yes. **Motion carried unanimously (7-0).**


IX. Executive Session

Mayor Sutton announced that no executive session would be held.

X. Adjournment

The meeting was adjourned at approximately 7:25 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 Regular Meeting
May 11, 2026 at 6:00 PM
City Council Chambers**

I. Call to Order

The Eloy City Council Regular Meeting was called to order by Mayor Andrew Sutton at 6:00 p.m. on Monday, May 11, 2026. Mayor Sutton noted the exceptionally full house in attendance and welcomed the evening's guests.

II. Roll Call

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

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

III. Moment of Silence

Mayor Sutton invited all present to rise for a moment of silence.

IV. Pledge of Allegiance

Council Member Jose Garcia led the Pledge of Allegiance.

V. Reports and Announcements

A. Mayor's Announcements

Mayor Sutton provided the following announcements:

- **April 30 – Eloy Chamber of Commerce Luncheon:** Mayor Sutton attended the Chamber of Commerce Luncheon, where City Manager Mackenzie Letcher served as the featured guest speaker. Mayor Sutton commended City Manager Letcher's presentation on economic development in Eloy as insightful, forward-looking, and exceptionally well-received. He noted that several attendees were visibly taking notes

throughout, observing that such engagement reflects the growing momentum and attention Eloy is drawing from the broader region.

- **May 1 – Luke’s House for Behavioral Health Ribbon Cutting:** Mayor Sutton, joined by council members and other City dignitaries, attended the ribbon cutting ceremony for Luke’s House for Behavioral Health. He described the facility as beautiful and long overdue — addressing a need felt not only in Eloy but in communities throughout the region. He extended congratulations once again to Sonnette and Leticia, and to all those whose efforts brought the project to fruition.
- **May 1 – Eloy Chamber of Commerce Cinco de Mayo Celebration:** Later that evening, the Chamber hosted a Cinco de Mayo celebration in Main Street Park. Mayor Sutton described the event as a fantastic evening filled with dance, music, a car show, children’s attractions, and food trucks. He expressed particular appreciation for the condition of the park, crediting Community Services Director Paul Anchondo by name for consistently delivering beautifully presented venues for community events.

1. Proclamation — Robson Ranch Singers Day

Before proceeding to the evening’s announcements, Mayor Sutton paused to welcome and recognize the Robson Ranch Singers, who were present in the Council Chambers for a special recognition. Mayor Sutton noted that the Singers had been invited to perform at the John F. Kennedy Center for the Performing Arts in Washington, D.C., on May 24, 2026, and that the City was honored to send them with its full support and pride.

Mayor Sutton shared the following history of the organization, as provided by the Singers themselves: In 2009, Robson Ranch resident Sue Hart issued an open invitation to her neighbors, asking if anyone would be interested in forming a singing group. Six residents responded, and the Robson Ranch Singers began their journey. By the end of that year, membership had grown to eighteen. Their earliest concerts were held in their director’s home before audiences of approximately thirty people, and later moved to the Robson Ranch restaurant. Today, the Singers boast more than sixty members, all Robson Ranch residents. They present two concert series each year — a holiday concert and a spring concert — and since the opening of the Humosa Ballroom in 2013, have consistently performed to sold-out audiences of more than 600 over two-night runs. The ensemble is led by Director Lori Larmey and Associate Director Beth Forbes, and concerts feature multi-voice singers, instrumentalists, small ensembles, and audience sing-alongs. The Mayor noted that the selected ensemble traveling to Washington, D.C. was proud to represent Robson Ranch, the City of Eloy, and the State of Arizona on a national stage. The Robson Ranch Singers then performed two selections. The first, “This Is Why We Sing,” was described by the singers as a piece never before performed in public — a piece known only in their rehearsals — that debuted for the first time that evening. The second selection was “This Is My Country.” The audience received both performances with sustained applause. Mayor Sutton described the experience as genuinely moving, noting that the remainder of the meeting would be “very anticlimactic” by comparison.

Vice Mayor Tarango read the following proclamation in full.

B. Council Members' Announcements

Council Member JoAnne Galindo provided the following remarks:

- **Chamber Luncheon and Community Events:** Council Member JoAnne Galindo thanked the Chamber of Commerce and Community Services for taking full advantage of the park across the street and the favorable evening weather. She noted that the series of outdoor events has been a wonderful enhancement to community life in Eloy and expressed appreciation for the quality of programming.
- **Dust Devil Daniel Contreras – College Scholarship:** Council Member JoAnne Galindo recognized Daniel Contreras, a member of the Santa Cruz Dust Devils, for signing to play football and pursue his college education at Knox College in Galesburg, Illinois. She expressed the Council's collective pride in his achievement and thanked Community Services for supporting the youth football camp program that contributes to outcomes like this one.
- **Pinal Partnership Breakfast – May 1:** Council Member JoAnne Galindo attended the Pinal Partnership Breakfast, a significant gathering of copper industry stakeholders with investments in and around Pinal County. Approximately eight copper companies were represented on a panel. She noted key takeaways: copper is foundational to modern infrastructure and deeply woven into daily life; a high-quality copper vein runs through Pinal County; and the United States has only a single copper smelter in Salt Lake City, which lacks the capacity to process projected extraction volumes. As a result, raw copper must be exported overseas for smelting and then reimported — a process that is both costly and inefficient. She noted she forwarded a detailed report to City Manager Letcher for broader distribution, and characterized the breakfast as highly educational and relevant to Eloy's development trajectory.
- **Robson Ranch Singers:** Council Member JoAnne Galindo thanked the Robson Ranch Singers for their performance, noting that their presence brought an uncommon spirit and joy to the chamber, and expressed pride in their representing Eloy at the 250th anniversary of the nation's founding.

Council Member Garcia provided the following remarks:

- **Luke's House Ribbon Cutting:** Council Member Garcia attended the Luke's House for Behavioral Health opening and characterized it as a profoundly needed resource — not only for Eloy but for the entire Tri-Valley and Pinal County region.
- **Cinco de Mayo Celebration:** He attended the Chamber's Cinco de Mayo event in the park, arriving later in the evening but enjoying the music, noting the mariachi band was exceptional.
- **Hospital Directional Signage:** Council Member Garcia took the opportunity to offer belated thanks to City Manager Letcher and his team for installing hospital directional signage on Sunshine Boulevard. He

reported observing the signs both day and night and confirmed that they are highly visible and effective for motorists exiting the interstate. He noted, however, that the signs will not prevent large commercial vehicles from making navigation errors, and suggested the City continue working toward an alternative access route for the hospital as a longer-term infrastructure priority.

Council Member Dan Snyder provided the following remarks:

- **Exceptional Hospital Presentation at Chamber Luncheon:** In addition to City Manager Letcher's economic development presentation, Exceptional Hospital presented at the Chamber luncheon. Council Member Dan Snyder found the hospital's discussion particularly informative, especially the subject of emergency transport protocols — specifically, which hospital EMTs will transport a patient to, given their assessed condition at the time of response. He noted that EMTs are trained to match patient needs to the hospital's capabilities and that this determination supersedes a patient's personal preference. He emphasized that residents should trust their EMT's judgment rather than insist on a specific facility, as arriving at an unprepared facility can necessitate a secondary transfer. He characterized the discussion of the hospital's current expansion as encouraging and expressed gratitude for the facility's presence in the community.
- **Freeburg Industrial Fabrication:** Council Member Dan Snyder encouraged community members who have observed the new building under construction along General Road to understand its purpose: that structure is the incoming Freeburg Industrial Fabrication facility, which will be the site of the hiring event announced by the City Manager. He noted that what may appear to be a new warehouse represents meaningful employment for Eloy residents.
- **Robson Ranch Singers:** He thanked the Singers warmly, noting he moved to the area in 2010 and attended some of their earliest concerts. He recalled that the original performances had elements of a barbershop quartet and marveled at how far the group had grown. He also reminded the audience that the music performed at Robson Ranch Singers concerts is not freely available — the group must purchase rights to each piece, and the modest concert ticket price funds those acquisitions. He thanked the Singers for representing Eloy's spirit and quality of life.

Council Member Vodrazka provided the following remarks:

- **Chamber Luncheon and Community Events:** He echoed his earlier comments, commending City Manager Letcher's presentation and the quality of the community events held in recent weeks.
- **Luke's House Ribbon Cutting:** He attended the ribbon-cutting for Luke's House and described it as an ideal way to begin Mental Health Awareness

Month — a meaningful and timely milestone for the community.

- **Cinco de Mayo Celebration:** He attended the Chamber's Cinco de Mayo event and enjoyed the evening.
- **Robson Ranch Singers:** He thanked the Singers for bringing spirit and energy to the Council Chamber, and expressed appreciation for their willingness to represent the City of Eloy on the national stage.

Council Member Curtis provided the following remarks:

- **Memorial Day Ceremony – Monday, May 25:** Council Member Curtis announced that the annual Memorial Day ceremony will be held at the Eloy City Cemetery at 9:00 a.m. on Monday, May 25. The ceremony will feature the traditional posting of the colors and remarks. New this year, one or two skydivers will land at the cemetery, including one carrying the American flag. Council Member Curtis encouraged all residents to attend and extended a personal invitation on behalf of the City.
- **Robson Ranch Singers:** She thanked the Singers for their performance, calling it one of the best Council meetings in recent memory.

Vice Mayor Tarango echoed the sentiments of her fellow council members, thanking the Robson Ranch Singers and expressing that they would be welcome to return to the chambers on any regular meeting night.

C. City Manager's Announcements

City Manager Mackenzie Letcher provided the following updates:

- **Freeburg Industrial Fabrication – Hiring Event, May 13–14:** Freeburg Industrial Fabrication, a metal fabrication company relocating to Eloy from Escondido, California, will hold an all-day hiring event on Wednesday, May 13, and Thursday, May 14, at Eloy City Hall, Community Room, from 9:00 a.m. to 3:00 p.m. The company anticipates hiring approximately 200 employees for its Eloy facility, across a range of positions including electrical and mechanical technicians, certified electricians, skilled assemblers, shop managers, and HR staff. The position includes competitive pay, health insurance, PTO, 401(k) matching, and overtime opportunities. Community members interested in employment or a career change were encouraged to attend.
- **Budget Work Session – May 18–19:** The final budget work session prior to adoption of the tentative budget is scheduled for Monday, May 18, beginning at 5:00 p.m. The City Manager noted that while two days are reserved, the session typically concludes within one day of approximately two and a half to three hours. Community members interested in the budget process were encouraged to attend or tune in.
- **General Plan Adoption – Special Meeting, June 1:** A special City Council meeting will be held on Monday, June 1 at 6:00 p.m. for the

adoption of the City's General Plan — the culmination of a year-long effort conducted with consultant Logan Simpson and Community Development Director Dan Symer. The City Manager described this as the final step before the plan proceeds to the voters in November. Community members who have participated in general plan events throughout the year were especially encouraged to attend.

- **Veris Term Community Connect – Case Notification Software Launch, May 19:** The Eloy Police Department will launch Veris Term Community Connect, a case status notification platform, on May 19. The system automatically tracks the phone number associated with a call for service and provides the reporting party with ongoing text updates at each stage of the case — from initial call, through investigation, judicial proceedings, incarceration, and parole or release. The City Manager expressed hope that community members would never need the service, but noted it represents a significant step forward in transparency, victim communication, and public safety. A public release from the Police Department is anticipated the following day.
- **Memorial Day Ceremony – May 25:** The City will co-host the annual Memorial Day ceremony with the Chamber of Commerce at the Eloy City Cemetery from 9:00 to 10:30 a.m. City Manager Letcher indicated he would be in attendance and encouraged council members and the community to participate.

VI. Consent Agenda

Mayor Sutton read the consent agenda notice, advising that all items marked with an asterisk are considered routine matters to be enacted by one motion and one roll call vote, with no separate discussion unless a council member requests removal.

Council Member Garcia requested the removal of Item A for separate consideration. No other items were requested for removal.

Motion: A motion was made to approve Consent Agenda Items B, C, and D as presented. The motion was seconded by Vice Mayor Tarango. City Clerk Kidwell conducted a roll call vote: Council Member Garcia – Yes; Council Member JoAnne Galindo – Yes; Council Member Vodrazka – Yes; Council Member Curtis – Yes; Vice Mayor Tarango – Yes; Council Member Dan Snyder – Yes; Mayor Sutton – Yes. **Motion carried unanimously (7-0).**

A. Approval of Minutes — April 27, 2026, Regular Meeting

Council Member Garcia raised a procedural concern, noting that the April 13, 2026, Regular Meeting minutes were not included in the current agenda packet and that, at the previous meeting, no minutes were presented for approval. City Clerk Kidwell advised that the April 13, 2026, minutes would be brought forward at the next regular meeting.

Motion: A motion was made to approve Consent Agenda Item A as presented. The motion was seconded by Council Member Garcia. City Clerk Kidwell conducted a roll

call vote: Council Member Garcia – Yes; Council Member JoAnne Galindo – Yes; Council Member Vodrazka – Yes; Council Member Curtis – Yes; Vice Mayor Tarango – Yes; Council Member Dan Snyder – Yes; Mayor Sutton – Yes. **Motion carried unanimously (7-0).**

- B. Declaration of Surplus and Authorization for Disposal of Twenty-Four (24) Decommissioned iPhone 12 Cellular Devices via ecoATM
- C. Authorization to utilize Sourcewell contract #040825-CAM with Core and Main for water collection and control products for community infrastructure to purchase ten (10) fire hydrants in an amount not to exceed \$40,000, as identified and approved in the FY 2025-2026 City of Eloy Operating Budget.
- D. Authorization to Utilize 1GPA Contract #22-12P-03 with Phoenix Fence for Purchase and Installation of Automatic Gates at the Public Works Facility

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

- A. Consideration and Possible Action to Approve the Second Amendment to the Purchase and Sales Agreement (PSA) with Eloy Community Development Partners, LLC and the City of Eloy for the Purchase of 81 +/- Acres of City Owned Property Located at the Northwest Corner of Houser Road and 11 Mile Corner Road.

City Manager Mackenzie Letcher advised the Council that on February 23, 2026, the Council approved the first extension of the feasibility period through May 18, 2026. Since that time, the staff has met with the development team nearly weekly to advance the project. This Second Amendment is designed to provide the additional time necessary to complete the feasibility analysis, entitlement process, and development agreement.

The principal changes included in the Second Amendment are as follows:

- **Extended Close of Escrow:** The revised close of escrow date is November 19, 2026, established in coordination with the development team. Staff noted that the development agreement is nearly complete, with a few final comments to resolve, and that the zoning case will proceed before the Planning and Zoning Commission.
- **Revised Deposit Schedule:** The amendment clarifies that continuing deposits are required only during the feasibility period and at the scheduled closing date — not during any approved extensions. Under the prior PSA structure, \$10,000 deposits occurred every 90 days; the amendment eliminates that obligation for any extensions beyond the current feasibility period.
- **Administrative Authority for Extension Options:** The original PSA provided for three 60-day extension options, each requiring Council approval. The amendment delegates administrative authority to the City Manager to approve those extension options, subject to written authorization and notice to the Council at the time each extension is exercised. The total number of available extensions — three — remains unchanged.

- **Purchase Price:** No change. The total purchase price of \$1,486,000 remains unaltered.

City Manager Letcher noted that Eloy Community Development Partners has demonstrated a significant and sincere commitment to the project, having invested over one million dollars in professional fees, due diligence, legal costs, and acquisition expenses to date. The City Manager expressed confidence in the partnership and characterized the amendment as a reasonable accommodation to give the project the best chance of success, with the ultimate goal of a high-quality mixed-use development at this strategic intersection.

Council Discussion: Council Member Dan Snyder raised a question regarding the manufactured homes that are part of the project area, noting that the City's manufactured homes ordinance was reviewed by Planning and Zoning a couple of years ago and suggested that staff revisit the ordinance before the project advances too far, to avoid unintended conflicts or gaps. City Manager Letcher concurred and noted that the development agreement will address requirements for the manufactured homes component of the project and that staff would take a closer look at the ordinance as development progresses.

Motion: Council Member Dan Snyder made a motion to approve the Second Amendment to the Purchase and Sale Agreement with Eloy Community Development Partners, LLC, as presented. The motion was seconded. City Clerk Kidwell conducted a roll call vote: Council Member Dan Snyder – Yes; Council Member Garcia – Yes; Council Member JoAnne Galindo – Yes; Council Member Vodrazka – Yes; Council Member Curtis – Yes; Vice Mayor Tarango – Yes; Mayor Sutton – Yes. **Motion carried unanimously (7-0).**

B.

Adopt Resolution No. 26-1658 authorizing the submittal of a grant application in the amount of \$583,000 to the Arizona Department of Housing (ADOH) for FY2025 State Housing Trust Funds (HOME), committing \$75,000 as leverage, and authorizing the City Manager to sign all documentation necessary to utilize these grant funds.

Finance Director Brian Wright advised the Council that the City has applied for this State Housing Trust Fund grant through the Arizona Department of Housing for approximately 15 years. The prior year was the first in which the City did not apply, as staff were still completing work under the 2023 and 2024 grant awards. With those projects nearing completion, the City is positioned to reenter the program.

The proposed grant application requests \$583,000, of which approximately \$550,000 will fund construction and \$33,000 will fund administration, with the remainder returned to the City through grant management services. The \$75,000 in leverage funds committed by the City will support the work of Brian Tarradoff, the City's construction specialist, at approximately \$7,000 per home, and cover temporary relocation assistance for homeowners during reconstruction.

The program is intended to serve low-to-moderate income owner-occupied

households. Applicants must own their home free of liens and must occupy it as a primary residence — rental properties do not qualify. The current application anticipates funding four new construction projects and two rehabilitation projects. The City currently maintains an active waiting list of ten qualified households, categorized by income level: the extremely low-income tier carries the greatest scoring weight and is therefore prioritized. Staff have regularly re-verified applicant eligibility and removed those who no longer respond or qualify.

Mr. Wright noted that since approximately 2016–17, the program has helped complete 31 homes throughout Eloy through reconstruction and rehabilitation. The City also partners with Pinal County, which has contributed funding for specific components, such as air-conditioning units, through its CDBG allocations. The City Manager noted that requests limited to a single appliance repair — such as an air conditioner only — are not eligible under this program but may qualify through CARE's Home Repair and Weatherization program, and that staff actively directs those inquiries to the appropriate resource.

Council Discussion: Council Member JoAnne Galindo asked whether the CARE assistance program also requires homeownership. Mr. Wright indicated he was not certain of CARE's specific ownership requirements but confirmed that income eligibility is generally required. No further questions were raised.

Motion: A motion was made to read Resolution No. 26-1658 by title only. The motion was seconded. **Upon voice vote, the motion carried unanimously.**

City Clerk Kidwell read the title of the resolution.

Motion: A motion was made to approve Resolution No. 26-1658 as presented. The motion was seconded. City Clerk Kidwell conducted a roll call vote: Council Member JoAnne Galindo – Yes; Council Member Vodrazka – Yes; Council Member Curtis – Yes; Vice Mayor Tarango – Yes; Council Member Dan Snyder – Yes; Council Member Garcia – Yes; Mayor Sutton – Yes. **Motion carried unanimously (7-0).**

VIII. Public Appearances

A. Scheduled
There were no scheduled public appearances.

B. Unscheduled

Ms. Vera Cannella, a Robson Ranch resident, Robson Ranch Singer, and Tour Coordinator for the group's Washington, D.C. trip, addressed the Council.

Ms. Cannella expressed personal and collective thanks to Mayor Sutton and the entire City Council for their enthusiastic and unwavering support from the moment the invitation to the Kennedy Center was shared with the Mayor. She noted that the group will be taking City of Eloy T-shirts to Washington, D.C., and plans to take photographs representing the City on the national stage. She acknowledged Pinal Central's presence at the meeting, noting that she had advocated for media coverage and

hoped the event would receive newspaper coverage.

Ms. Cannella attributed the idea for the evening's surprise flash-mob style performance to Mayor Sutton, who she said enthusiastically requested it. She noted that "Why We Sing" — performed for the first time in public that evening — holds special meaning within the group and characterized the ability to share it with the Council as a gift.

Ms. Cannella shared the following upcoming schedule for community awareness:

- **May 24, 2026:** Performance at the John F. Kennedy Center for the Performing Arts, Washington, D.C. The performance will be filmed and may be aired on a local station at a later date.
- **May 25, 2026 (Memorial Day):** The Robson Ranch Singers will perform in the nationally televised Memorial Day Parade in Washington, D.C., opening the parade with "The Battle Hymn of the Republic."

Ms. Cannella noted that the Singers would be among approximately 300 performers from across the United States and emphasized the significance of a group from Eloy, Arizona, being included. Mayor Sutton responded, "It's a big deal for all of us."


IX. Executive Session

Mayor Sutton announced that no executive session would be held.

X. Adjournment

The meeting was adjourned at 6:51 p.m.

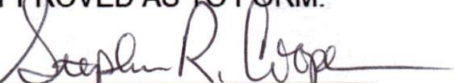
BY:


Andrew Sutton, Mayor

ATTEST:


Celine Kidwell, City Clerk

APPROVED AS TO FORM:


Stephen R. Cooper, City Attorney



**City of Eloy
Minutes
City Council Special Meeting
May 18, 2026 at 5:00 PM
City Council Chambers**

I. Call to Order

The Eloy City Council Budget Work Session Special Meeting was called to order by Mayor Andrew Sutton at 5:00 P.M.

II. Roll Call

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

Staff Present: Mackenzie Letcher, City Manager
Celine Kidwell, City Clerk
Brian Wright, Finance Director

III. Pledge of Allegiance

The Pledge of Allegiance was led by Dan Snyder.

IV. Unscheduled Public Appearances

There were no unscheduled public appearances.

V. Discussion Items

A.

The City Council will be presented with an overview of the proposed tentative budget for Fiscal Year 2026-2027, providing an opportunity to review and discuss its key elements and funding priorities.

Finance Director Brian Wright presented the proposed FY 2026-2027 budget to the Mayor and City Council, supported by City Manager Mackenzie Letcher and the City's department heads. The presentation was delivered using the ClearGov online budget platform and proceeded fund by fund, beginning with Special Revenue Funds and working through Capital Projects, Enterprise Funds, and the General Fund. A

summary sheet was distributed to each Council member at the dais. Finance Director Wright indicated that significant line item changes of \$5,000 or more would be identified and explained for each fund, and that questions would be addressed after each fund was presented.

Prior to the fund-by-fund review, Finance Director Wright advised the Council of the following corrections to the budget materials previously distributed: The City Council budget was increased from \$333,750 to \$352,500 (+\$18,750) for the Community Outreach Program and Council Contingency. The Finance Department budget was decreased from \$1,275,585 to \$1,244,805 (-\$30,780) to correct salary, benefits, and contractual services figures. The Contingency/Debt/Transfers line was adjusted from \$9,771,420 to \$9,783,450 (+\$12,030). Additionally, the \$500,000 Opioid Settlement Fund was inadvertently omitted from the distributed budget book and has been restored.

Budget Overview

The proposed FY 2026–2027 budget totals \$105,612,540, a reduction of approximately \$10 million from the prior year total of \$115,639,325. Finance Director Wright explained that the decrease is largely attributable to the General Fund, which reflects a reduction of approximately \$12 million. In the prior fiscal year, significant reserves were transferred from the General Fund to the Water and Wastewater funds to complete capital infrastructure projects and retire four outstanding loan obligations. With those projects complete and the debt paid off, those one-time transfers are no longer required, accounting for the bulk of the year-over-year reduction. On a comparable basis — excluding interfund transfers from both years — the budget reflects an increase of \$5.5 million, or 5.75%, over the prior year, consistent with the growth of city operations and services. Finance Director Wright characterized the budget as fiscally sound, with revenues aligned to expenses and appropriate contingency reserves maintained across all funds.

Budget allocations by fund type are as follows: General Fund, 26%; Special Revenue Funds, 33%; Capital Project Funds, 28%; Enterprise Funds, 12%; and the Perpetual Care Fund, less than 1% at \$23,835.

Personnel and Compensation Highlights

Finance Director Wright outlined the key personnel and compensation changes reflected throughout all funds. A 4% general wage increase is programmed for all employees, effective July 1, 2026, at an estimated cost of approximately \$430,000, including benefits. Market-based salary adjustments, developed through the recently completed Compensation and Classification Study, are estimated at \$204,000, including benefits. The annual Christmas incentive program (1%) remains in effect. Health insurance costs are increasing approximately 4.8 to 5%, while the Arizona State Retirement System contribution rate decreases slightly from 12.00% to 11.97%. The City's minimum wage floor has been updated to \$15.15 per hour. Two new positions are added in this budget: a Public Works Inspector, allocated across Streets, Water, Wastewater, and the General Fund at approximately \$107,000 including benefits; and a Police Dispatcher position.

Special Revenue Funds

Streets Fund — Budget: \$3,039,820 | Change from Prior Year: +\$558,950

Key changes include a \$395,000 increase in operating and maintenance for street light maintenance, supply cost increases, and a contingency established due to uncertainty surrounding the continuation of the Pinal County half-cent sales tax program. A \$3.5 million capital allocation funds the City's local match for the grant-funded Sunland Gin/Arcadia Road improvement project. An additional \$147,000 addresses road striping and culvert improvements throughout the city.

Streets One-Time Fund — Budget: \$1,900,000 | Change from Prior Year: +\$162,000
The increase reflects a fund balance accounting adjustment. Capital spending is down \$633,000 following the prior-year purchase of a paver and loader. No specific projects are currently identified; the fund serves as a financial reserve for unplanned road needs. Finance Director Wright noted that if the Pinal County half-cent sales tax does not continue, this fund has sufficient capacity to absorb a significant road project without impacting the operating Streets Fund.

LTAF Fund — Budget: \$11,860 | Change from Prior Year: No significant change
Held in reserve for transportation-related match purposes. Annual growth is generated solely through interest earnings, as confirmed by Finance Director Wright in response to a council member's inquiry.

Economic and Community Development Fund — Budget: \$2,610,490 | Change from Prior Year: +\$110,000
Financed by the City's 2% food-for-home-consumption tax. Rollover projects carried into FY 2026–2027 include the General Plan update, the Economic Development Plan, the City's Economic Development Brochure, and a Housing Feasibility Study. No new expenditures are identified beyond these rollovers. A council member asked how much the fund grows annually; Finance Director Wright responded that the fund receives approximately \$400,000 to \$425,000 per year from the food tax, plus interest income, for a total of approximately \$450,000 in annual growth, which may be applied to community or economic development purposes as opportunities arise.

Police Impound Fund — Budget: \$13,490 | Change from Prior Year: +\$7,990
No expenditures identified. Restricted by law to police-related purposes.

Police Safety Equipment Fund — Budget: \$11,265 | Change from Prior Year: +\$5,265
No expenditures identified. Restricted to public safety purposes.

Grants Fund — Budget: \$14,690,000 | Change from Prior Year: +\$1,800,000
Three grant-funded personnel positions are active and currently filled: one GITEM officer, one HITDA/Truth Code officer, and one School Resource Officer. The \$1.7 million capital increase is primarily associated with the Sunland Gin grant project (\$4.8 million total grant value), along with airport, CDBG, and Governor's Highway Safety grants for the Police Department. The fund is budgeted at a level sufficient to absorb new grant awards received throughout the fiscal year, as required under Arizona budget law.

JCEF Fund (Justice Court Enhancement Fund) — Budget: \$67,680 | Change from Prior Year: +\$9,480
Restricted to court-related expenditures. Court security improvements, including

camera systems, may be brought before the Council for consideration using this fund or the Court Recovery Fund. A council member asked whether JCEF funds are used for the judge's salary, shared with the City of Florence. Finance Director Wright clarified that the shared judicial compensation is accounted for within the Magistrate Court budget: the city pays the full salary and receives approximately \$80,000 per year from Florence as reimbursement. The JCEF is dedicated solely to the City's own court facility needs.

Court Recovery Fund — Budget: \$192,130 | Change from Prior Year: +\$33,335
Funded by court fines and fees. Increase reflects fund balance growth and the accumulation of annual contributions. All expenditures must be court-related.

Opioid Settlement Fund — Budget: \$500,000 | Change from Prior Year: New — restored to budget
Established to account for revenues and expenditures from the City's Opioid Settlement Agreement. The total settlement is approximately \$2.3 million, with funds expected to be received over approximately 20 years. Eligible expenditures must be related to opioid use, prevention, or treatment. The program operates on a reimbursement basis: the City expends eligible funds and submits documentation for reimbursement. The AED purchase approved at the May 11, 2026, regular meeting is an eligible expenditure. Council confirmed with Finance Director Wright that there is no near-term deadline for spending settlement funds.

Economic Incentive Fund — Budget: \$5,000,000 | Change from Prior Year: No change
Established by Council resolution for economic development incentive purposes. No expenditures have been made or identified to date; any use requires Council approval. Finance Director Wright advised that a dedicated savings account will be established to allow interest to accrue and be tracked separately from the City's pooled accounts.

Smart and Safe Fund — Budget: \$230,425 | Change from Prior Year: +\$35,115
Funded by marijuana excise tax revenues. Restricted to public safety purposes. No specific expenditures are identified at this time.

Water Allotment Fund — Budget: \$130,000 | Change from Prior Year: +\$45,000
Established under former City Manager Harvey Krause in connection with a water allocation agreement with Landmark Development. Landmark pays CAGR fees to the city in exchange for holding a designated water allocation. The fund is maintained separately from the Water Fund to ensure clean accounting and proper reimbursability. A council member asked whether accumulated funds would be returned to Landmark if the agreement is canceled. City Manager Letcher clarified that the fund functions as a holding account: if the developer withdraws from the agreement, the balance is returned in full. No City payment obligation is triggered until development is activated.

Cemetery Fund — Budget: \$237,465 | Change from Prior Year: -\$176,000
The decrease reflects the completion of a vegetation and tree management project and the prior-year purchase of a backhoe. The fund supports one full-time position dedicated to cemetery operations.

Airport Fund — Budget: \$1,064,725 | Change from Prior Year: +\$656,000
The increase is primarily attributable to \$150,000 in capital funding for updating the airport's policies, guidelines, leases, and tenant agreements, as well as additional grant-related capital activity. The airport updates are overdue and will bring the facility's operational framework into current compliance.

Perpetual Care Fund — Budget: \$23,835 | Change from Prior Year: Minimal change
The smallest fund in the City's budget. No significant changes.

Capital Project Funds

Parks and Recreation Impact Fee Fund — Budget: \$1,198,500 | Change from Prior Year: +\$189,600

The increase is attributable to the change in fund balance accounting. Impact fees are restricted to growth-related capital purposes and may not be used for maintenance or operations. No expenditures are currently identified. A council member asked when this fund was last utilized. Finance Director Wright responded that approximately \$15,000 was spent in the current fiscal year on a park shade structure, as the installation was determined to be a growth-driven need. He noted that the fund requires careful application of the growth-related eligibility standard. Another council member asked whether the fund could be used to build a new park. Finance Director Wright confirmed that it could, provided growth-driven demand is documented, and noted that the fund is also eligible to help service debt on a park bond, allowing impact fees to offset borrowing costs for a capital project approved by the Council.

Police Impact Fee Fund — Budget: \$1,112,585 | Change from Prior Year: +\$72,185
No current expenditures identified. Restricted to police-related capital. The fund previously contributed over \$500,000 toward the construction of the Eloy Police Station.

Water Impact Fee Fund — Budget: \$378,380 | Change from Prior Year: Anticipated to be expended within 18 months
Designated for water line extensions and infrastructure oversizing related to growth-driven development. Finance Director Wright advised that this fund is expected to be fully utilized within the next 18 months for active water infrastructure projects.

Wastewater Impact Fee Fund — Budget: \$No budget | Change from Prior Year: -\$437,100
The fund was fully utilized in the prior year to oversize the gravity sewer main from the treatment plant. It will be replenished as new development activity generates wastewater impact fees.

Streets Impact Fee Fund — Budget: \$1,212,025 | Change from Prior Year: +\$158,465
A potential use has been identified for road improvements along the Robson Ranch perimeter, qualifying as a growth-related eligible expenditure. Additional uses may emerge as development activity continues.

Utility Obligation Bond Fund — Budget: \$22,000,000 | Change from Prior Year: New

Established for the proceeds of the Utility Obligation Bond of up to \$22 million, authorized by Resolution No. 26-1656 at the April 27, 2026, regular meeting. Proceeds will fund water and wastewater infrastructure improvements. The operating and maintenance category accommodates bond issuance costs, design fees, and pre-construction expenses prior to project activation.

Enterprise Funds

Water Fund — Budget: \$4,732,550 | Change from Prior Year: -\$3,733,460

The significant decrease reflects the completion of three capital projects — the well pump station, the Houser Road water line, and the nitrate treatment facility — and the retirement of two WIFA loans. A contingency of approximately \$600,000 to \$650,000 has been established as a placeholder for the first Utility Obligation Bond debt service payment. A new \$25,000 engineering consulting line has been added to support ongoing water and wastewater engineering needs. The retirement of a long-term employee resulted in the transition of compensation to the ESI contractual services line, reflected as a \$73,000 increase in contractual services.

Wastewater Fund — Budget: \$5,219,250 | Change from Prior Year: — \$9,794,185

The decrease reflects the completion of the sewer gravity main from the treatment plant along Lovell Mile Road to Sunshine Boulevard — evidenced by the open pavement now visible along the 11 Mile Corner Road corridor — and the retirement of two WIFA loans. A \$650,000 contingency is maintained for upcoming bond debt service. The ESI transition is reflected as a \$68,000 increase in contractual services. Travel and training increased by \$5,000. Finance Director Wright noted that formal recognition of bond debt service will materially increase this fund's budget in FY 2027–2028.

Sanitation Fund — Budget: \$3,049,570 | Change from Prior Year: — \$674,195

Revenue is lower than projected due to commercial and roll-off accounts not transitioning to City billing after the waste management services change. Commercial customers were not required to migrate, and most elected to remain with their prior provider. Personnel and benefits increased modestly. Operating and maintenance increased \$80,265 to establish a contingency for unplanned expenses. Capital decreased \$300,000, with \$150,000 remaining for a landfill rate and fees study to be presented to Council upon completion. Council Member Snyder asked whether those commercial customers might still indirectly generate landfill revenue for the city. Finance Director Wright responded that most are believed to have stayed with their prior provider rather than transitioning to a competitor that uses the City's landfill, so the offset is likely minimal.

General Fund Departments

Finance Director Wright presented each General Fund department's budget. Unless otherwise noted, increases in personnel and benefits across all departments reflect the 4% general wage adjustment, market-based salary study results, and increased health insurance costs.

Economic Development — Budget: \$283,380 | Change from Prior Year: — \$70,610

Decrease reflects the transfer of a Management Analyst position to the City Manager's budget, more accurately aligning the employee's responsibilities with that department.

City Council — Budget: \$352,500 | Change from Prior Year: +\$31,700
Increase includes \$8,500 for League of Arizona Cities and Towns event supplies and \$20,300 for the Community Outreach Program (\$8,000) and community partnerships (\$15,000). Finance Director Wright advised that Community Outreach Program budget materials would be distributed to Council members within the following week.

Human Resources — Budget: \$545,360 | Change from Prior Year: +\$91,810
A half-position has been transitioned to the ESI contractual services contract, producing a corresponding \$130,000 increase in contractual services. Operating and maintenance costs increased by \$5,800 due to software subscription renewals and citywide applicant testing costs.

City Clerk — Budget: \$655,700 | Change from Prior Year: +\$188,690
The primary driver is the transfer of a Management Analyst position from the City Manager's budget to the City Clerk's. Operating and maintenance increased \$66,400, primarily for a new annual E1 audiovisual support and maintenance agreement at approximately \$27,000 per year, covering the Council Chambers technology upgrade scheduled for installation during the summer recess, as well as subscription renewals and a 15% general liability insurance rate increase through the City's risk retention pool. A council member asked about election-related expenses for the General Plan vote in November. Finance Director Wright clarified that General Plan election costs are charged to the Economic and Community Development Fund. The APS franchise election costs are borne by APS.

Magistrate Court — Budget: \$675,530 | Change from Prior Year: -\$5,120
Personnel increased modestly due to general wage increases. Benefits decreased due to a vacancy budgeted at the employee-only level rather than at the family coverage level. Operating and maintenance decreased \$14,500 based on actual historical custody fee expenditures.

City Manager — Budget: \$677,320 | Change from Prior Year: +\$111,660
Reflects the transfer of the Management Analyst position from Economic Development. Contractual services increased by \$40,000 for outside legal support for complex development and water-related matters.

Finance — Budget: \$1,244,805 | Change from Prior Year: -\$5,780 net
Personnel decreased due to the removal of a one-time PTO payout included in the prior year for a potential retirement that did not occur. Operating and maintenance increased \$12,600 for software renewals.

Legal — Budget: \$214,845 | Change from Prior Year: None
The Legal budget is funded entirely through contractual services (\$213,245), which covers outside legal counsel. There are no City personnel in this department. Utilities account for \$1,100 and operating and maintenance for \$500. Finance Director Wright noted there are no significant changes from the prior year exceeding \$5,000.

Community Development — Budget: \$2,703,620 | Change from Prior Year: +\$460,370 (+20.52%)
Personnel increased \$58,610 due to the general wage increase, market-based

adjustments, and the transition of a retiring employee's salary to the ESI contractual services contract. Benefits increased \$23,960 reflecting current coverage levels. The most significant change is a \$375,500 increase in contractual services, bringing that line to \$1,325,500 — representing 49% of the department's total budget. Finance Director Wright explained that this increase covers plan review and commercial inspection services for major commercial and industrial projects currently in the pipeline. He noted that if those projects do not materialize, the funds will not be spent. The Community Development Department's FY 2025–2026 accomplishments include removal of eight dilapidated and condemned structures, advancement of the General Plan update toward June 2026 Council adoption, completion of a Cultural Resource Report on the 1941 Dustbowl Theater, and commencement of the Eloy Airpark Area Plan. Looking ahead, the department's budget objectives include issuing permits and beginning inspections for the Freepoint Eco-Systems plastic recycling facility, coordinating with Robson Ranch on an approximately 65-lot addition, working with Walton Global on the proposed West Palmilla 620-lot subdivision, and evaluating new permitting and code enforcement software.

Contingency, Debt Service, and Transfers — Budget: \$9,783,450 | Change from Prior Year: -\$14,250,635

Finance Director Wright noted that while the overall budget line reflects a significant reduction, this is primarily attributable to the elimination of \$15.5 million in transfers out to the Water and Wastewater funds, which were made in the prior year to fund capital infrastructure and retire outstanding debt. Those transfers are no longer necessary. On the expenditure side, the General Fund contingency has been increased to \$2.7 million — approximately \$1.3 million more than the current year. Finance Director Wright explained that the elevated contingency is intended to address a number of planned and potential needs, including start-up costs for an in-house animal control program and any capital improvements associated with restoring that program, as well as other unforeseen expenses that may arise. All contingency expenditures require Council approval before any funds may be committed. Two specific line items have also been established within this budget category: \$200,000 for additional work at Veterans Park associated with a grant received from APS, with the extra capacity included in the event engineering costs exceed initial estimates; and \$50,000 for the 250th Anniversary Fourth of July celebration, providing Community Services with enhanced resources to plan and deliver an event befitting the national milestone. The budget also maintains the City's unfunded liability payment and other routine debt obligations.

Community Services Administration — Budget: \$671,415 | Change from Prior Year: +\$46,485 (+7.44%)

The largest driver in this budget is utilities at \$239,100 (35.61% of the total), covering electricity, water, and related costs for Community Services facilities. Personnel decreased \$110,760 and benefits decreased \$18,220, reflecting the retirement of an employee whose compensation has been transitioned to the ESI contractual services contract — the same transition used in the Water, Wastewater, and Human Resources budgets. As a result, contractual services increased by \$168,000. Operating and maintenance increased by \$5,865 for software subscription renewals and supplies.

Parks Maintenance — Budget: \$687,360 | Change from Prior Year: +\$40,120

(+6.20%)

Personnel increased by \$19,720, and benefits increased by \$13,800 due to general wage and market adjustments. Operating and maintenance increased by \$6,600 for pool chemicals and supplies. No other significant changes were noted. Parks Maintenance accomplishments in the prior year included installation of playground shade structures at Jones and Trekell Parks, installation of a ramada at SVC Park, replacement of park signage across Jones, Trekell, Shumway, Maddox, Anita's, Fire Station, and North Toltec Parks, and new tables and BBQ grills at Jones and Trekell Parks.

Recreation Programs — Budget: \$1,108,360 | Change from Prior Year: +\$102,830 (+10.23%)

Personnel increased by \$42,790, and benefits increased by \$24,040 on general wage and market adjustments. Operating and maintenance increased \$19,500 to support expanded programming for the Fourth of July, Harvest Festival, and Easter events, as well as higher costs for rides and activities. Contractual services increased \$16,500 to fund additional classes, community activities, and a fourth Concert in the Park. Finance Director Wright noted that the department's accomplishments in the prior year reflect the breadth of its impact: four large-scale community events drew more than 1,000 attendees each; fifteen additional smaller events were held; combined total event attendance exceeded 16,000 residents; 581 local youth participated in sports leagues and camps; and 3,536 senior meals were served at the Toltec Senior Center.

Library — Budget: \$308,080 | Change from Prior Year: +\$11,820

Personnel and benefits adjustments account for the modest increase. Of significance, Pinal County Library District will no longer fund Internet connectivity or maintain computers at city libraries. The County will provide all replacement computers at no cost to the City and will continue funding the catalog, supplies, and book inventory. The city assumes responsibility for Internet service, networking hardware, and IT maintenance for 33 library computers. Fiber is already in place; only a new network switch is required as a one-time capital item. This transition increases the City's total computer inventory from approximately 110 to 143 units citywide, with library computer replacement costs anticipated over the next 3 to 5 years. A council member confirmed the library retains its Pinal County Public Library designation. Another council member asked about the 3D printers in the teen section; Finance Director Wright noted those were grant-funded and will eventually require City-funded maintenance and replacement.

Facility Maintenance — Budget: \$562,560 | Change from Prior Year: +\$55,190

The increase includes \$20,000 for the replacement of 31 ozone-free bulbs in four air scrubber units installed approximately five years ago through a Pinal County grant — located in City Hall, Community Services, the Library, and the Senior Center — which require replacement every five years. An additional \$15,000 was added to the ongoing HVAC replacement program.

Police Administration — Budget: \$2,197,985 | Change from Prior Year: +\$240,530 (+12.05%)

Key increases include \$131,000 in personnel for the new dispatcher position plus general wage and market adjustments; \$66,000 in operating and maintenance covering CAD/RMS licensing, expansion of 8 to 10 additional Flock camera units, and

a Pinal County software subscription of approximately \$22,000 to \$25,000 being transferred to the city; \$8,500 in contractual services for compliance, wellness, and mental health support programs; and \$5,000 for travel and training. Council Member Galindo raised the longstanding community need for in-house animal control officers, noting consistent public demand and suggesting consideration of an ad hoc committee to explore a partnership model with Pinal County. City Manager Letcher advised that Police Chief Banales and command staff met with Pinal County the prior week and identified viable partnership solutions. Funding has been set aside in the Animal Control budget and the General Fund contingency for positions, vehicles, equipment, uniforms, and potential rehabilitation of the existing facility near the blue tank, with additional detail addressed in the Animal Control budget below.

Police Field Operations — Budget: \$4,652,570 | Change from Prior Year: +\$403,480
The increase is primarily in personnel and benefits. Operating and maintenance increased by \$13,000 for field supplies, ammunition, and evidence collection kits.

Animal Control — Budget: \$300,000 | Change from Prior Year: +\$100,000
The \$100,000 increase has been programmed in contractual services as a placeholder for up to two animal control officer positions, estimated at \$80,000 to \$90,000 per position, including benefits. These positions have not yet been formally activated; the budget capacity is established pending Council direction. Startup costs — vehicles, equipment, uniforms, and potential rehabilitation of the existing animal control facility — are addressed through the \$2.7 million General Fund contingency, a portion of which has been specifically designated for this purpose. The Economic and Community Development Fund was also identified as a potential supplemental source. All expenditures will be brought before the Council for approval prior to any commitments.

GIS — Budget: \$67,330 | Change from Prior Year: No significant change
Allocated proportionally across Streets, Water, Wastewater, and Sanitation, as GIS services support all operating departments.

Fleet Services (formerly Vehicle Maintenance) — Budget: \$307,125 | Change from Prior Year: +\$29,925
This department has been renamed from Vehicle Maintenance to Fleet Services. Increases include \$10,000 for shop equipment maintenance and \$17,525 for a tire alignment machine, tools, and service agreements. A council member confirmed that Fleet Services maintains Police Department vehicles in addition to general government and parks equipment; Finance Director Wright confirmed, noting fund-specific vehicle costs are charged to their respective funds.

Public Works Administration — Budget: \$144,420 | Change from Prior Year: +\$10,280
The increase is primarily in personnel. Utilities decreased \$5,000 based on historical spending.

Capital Improvement Program Update
Finance Director Wright advised the Council that the Capital Improvement Program has not materially changed since the February budget retreat and March work session. Two additions have been made: the Animal Control Facility has been added

to Year Five of the five-year CIP, reflecting Council's direction to plan for a permanent in-house facility; and a permitting software upgrade has been added for the Community Development Department to improve planning and building application processing. The Council indicated no need for a full CIP walkthrough, having reviewed the plan in prior sessions.

Budget Calendar and Next Steps

Finance Director Wright outlined the remaining steps in the FY 2026–2027 budget adoption process. On June 8, 2026, Schedules A through G and a Resolution to adopt the tentative budget and set the maximum budget limit will be presented to the City Council, as required by Arizona state statute. Following adoption, the tentative budget will be publicly noticed for at least two weeks. On June 25, 2026, a Special Meeting will be held for a public hearing on both the property tax rate and the proposed budget, followed by formal adoption of the final budget. The property tax levy will be adopted at the July 13, 2026, regular Council meeting. Finance Director Wright confirmed that the May 19 work session would not be necessary, as all budget items had been fully addressed in a single session.

Community Outreach Program — Scheduling Discussion

Council Member Snyder asked about the process and timeline for reviewing Community Outreach Program applications. City Manager Letcher advised that a separate session would be scheduled for Council members to review applications, with final allocation decisions brought before a regular Council meeting for action. He noted that, due to Arizona's open meeting law requirements, the session may need to be structured in groups of no more than three to four members at a time. The Council agreed that scheduling would be coordinated by email from the City Manager's office.

HUD Building — Status Update

Council Member Vodrazka asked about the status of the potential acquisition of the HUD-owned building across from the Eloy Police Station and whether it was included in the budget. City Manager Letcher reported that the transaction remains in process but has experienced delays due to significant staff turnover within HUD, which has disrupted previously established working relationships. Finance Director Wright confirmed that budget capacity exists within the Capital Projects Fund and the General Fund contingency, and that the project remains active in the City's Capital Improvement Plan.

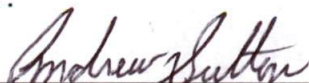
Mayor Sutton, on behalf of the City Council, expressed appreciation to Finance Director Wright, City Manager Letcher, and all department heads and staff for preparing a well-organized and accessible budget. Finance Director Wright recognized Finance Intern Abe Mays for his significant contributions to the ClearGov budget platform and thanked City Manager Letcher for submitting the City Manager's budget materials ahead of schedule, setting a productive tone for the entire budget development process.

VI. Adjournment

There being no further business, Mayor Sutton declared the Budget Work Session adjourned at approximately 6:56 P.M. The May 19, 2026, second work session was

anceled, as all budgetary items were addressed during this session.

BY:




Andrew Sutton, Mayor

ATTEST:



Celine Kidwell, City Clerk

APPROVED AS TO FORM:



Stephen R. Cooper, City Attorney