

**MINUTES OF THE REGULAR MEETING
OF THE CAREFREE TOWN COUNCIL**

WHEN: TUESDAY, NOVEMBER 5, 2019

WHERE: CAREFREE TOWN COUNCIL CENTER
33 EASY STREET, CAREFREE, AZ 85377

TIME: 5:00 P.M.

Town Council Attending:

Mayor Les Peterson
Vice Mayor John Crane
Vince D'Aliesio (*Telephonic*)
Stephen Hatcher
Michael Krahe
Cheryl Kroyer
Gene Orrico

Town Council Absent:

None

Staff Present:

Gary Neiss, Town Administrator; Michael Wright, Town Attorney; Jim Keen, Town Accountant/Assistant Clerk; Kandace French, Town Clerk/Treasurer.

Mayor Peterson called the meeting to order at 5:00 pm.

The Pledge of Allegiance was led by Ralph Ferro

CONSENT AGENDA

- ITEM #1** Approval of the October 1, 2019 Town Council Regular Meeting Minutes.
- ITEM #2** Acceptance into the public record of the October, 2019 paid bills.
- ITEM #3** Acceptance of the cash receipts and disbursements report for August, 2019.
- ITEM #4** Acceptance of the cash receipts and disbursements report for September, 2019.
- ITEM #5** Approval and authorization of funds to purchase a new Ford F550XL Crew Cab Case truck for Public Works.

Mayor Peterson announced the consent agenda and asked if there were any questions.

Vice Mayor Crane made a **motion** to approve the Consent Agenda items Nos. 1, 2, 3, 4, and 5 as presented. There was a **second** by Council Member Kroyer. The motion was **carried** unanimously.

REGULAR AGENDA:

ITEM #6 **Call to the Public.**

Mayor Peterson announced the agenda item and introduced those who requested to speak.

Linda Rawles, of Carefree, appeared and spoke regarding the upcoming Cave Creek Bike Week and the problems she has encountered with motorcycles in March. She explained her study of the calibration of the sounds and custom equipment.

Mayor Peterson reiterated that he agreed. He referenced the meeting the Council and staff have had and the matter is being taken seriously.

James Dove, of Carefree, appeared and spoke regarding the quality and concerns for Cave Creek Water. He stated he and his wife were new residents. They live in Carefree Foothills and didn't know the water would come from Cave Creek. He expressed concern regarding the pace in which the acquisition was taking place. He also outlined the health concerns in monthly letters sent to Cave Creek water customers from the Town of Cave Creek. He stated he has had floating particles in his water and dirty water for two week periods. He described the condition of his filtration system from the flow of Cave Creek water.

Mayor Peterson referenced the delays created by Cave Creek that the Town of Carefree was moving forward and there was an agreement with Mr. Dove's assessment.

ITEM #7 **Current Events.**

Mayor Peterson read the agenda item and introduced Vice Mayor Crane.

Council Member Kroyer announced she and Vice Mayor Crane would be at the Healthy Aging Expo at the Desert Foothills Library along with approximately 35 other tables. It is being held on November 7th from 9:00 a.m. to 12:00 p.m. and everyone is invited.

Vice Mayor Crane and Council Member Orrico announced the Kiwanis Pancake Breakfast, Sanderson Lincoln Pavilion, November 9th at 7:00 a.m. followed by the Veteran's Day Charity 3 Miler, including a 1 mile or 3 mile walk or a virtual walk.

Vice Mayor Crane then announced and described the Veteran's Day Honor ceremony at Sanderson Lincoln Pavilion, November 11th from 3:00 p.m. to 5:00 p.m. including the keynote speakers and assistance by the Veteran's Heritage Project.

As a public service announcement, Vice Mayor Crane announced a letter that was sent out by the Cave Creek Water Company to its customers, some of who are Carefree residents. He said the letter described health concerns regarding excess levels of TTHM, including damage to kidneys, liver, central nervous system and increased risk of cancer. There was a caution to seek advice of your physician if elderly, had a compromised immune system, was an infant, or pregnant.

Vice Mayor Crane suggested that customers of the Cave Creek Water system had a duty to let their neighbors know about the water quality and the concerns. He also stated that he went to the Town of Cave Creek website and was unable to locate this letter, or the two preceding water quality letters which Cave Creek was legally mandated to send to its customers. Copies of the letters were available at the dais.

ITEM #8 Presentation of the “Carefree Cares” / CCUSD Excellence Award in conjunction with Cave Creek Unified School District, honoring a teacher from each school in the district each quarter.

Mayor Peterson announced the agenda item and introduced Beth Renfro.

Beth described the inaugural event and gave a brief overview of the schedule for the evening. She stated each member of the Council would announce one of the 7 award winners and the winners would be recognized at an upcoming CCUSD quarterly meeting. She provided a Power Point and described the criteria for selection. She then introduced CCUSD Superintendent Debbi Burdick.

Afterwards, Council Member Gene Orrico read the nomination of Megan Linch from Desert Sun Academy.

Council Member Vince D’Aliesio read the nomination of Devin Galloway-Parmeley from Black Mountain Elementary School.

Vice Mayor Crane read the nomination of Kristina Pancoast from Desert Willow Elementary School.

Mayor Peterson read the nomination of Jessie Dizdarevic of Horseshoe Trails Elementary School.

Council Member Michael Krahe read the nomination of Sydney Myers-Lenz of Lone Mountain Elementary School.

Council Member Cheryl Kroyer read the nomination of Don Larson from Sonoran Trails Middle School.

Council Member Stephen Hatcher read the nomination of Jennifer Reisener from Cactus Shadows High School.

The recipients were congratulated again and Dr. Burdick was thanked for her involvement and support of the program.

Mayor Peterson also thanked Dr. Burdick for her services and positive attitude.

ITEM #9 Review, discussion and possible action regarding the 2018-2019 fiscal year Town of Carefree Audit, Expenditure Limitation Report and Financial Review, including the June, July and August, 2019 Cash Receipts and Disbursements Reports restated with the Auditors' changes.
A representative from the firm of HintonBurdick, PLLC will attend telephonically.

Mayor Peterson announced the agenda item and introduced Gary Neiss.

Mr. Neiss outlined the process for the audit and introduced Jim Keen, accountant for the Town of Carefree as well as Crimson Singleton, from HintonBurdick.

Mr. Neiss presented the audit goals and information and provided the Council and public with the purpose of the annual audit and need for transparency. He stated both the Town and the Court had a clean audit with no exceptions noted. It is compliant with the GASB standard for state and local government. He reminded the Council that the Court Administrator, Jennifer Curtiss, was also in attendance for questions from the Council.

Mr. Neiss pointed out that the Reserves continue to grow to be reinvested into the Town and infrastructure. He described the second phase of the street improvement project. He described the investment in the water infrastructure. He provided a table that indicates the net capital reserve position has increased approximately \$4.2 million at the same time that the Town invested \$5.5 million into its capital infrastructure. He said that money is being put in the bank at the same time that investments are being made into the quality of the Carefree residents.

Jim Keen then went over the financial adjustments that were made to properly restate the revenues, expenditures and changes in fund balances so as to properly report the figures in the correct fiscal year. Mr. Keen went over the Final Audit Comparison broke out by departments as well as the reconciled cash receipts and cash disbursement restatements for June, July and August. He explained that money comes in in the month of July that has to be revised and restated into the prior fiscal year ending June 30th. He detailed some of the restatements.

Crimson Singleton thanked the Town for allowing HintonBurdick to perform the audit. She stated the contract with the Town was expired at the end of this audit but HintonBurdick would be pleased to entertain the opportunity to provide another Statement of Qualifications for a future contract. She stated that the Town was easy to work with and Jim provided much of the necessary information before they event asked so it made the process go quickly and easily. She reiterated that it was a clean audit but referenced that, as in prior years, due to the small size of the staff for the Town, it was difficult to provide the segregation of duties as recommended by the Auditors. She pointed out however, that the Town did an excellent job given the size of the staff.

Mayor Peterson thanked Crimson and the Town staff for work well done. He visited a comment made two years prior by Tom Rawls, husband of Linda Rawles, regarding the high reserves and his suggestion the reserves be spent on things that benefit the community. The Mayor pointed out that is exactly what is being done with the current infrastructure projects while allowing for a safe balance during lean times.

He asked for a motion.

Council Member Krahe made a **motion** to approve the 2018-2019 fiscal year Town of Carefree Audit, Expenditure Limitation Report, including accepting June, July and August, 2019 Cash Receipts and Disbursements Reports restated with the Auditors' changes. There was a **second** by Council Member Orrico. The motion was **carried** unanimously.

ITEM #12 Discussion and possible action to go into Executive Session in accordance with A.R.S. §§ 38-431.03(A)(3) and (4) for discussion and consultation for legal advice with the attorney of the public body and to discuss its position regarding contracts that are subject of negotiations, pending or contemplated litigation or in settlement discussions in order to avoid or resolve litigation.

Mayor Peterson announced the agenda item and asked for a Motion.

Council Member Orrico made a **motion** to go into Executive Session. There was a **second** by Vice Mayor Crane. The motion **carried** unanimously.

Entered Executive Session: 5:56 p.m.
Returned from Executive Session: 6:14 p.m.

ITEM #13 **Adjournment**

Mayor Peterson announced the agenda item and asked for a motion.

Council Member Krahe **moved** to adjourn. There was a **second** by Council Member Kroyer. The motion **carried** unanimously.

Meeting ended at 6:15 p.m.

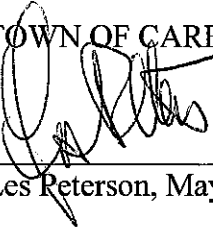
DATED this 15th of November, 2019.

TOWN OF CAREFREE

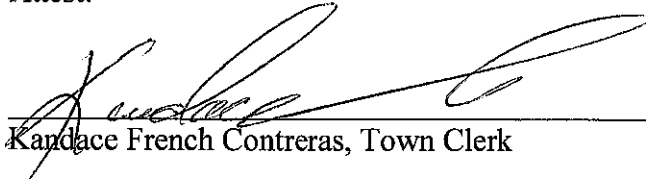
BY:


Kandace French Contreras, Town Clerk

TOWN OF CAREFREE

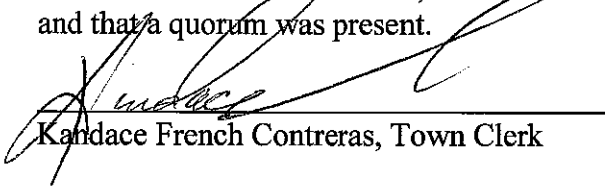

Les Peterson, Mayor

Attest:


Kandace French Contreras, Town Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the meeting of the Town of Carefree held November 5, 2019. I further certify that the meeting was duly called and held and that a quorum was present.


Kandace French Contreras, Town Clerk