

**MINUTES OF THE BUDGET HEARING  
OF THE CAREFREE TOWN COUNCIL**

**WHEN:** TUESDAY, JUNE 4, 2019

**WHERE:** CAREFREE TOWN COUNCIL CENTER - 33 EASY ST., CAREFREE, AZ.

**TIME:** 5:00 P.M.

**Attending:**

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

**Absent:**

None

**Also Attending:**

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

Mayor Peterson opened the meeting at 5:00 p.m.

**ITEM #1**     **PUBLIC HEARING:** Discussion and possible action regarding approval of Resolution 2019-07: Determining and Adopting Estimates of Proposed Expenditures by the Town of Carefree for the Fiscal Year Beginning July 1, 2019 and Ending June 30, 2020 and Declaring that Such Shall Constitute the Budget for the Town of Carefree for Such Fiscal Year.

Mayor announced the agenda item and introduced Town Administrator, Gary Neiss.

Mr. Neiss presented a Power Point and a history of the approximately three-month process of budget workshops and meetings of the Council beginning in April with three budget workshops and then additional meetings to further delineate the budget.

Mr. Neiss reminded the Council that this was a line item budget and the most delineated budget presented by a municipality. The tentative budget was adopted in May and, after publication of the tentative budget, this meeting sets the final budget.

Mr. Neiss went into further information regarding the increased revenues and growth of various industries, including home building, commercial businesses, restaurants and retail locations.

He highlighted the marketing program and discussed the various areas of the marketing plan that was developed by staff and council as well as changes to marketing and the ability to recapture costs incurred for marketing the Enchanted Pumpkin Festival.

He showed the reserves and noted that it is reaching the level of \$10 million which allowed for the investment in infrastructure as a result of wise financial management.

Mayor Peterson asked for comments.

Council Member Orrico spoke and stated that, at the last meeting, he was the only council member to vote against the proposed budget. He explained he did so because of the marketing budget. He said he was remiss in agreeing to the signing of the contract with Villafane Studios to get out of the event business and allowing the Town to wait until 2020 for Villafane Studios to take control of the entire Pumpkin Festival. What he wanted is for the Town to get out of the festival right now instead of hoping the Town receive the negative amount invested returned. He said there was no recourse. In looking back, as a business person, he believes the entire festival should have been given to Villafane Studios immediately. He feels that the Town has “hemorrhaged” money for the Pumpkin Festival but it doesn’t help enough merchants. He stated more thoughts on his feelings regarding helping the merchants and thoughts on the festival and generating income to the Town businesses.

Council Member Kroyer commented that Council Member Orrico did not understand the contract. She explained the steps in process and the ability of Ray Villafane to take over the event of this size. The contract permits the Town to receive all its money before Mr. Villafane receives a penny, whether it is in year one, two or three. She felt the Town has been very conservative in the figures for net income for the event. Safeguards have been put in place.

Council Member Kroyer also stated that, in regard to the merchants, the Town is drawing people to Carefree to support the merchants and see everyone be successful. A lot of ideas are provided to merchants to help them in their success.

Mayor Peterson further clarified and commented regarding the transfer of the Enchanted Pumpkin Festival to Villafane Studios.

There were additional comments by the remaining Council regarding the Enchanted Pumpkin Festival and the draw of visitors and businesses due to the activity of the festival and the regeneration as a destination location.

Council Member Kroyer made a **motion** to approve Agenda Items 1. There was a **second** by Council Member Krahe.

Mayor Peterson requested a roll call vote.

**Gene Orrico** – No

**Vince D’Aliesio** – Yes. He reiterated his prior comments supporting the budget process.

**Vice Mayor Crane** – Yes. He further commented to the support of the budget process and the statements made by other council members regarding the transfer of the festival to Villafane Studios. He sees a great financial recovery model in the contract.

**Michael Krahe** – Yes.

**Cheryl Kroyer** – Yes. She further commented regarding the helpful budget process. She feels it is the best and most thought out and scrutinized budget.

**Stephen Hatcher** – Yes. He commented that Mr. Neiss did a great job and a lot of time was spent on the budget process and reviewing and making changes, including every operational budget of each department. Given the results, something is being done right.

**Mayor Peterson** – Yes. He reiterated the reserves, infrastructure improvements and the budget process reflected the Town was going in the right direction and had excellent fiscal management. He thanked the staff and Mr. Neiss particular as well as Jim Keen for their hard work.

The motion **carried** by a vote of 6 to 1.

**ITEM #3 Adjournment.**

Vice Mayor Crane made a **motion** to adjourn. There was a **second** by Council Member Orrico.

Meeting ended at 5:21 p.m.

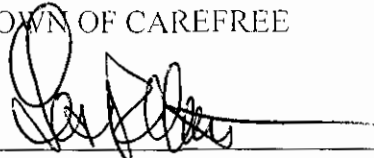
DATED this 7<sup>th</sup> day of June, 2019.

TOWN OF CAREFREE

BY: 

Kandace French Contreras, Town Clerk

TOWN OF CAREFREE

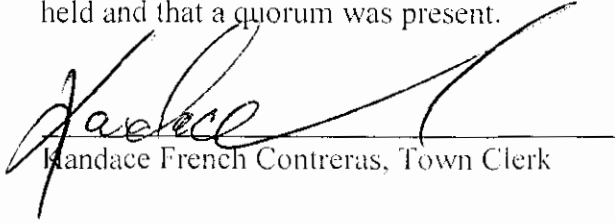
  
Les Peterson, Mayor

Attest:

  
Kandace French Contreras, Town Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the Budget Meeting of the Town of Carefree held June 4, 2019. I further certify that the meeting was duly called and held and that a quorum was present.



Mandace French Contreras, Town Clerk