

**NOTICE OF THE SPECIAL MEETING  
OF THE CAREFREE TOWN COUNCIL**

**WHEN:** TUESDAY, AUGUST 11, 2020

**WHERE:** ZOOM WEB <https://us02web.zoom.us/j/81187678842>  
MEETING ID: 811 8767 8842\*

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

Pursuant to A.R.S. 38-431.02, notice is hereby given to the members of the Town Council of the Town of Carefree, Arizona and to the general public that the members of the Town Council will hold a meeting open to the public. For any item listed on the agenda, the Council may vote to go into Executive Session for advice of counsel and/or to discuss records and information exempt by law or rule from public inspection, pursuant to Arizona Revised Statutes §38-431.03.

The agenda for the meeting is as follows:

**CALL TO ORDER**

**ROLL CALL**

*Members of the Council are participating by technological means or methods pursuant to A.R.S. §38-431(4).*

**PLEDGE OF ALLEGIANCE**

**CONSENT AGENDA**

All items listed hereunder are considered to be routine by the Town Council and will be enacted by one motion. There will be no separate discussion of these items unless a council member so requests, in which event the item will be removed from the consent agenda and will be discussed separately:

**ITEM #1** Approval of the July 7, 2020 Town Council Budget Hearing Meeting Minutes.

**ITEM #2** Approval of the July 7, 2020 Town Council Meeting Minutes.

**ITEM #3** Approval of the August 5, 2020 Town Council Special Meeting Minutes.

**ITEM #4** Acceptance into the public record of the July 2020 paid bills.

**ITEM #5** Acceptance of the cash receipts and disbursements report for June, 2020.

**ITEM #6** Authorize the disbursement of budgeted funds for the purchase of a brush/wood chipper for the Public Works Department.

**REGULAR AGENDA:**

**ITEM #7** Call to the Public: Email [Kandace@Carefree.org](mailto:Kandace@Carefree.org) to submit your comments to be read to the Council during the meeting. Pursuant to Section 2-4-7(G) of the Town Code and A.R.S. 38-431.01(H). Please limit your comments to not more than 1 page, double spaced, 12 point type. Comments will not be read that exceed the three (3) minute time limit.

**ITEM #8** Current Events.

**ITEM #9** Review, discussion and possible action to approve Resolution 2020-06 regarding the position of the Town of Carefree as it relates to the proposed Liberty Utilities/Black Mountain Sewer rate increase.

**ITEM #10** Adjournment.

DATED this 5<sup>th</sup> day of August, 2020.

TOWN OF CAREFREE

BY:   
Kandace French Contreras, Town Clerk

\*Due to COVID-19, this meeting is being conducted electronically by Zoom. The public can join, listen and view the meeting as follows:

On your computer:

**Click on the following link or cut and paste it into your browser:**

**<https://us02web.zoom.us/j/81187678842>**

**Or go to <https://www.zoom.us/join> Meeting ID: 811 8767 8842**

**A password is not required.**

**On your phone:**

Please call 1-253-215-8782



**FOR SPECIAL ACCOMMODATIONS**

Please contact the Town Clerk, 8 Sundial Circle (PO Box 740), Carefree, AZ 85377; (480) 488-3686, at least three working days prior to the meeting if you require special accommodations due to a disability.



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

**WHEN:** TUESDAY, JULY 7, 2020

**WHERE:** ZOOM WEB <https://us02web.zoom.us/join/86148712809>  
MEETING ID: 861 4871 2809\*

**TIME:** 4:45 P.M.

**Town Council Attending:**

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

**Town Council Absent:**

Stephen Hatcher

**Staff Present:**

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

Mayor Peterson called the meeting to order at 4:45 pm.

**AGENDA:**

**ITEM #1** PUBLIC HEARING: Discussion and possible action regarding approval of Resolution 2020-04: Determining and Adopting Estimates of Proposed Expenditures by the Town of Carefree for the Fiscal Year Beginning July 1, 2020 and Ending June 30, 2021 and Declaring that Such Shall Constitute the Budget for the Town of Carefree for Such Fiscal Year.

**ITEM #2** Adjournment.

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

Mr. Neiss provided a Power Point presentation and gave a history of the process of developing the current budget. He reminded the public that any questions regarding the budget can be emailed to [Kandace@carefree.org](mailto:Kandace@carefree.org) and they will be addressed.

He reminded everyone that this was the final meeting to adopt the fiscal year 20-21 budget. He stated the process started in May with the Budget Workshops outlining the budget overview and the line item review. In June an additional meeting was held to review and adopt the tentative budget and with the current meeting, the Council can adopt the final budget. The fiscal year started July 1, 2020. The tentative budget was adopted before July 1<sup>st</sup>. Due to COVID-19; and many municipalities have yet to adopt their final budget. Carefree is one of the first to do so.

Mr. Neiss noted some of the budget highlights, including an approximately 20% overall reduction in revenues due mainly to COVID-19, and a corresponding reduction in expenditures. However, the Town is fiscally conservative and the Reserves are currently at their highest levels ever for the Town at approximately \$10.5 million. Past fiscal responsibility and restraint will allow for reinvestment in infrastructure of approximately \$5 million forecasted for the next fiscal year.

Overall the town will break even in FY 20/21 despite the COVID-19 reductions. Mr. Neiss also went over the core contributors that are essential services. This allowed for stabilization of sales tax as well as construction sales tax over the balance of the next year due to large construction projects such as the Hampton Inn.

Mr. Neiss described the operation and maintenance revenues and investments for the next fiscal year under a cost recovery model. He explained the next and final steps to adopt the budget. He reminded the public and council that the Town staff is lean and wears many hats and are crossed trained and nimble. This result in about 30% of the revenue stream is invested in the Town's human resources. The required schedules were published for notice and the State Auditor will receive the forms for posting.

Council Member Orrico asked if the line item for Economic Development replaced Marketing.

Mayor Peterson responded that it did, but that Economic Development will have a minor role in marketing as well.

There were no questions from the public.

Council Member Orrico moved to approve the Resolution and adopt the final budget. There was a second by Council Member Kroyer. The motion carried unanimously.

Meeting ended at 4:58 p.m.

DATED this 8<sup>th</sup> of July, 2020.

TOWN OF CAREFREE

BY: \_\_\_\_\_  
Kandace French Contreras, Town Clerk

TOWN OF CAREFREE

\_\_\_\_\_  
Les Peterson, Mayor

Attest:

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Kandace French Contreras, Town Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the Budget Hearing of the Town of Carefree held July 7, 2020. I further certify that the meeting was duly called and held and that a quorum was present.

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Kandace French Contreras, Town Clerk

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

**WHEN:** TUESDAY, JULY 7, 2020

**WHERE:** ZOOM WEB <https://us02web.zoom.us/meeting/86148712809>  
MEETING ID: 861 4871 2809\*

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

**Town Council Attending:**

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

**Town Council Absent:**

**Staff Present:**

Gary Neiss, Town Administrator; Michael Wright, Town Attorney; Stacey Bridge-Denzak, Planning and Zoning Director; Kandace French, Town Clerk/Treasurer.

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

Cheryl Kroyer led the Council in the Pledge of Allegiance.

**CONSENT AGENDA**

**ITEM #1** Approval of the May 19, 2020 Budget Workshop and Town Council Meeting Minutes.

**ITEM #2** Approval of the June 2, 2020 Town Council Meeting Minutes.

**ITEM #3** Acceptance into the public record of the June, 2020 paid bills.

**ITEM #4** Acceptance of the cash receipts and disbursements report for April, 2019.

**ITEM #5** Acceptance of the cash receipts and disbursements report for May, 2019.

Mayor Peterson announced the agenda items and asked for questions or comments.

Council Member Orrico requested clarification on the marketing for cash disbursements for the Town Center marketing. He asked if the number listed was correct.

Mr. Neiss explained the column and how to read the year to date figure, which includes the October, 2019 Pumpkin Festival and expenses. It also doesn't include the revenue cost recovery.

Vice Mayor Crane **moved** to approve the Consent Agenda. There was a **second** by Council Member Kroyer. The motion **carried** unanimously.

## **REGULAR AGENDA:**

### **ITEM #5      Call to the Public**

Town Clerk, Kandace French Contreras read a public statement from Mike Ferrell of Carefree. Mr. Ferrell presented an update on the Veteran's memorial. He provided information on the commencement of the project, the conceptual design and the flag pole installation as part of an Eagle Scout project. He provided information and photos on the benches purchased and the main plaque and six bronze disks representing each branch of the service. He concluded by referring the website and explaining that the fundraising efforts were behind schedule due to the unanticipated challenge of COVID -19. He expects the memorial to be completed in mid-August.

Linda Rawles, of Carefree, spoke regarding lack of support from Maricopa County Sheriff's office regarding lack of traffic control and her frustration. She questioned why we are paying for law enforcement that doesn't provide service. She suggested the Council look to other sources.

### **ITEM #6      Current Events.**

Mayor Peterson announced the agenda item and introduced the new Maricopa County Sheriff Office ("MCSO") Captain, Henry Brandimarte, and District 4 Commander. Mayor Peterson gave a brief overview of the District 4 jurisdiction.

Captain Brandimarte gave an overview of the priorities of MCSO and District 4. He explained the deep challenge of contact with the public due to COVID-19 and recent law enforcement deaths as a result of COVID-19. He described different ways that officers have tried to reduce transmission of the virus during contact with the public. He recognizes the challenge with the location traffic.

Mayor Peterson suggested the matter be agendized at a future meeting for additional discussion and possible action.

### **ITEM #7      PUBLIC HEARING – Review, discussion and possible action to approve Ordinance 2020-01. This text amendment addresses short term vacation rental violations, requires owners to register with the Town, and provide emergency/complaint contact information. Public comment will be taken. (Second Reading).**

Mayor Peterson announced the agenda item and introduced Planning and Zoning Director, Stacey Bridge-Denzak and Town Administrator, Gary Neiss .

Ms. Bridge – Denzak reminded the council that this is the second reading for the new vacation rental ordinance. She reminded them that last month there was a discussion regarding its importance and giving the Town a little more control over violations in addition to following state statute.

Ms. Bridge – Denzak stated that our Code Enforcement Officer reviewed the vacation rental listings for the area and found few in the Town of Carefree but this provided a vehicle for enforcing compliance for violations.

Mayor Peterson commented that this was a positive step to dealing with compliance from vacation rental owners.

There were no comments by the public. The public hearing was closed and Mayor Peterson asked for a motion to approved the Ordinance

Council Member Orrico **moved** to approve the Ordinance and text amendment. There was a **second** by Council Member Krahe. The motion **carried** unanimously with a vote of 6 to 0 as Council Member D’Aliesio had to leave the meeting.

**ITEM #8**      **Review, discussion and possible action to approve Resolution 2020-05 appointing the Town Clerk as Applicant Agent for applying for federal assistance related to the COVID-19 pandemic.**

Mayor Peterson announced the agenda item and introduced Town Clerk, Kandace French Contreras.

Ms. Contreras explained the necessity of appointing an Applicant Agent authorized by the Council to apply for, and sign, various applications for funds related to COVID-19 grants and loans. She explained the FEMA and DEMA grants and the availability to the Town. She explained that the process was complete and funds pending to the Town upon receipt of the Resolution for an Application Agent. She stated that the Applicant Agent would be able to work with the state and federal government for future grants and loans as well.

Council Member Krahe commented that Mrs. French-Contreras had already applied for, and received a substantial grant payable to the Town as a result of her efforts on COVID-19 federal monies.

Council Member Kroyer **moved** to approve Resolution 2020-05 as presented. There was a **second** by Council Member Orrico. The motion **carried** unanimously with a vote of 6 to 0 as Council Member D’Aliesio had to leave the meeting.

**ITEM #9**      **Adjournment.**

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



Council Member Orrico **moved** to adjourn. There was a **second** by Council Member Kroyer. The motion **carried** unanimously with a vote of 6 to 0 as Council Member D'Aliesio had to leave the meeting.

Meeting ended at 5:46 p.m.

DATED this 8<sup>th</sup> of July, 2020.

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 Regular Meeting of the Town of Carefree held July 7, 2020. I further certify that the meeting was duly called and held and that a quorum was present.

\_\_\_\_\_  
Kandace French Contreras, Town Clerk



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

**WHEN:** WEDNESDAY, AUGUST 5, 2020

**WHERE:** ZOOM WEB <https://us02web.zoom.us/j/89081864631>  
MEETING ID: 890 8186 4631\*

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

**Town Council Attending:**

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

**Town Council Absent:**

Stephen Hatcher

**Staff Present:**

Gary Neiss, Town Administrator; Michael Wright, Town Attorney; Kandace French, Town Clerk/Treasurer.

Mayor Peterson called the meeting to order at 5:04 p.m.

John Crane led the Council in the Pledge of Allegiance.

**AGENDA:**

**ITEM #1 Update on the water acquisition process from acquisition attorney Christopher Kramer of Jennings, Strouss & Salmon, P.L.C.**

Mayor Peterson announced the agenda item and introduced the Chris Kramer, the attorney representing the Town of Carefree in regard to the acquisition of Carefree residents serviced by the Cave Creek Water Company.

Mr. Kramer introduced himself and provided details regarding his legal background in the area of condemnation exclusively for over 21 of his 34 years in practice. He was involved in over 1,000 condemnation cases and condemned over \$250 million in property when he quit counting cases 10 years ago. He highlighted some of his accomplishments and welcomes the public to view his resume on the Jennings, Strouss & Salmon website.

Attorney Kramer provided background and information on the team that he is working with on the matter such as Coe & Van Loo, a civil engineering firm in Phoenix, and Raftelis, a utility and public sector consulting firm which specializes in, among other things, water and wastewater finance and pricing in addition to utility and municipal rate setting, finance, management and operations.

He explained that each side, Carefree and Cave Creek, through their experts, have exchanged reports and based on each other's reports, have exchanged rebuttal reports. The reports are available to the public online. He stated that due to the public forum, he is unable to go into detail regarding the report findings or his thoughts on the matter due to privileged information but suggested that any questions that can be answered be directed to the Carefree Town Attorney or Town Manager.

He explained that it is not unusual for the two sides to have a differing opinion on the valuation. He explained the process and how the arbitration panel will address the difference and make determinations regarding valuation. He provided his opinion as to how the arbitration panel works and makes decisions. He then explained that the next step will be focused on scheduling depositions and try to agree on a mediator to attempt to reach a settlement and resolve the matter rather than go through arbitration. Mediation has been agreed upon and both sides are discussing the selection of a mediator. If mediation does not happen, the arbitration will begin on October 26<sup>th</sup> for four days with the matter completed by the end of October.

Mayor Peterson asked Mr. Kramer to address the number of continuations.

Mr. Kramer explained that continuations are common in all cases and happen frequently. No side can simply continue a case. The continuances in this case were ordered by the arbitration panel and continuances are not considered a big deal. The original arbitration date was considered for August but the COVID pandemic made things unusual and difficult. He went into the logistical and technologic difficulties. It was determined that it was more reasonable to continue the matter and the arbitration panel felt it was the best decision.

Council Member Orrico asked if questions were possible.

Mayor Peterson explained that questions needed to be raised in an Executive Session and not a public meeting.

There being no further comments, Mayor Peterson asked for a Motion to Adjourn.

**ITEM #2 Adjournment.**

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

Meeting ended at 5:26 p.m.

DATED this 7<sup>th</sup> of August, 2020.

TOWN OF CAREFREE

BY: \_\_\_\_\_  
Kandace French Contreras, Town Clerk

TOWN OF CAREFREE

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Les Peterson, Mayor

Attest:

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Kandace French Contreras, Town Clerk

CERTIFICATION

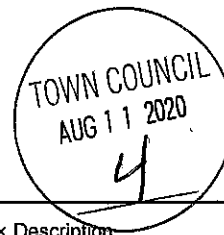
I hereby certify that the foregoing minutes are a true and correct copy of the special meeting of the Town of Carefree held August 5, 2020. I further certify that the meeting was duly called and held and that a quorum was present.

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Kandace French Contreras, Town Clerk

Check Register Report

ALL CHECKS JULY 2020



Date: 08/05/2020  
Time: 1:40 pm  
Page: 1

Town Of Carefree

BANK: NATIONAL BANK OF ARIZONA

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
<b>NATIONAL BANK OF ARIZONA Checks</b>							
46527	07/02/2020	Printed		0660	AMCA	FY2021 Dues Keen French, Gesell	270.00
46528	07/02/2020	Printed		0389	CAREFREE WATER COMPANY, INC	July 2020 Water All	2,733.19
46529	07/02/2020	Printed		3299	CIRCLE K UNIVERSAL	June 20 Gas All Depts	708.08
46530	07/02/2020	Printed		1329	COLONIAL SUPPLEMENTAL INS	June 20 Supplemental Ins	324.62
46531	07/02/2020	Printed		1476	DOCUNITED IMAGING, LLC	FY2021 Laserfiche Maint	3,518.64
46532	07/02/2020	Printed		1829	FIREBIRD TIRE	Replace Tires CAT Backhoe	1,601.96
46533	07/02/2020	Printed		1981	ICMA MEMBERSHIP PAYMENTS	FY2021 Dues Gary Neiss	1,318.40
46534	07/02/2020	Printed		1320	KARSTEN'S ACE HARDWARE	June 20 Public Wrks Supplies	33.22
46535	07/02/2020	Printed		3047	L.N. CURTIS & SONS	July 20 Fire Compressor Servic	1,430.00
46536	07/02/2020	Printed		0113	LEAGUE OF AZ. CITIES & TOWNS	FY2021 DUES	5,467.00
46537	07/02/2020	Printed		0039	MARICOPA COUNTY EMERGENCY MGMT	FY2021 IGA ASSESSMENT	1,449.14
46538	07/02/2020	Printed		2008	MINER, LTD	Fire Station Repr 3rd Bay door	341.32
46539	07/02/2020	Printed		3015	NOTHING BUT NET	July 20 Comp Maint Agreements	1,352.24
46540	07/02/2020	Printed		3105	PETERSON, LES	Meeting MCSO	45.21
46541	07/02/2020	Printed		1794	STAPLES ADVANTAGE	Court Office Supplies	10.31
46542	07/02/2020	Printed		3226	TECH 4 LIFE COMPUTERS	June20 Web Hosting visitcarefr	150.00
46543	07/02/2020	Printed		3461	TITAN COMMERCIAL CLEANING	June2020 Gardns, Twn Hall Clean	5,305.00
46544	07/02/2020	Printed		3115	VERIZON WIRELESS	June20 Mobile Phones All+Phone	553.31
46545	07/02/2020	Printed		352	WESTERN STATES PETROLEUM INC.	June 20 Pub Works Diesel	490.52
46546	07/10/2020	Printed		3017	AFFORDABLE APPLIANCE INC	Fire Station Bay Washer Repair	189.63
46547	07/10/2020	Printed		1738	AMERICAN PUBLIC GARDENS ASSN	FY2021 Member Dues	150.00
46548	07/10/2020	Printed		0127	ARIZ DEPT OF REVENUE	Admin & Collection Fee FY2021	10,111.72
46549	07/10/2020	Printed		0112	ARIZ SUPREME COURT	Apr 2020 Debt Setoff Relief	9.00
46550	07/10/2020	Printed		1326	ARIZONA REPUBLIC - SUBSCRIBE	Aug 20 Newspaper Subscription	54.99
46551	07/10/2020	Printed		0414	AZ MUN. RISK RETENTION POOL	1 QTR FY2021 Town Ins	8,041.00
46552	07/10/2020	Printed		1470	BROWN & ASSOCIATES	June20 Building Insp 79.5 Hrs	5,715.00
46553	07/10/2020	Printed		3463	BUSTAMANTE & KUFFNER PC	June 20 Town Prosecutor Serv	3,640.00
46554	07/10/2020	Printed		0389	CAREFREE WATER COMPANY, INC	July 20 Town Engineering Serv	2,476.81
46555	07/10/2020	Printed		1460	COX COMMUNICATIONS	July 20 Town Internet & Phones	1,063.81
46556	07/10/2020	Printed		3167	CRANE, JOHN	Memorial Day Expense Reimb	43.96
46557	07/10/2020	Printed		2059	DESERT FOOTHILLS LANDSCAPE	June 20 Rpr 3 Leaks Gardens	231.00
46558	07/10/2020	Printed		2059	DESERT FOOTHILLS LANDSCAPE	July 20 Gardens Maint	2,000.00
46559	07/10/2020	Printed		2059	DESERT FOOTHILLS LANDSCAPE	July 20 Medians Maint	4,955.00
46560	07/10/2020	Printed		3210	ECOBLU ENTERPRISES. INC.	July 20 Fountain Serv&filter	794.68
46561	07/10/2020	Printed		3397	LANGUAGE LINE SERVICES, INC.	June 20 Interpreting Service	8.85
46562	07/10/2020	Printed		0079	MARICOPA ASSN. OF GOVERNMENTS	MAG DUES FY2021	1,261.00
46563	07/10/2020	Printed		3221	NATIONAL BANK OF ARIZONA	TPT Taxes, Shop Garag Door Rpr	4,961.73
46564	07/10/2020	Printed		3015	NOTHING BUT NET	June 20 Compr Serv ED Laptop	2,925.23
46565	07/10/2020	Printed		2081	O'REILLY AUTO PARTS, INC	Pub Wrks Vehicle Maint	61.52
46566	07/10/2020	Printed		3053	QUADIENT, INC	Postage Meter to 6/30/20	108.18
46567	07/10/2020	Printed		3425	RAGHT	July20 Health, Dental Vision Ins	13,693.54
46568	07/10/2020	Printed		3010	REPUBLIC SERVICES #753	July 20 Trash PU 8 Sundial Cir	365.23
46569	07/10/2020	Printed		3010	REPUBLIC SERVICES #753	June 20 Shop 40 Yd Rolloff - 3	1,618.83
46570	07/10/2020	Printed		0668	RURAL METRO FIRE DEPT.	June 2020 Fire Truck Diesel	602.13
46571	07/10/2020	Printed		1075	SHERMAN & HOWARD LLC	Legal VF case thru 5/31/20	5,280.00
46572	07/10/2020	Printed		1691	SPARKLETTS	June 20 Bottled Water All	74.84
46573	07/17/2020	Printed		3532	AMERICAN ARBITRATION ASSN	Legal Arbitration VF to 6/26	1,750.00
46574	07/17/2020	Printed		0300	ARIZ PUBLIC SERVICE	July 2020 Electric - ALL	2,706.62
46575	07/17/2020	Printed		673	BLACK MOUNTAIN SEWER	June 20 Sewer Gardens	707.08
46576	07/17/2020	Printed		3293	CITI CARDS	COVID Supp & Office Supplies	515.35





Combined Trial Balance - All Funds  
June 30, 2020

**Assets**

Checking - National Bank of AZ	1,076,600
Local Gov't Investment Pool - AZ	9,878,307
Petty Cash	700
Receivables	69,848
Intergovernmental Receivables	202,660
Advances to the Water Company	3,879,210
<b>Total Assets</b>	<b>\$ 15,107,325</b>

**Liabilities**

Accounts Payable	294,092
Bonds	35,510
Sales Tax Remittance	0
Deferred Revenue	14,318
Long Term Deferred Revenue	3,879,210
<b>Total Liabilities</b>	<b>\$4,223,130</b>

**Fund Balance**

Fund Balance-Beginning of Year	10,246,287
Year-to-date change in Fund Balance	637,908
<b>Total Fund Balance</b>	<b>10,884,195</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 15,107,325</b>

Contingency Reserve Fund	\$2,500,000
Capital Fund	\$8,253,637
<b>Total</b>	<b>\$10,753,637</b>

**Town of Carefree Reconciled Cash Receipts and Cash Disbursements as of June 30, 2020**

Revenues	FY2018	FY2019	FY2020	2019 vs 2020	Budget	June 20	% of Budget
	YTD June	YTD June	Y-T-D	% (+/-)			
Local Sales Taxes (1 month lag)	\$2,376,632	\$2,556,417	\$ 2,397,634	-6.2%	2,400,000	289,227	99.9%
State Sales Taxes (1 month lag)	358,203	381,302	400,795	5.1%	397,500	45,978	100.8%
Building Fees	460,201	357,379	376,299	5.3%	375,000	28,607	100.3%
State Income Tax	461,253	458,121	501,223	9.4%	500,700	41,769	100.1%
Fines	165,114	118,266	106,968	-9.6%	140,000	8,053	76.4%
Court Service Fees	155,132	159,697	166,088	4.0%	166,088	13,841	100.0%
Town Clerk-Misc. Sales	155	483	554	0.0%	500	0	110.8%
Town Clerk-Permits & Sol Fees	3,625	912	600	-34.2%	1,000	0	60.0%
Water Company Reimbursements	276,264	690,605	691,221	0.1%	690,605	57,675	100.1%
33 Easy St Rent	14,406	15,198	15,368	0.0%	15,600	1,167	98.5%
Miscellaneous Income & Donations	49,383	92,550	80,922	-12.6%	43,000	137	188.2%
Interest Income	70,562	236,453	197,366	-16.5%	112,770	20,492	175.0%
Utility Franchise Fees (1 month lag)	337,712	337,443	328,165	-2.7%	343,000	63,364	95.7%
County Lieu Tax (1 month lag)	154,674	163,809	164,941	0.7%	173,000	21,024	95.3%
General Fund & All Funds Reserve Contribution(Below)	0	0	0	0.0%	3,510,026	0	0.0%
Special Events	147,528	197,365	412,827	109.2%	687,050	(495)	60.1%
County & State Grants	10,157	20,420	11,252	0.0%	200,000	0	5.6%
Court Enhancement, GAP, MJCEF	18,655	17,288	13,699	-20.8%	23,405	1,231	58.5%
HURF (1 month lag)	301,771	258,855	451,158	74.3%	392,000	36,136	115.1%
Cemetery	400	100	550	0.0%	600	0	91.7%
CPR Ed Fund	1,267	610	768	0.0%	800	(100)	96.1%
Utility Capital Improvement Fund	30,568	33,169	30,222	-8.9%	22,500	6,485	134.3%
Fire Reimb Income & Ins Reimb	52,536	69,582	48,203	0.0%	57,100	2,382	84.4%
Fire Fund-L Sales Tax (1 month lag)	1,188,316	1,278,208	1,198,817	-6.2%	1,200,000	144,614	99.9%
<b>Total Revenues</b>	<b>6,634,514</b>	<b>7,444,232</b>	<b>7,595,642</b>	<b>2.0%</b>	<b>11,452,244</b>	<b>781,587</b>	<b>66.3%</b>
<b>Expenses</b>							
Mayor & Council	21,007	17,999	15,497	-13.9%	113,875	528	13.6%
Town Clerk	262,774	271,255	291,528	7.5%	303,787	19,177	96.0%
Court	249,424	241,294	260,007	7.8%	273,852	20,325	94.9%
Administration	335,861	391,677	415,156	6.0%	449,791	26,378	92.3%
Claims & Losses	0	0	10,000	100.0%	5,000	10,000	200.0%
Legal	32,005	148,939	299,961	101.4%	160,000	35,380	187.5%
Risk Management	131,399	95,327	64,491	-32.3%	105,210	0	61.3%
Planning & Development	200,791	169,338	194,388	14.8%	241,551	16,251	80.5%
Building Safety	189,849	178,551	218,126	22.2%	218,552	17,585	99.8%
Law Enforcement	425,176	438,412	472,134	7.7%	536,643	39,214	88.0%
Code Enforcement	47,466	50,251	53,778	7.0%	52,156	3,782	103.1%
Engineering	47,083	23,177	37,054	59.9%	429,242	2,437	8.6%
Public Works - Streets & Gardens	558,276	626,946	761,866	21.5%	867,432	49,320	87.8%
Debt Service WIFA	244,799	244,663	244,523	-0.1%	244,523	0	100.0%
33 Easy St	37,783	19,685	25,507	0.0%	27,798	2,415	91.8%
Capital Improvement Program (See Below)	0	0	0	0.0%	-	0	0.0%
Public Safety Fire General Fund	343,784	388,656	279,668	0.0%	279,668	0	100.0%
Town Center-Marketing	516,937	514,387	671,481	30.5%	714,847	17,332	93.9%
Contingencies	89,333	29,872	7,107	-76.2%	200,000	0	3.6%
Court Enhancement, GAP, MJCEF	20,000	17,684	12,067	0.0%	12,605	0	95.7%
HURF (See Below)	0	0	0	0.0%	402,000	0	0.0%
Cemetery	0	0	0	0.0%	600	0	0.0%
CPR - Education Fund	600	480	0	0.0%	870	0	0.0%
Utility Capital Improvement Fund (See Below)	0	2,791	0	0.0%	25,000	0	0.0%
Transfers Out	0	0	0	0.0%	-	0	0.0%
Fire Fund	1,098,459	1,114,214	1,247,205	11.9%	1,271,100	125,030	98.1%
<b>Total Expenses without Capital Expense</b>	<b>4,852,806</b>	<b>4,985,598</b>	<b>5,581,543</b>	<b>12.0%</b>	<b>6,936,102</b>	<b>385,154</b>	<b>80.5%</b>
<b>Net without Capital Expense</b>	<b>\$ 1,781,708</b>	<b>\$ 2,458,634</b>	<b>\$ 2,014,098</b>		<b>\$ 4,516,142</b>	<b>\$ 396,433</b>	<b>44.6%</b>
<b>All Capital Projects</b>	<b>357,618</b>	<b>1,189,368</b>	<b>1,376,191</b>	<b>15.7%</b>	<b>4,500,000</b>	<b>227,058</b>	<b>30.6%</b>
<b>Total Expenses with Capital Expense</b>	<b>5,210,424</b>	<b>6,174,966</b>	<b>6,957,734</b>	<b>12.7%</b>	<b>\$11,436,102</b>	<b>\$612,212</b>	<b>60.8%</b>
<b>Net with Capital Expense</b>	<b>1,424,090</b>	<b>1,269,266</b>	<b>637,908</b>	<b>-49.7%</b>	<b>16,142</b>	<b>169,375</b>	<b>3951.9%</b>



Agenda Item #



**TOWN OF CAREFREE  
INFORMATION SUMMARY**

**MEETING**

**DATE:** August 11, 2020

**SUBJECT:** Authorization of Public Works Funds to purchase brush/wood chipper

**ATTACHMENT:** Vermeer Quote

**SUMMARY:**

The Public Works Department regularly prunes trees along public streets throughout the community and conducts canopy thinning of trees within the Town Center. In order to more efficiently dispose of these branches a truck was purchased last year, this truck is designed to work with a chipper which will further assist the crew to more efficiently dispose of the materials.

The chipper is being purchased through the Town's cooperative agreement with Sourcewell which publicly procures products/equipment for municipalities. The equipment costs are approximately \$35,400 including taxes and fees. Due to the mechanics of this machinery, there is a rigorous maintenance schedule with regular increments of preventative maintenance that will also extend the factory warrantee. The 3000 hour (250 hour increments) maintenance package adds approximately \$5,500 and includes the service calls, materials and labor. Therefore, the total costs for the equipment with the maintenance program will be \$40,918.72

**ACTION NEEDED:**

Authorization of Public Works budgeted funds for approximately \$41,000 to purchase brush/wood chipper.

**REPORT PREPARED BY:**

A handwritten signature in black ink, appearing to read "G. Neiss".

\_\_\_\_\_  
Gary Neiss, Town Administrator



Quote Number 00002413  
 Quote Date 7/23/2020  
 Expiration Date 8/23/2020

Prepared By Keith Conaway  
 Email keith.conaway@vssw.com  
 Phone 480-797-9363  
 Address 436 S Hamilton Ct  
 Gilbert, Arizona 85233-5521

**Address Information**

Bill To Name	Town of Carefree	Ship To Name	Town of Carefree
Bill To	8 East Sundial Circle Carefree, AZ 85377 United States	Ship To	8 East Sundial Circle Carefree, AZ 85377 United States

**Quote Line Items**

Product	Line Item Description	Quantity	Total Price
BC1000XL20VP (BC1000XL)	BC1000XL 3.0L GAS DOMESTIC VALUE PACKAGE(Includes -420, -027, -019, -086, -074)	1.00	\$30,927.00
BC1000XLCP3 (BC1000XL)	CONFIDENCE PLUS 3 YRS (BC1000XL)-PREMIUM COV W/MNT 250/500/750/1000	1.00	\$3,247.00
BC1000XLPM (BC1000XL)	PLANNED MAINTENANCE PACKAGE 4-INTERVALS 1250/1500/1750/2000	1.00	\$1,142.00
BC1000XLPM (BC1000XL)	PLANNED MAINTENANCE PACKAGE 4-INTERVALS 2250/2500/2750/3000	1.00	\$1,142.00

**Additional Tax**

Additional Tax \$0.00

**Additional Comments**

Sourcwell Contract# 062117-VRM

Member # 98073

Vermeer BC1000XL Brush Chipper (12" capacity drum style) w/ 89 hp PSI 3.0L gas engine, isolated engine and cutter housing, 12"x17" feed opening, high coolant temperature and low oil pressure automatic shutdown, LED trailer lighting, live hydraulics, horizontal feed roller, SmartFeed, ECO Idle, 20 gallon fuel tank, lockable engine shield, jack, infeed table w/ lower feed stop bar (420); 5200 lb. Torflex axle w/ electric brakes, telescoping tongue, pintle hitch, break-away switch and 6-bolt ST235/80R16 LRE tires (027); basic discharge deflector (019); basic sound reduction (single-layer infeed curtain and standard discharge chute) (086); gas instrumentation panel (multifunction electronic display and fuel gauge) (074); Telematics (AM002)

**Terms**

Customer Signature: _____	Subtotal	\$36,458.00
Vermeer Signature: _____	Factory FRT & Prep	\$1,500.00
	Sales Tax	\$2,960.72
	<b>PURCHASE TOTAL</b>	<b>\$40,918.72</b>
	Net Payable	\$40,918.72

**Terms and Conditions**

The new equipment warranty for Vermeer Industrial Products is attached to this Sales Order and is part of this contract. Please read it carefully before signing. No express warranty is made unless identified on this Sales Order. YOUR RIGHTS AND REMEDIES PERTAINING TO THIS PURCHASE ARE LIMITED AS INDICATED ON BOTH SIDES OF THIS PURCHASE ORDER. WHERE PERMITTED BY LAW, NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS IS MADE.

TOWN OF CAREFREE, ARIZONA  
RESOLUTION 2020-06



**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAREFREE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE MAYOR, TOWN ADMINISTRATOR AND COUNCIL REPRESENTATIVES TO WORK WITH THE RESIDENTIAL UTILITY CONSUMER OFFICE (RUCO) AND OTHER PARTIES TO REPRESENT THE INTERESTS OF CAREFREE RESIDENTS IN THE RATE INCREASE REQUEST OF LIBERTY UTILITIES/BLACK MOUNTAIN SEWER (DOCKET NO SW – 02361A-19-0139) CURRENTLY BEFORE THE ARIZONA CORPORATION COMMISSION (ACC)**

**WHEREAS**, for the public good, the Town of Carefree was an active participant and Signatory in both the Proposed Settlement Agreement utilized with the ACC to identify the responsibilities of the respective parties required to actually affect the closure of the Carefree wastewater treatment plant located in the Boulders subdivision in 2018, and the Comprehensive Settlement Agreement signed concurrently with receiving ACC approval to do so, and

**WHEREAS**, the ACC, in Decision No. 75510 dated April 22, 2016, approved the Comprehensive Settlement Agreement among the parties impacted by the November 30, 2018, date specified for the closure of the plant. The Signatories of this Agreement included Liberty Utilities/Black Mountain Sewer, the Boulders Resort, the Boulders Homeowners Association and the Town of Carefree, and

**WHEREAS**, the \$3,899,700 estimated costs by Liberty Utilities/Black Mountain Sewer for closure in the "Proposed Settlement Agreement" included the \$1,200,000 cost to acquire replacement capacity from the City of Scottsdale, was considered by all of the Signatories of that document to be a "just, reasonable and necessary" cost to effect the plant closure, and utilized to justify their participation in the Comprehensive Settlement Agreement, and

**WHEREAS**, Liberty Utilities did decommission and cease operations at the Boulders plant by the specified November 30, 2018 date and did file the rate case by the specified June 30, 2019, date, and

**WHEREAS**, the ACC, in Decision No. 75510, ordered Liberty Utilities to file a rate case with the ACC on or before June 30, 2019, at which time all of the costs associated with the plant decommissioning and closure were anticipated to be known, and

**WHEREAS**, Liberty Utilities/Black Mountain Sewer is currently in the process of presenting and defending its requested increase in rates before the ACC in Docket SW-02361-19-0139, which request is primarily driven by the costs associated with closing the plant, and

**WHEREAS**, the rate increase requested by Liberty Utilities/Black Mountain Sewer is predicated upon their assertions and claims that plant closure related costs were \$11,046,881, and

**WHEREAS**, the Town of Carefree supports that Carefree residents and businesses should benefit from having the lowest utility rates and

**WHEREAS**, the increase in rates requested by Liberty Utilities in the current rate case exceeds the going-in estimate by \$7,157,181, and

**WHEREAS**, RUCO, in performing its constitutionally mandated role of reviewing, analyzing and commenting upon rate increase requests from utilities under the jurisdiction of the ACC, has published the direct testimony of Crystal Brown, a Public Utilities Analyst V employed by RUCO, which challenges and refutes many of the claims and calculations upon which Liberty Utilities based their claim for substantially higher rates, and

**WHEREAS**, The Arizona Corporation Commission Staff has also developed an analysis of the Liberty Utilities/Black Mountain Sewer rate increase request, and has made recommendations for cost reductions in some areas as well, and

**WHEREAS**, the Town of Carefree supports the analyses and testimonies of RUCO and the ACC Staff, and their collective conclusions and recommendations, regarding significant reductions in rates, and will be supporting their positions to the ACC Commissioners, and

**WHEREAS**, hearings on this matter are scheduled before the ACC starting on September 16th, 2020, and continuing until completed. The dates and starting times currently published for these Hearings are shown below. The Hearings are anticipated to be held via video conferencing. Interested Carefree residents and others on the Liberty Utilities/Black Mountain Sewer System are encouraged to check with the ACC for the virtual Hearing particulars, and to participate.

<u>Date</u>	<u>Starting time</u>
9/16	10:00
9/17	9:00
9/18	9:00
9/23	9:00
9/24	9:00
9/25	9:00

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Council of the Town of Carefree, Maricopa County, Arizona, as follows:

**APPROVING**, that the Mayor, Town Administrator and Council representatives should support and coordinate with RUCO, the ACC Staff and other parties in the current Liberty Utilities/Black Mountain Sewer rate case Docket # SW-02361-19-0139 to help secure the lowest possible rate increases for the Town's residents and businesses.

**PASSED AND ADOPTED** by the Mayor and Common Council of the Town of Carefree, Arizona, this 11th day of August, 2020.

\_\_\_\_\_  
~~Les Peterson, Mayor~~

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Kandace French Contreras, Town Clerk

\_\_\_\_\_  
Michael Wright, Town Attorney