

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

WHEN: TUESDAY, MAY 4, 2021

WHERE: ZOOM WEB <https://us02web.zoom.us/j/3229729660>
MEETING ID: 322 972 9660

TIME: 5:00 P.M.

Town Council Attending:

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

Town Council Absent:

None

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 p.m.

Tony Geiger led the Council in the Pledge of Allegiance.

CONSENT AGENDA

- ITEM #1** Approval of the April 6, 2021 Town Council Regular Meeting Minutes.
- ITEM #2** Approval of the April 27, 2021 Town Council Budget Workshop Minutes.
- ITEM #3** Acceptance into the public record of the April, 2021 paid bills.
- ITEM #4** Acceptance of the cash receipts and disbursements report for March, 2021.

Mayor Peterson announced the Consent Agenda item and asked if there were any questions. There were none.

Council Member D'Aliesio **moved** to approve Agenda Items 1 through 4. There was a **second** by Council Member Kroyer. The motion **carried** unanimously.

CALL TO THE PUBLIC

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

Mayor Peterson announced the agenda item and asked Town Clerk, Kandace French Contreras, if any public comment had been submitted.

Mrs. French Contreras read Public Comment into the record from Chris and Natalie Raines. Mr. and Mrs. Raines expressed their concerns and frustrations with noise coming from the Civana Resort, which is their neighbor. The noise was the result of music and instructions during outside activities.

REGULAR AGENDA:

ITEM #6 **Current Events.**

Mayor Peterson announced the Agenda Item and asked the Council if anyone had any topics of interest.

Vice Mayor Crane announced the Memorial Day Service at Cave Creek Cemetery on May 31st at 8:00 a.m. He provided details regarding the program and line up for the 1 hour program. He said it was being held outdoors and people can spread out to their comfort level.

Council Member D'Aliesio offered to live stream the event.

ITEM #7 **Review, discussion and possible action regarding adoption of the tentative budget of the Town of Carefree Budget for Fiscal Year 2021/2022 and calling for a special meeting and public hearing on June 1, 2021.**

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

Mr. Neiss provided a Power Point and explained that the budget process began in January and moved forward over five or six months. This year it started early with the Strategic Planning efforts and moved through to the meetings with the staff, the preliminary review figures and budget workshops in April to the current meeting which asked for the adoption of the tentative budget. He stated the budget, in the new program based budget format, will be posted to the Town website along with the Auditor General's schedules A through G, which will also be advertised. Today the Council is asked to move the bottom line tentative budget to the Public Hearing in June with a target date of the new fiscal year on July 1st. He provided the "Budget Dashboard" as he stated he does each year. He indicated the forecasted revenues and reminded the Council that the largest revenue source is State sales tax. He went over the other revenue streams. He also set out the anticipated expenses and went over those line items as well as Capital Reserves. He then detailed the Capital Improvement projects. He discussed the Pedestrian Crosswalks as well as the time line and costs and the Town Center Signage Improvements as well as damage to the Gardens due to pets and the development of a management plan to address the pet damage. He gave information

on the street maintenance and the water infrastructure. He explained the bond reimbursements for the water project and the timeline. He summarized the budget and set out the funds and amounts. He pointed out the Capital Reserve fund is at an all-time high of approximately \$9.5 million. The Town will also receive stimulus funds of approximately \$455k which will be received this year and a similar amount received next fiscal year. Those funds will be devoted to the Town streets.

He told the Council that the action tonight is to establish the expenditure limit for next fiscal year through the adoption of Resolution 2021-09 and direct the Town Clerk to publish notice of the public hearing on June 1st to formally adopt the FY 21-22 budget.

Council Member Hatcher asked about the normal run rate for the budget. Gary explained the operation budget amount and general fund amount and pointed out the Town was right in line with prior years. The Capital Projects is a separate fund.

Vice Mayor commented regarding the Rainy Day fund and discussing what the level should be today since it has not changed. He suggested that it be reviewed since it was established several years ago. Gary responded and suggested it needs to be revisited. There were additional questions from Council Member Hatcher regarding any restrictions to the Rainy Day fund. Mr. Neiss responded.

Mayor Peterson pointed out that there was a minor change to the last paragraph in the Resolution presented to the Council for approval. He explained "setting the expenditure limit" was added.

Vice Mayor Crane moved to approve the agenda item as presented with the Resolution as amended. There was a second by Vice Council Member Kroyer. The motion carried unanimously by a vote of 6 to 0.

ITEM #8 Review, discussion and possible action to approve Resolution 2021-07 appointing Kandace French Contreras, Town Clerk, as the Applicant Agent for the Arizona Department of Military Affairs for the Public Assistance Program.

Mayor Peterson announced the Agenda Item and introduced Town Clerk, Kandace French Contreras.

Mrs. French Contreras explained that many state and federal programs were available to the Town to recuperate costs and losses as a result of COVID -19. The newest program, administered by the Arizona Department of Military Affairs, required the Council to appoint an Applicant Agent to submit documentation and requests for reimbursement to the Town for those costs. She stated that unlike prior programs, this program would reimburse 100% of the costs. It was unknown at this time if the program would benefit the Town of Carefree but it was prudent to apply and be prepared to submit reimbursement requests should they arise. As the Treasurer for the Town of Carefree and the Applicant Agent appointed to other COVID-19 reimbursement programs, it made the most sense to also appoint the Town Clerk as Applicant Agent for this program as well.

There were questions of the Council regarding what expenses qualified for reimbursement. Vice Mayor Crane asked about reimbursement to entities such as Rural Metro Fire Department. Ms. French Contreras responded and agreed it was possible but reminded the Council that the total costs must exceed \$3,300.00 in order to apply for reimbursement.

Council Member Kroyer **moved** to approve Resolution 2021-07 appointing the Town Clerk as Applicant Agent. There was a **second** by Council Member Hatcher. The motion **carried** unanimously by a vote of 6 to 0.

ITEM #9 **Review, discussion an possible action to consider acceptance of the Final Plat and supplementary Subdivision Improvement Agreement for the Estates at Carefree Subdivision.**

Mayor Peterson announced the agenda item and introduced the Director of Planning and Zoning, Stacey Bridge – Denzak.

Mrs. Bridge – Denzak presented to the Council and explained that this project has been before the Council previously in their approval for rezoning, then preliminary plat and now final plat. This action will solidify lot configuration, easements, etc. This is six single family lots zoned R-135. What is most important, and what is before the Council tonight, is that the final plat substantially conforms with the preliminary plat. Based upon Town staff review, it does. The location is on the east side of Carefree and borders the City of Scottsdale and south of the Eastwood subdivision. She provided Power Point slides outlining the conservation easement and final plat layout.

Council Member Hatcher inquired if it was the same group building this subdivision as that who built north of it, Eastwood? Stacey responded that as of now it is all one property owner however, since it is individual lots, they will be sold to individuals who can develop accordingly so it is not a traditional subdivision in that sense.

Mayor Peterson affirmed that the term Stacey used in her presentation, “Substantial Conformance” was a standard professional term applied and that there isn’t anything in the project that does not conform. Stacey confirmed that is correct. She explained the final process of the infrastructure plans may require minor tweaks but otherwise will comply.

Vice Mayor Crane asked about building envelopes and pointed out lot six appears to have a limited building area. Stacey stated that in this case the building envelope is determined by the setbacks and the property owner can otherwise build within the area. She went over the easement sizes and explained that in the case of lot six, there is still 80,000 square feet of buildable area. There are envelopes that make all the lots buildable. He inquired about the ability to build pools or spas and Ms. Bridge – Denzak affirmed that, as a custom build, pools and spas are allowed provided they do not sit within the setback. There were no other questions,

Council Member D’Aliesio **moved** to approve and accept the Final Plat and supplementary Subdivision Improvement Agreement for the Estates at Carefree Subdivision. There was a **second** by Vice Mayor Crane. The motion **carried** unanimously by a vote of 6 to 0.

ITEM #10 Review, discussion and possible action to approve Resolution 2021-11 naming the Town Clerk as the CFO pursuant to Arizona Revised Statutes §41-1279.07(E) requiring the town to annually provide to the State Auditor General the name of the CFO designated to submit the current year's annual expenditure limitation report (AELR).

Mayor Peterson announced the Agenda Item and re-introduced Town Clerk, Kandace French Contreras.

Ms. French Contreras explained that this was a housekeeping Resolution. Each year the Town Clerk, as Treasurer for the Town of Carefree, submitted the annual expenditure limitation report (AELR) to the Arizona State Auditor General and submitted a form advising the Auditor General she was the CFO of the Town. Due to recent legislative changes, it was now required that the Town Council approve and appoint the CFO for such purpose and forward the Resolution reflecting that appointment to the Auditor General. This step would take care of that requirement.

Council Member Geiger **moved** to approve Resolution 2021-11 as presented. There was a **second** by Council Member D'Aliesio. The motion **carried** unanimously by a vote of 6 to 0.

ITEM #14 Adjournment.

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

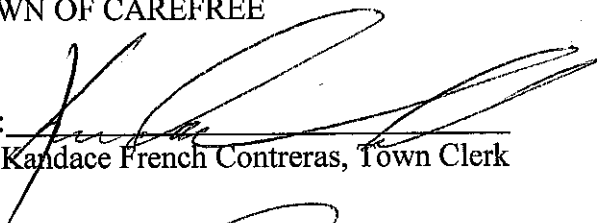
Council Member Krahe **moved** to adjourn. There was a **second** by Vice Mayor Crane. The motion **carried** unanimously.

The meeting ended at 5:38 p.m.

DATED this 6th day of May, 2021.

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 May 4, 2021. I further certify that the meeting was duly called and held and that a quorum was present.



Kandace French Contreras, Town Clerk

approximately 80 acre feet will be reserved to meet future demand for growth in those three neighborhoods. The Settlement Agreement is between the Town of Cave Creek and the UCFD. However, the Carefree Water Company holds the subcontract for all of Carefree's CAP water rights. The Resolution before them solves this problem by assigning the CAP water rights from the UCFD to the Carefree Water Company. He presented a flow chart showing the water rights transfer process. He said upon the assignment, the Carefree Water Company can seek an amendment to its CAP contract with the Bureau of Reclamation and the Central Arizona Water Conservation District. This would increase the Carefree CAP allocation from 1300 acre feet to 1678 acre feet of annual water supply from the CAP canal which ultimately comes from the Colorado River.

Chairman Peterson asked a question of attorney Michael Wright regarding the assignment and whether there should be compensation involved. Michael Wright explained it was a formality and there was no compensation needed.

There was additional discussion among the Board members. Greg explained the steps that all the involved entities would take to authorize the transfer. He also explained how the authorization will be processed by the Town of Cave Creek and moved on to the other regulatory entities for approval.

Board Member Kroyer made a motion to approve Resolution 2021-04 regarding the assignment of CAP water rights from the UCFD to the Carefree Water Company. There was a second by Board Member D'Aliesio. The motion carried unanimously by a vote of 6 to 0.

ITEM #3 Adjournment


Chairman Peterson asked for a motion to adjourn.

Board Member Geiger made a motion to adjourn. There was a second by Board Member Kroyer. The motion carried unanimously.

Meeting adjourned at 4:43 p.m.


DATED this 7th day of May, 2021.

UCFD/CWC



Kandace French Contreras, Secretary/Treasurer

BOARD OF DIRECTORS



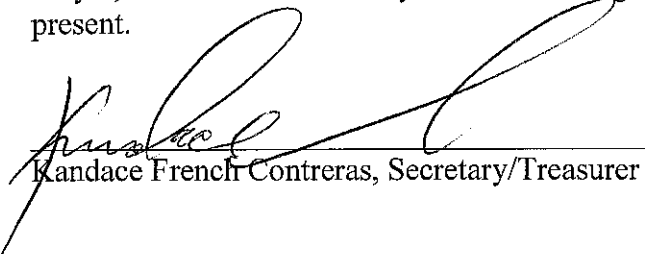
Les Peterson, Chairman

Attest:



Kandace French Contreras, Secretary/Treasurer
CERTIFICATION

I certify that the foregoing minutes are a true and correct copy of the minutes of the meeting of the Carefree Water Company/Utilities Community Facilities District Board of Directors held on May 4, 2021. I further certify that the meeting was duly called and held and that a quorum was present.



Kandace French Contreras, Secretary/Treasurer