

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

WHEN: TUESDAY, MAY 4, 2021

WHERE: ZOOM ONLINE*

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.

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

The agenda for the meeting is as follows:

CALL TO ORDER

ROLL CALL

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 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.

CALL TO THE PUBLIC

ITEM #5 **NOTE:** Submission of public comments at Call to the Public must be provided in typed format by email to Kandace@Carefree.org. Comments are to be limited to not more than one-half page, double spaced, 12 point type. No more than one submission per person or legal entity per meeting will be read into the record. Please identify your town or city of residence. Comments that do not comply with the format specified may not be read during this Council meeting. Comments must be received by 12:00 noon on the day of the meeting.

REGULAR AGENDA:

ITEM #6 Current Events.

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.

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.

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.

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).

ITEM #11 Adjournment.

DATED this 29th day of April, 2021.

TOWN OF CAREFREE

BY: Kandace French Contreras
Kandace French Contreras, Town Clerk/Treasurer

Items may be taken out of order

*Due to the risks to public health caused by the possible spread of the COVID-19 virus at public gatherings, it has been determined that public meetings will be held indefinitely through technological means. Meetings will be also open to the public through technological means. In reliance on, and compliance with, the March 13, 2020 Opinion issued by Attorney General Mark Brnovich, the Town of Carefree provides this special advance notice of the technological means through which public meetings may be accessed. While this special notice is in effect, public comment at meetings will only be accepted through written submissions, which may or may not be read aloud during meetings.

Join Zoom Webinar:

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/3229729660>

Audio by Telephone:

1.669.900.6833 or 1.253.215.8782 or 1.346.248.7799

Webinar ID: 322 972 9660



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.



DRAFT
MINUTES OF THE BUDGET WORKSHOP
OF THE CAREFREE TOWN COUNCIL

WHEN: TUESDAY, APRIL 27, 2021

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

TIME: 3:30 P.M.

Town Council Attending:

Mayor Les Peterson
Vice Mayor John Crane
Councilmember Vince D’Aliesio
Councilmember Tony Geiger
Councilmember Stephen Hatcher
Councilmember Cheryl Kroyer

Town Council Absent:

None

Staff Present:

Gary Neiss, Town Administrator; Kandace French-Contreras, Town Clerk; Stacey Bridge-Denzak, Planning Director and Zoning Administrator; Jim Keen, Accountant/Assistant Clerk; Steve Prokopek, Economic Development Director; Michael Tibbett, Chief Building Official; Alex Orozco, Communications Coordinator; Samantha Gesell, Planning Clerk.

Mayor Peterson called the Budget Workshop to order at 3:30 p.m.

AGENDA:

ITEM #1 Workshop to discuss Fiscal Year 2021-2022 budget.

Town Administrator, Neiss presented the FY 2021/22 Budget Workshop via PowerPoint. This was the 2nd of 4 public meetings to be held to discuss the budget. The public meeting on the budget will be May 04, 2021 at 3:30 p.m. Mr. Neiss revisited the budget process and timeline of future public meetings regarding the budget.

Town Administrator Gary Neiss explained, the Budget process began earlier this year with the Council Work Plan. He plans to continue this process over the next couple years and reference the work plan to identify how the Town is performing and to gain some metrics of performance for the organization.

Mr. Neiss presented a three legged stool analogy to better define the comparison between a typical Municipal Revenue Model and the Town of Carefree’s Revenue Model.

Further explaining, that the Town of Carefree Revenue Model is without the third leg consisting of a Property Tax; therefore, the Town is heavily dependent upon (75%) Local revenues of

which 2/3 is represented by Local Sales Tax and the remainder being User Fees-cost recovery fees and 25% State Shared Revenues. Mr. Neiss displayed a chart further delineating the fees and percentages of those sources.

Town Administrator Neiss provided forecasted revenue streams for FY 2021-2022.

Mr. Neiss presented a pie chart illustrating components of the current local trends in Municipal Sales tax. Noting that even with the negative implications of the great recession and COVID shutdowns, the local economy maintained a positive trajectory over the past 10 years due to the core businesses within our local economy including; groceries, hardware and pharmaceuticals. Additionally, a positive trend is forecasted over the next fiscal year due to the expansion in construction activity, opening of a hotel and the continued success of restaurants and retail. Town Administrator Neiss provided a forecast of State Shared Revenue. He explained that this is a formula based on three components; state shared revenue, local population and respective county population and the trends are increasing.

Town Administrator Neiss provided a detailed explanation of the three categories that impact the Town of Carefree's operational expenses, consisting of; Public Safety, salaries/benefits and general operation costs.

Councilmember Stephen Hatcher questioned why the HURF funds dropped from FY 19/20 to FY 20/21? Town Administrator Neiss explained that in FY 19/20 there was a onetime stipend from the State given to each community in an effort to provide funds to address deficiencies in infrastructure throughout the state.

Councilmember Tony Geiger inquired if there is a hotel tax associated with the new hotel and if so how that compares to the surrounding areas and what can that tax money be used for? Town Administrator Neiss explained that there is a bed tax of 3% which gets added to the county and state tax, stating that the Town of Carefree is at one of the highest levels in the metropolitan area. Adding, we want to maintain some level of competitiveness with our neighboring jurisdictions and do not want to go beyond that threshold.

Councilmember Stephen Hatcher asked for clarification regarding the master contract with Rural Metro. Mr. Neiss explained that the Town provides the facilities and the equipment and the contract is for the professional services of Rural Metro. Town Administrator Neiss further provided information to Council regarding the cost of apparatus replacement, maintenance and building maintenance.

Vice Mayor Crane added that this puts the Town of Carefree in a good position today as we evaluate different fire service options.

Councilmember Geiger questioned if Rural Metro had provided any indication of their intent after the contract with the Town of Carefree expires? Mr. Neiss explained that Rural Metro is still interested in servicing the Town of Carefree. Additionally, the Public Safety Committee is evaluating the master contract, evaluating the impacts of Cave Creek's decision to join automatic aide and their possible decision to look at other neighboring fire agencies and what that means to the Rural Metro contract and the Town of Carefree's level of service. Raising the question, does our one firehouse and our partnership with Rural Metro qualify us to become part of the automatic aide partnership? May 26, 2021 there will be a Public Safety Advisory Committee meeting with Cave Creek to discuss their decision.

Town Administrator Neiss provided information regarding costs for FY 21/22 related to the MSCO contract and related fees. There is approximately a 13% increase. Mr. Neiss further explained that MCSO has a cost recovery model associated with the level of service that each community desires. The Public Safety Committee will be evaluating the level of service associated with this contract as well and any recommendations will be brought before Council for their consideration.

Mr. Neiss presented an overview regarding Salaries and Benefits of the Town made up of 17 staff members. Mr. Neiss explained the Town of Carefree is 1 of approximately 25 members of the Rural Arizona Group Health Trust, the Town of Carefree being the smallest community. Mr. Neiss applauded the Town of Carefree's staff as being talented, dedicated and very efficient. Councilmember Geiger inquired if there are any statistics that compare the Town of Carefree to other small communities in terms of staff per capita? Mr. Neiss explained that being on the Board of the Health Trust, he has recognized how some organizations have 40, 50, 60 employees and the Town of Carefree having a staff of 17 is impressive for what is asked of our staff and the efficiency that the Town has. Councilmember Tony Geiger suggested having this statistic would be a useful tool to educate our citizens how the Town does a lot with very little.

Town Administrator Neiss presented the overall budget and detailed summary for Operations costs associated with the General Fund for FY 21/22.

Mr. Neiss provided expenses and revenues related to Capital Improvement Projects throughout the Town. Mr. Neiss explained that the numbers presented have been inflated due to the increasing cost of construction to ensure we have proper funding available to accomplish the referenced improvements.

Town Administrator Neiss provided a summary of Loans, Grants and pass-throughs. Providing information regarding each; Water Infrastructure Finance Authority (WIFA), Arizona Lottery Fund (ALF) and Grants and responded to questions and comments from Council.

In conclusion, Town Administrator Neiss presented the Budget Summary for FY 21/22. At the next budget meeting, a draft of the Auditor General's schedule A-G will be incorporated, the bottom line figure defined, and this figure will be the expenditure limit for this next fiscal year will be presented. This is what Council will be considering and approving at the May Council meeting.

Council commended Town Administrator Neiss for his hard work on the new program based budget. Councilmember Tony Geiger suggested that the budget document be added to the Town's website for people to gain a better understanding of the current and future challenges of the Town and how we are addressing them. Mr. Neiss reiterated, the purpose of the document is to give the meaning behind the numbers and everything that the Town of Carefree does and proclaiming, this document tells the story of WHO the Town of Carefree is, WHAT we do and WHY.

Next Budget meeting will be held at the May 04, 2021 Town Council meeting.

ITEM #2 Adjournment.

Councilwoman Cheryl Kroyer Moved to adjourn, seconded by Vice Mayor John Crane. Passed unanimously.

The meeting was adjourned at 4:35 p.m.

DATED this 30th day of April, 2021.

TOWN OF CAREFREE

BY: *Samantha Gesell*

Samantha Gesell, Planning Clerk



Agenda Item #2 will be provided prior to May 4, 2021

Check Register Report

ALL CHECKS APRIL 2021



Date: 04/29/2021
Time: 3:46 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
NATIONAL BANK OF ARIZONA Checks							
47209	04/02/2021	Printed		1816	AMERICAN LEGAL PUBLISHING	Update Town Code 2021 S-9	50.90
47210	04/02/2021	Printed		3463	BUSTAMANTE & KUFFNER PC	Mar 2021Town Prosecutor Servic	3,140.00
47211	04/02/2021	Printed		0389	CAREFREE WATER COMPANY, INC	Apr 21 Water All	2,825.25
47212	04/02/2021	Printed		0389	CAREFREE WATER COMPANY, INC	Apr 21 Engineering Services	2,476.81
47213	04/02/2021	Printed		3299	CIRCLE K UNIVERSAL	Mar 21 Gasoline All	928.85
47214	04/02/2021	Printed		1460	COX COMMUNICATIONS	Apr21 Town Telephone& Internet	1,182.82
47215	04/02/2021	Printed		3210	ECOBLU ENTERPRISES. INC.	Apr 21 Gardens Fountains Maint	600.00
47216	04/02/2021	Printed		3210	ECOBLU ENTERPRISES. INC.	Drain Refill Startup SplashPad	342.00
47217	04/02/2021	Printed		954	J.P. COOKE CO.	Town of Carefree Address Stamp	37.52
47218	04/02/2021	Printed		1320	KARSTEN'S ACE HARDWARE	MAR 21 Pub Wrks Builising Suppl	85.26
47219	04/02/2021	Printed		0010	MARICOPA COUNTY	Mar 21 MCSO Jail Housing	1,614.36
47220	04/02/2021	Printed		983	MARICOPA COUNTY ANIMAL CONTROL	4th Qtr FY2021 Contact	687.50
47221	04/02/2021	Printed		2008	MINER, LTD	Repair Fire Station GarageDoor	810.90
47222	04/02/2021	Printed		3579	MUNICIPAL EMERGENCY SERVICES	SCBA for Grant Shipping Charge	412.17
47223	04/02/2021	Printed		3221	NATIONAL BANK OF ARIZONA	Off Furn Green Rm, Road Matls	2,955.57
47224	04/02/2021	Printed		3221	NATIONAL BANK OF ARIZONA	TPT Tax St Sweeper Tires	932.57
47225	04/02/2021	Printed		3015	NOTHING BUT NET	Apr 21 Comp Maint Agreements	1,403.36
47226	04/02/2021	Printed		2081	O'REILLY AUTO PARTS, INC	Mar 21 Pub Works Veh Maint	29.31
47227	04/02/2021	Printed		1075	SHERMAN & HOWARD LLC	Cave Creek Condemn thru2/28/21	18,167.50
47228	04/02/2021	Printed		3461	TITAN COMMERCIAL CLEANING	Mar 21 Town, Gardens Cleaning	5,305.00
47229	04/02/2021	Printed		3115	VERIZON WIRELESS	Mar 21 Mobile Phones All	459.17
47230	04/09/2021	Printed		1326	ARIZONA REPUBLIC - SUBSCRIBE	May 21 Newspaper Subscription	57.14
47231	04/09/2021	Printed		3583	CAMACHO, CAROL	Reimb Judge Robe Cleaning	3.95
47232	04/09/2021	Printed		1329	COLONIAL SUPPLEMENTAL INS	MAR 21 Supplemental Ins	111.56
47233	04/09/2021	Printed		3174	DESERT DIGITAL IMAGING, INC.	Court Letterhead	200.65
47234	04/09/2021	Printed		2059	DESERT FOOTHILLS LANDSCAPE	Apr 21 Medians Maintenance	4,955.00
47235	04/09/2021	Printed		2059	DESERT FOOTHILLS LANDSCAPE	Apr 21 Gardens Maintenance	2,000.00
47236	04/09/2021	Printed		3542	GAMMAGE & BURNHAM	LEgal Cave Creek Water Condemn	360.00
47237	04/09/2021	Printed		1812	HEAVY EQUIPMENT MACHINERY INC.	Fix Hydraulic Street Sweeper	632.63
47238	04/09/2021	Printed		3397	LANGUAGE LINE SERVICES, INC.	Court Interpreting March 21	31.27
47239	04/09/2021	Printed		1876	LOWE'S	Mar 21 Pub Wrks Matls&Supplies	1,839.22
47240	04/09/2021	Printed		3579	MUNICIPAL EMERGENCY SERVICES	9 AirPak SCBA Systems- Grant	97,404.96
47241	04/09/2021	Printed		3403	PROSKILL PLUMBING, HEATING	Fix AC at the Firestation	295.00
47242	04/09/2021	Printed		3403	PROSKILL PLUMBING, HEATING	Fix Gardens Restroom Toilet	317.00
47244	04/09/2021	Printed		3010	REPUBLIC SERVICES #753	Mar 21 40 Yd Roll Off Pub Wrks	841.21
47245	04/09/2021	Printed		3425	RURAL ARIZ GROUP HEALTH	Apr 21 Health,Dental,VisionIns	15,786.91
47246	04/09/2021	Printed		0668	RURAL METRO FIRE DEPT.	March 21 Fire Truck Diesel	557.50
47247	04/09/2021	Printed		1691	SPARKLETTS	Mar 21 Bottled Water All	105.20
47248	04/09/2021	Printed		3226	TECH 4 LIFE COMPUTERS	Mar 21 VisitCarefree Updates	354.00
47249	04/09/2021	Printed		3287	TOSHIBA BUSINESS SOLUTIONS	Apr 21 Town Copier Maint Agree	349.76
47250	04/09/2021	Printed		3451	VERIZON CONNECT NWF, INC.	Apr 21 Pub Wrks Mobile Dev	19.00
47251	04/09/2021	Printed		352	WESTERN STATES PETROLEUM INC.	Mar 21Public Works Diesel	353.50
47252	04/16/2021	Printed		0300	ARIZ PUBLIC SERVICE	Apr 21 Electric ALL	1,987.35
47253	04/16/2021	Printed		1900	ARIZONA REPUBLIC - LEGAL	Ad Town Engineer 2nd Run	37.20
47254	04/16/2021	Printed		1753	BERTRAM SIGNS & GRAPHICS	Retool Lights Gardens	215.69
47255	04/16/2021	Printed		1470	BROWN & ASSOCIATES	Mar 21 Building Insp 113 Hrs	7,910.00
47256	04/16/2021	Printed		3192	CIVICPLUS	Design/Configure NewWeb Portal	2,100.00
47257	04/16/2021	Printed		1460	COX COMMUNICATIONS	Apr21 Internet 33 Easy St	129.00
47258	04/16/2021	Printed		0266	ICMA RETIREMENT CORP	ICMA Annual Plan Fee	250.00
47259	04/16/2021	Printed		954	J.P. COOKE CO.	Court 2 Signature Rubber Stamp	183.14
47260	04/16/2021	Printed		1995	LESLIE'S POOLMART, INC.	Splash Pad Water Proof Paint	1,010.70

Check Register Report

ALL CHECKS APRIL 2021

Date: 04/29/2021

Time: 3:46 pm

Page: 2

Town Of Carefree

BANK: NATIONAL BANK OF ARIZONA

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
NATIONAL BANK OF ARIZONA Checks							
47261	04/16/2021	Printed		3578	LIBERTY UTILITIES	March 21 Sewer Gardens	831.19
47262	04/16/2021	Printed		3403	PROSKILL PLUMBING, HEATING	Yearly A/C Maint All Locations	1,277.50
47263	04/16/2021	Printed		0668	RURAL METRO FIRE DEPT.	Nov 2020 Fire Truck Diesel	517.30
47264	04/16/2021	Printed		0668	RURAL METRO FIRE DEPT.	Apr 2021 Fire Contract	126,294.38
47265	04/16/2021	Printed		1794	STAPLES ADVANTAGE	Court Office Supplies	177.63
47266	04/16/2021	Printed		3352	UNUM LIFE INSURANCE COMPANY	May2021 ShortTermDisabilityIns	360.87
47267	04/23/2021	Printed		1816	AMERICAN LEGAL PUBLISHING	2021 S-9 Supplemt Pages edits	1,013.92
47268	04/23/2021	Printed		3495	ASSURITY LIFE INSURANCE CO	April 21 Supplemental Ins	535.12
47269	04/23/2021	Printed		1313	CAVE CREEK WELDING	Weld Supl 16 gauge Steel tubes	280.96
47270	04/23/2021	Printed		3293	CITI CARDS	PubWrksEquipRentals, Health Ex	940.92
47271	04/23/2021	Printed		1460	COX COMMUNICATIONS	Apr 21 Shop Internet & Phones	194.14
47272	04/23/2021	Printed		3174	DESERT DIGITAL IMAGING, INC.	Bus Cards Tara Parascandola	60.40
47273	04/23/2021	Printed		3520	JENNINGS STROUSS & SALMON, PLC	Legal Cave Creek Condemnation	26,696.35
47274	04/23/2021	Printed		3015	NOTHING BUT NET	VM Ware f Renewal for 1 Year	190.56
47275	04/23/2021	Printed		949	TARA. PARASCANDOLA	Apr 2021 Town Magistrate Servi	3,750.00
47276	04/23/2021	Printed		3403	PROSKILL PLUMBING, HEATING	Clean Gardens Green Rm AC Coil	460.00
47277	04/23/2021	Printed		2025	QUADIENT FINANCE USA	Town Postage Meter Postage	491.92
47278	04/23/2021	Printed		3569	SHERWOOD, MARIAH	Court Interpreting on 4/14/21	180.00
47279	04/23/2021	Printed		1920	SOUTHWEST GAS	Apr21 Gas All depts	100.88
47280	04/29/2021	Printed		0389	CAREFREE WATER COMPANY, INC	Reimb for Legal Bill 4/26/21	520.00
47281	04/29/2021	Printed		3450	CITY OF TEMPE	East Valley Reg Veterans Court	198.97
47282	04/29/2021	Printed		3417	COE & VAN LOO II LLC	Water ENG Neigh A,B,C 3/24/21	1,500.00
47283	04/29/2021	Printed		3210	ECOBLU ENTERPRISES. INC.	May 21 Gardens Fountains Serv	600.00
47284	04/29/2021	Printed		0010	MARICOPA COUNTY	May 21 MCSO Sheriff's Patrol	38,299.46
47285	04/29/2021	Printed		0091	MARICOPA COUNTY TREASURER	Mar 21 Court Remittance	1,872.36
47286	04/29/2021	Printed		2098	PROCOPY OFFICE SOLUTIONS,INC.	Wide Format Copier Maint Agree	254.89
47287	04/29/2021	Printed		3010	REPUBLIC SERVICES #753	Apr 21 Trash PU 8 Sundial Circ	391.01
47288	04/29/2021	Printed		0021	STATE TREASURER	Mar 21 Court Remittance	11,677.51
47289	04/29/2021	Printed		3461	TITAN COMMERCIAL CLEANING	Apr 21 Town, Gardens Cleaning	7,305.00
47290	04/29/2021	Printed		3461	TITAN COMMERCIAL CLEANING	Wedding Cleanup on 4/2/21	250.00
47291	04/29/2021	Printed		3115	VERIZON WIRELESS	Apr 21 Mobile Phones All	418.66
Total Checks: 82						Checks Total (excluding void checks):	412,487.26
Total Payments: 82						Bank Total (excluding void checks):	412,487.26
Total Payments: 82						Grand Total (excluding void checks):	412,487.26

Combined Trial Balance - All Funds
March 31, 2021



Assets

Checking - National Bank of AZ	1,292,227
Local Gov't Investment Pool - AZ	10,925,986
Petty Cash	700
Advances to the Water Company	3,425,041
Total Assets	\$ 15,643,954

Liabilities

Accounts Payable	39,369
Bonds	37,510
Sales Tax Remittance	(5)
Long Term Deferred Revenue	3,425,041
Total Liabilities	\$3,501,915

Fund Balance

Fund Balance-Beginning of Year	10,925,889
Year-to-date change in Fund Balance	1,216,150
Total Fund Balance	12,142,039
Total Liabilities and Fund Balance	\$ 15,643,954

Contingency Reserve Fund	\$2,500,000
Capital Fund	\$9,490,128
Total	\$11,990,128

Town of Carefree Reconciled Cash Receipts and Cash Disbursements as of March 31, 2021

Revenues	FY2019 YTD Mar	FY2020 YTD Mar	FY2021 Y-T-D	2020 vs 2021		Budget	Mar 21	% of Budget
				% (+/-)				
Local Sales Taxes (1 month lag)	\$1,751,352	\$1,780,504	\$ 1,805,789	1.4%		1,800,000	318,028	100.3%
State Sales Taxes (1 month lag)	266,694	286,466	311,097	8.6%		300,000	36,967	103.7%
Building Fees	274,589	304,902	247,656	-18.8%		300,000	26,546	82.6%
State Income Tax	343,590	375,917	420,917	12.0%		563,000	46,769	74.8%
Fines	86,748	87,638	146,510	67.2%		120,000	38,522	122.1%
Court Service Fees	133,081	138,407	143,945	4.0%		172,734	28,789	83.3%
Town Clerk-Misc. Sales	372	554	159	0.0%		500	103	31.8%
Town Clerk-Permits & Sol Fees	737	600	600	0.0%		1,000	25	60.0%
Water Company Reimbursements	517,954	518,195	484,550	-6.5%		690,605	57,675	70.2%
33 Easy St Rent	11,431	11,734	11,302	0.0%		15,600	1,167	72.4%
Miscellaneous Income & Donations	92,550	41,785	389,973	833.3%		43,000	0	906.9%
Interest Income	162,024	171,794	16,649	-90.3%		110,820	-3,319	15.0%
Utility Franchise Fees (1 month lag)	203,903	195,705	211,960	8.3%		343,000	0	61.8%
County Lieu Tax (1 month lag)	114,241	120,148	129,251	7.6%		150,000	14,047	86.2%
General Fund & All Funds Reserve Contribution(Below	0	0	0	0.0%		5,053,540	0	0.0%
Special Events	195,905	412,662	37,939	-90.8%		70,000	7,474	54.2%
County & State Grants	10,622	1,233	98,132	0.0%		200,000	0	49.1%
Court Enhancement, GAP, MJCEF	11,899	9,764	11,362	16.4%		22,700	1,429	50.1%
HURF (1 month lag)	170,069	372,120	175,457	-52.8%		256,500	20,540	68.4%
Cemetery	100	350	500	0.0%		600	0	83.3%
CPR Ed Fund	610	868	0	0.0%		900	0	0.0%
AZ CARES Fund Grants	0	0	450,846	0.0%		0	0	0.0%
Utility Capital Improvement Fund	10,534	10,094	10,132	0.0%		22,500	0	45.0%
Fire Reimb Income & Ins Reimb	45,744	41,427	41,538	0.0%		60,100	5,316	69.1%
Fire Fund-L Sales Tax (1 month lag)	875,676	890,252	902,896	1.4%		900,000	159,014	100.3%
Total Revenues	5,280,425	5,773,119	6,049,161	4.8%		11,197,099	759,092	54.0%
Expenses								
Mayor & Council	5,790	5,048	4,572	-9.4%		212,075	560	2.2%
Town Clerk	206,906	226,065	226,491	0.2%		299,381	19,786	75.7%
Court	190,295	203,226	209,846	3.3%		285,762	23,216	73.4%
Administration	287,794	328,093	309,111	-5.8%		434,381	35,370	71.2%
Claims & Losses	0	0	12,900	100.0%		5,000	0	258.0%
Legal	73,921	219,333	203,772	-7.1%		260,000	18,168	78.4%
Risk Management	95,327	64,491	70,374	9.1%		128,313	33,753	54.8%
Planning & Development	123,792	143,336	157,414	9.8%		255,063	16,275	61.7%
Building Safety	132,588	159,473	158,468	-0.6%		220,552	20,820	71.9%
Law Enforcement	327,922	351,490	379,594	8.0%		558,677	43,054	67.9%
Code Enforcement	38,853	41,839	44,205	5.7%		54,217	2,195	81.5%
Engineering	74,812	29,631	22,291	-24.8%		129,722	2,477	17.2%
Public Works - Streets & Gardens	465,465	611,129	513,326	-16.0%		731,024	53,894	70.2%
Debt Service WIFA	244,663	244,523	244,378	-0.1%		244,378	0	100.0%
33 Easy St	11,849	19,383	19,450	0.0%		27,708	1,860	70.2%
Capital Improvement Program (See Below)	0	0	0	0.0%		-	0	0.0%
Public Safety Fire General Fund	120,209	279,668	5	0.0%		619,934	0	0.0%
Town Center-Economic Development	443,525	623,494	122,305	-80.4%		241,993	12,621	50.5%
Contingencies	29,872	7,107	114,282	1508.0%		200,000	114,282	57.1%
Court Enhancement, GAP, MJCEF	7,684	1,831	594	0.0%		12,550	75	4.7%
HURF (See Below)	0	0	0	0.0%		-	0	0.0%
Cemetery	0	0	0	0.0%		600	0	0.0%
CPR - Education Fund	0	0	0	0.0%		970	0	0.0%
AZ CARES Fund Exp	0	0	450,904	0.0%		0	0	0.0%
Utility Capital Improvement Fund (See Below)	2,791	0	0	0.0%		0	0	0.0%
Transfers Out	0	0	100	0.0%		0	0	0.0%
Fire Fund	1,006,533	868,615	722,680	-16.8%		974,100	132,077	74.2%
Total Expenses without Capital Expense	3,890,591	4,427,775	3,987,061	-10.0%		5,896,400	530,481	67.6%
Net without Capital Expense	\$ 1,389,834	\$ 1,345,344	\$ 2,062,100			\$ 5,300,699	\$228,611	38.9%
All Capital Projects	491,554	936,046	845,950	-9.6%		5,289,500	27,056	16.0%
Total Expenses with Capital Expense	4,382,145	5,363,821	4,833,011	-9.9%		\$11,185,900	\$557,538	43.2%
Net with Capital Expense	898,280	409,298	1,216,150	197.1%		11,199	201,555	10859.5%

TOWN OF CAREFREE, ARIZONA
RESOLUTION 2021-09



A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF CAREFREE, MARICOPA COUNTY, ARIZONA, ADOPTING THE TENTATIVE BUDGET AND BOTTOM LINE FOR THE TOWN OF CAREFREE FOR THE FISCAL YEAR BEGINNING JULY 1, 2021 AND ENDING JUNE 30, 2022 AND CALLING FOR A SPECIAL MEETING AND PUBLIC HEARING.

WHEREAS, on April 13, 2021 and April 27, 2021 the Town Council help public workshops to discuss and review forecasted revenues and anticipated expenses for Fiscal Year 2021-2022.

WHEREAS, on May 4, 2021, in accordance with the provisions of Title 42, Chapter 17. Article 3 of the Arizona Revised Statutes (A.R.S.), the Town Council established an estimate of the funding required to meet the public expenses for Fiscal Year 2021-2022 and an estimate of receipts from all revenue sources; and

WHEREAS, in accordance with A.R.S. and based upon a review of these revenues and expenses, the expenditure limit Fiscal Year 2021-2022 will be established at approximately \$11.9 million: and

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Carefree, Arizona, in compliance with setting forth a full and complete statement of the financial affairs for the Town of Carefree for Fiscal Year 2021-2022, it is directed:

That the staff shall cause to be published a public notice setting a budget hearing on June 1, 2021 for the purpose of hearing all persons for and against said estimates of revenues and expenditures as presented this day and prior to the final adoption of the budget of the Town of Carefree, Arizona, for the Fiscal Year 2021-2022.

PASSED, APPROVED AND ADOPTED by the Mayor and Common Council of the Town of Carefree, Arizona, this 4th day of May, 2021.

___ AYES ___ NOES ___ ABSTENTIONS ___ ABSENT

Les Peterson, Mayor

ATTEST:

APPROVED AS TO FORM

Kandace French Contreras
Town Clerk/Treasurer

Michael Wright, Town Attorney

Official Budget Forms

Town of Carefree

Fiscal year 2022

**Town of Carefree
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal year 2022**

Fiscal year	Sch		Funds							Total All Funds
			General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	
2021	E	1	10,637,902	303,620	244,378	0	0	0	0	11,185,900
2021	E	2	5,489,938	451,423	244,523	0	0	0	0	6,185,884
2022		3	11,048,580	891,905	244,523					12,185,008
2022	B	4	0							0
2022	B	5								0
2022	C	6	11,147,158	775,038	0	0	0	0	0	11,922,196
2022	D	7	0	0	0	0	0	0	0	0
2022	D	8	0	0	0	0	0	0	0	0
2022	D	9	0	0	0	0	0	0	0	0
2022	D	10	0	0	0	0	0	0	0	0
2022			Line 11: Reduction for Fund Balance Reserved for Future Budget Year Expenditures							
			Maintained for Future Debt Retirement							0
			Maintained for Future Capital Projects							0
			Maintained for Future Financial Stability							0
										0
										0
2022		12	22,195,738	1,666,943	244,523	0	0	0	0	24,107,204
2022	E	13	10,909,522	754,890	244,227	0	0	0	0	11,908,639

Expenditure Limitation Comparison

1	Budgeted expenditures/expenses
2	Add/subtract: estimated net reconciling items
3	Budgeted expenditures/expenses adjusted for reconciling items
4	Less: estimated exclusions
5	Amount subject to the expenditure limitation
6	EEC expenditure limitation

	2021	2022
1	\$ 11,185,900	\$ 11,908,639
2		
3	11,185,900	11,908,639
4	646,523	2,749,676
5	\$ 10,539,377	\$ 9,158,963
6	\$ 11,144,461	\$ 11,340,358

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

- * Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.
- ** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.
- *** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

**Town of Carefree
Revenues Other than Property Taxes
Fiscal Year 2022**

Source of revenues	Estimated revenues 2021	Actual revenues* 2021	Estimated revenues 2022
General Fund			
Local taxes			
Local Sales Tax	\$ 1,800,000	\$ 2,128,507	\$ 2,500,000
Sales Tax to Fire Fund and Interest	900,000	1,099,000	1,250,000
Licenses and permits			
Building Fees	300,000	382,195	400,000
Intergovernmental			
State Sales Tax	300,000	407,000	461,000
State Income Tax	563,000	561,223	512,000
Vehicle License (County Lieu)	150,000	164,500	182,000
County and State Grants	203,000	98,132	203,000
Charges for services			
Miscellaneous Income & Donations	43,000	389,973	51,000
Utility Franchise Tax	253,000	206,566	250,000
Special Event Revenues	70,000	38,090	40,000
Town Clerk Sales & Fees	1,000	700	700
Town Clerk Misc Sales	500	500	500
Rent Income	15,600	15,600	15,600
Cable TV Fees	90,000	95,645	100,000
Fire Reimburse Fees	71,100	49,917	50,600
Court Service Fees	172,734	172,734	178,106
Fines and forfeits			
Court Fines	120,000	153,044	130,100
Interest on investments			
LGIP Interest Earnings	85,000	18,650	20,700
In-lieu property taxes			
Contributions			
Miscellaneous			
Water Company Lease Payments & Interest	244,764	244,764	244,764
Water Company Rent	31,500	33,000	33,000
Cemetery	600	500	600
Gen. Fund Contribution & Contingency	5,053,540		4,108,945
CPR Education & Interest	970	2	202
Water Company Principal Payment	414,341	414,341	414,341
Total General Fund	\$ 10,883,649	\$ 6,674,583	\$ 11,147,158

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

**Town of Carefree
Revenues Other than Property Taxes
Fiscal Year 2022**

Source of revenues	Estimated revenues 2021	Actual revenues* 2021	Estimated revenues 2022
Special Revenue Funds			
HURF	\$ 256,500	\$ 250,000	\$ 261,000
HURF Interest	10,000	500	500
HURF Contributions			
	\$ 266,500	\$ 250,500	\$ 261,500
Court Enhancement	\$ 21,400	\$ 15,714	\$ 21,050
Municipal JCEF	1,600	618	622
Fill the Gap	650	812	815
AZCARES - COVID-19		450,804	468,521
Util. CAP Imp. Fund (SW Gas) & Interest	25,000	20,530	22,530
	\$ 48,650	\$ 488,478	\$ 513,538
	\$	\$	\$
Total Special Revenue Funds	\$ 315,150	\$ 738,978	\$ 775,038

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

**Town of Carefree
Revenues Other than Property Taxes
Fiscal Year 2022**

Source of revenues	Estimated revenues 2021	Actual revenues* 2021	Estimated revenues 2022
Internal Service Funds			
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
Total Internal Service Funds	\$ _____	\$ _____	\$ _____
Total all Funds	\$ <u>11,198,799</u>	\$ <u>7,413,561</u>	\$ <u>11,922,196</u>

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

**Expenditures/Expenses by Fund
Fiscal year 2022**

Fund/Department	Adopted Budgeted Expenditures/Expenses 2021	Expenditure/Expense adjustments approved 2021	Actual Expenditures/Expenses* 2021	Budgeted Expenditures/Expenses 2022
General Fund				
Mayor & Council	\$ 212,075	\$	\$ 5,495	\$ 214,375
Town Clerk	299,381		299,061	330,534
Court	285,762		286,930	285,532
Administration	434,381		449,592	571,832
Claims and Losses	5,000		12,900	10,000
Legal	260,000		244,000	160,000
Insurance	128,313		98,106	120,000
Planning and Development	255,063		199,829	304,622
Building and Safety	220,552		204,974	275,177
Law Enforcement	558,677		507,844	539,392
Code Enforcement	54,217		48,256	81,895
Engineering Services	129,722		80,071	269,684
Public Works	731,024		779,952	898,723
Capital Improvement Program	5,000,000		825,000	4,715,970
33 Easy St	27,708		26,288	27,750
Economic Development	241,993		217,462	320,003
Contingencies	200,000		94,479	200,000
Fire Fund	974,100		169,029	1,304,300
Fire Service Gen Fund	619,934		940,670	279,733
Total General Fund	\$ 10,637,902	\$	\$ 5,489,938	\$ 10,909,522
Special Revenue Funds				
HURF Streets Maintenance	\$ 266,500	\$	\$	\$ 261,500
Cemetery	600			600
CPR Education	970			202
Util. Cap Improvement Fund	23,000			22,530
Court Enhancement	10,000		519	
Muni JCEF	1,600			622
Fill the Gap	950			815
AZ CARES - COVID-19			450,904	468,621
Total Special Revenue Funds	\$ 303,620	\$	\$ 451,423	\$ 754,890
Debt Service Funds				
WIFA Loan	\$ 244,378	\$	\$ 244,523	\$ 244,227
Total Debt Service Funds	\$ 244,378	\$	\$ 244,523	\$ 244,227
Capital Projects Funds				
Total Capital Projects Funds	\$	\$	\$	\$
Permanent Funds				
Total Permanent Funds	\$	\$	\$	\$
Enterprise Funds				
Total Enterprise Funds	\$	\$	\$	\$
Internal Service Funds				
Total Internal Service Funds	\$	\$	\$	\$
Total all Funds	\$ 11,185,900	\$	\$ 6,185,884	\$ 11,908,639

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

**Town of Carefree
Expenditures/Expenses by Department
Fiscal year 2022**

Department/Fund	Adopted Budgeted Expenditures/ Expenses 2021	Expenditure/ Expense adjustments approved 2021	Actual Expenditures/ Expenses* 2021	Budgeted Expenditures/ Expenses 2022
Mayor and Council	\$ 212,075	\$	\$ 5,495	\$ 214,375
Town Clerk	299,381		299,061	330,534
Town Court	285,762		286,930	285,532
Town Adminstraton	434,381		449,592	571,832
Claims and Losses	5,000		12,900	10,000
Legal	260,000		244,000	160,000
Risk Management	128,313		98,106	120,000
Planning and Development	255,063		199,829	304,622
Building and Safety	220,552		204,974	275,177
Law Enforcement	558,677		507,844	539,392
Code Enforcement	54,217		48,256	81,895
Engineering Services	129,722		80,071	269,684
Public Works Dept (General)	731,024		779,952	898,723
33 Easy St	27,708		26,288	27,750
WIFA Loan	244,378		244,523	244,227
Capital Improvement Program	5,000,000		825,000	4,715,970
Fire General Fund	619,934		169,029	279,733
Economic Development	241,993		217,462	320,003
Contingencies	200,000		94,479	200,000
Department Total	\$ 9,908,180	\$	\$ 4,793,791	\$ 9,849,449
List Department:				
Other Funds				
Court Enhancement	\$ 10,000	\$	\$ 519	\$
Municipal JCEF	1,600			622
Fill the GAP	950			815
HURF	266,500			261,500
Cemetery	600			600
Fire Fund	974,100		940,670	1,304,300
CPR Education	970			202
AZCARES - COVID-19 Fund			450,904	468,621
Util. Cap Imp Fund	23,000			22,530
Department Total	\$ 1,277,720	\$	\$ 1,392,093	\$ 2,059,190

**Town of Carefree
Full-Time Employees and Personnel Compensation
Fiscal year 2022**

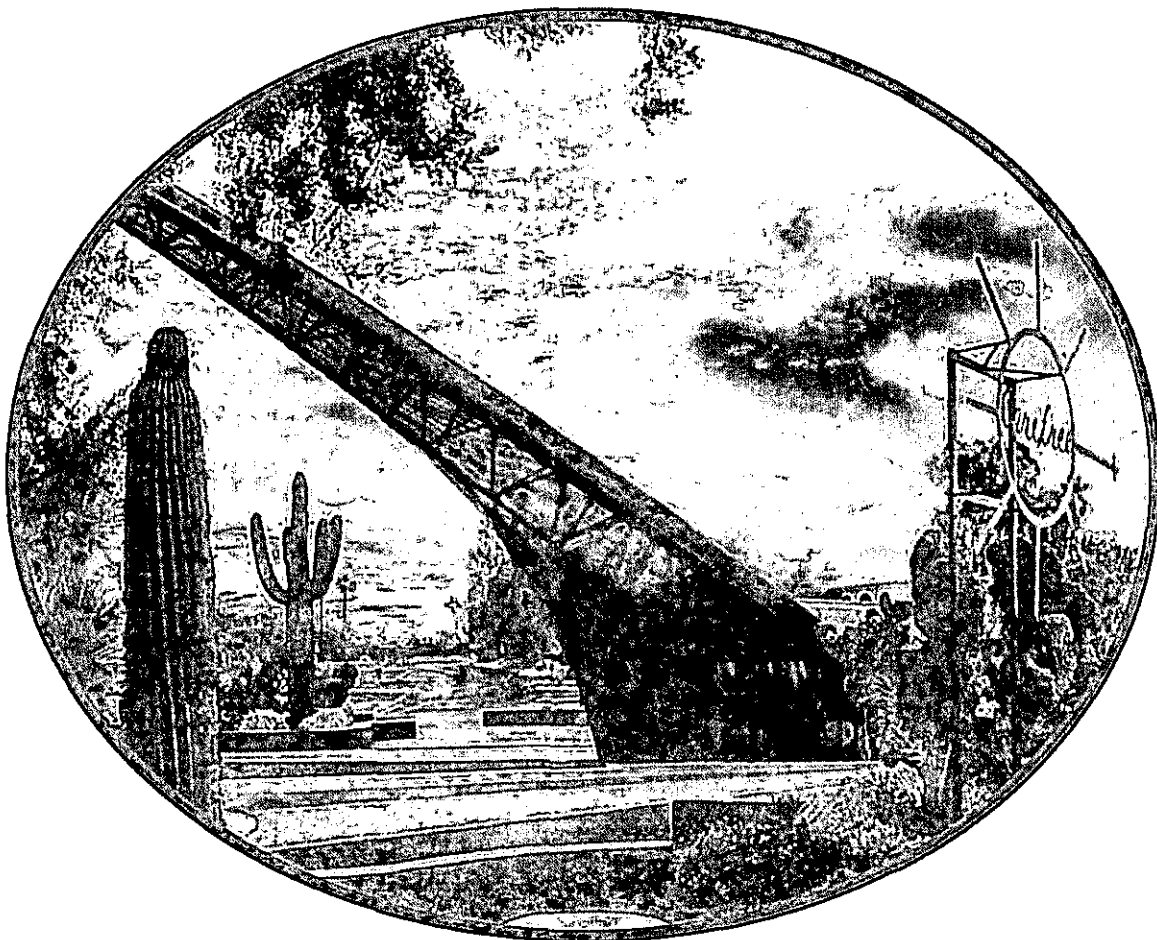
Fund	Full-Time Equivalent (FTE) 2022	Employee Salaries and Hourly Costs 2022	Retirement Costs 2022	Healthcare Costs 2022	Other Benefit Costs 2022	Total Estimated Personnel Compensation 2022
General Fund	17	\$ 1,417,022	\$ 175,852	\$ 191,717	\$ 139,384	\$ 1,923,975
Special Revenue Funds						
_____		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____	_____
Total Special Revenue Funds		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Debt Service Funds						
_____		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____	_____
Total Debt Service Funds		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Capital Projects Funds						
_____		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____	_____
Total Capital Projects Funds		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Permanent Funds						
_____		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____	_____
Total Permanent Funds		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Enterprise Funds						
_____		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____	_____
Total Enterprise Funds		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Internal Service Funds						
_____		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____	_____
Total Internal Service Fund		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total all Funds	17	\$ 1,417,022	\$ 175,852	\$ 191,717	\$ 139,384	\$ 1,923,975

TOWN COUNCIL
MAY - 4 2021
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TOWN OF CAREFREE



Fiscal Year Budget 2021-2022



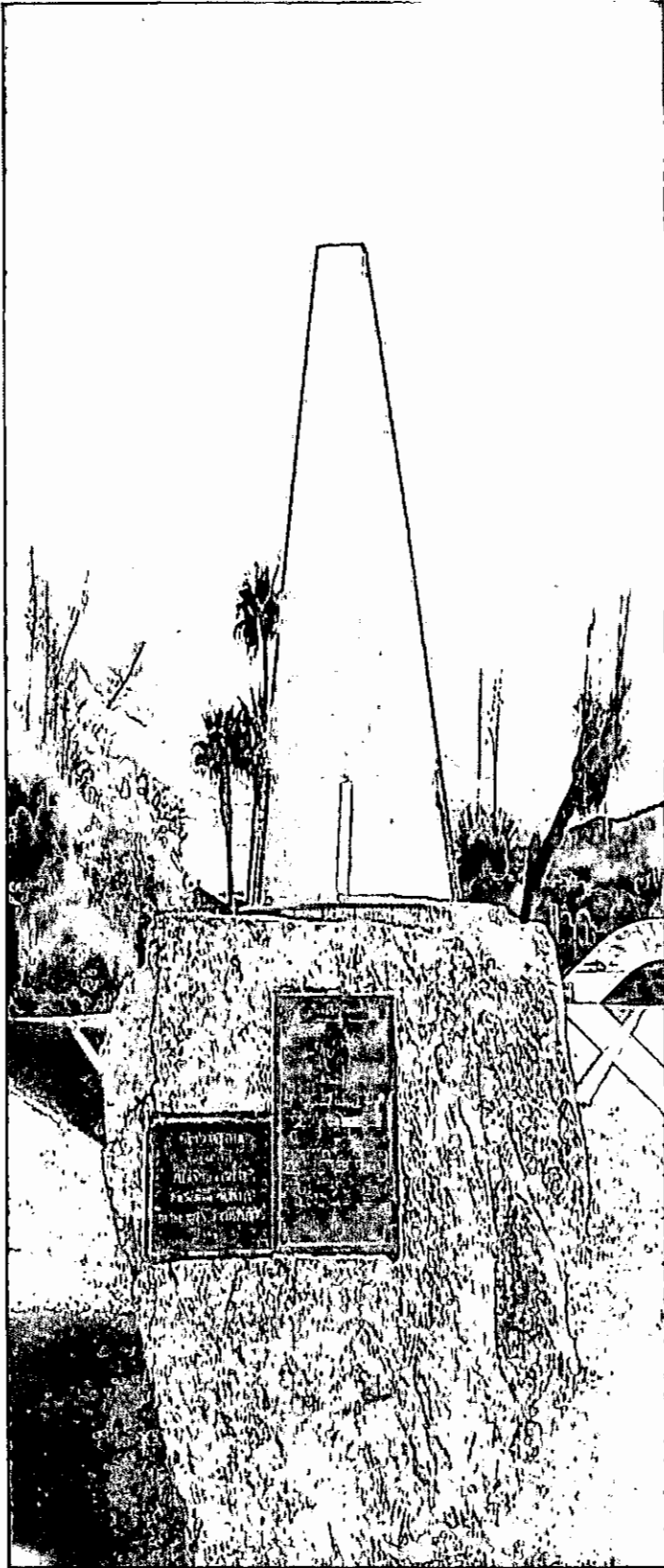


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Auditor General Schedules

MAYOR'S MESSAGE



It has been a tremendous honor to serve this beautiful community as your Mayor over the past six years. Each year, the budget process is one of the most important tasks the Town Council undertakes. In order for the residents and community interests to better understand how the public money is spent, the Town is introducing a new formatted budget this fiscal year called program based budgeting. Program based budgeting is a method of budgeting expenditures to meet programmatic objectives of the organization rather than budgeting on a non-descriptive line-item basis. This approach provides a rational basis and explanation behind the numbers. This rational basis is expressed in specific performance objectives/service levels outlined within

each department.

During the fall, the Council conducted public workshops with outgoing and incoming Councilmembers to review and further develop a work plan outlining what the Council hopes to address over this next two year Council term and delineate strategies to achieve the objectives in the work plan. This budget document is one element, from a policy perspective, which permits the Town to fund and implement the initiatives defined by this collaborative process.

From a longer term perspective, as the community matures and a new generation of residents emerge within the community, priorities and desired levels of services may evolve. Additionally, over time, external influences can impact the level of municipal services as well as perhaps, their funding mechanism. A collaborative citizen driven process should be used to navigate these evolving circumstances. For example, the Council recently appointed a Public Safety Advisory Committee. The Committee is composed of a cross-section of residents from many different professional backgrounds; however, a common theme amongst the Committee members is their professional experiences in analyzing business models. More specifically, in part, the Committee is evaluating evolving circumstances with Fire and Emergency Services. The Committee has begun to analyze the existing level of service provided by Rural Metro and external influences from nearby first responding agencies desiring for both Carefree and Cave Creek to join the regional emergency response partnership called Automatic Aid. The Committee of residents will evaluate the benefits and costs of such a change in the level of service, outline potential increases in costs and provide funding options for the community to consider. This bottom up approach creates ownership in solving our future concerns and helps to provide for a stronger sense of community.

In the future, I would like to see more collaborative grass root collaborations so we may share our experiences and design the appropriate solutions for our community. Please consider giving back and helping your community by volunteering your time in assisting the Town. It is an excellent way of using your skill sets and experiences to better the community around you.

TOWN ADMINISTRATOR'S MESSAGE



For almost two decades I have had the distinct honor and pleasure to represent and work with residents, businesses as well as appointed and elected leaders within the Carefree community. As residents, businesses and leaders have transitioned through the community, our fiscally conservative management approach has served the community well. Looking towards the future, as the community approaches residential build-out a renewed focus will be on revitalization/updating of residences as well as the community infrastructure.

Additionally, as the community matures, levels of services will need to be revisited to ensure the Town addresses the evolving needs of the community.

For example, public safety is always a critical contributor to quality of life for Carefree residents and businesses. From a community policing perspective, calming traffic passing through the community is constant concern expressed by many Carefree residents. The use of technology through photo enforcement may be a cost effective means to change the behavior of the bad actors passing through the community while allowing the town to redeploy Sherriff deputies to conduct more community/neighborhood patrols to further enhance visibility throughout the community.

Another example of evolving community needs is fire service. The current contract with Rural Metro is set to expire in the summer of 2022. Now is the time to begin to explore the level of services and associated costs. Recently, in neighboring Cave Creek, the discussion regarding emergency service coverage has focused on incorporating Automatic Aid into a possible master contract with a nearby emergency service provider. Any change outside of the current provider, Rural Metro, will impact the level of services in Carefree. Due to this fact, Carefree needs to explore its options regarding Rural Metro and possible impacts Cave Creek's decision may have on Carefree's level of service. At the present time, Carefree has a mutual aid agreement with Scottsdale which permits Scottsdale to respond when called upon. However, Automatic Aid would provide a more seamless and quicker response as the closest equipment is automatically dispatched to the site of an incident and thus saving time and possibly lives. Therefore, Carefree needs to further explore these evolving circumstances to possibly adjust its level of services. Obviously, any changes to level of services must be reconciled with associated expenses and supporting revenue streams. All of these considerations must be flushed out with the community to cultivate an understanding of these evolving issues and the options the community must consider.

Water resources has been and will continue to be a critical topic for Carefree and all communities in the Desert Southwest as the ongoing drought continues. In order to preserve and protect the water resources for all Carefree residents, business and property owners, the Town began the process to incorporate and integrate the Carefree residents reliant upon the Cave Creek water system a few years ago. In January 2021, this contractual acquisition process concluded with the Town of Cave Creek. The next phase of this acquisition will include a series of construction projects which will disconnect these accounts from the Cave Creek distribution system and integrate them into the Carefree Water Company distribution system. The integration of these additional accounts into the Carefree Water

Company system will create an additional economy of scale and thus reduce customer costs for future capital investments to the system, provide for sufficient CAP surface water rights to serve these additional customers, ensure representation over all water resources for all Carefree residents and enhance fire suppressant infrastructure within the community.

Looking to the future, even if the level of core municipal services remain constant, the inflationary indexes point to the need to increase revenue streams for the Town to offset the anticipated inflationary increases. Over a ten year planning horizon, if a compounded 3% inflationary index is applied to general operations of the Town, an additional \$1.8 MM will be needed per year within 10 years to fund existing core municipal services. This does not take into account any changes to those core municipal services which may further add to this figure. Given the community desire to fund municipal operations through the generation of municipal sales tax, the Town must evaluate and implement a program to diversify and enhance the generation of municipal sales tax. Over the past year, the Town has begun the transition from producing events to attract consumers into Carefree to more strategic economic development initiatives. This change in strategy includes the hiring of the Town's first Economic Development Director. During the current pandemic, the focus was to assist existing businesses obtain funding and tools to mitigate the financial hardships caused by the pandemic. Looking towards the future, an economic development work plan was reviewed and approved by the Town Council. In addition, an Economic Development Technical Advisory Panel (EDTAP) was created to provide additional technical assistance. The EDTAP is made up of professionals immersed in the commercial real estate business and will help provide supporting data to guide how to diversify and enhance the Town's tax base. The revenue target for these Economic Development initiatives will be to generate an additional \$3.0-\$3.5 MM of revenue per year within approximately ten years.

In support of these economic goals, Carefree must make a concerted effort to work on both economic development and community development initiatives together. They are interdependent and reinforce each other's importance in the fiscal, environmental, and social sustainability of Carefree. While Economic Development creates wealth for the Town to operate and meet its fiscal challenges, community development invests in making the community a better place to live and strives to maintain its quality of life. The COVID-19 pandemic caused a major disruption in the local economy; however, Carefree saw the commencement of three key development projects: the construction of the Hampton Inn, the construction of The View Carefree, and the approval of infrastructure permits for the Carefree Quarter. Each development is an important future economic driver: 1. The Hampton Inn will supplement the Town's revenues through a transient lodging tax or "bed tax" and support local tourism; 2. The View Carefree will bring a small but critical mass of people to Town Center; and 3. The subsequent development of the Carefree Quarter will capitalize on commercial opportunities at one of the Town's prime revenue-generating intersections. And, as Carefree continues to grow, maintaining it as a "distinctive, premier upper Sonoran community" will require careful attention to its development policies and regulating documents. The Town will soon embark on updating its most important policy plan, the General Plan, as required by State law. This plan defines the vision for growth in Carefree and is considered the Town's "blueprint" for future development. This update will establish the framework for creating new zoning standards, reinvesting in Town infrastructure, protecting open space, and enforcing Town values that support Carefree's "high quality lifestyle."

Communications is a critical link to inform citizens on evolving circumstances internal and external to the Town. In today's world, there are many different platforms to communicate. This includes but is not limited to digital newsletters, Facebook, Instagram, Twitter, blogs, YouTube and websites. The Town hired a Communication Manager to implement a plan to use these platforms to engage citizens, businesses and visitors to Carefree. Because each of these audiences have specific needs, the message and communications platform need to be tailored to the respective audience. The Communication Manager will focus upon engaging these audiences by using the appropriate platforms.

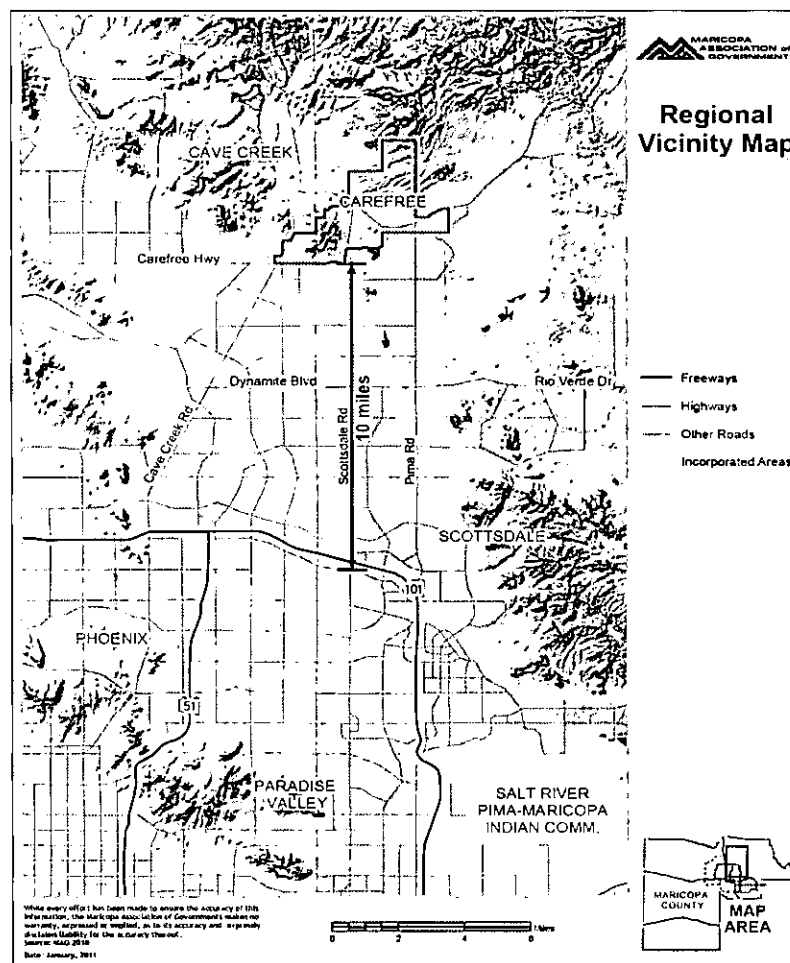
Finally, as the community's infrastructure matures, the Town must continue to explore how to best maintain and/or replace its capital assets as their useful life is exhausted. The Town's streets are one of its largest assets as well as liabilities. With over a 110 lane miles of streets, the Town has and continues to invest in minimizing the deterioration of the aging asphalt. Over the next couple of years, the Town must revisit its 10 year pavement management plan to reassess pavement distress attributed to natural oxidation of the pavement. Additionally, external governmental compliance issues such as MS4 permitting requirements, dust control compliance requirements, OSHA requirements and safety training of Public Works personnel necessitate the hiring of a full time Town Engineer to more effectively manage these tasks. Prior to the great recession the Town had a full time Town Engineer to help manage these capital projects and governmental compliance requirements. Due to growing demands and need to create and manage a comprehensive Capital Improvement Plan to better manage its aging assets, the Town will be hiring a full time Town Engineer to oversee and manage the Public Works Department and provide a comprehensive program to repair and/or replace its assets over time.

In summary, the Town has an eye towards the future. The Town is positioning itself to maintain its high quality of life while providing for a sustainable tax base to offset the forecasted escalating costs of providing core municipal services while effectively and strategically managing its assets. The Town continues to seek and improve communication channels to engage its citizens, businesses and property owners to participate and help guide the future direction of the Town. This budget is a stepping stone to help achieve these objectives and maintain the Town's financial solvency. The budget outlines the Town's financial policies and objectives, details the Town revenue streams, and delineates the Town's organizational structure, responsibilities and work products of each department and the associated costs. As this is the first year preparing the Town's program based budget, additional information will be added each year to further refine and clarify how the public's money is invested within the community.

COMMUNITY PROFILE

The Town of Carefree is located in the northeastern quadrant of the Phoenix metropolitan area, approximately 10 miles north of Loop 101 and 10 miles east of Interstate-17. Situated around picturesque Black Mountain and the foothills of Continental Mountain, Carefree is approximately 9 square miles in size and is one of four separate municipalities (Carefree, Cave Creek and northern fringes of Scottsdale and Phoenix) that combine to form a geographic region known as the Desert Foothills community. Generally land locked, Carefree is positioned between the communities of Cave Creek to the west, Scottsdale to the south and east, and a small pocket of unincorporated mountainous terrain to the north. The Town also serves as the gateway to Bartlett and Horseshoe Lakes, which are located along the Verde River approximately 10 miles east of the town limits.

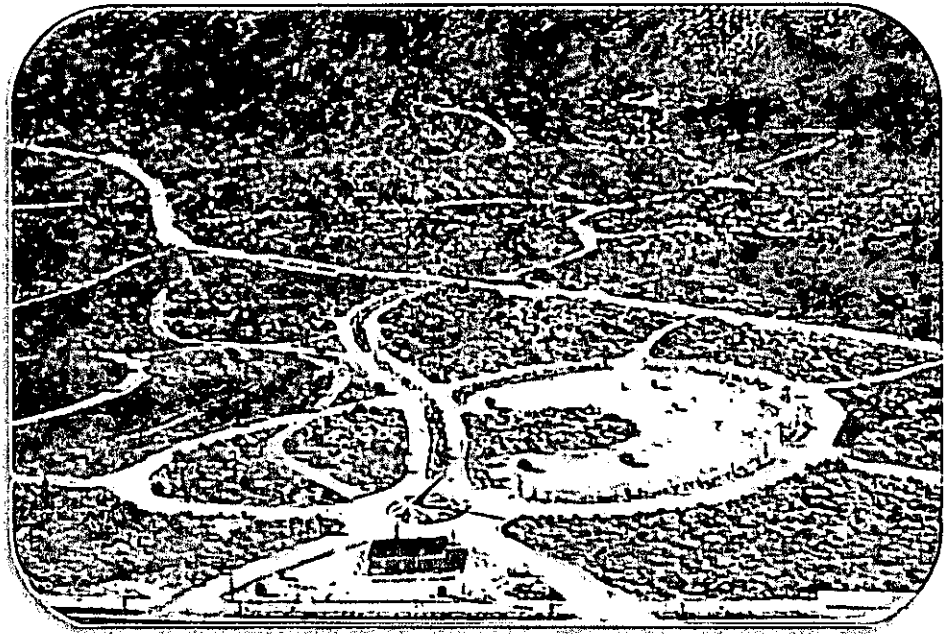
FIGURE 1: REGIONAL VICINITY MAP:



COMMUNITY PROFILE

Historical Context

Early recorded history indicates that in the 1870's, a military outpost was created in the Desert Foothills area for government troops fighting the Apache Wars. These military campaigns secured the area for the settlement of ranchers and miners. Over time, as a result of insufficient gold claims and overgrazing of the arid desert lands, both ranching and mining faded as sustainable economic drivers. However, in the 1930's as the dams along the Verde River were built, the construction workers began to settle in the general area and supporting businesses and restaurants were introduced.

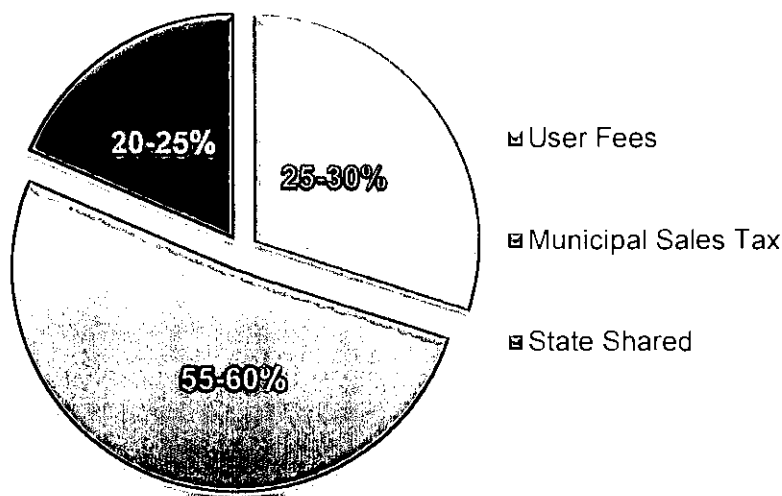


By the mid 1950's two investors, Tom Darlington and K.T. Palmer purchased an aging goat ranch near an area now known as the Carefree central business district, the Town Center. These two partners envisioned the creation of a unique high desert community with a private airport, golf course, resorts and mixed use business district. The name Carefree came from the "Carefree Development Corporation" which platted many of the original residential subdivisions and assigned many of the community's whimsical street names such as Tranquil Trail, Easy Street, Nonchalant Drive and Ho Hum Drive. The first official home was built and sold in 1959 and over time, the development partners successfully attracted many retiring executives as well as notable celebrities such as Paul Harvey and Hugh Downs.

Carefree incorporated in 1984 and soon experienced its highest growth rate from 1990 to 2000 when approximately 1,300 new residents settled within the community. Over the next two decades the growth rate slowed from approximately 8% annually to approximately 1.5% annually. This slowing of growth can be attributed to Carefree approaching build out with the majority of the community consisting of platted residential subdivisions with a handful of remaining undeveloped lots. As a result, today there is a transition occurring within the community from new home development to remodels and rebuilds of the aging housing stock.

The 2015 mid Census estimate places Carefree's population at approximately 3,800 residents. In addition to these permanent residents, it is estimated by the Census that there are approximately 1,600 seasonal residents that reside within the community typically between November and April. Between 2000-2015, the seasonal resident compounded growth rate outpaced the permanent resident compounded growth rate by a 3 to 1 ratio (Census 2015). From a cost recovery perspective, even though these seasonal residents are only within the community a portion of the year, the infrastructure required to continue to service their residences are fixed costs. In addition, approximately one quarter of the Town's annual revenue stream, Stated Shared Revenue is based upon permanent residency (excludes seasonal residents). Therefore, from a municipal financial perspective, the seasonal residents provide the same costs to serve the infrastructure but bring fewer dollars into the community to support such services.

Chart 1: Sources of Town Revenue



From a land use perspective, outside of these platted residential neighborhoods, there remains a few undeveloped properties on the fringes of the community. Due to the location of these undeveloped properties which are positioned adjacent to intersections/streets that experience high volumes of traffic, there is an opportunity to develop these properties with uses that will generate needed sales tax revenues to

continue to pay for core municipal services. Due to the fact that the Town's financial model is reliant (between 55%-60%) on the generation of municipal sales tax to pay for municipal services, it is in the financial interest of the Town residents to optimize the land uses on these few remaining undeveloped properties to seek appropriate uses which contribute to the Town's tax base.

COMMUNITY PROFILE

Seeking Financial Sustainability

Looking towards the future, inflationary impacts on contractual services, labor and supplies will be influenced by external national policy. Due to these external influences on inflationary indexes we should conservatively project an annual compounded increase of 3% on all internal level of services and expenses. Within ten years, this compounded increase on a \$6,000,000 operating budget will yield the need of an additional \$1,800,000 in annual operational expenses.

In addition, as Carefree reaches build out during this same time period, the funds collected from new homes through construction sales tax will decline. In the past, construction sales tax from new home construction generally varied between \$400,000 to \$1,000,000. Furthermore, the Town's proportional share of state shared revenues will be declining in the future. State shared revenue makes up approximately 25% of the Town's annual revenue stream. This decline can be attributed to a fixed amount of revenue which proportionally is shared per capita. As nearby community's population increase, the Town's proportional share of this revenue will decrease. Therefore, between the decreasing construction sales tax and declining state shared revenue there could be an annual decrease between these revenue streams of approximately \$500,000 annually. Adding these declining revenue streams in combination with the compounded inflationary index on annual operation costs results in a forecasted need to generate up to an additional \$2,300,000 to fund annual operations within approximately a ten year period.

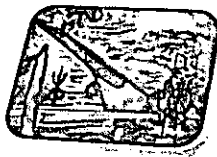
Furthermore, the Town needs to continue to support capital reserves to pay for future street maintenance projects, drainage improvement projects, traffic circulation improvements as well as continuing to replace aging assets approaching their useful life such as vehicle/heavy equipment replacement. Based upon the continued need to reinvest into aging infrastructure and assets the Town should benchmark an additional \$750,000 to \$1,000,000 annually to allocate to its Capital Reserve Fund. It is important to note that, this reference to maintain existing capital assets does not take into account any future changes in level of services that may affect the need to generate additional funding.

In summary, the compounded inflationary increases to operational expenses can increase the Town's operational costs over a ten year period by an additional \$1,800,000. As Carefree, approaches build out, it will lose approximately \$400,000 a year in construction related sales tax from the construction of new homes. Furthermore, the Town's proportional share of state shared revenues could decline by \$50,000 to \$100,000 over the next ten years. In addition, as the Town's assets depreciate over time, an additional \$750,000 to \$1,000,000 annually will be needed to address replacement costs. Collectively, this implies that the Town will need an additional \$3 MM to \$3.5 MM annually in revenues within approximately 10 year period to support future Town operations and capital projects.

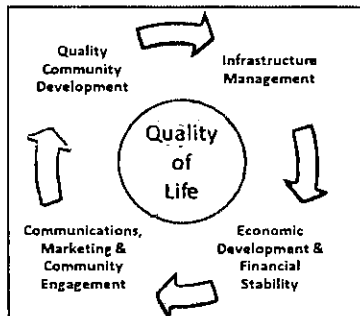
TOWN COUNCIL STRATEGIC WORKPLAN

Throughout the fall 2020, the Town Council conducted a series of workshops to publicly discuss and develop a Work Plan for the next Council term (2 years). These public meetings were held after the conclusion of the recent Council election in August 2020. The timing of these meetings allowed for both incoming and outgoing Councilmembers to collectively discuss and consider a Work Plan for the upcoming Council term 2020-2022. As a result of this collaboration, the Council defined a guiding principle, value statement and core tasks (see below). One component of the core tasks was to create a program based budget as outlined under the Economic Development and Financial Stability pillar. This new budget format will help to better illustrate the initiatives of the Town rather than solely focusing on numbers. This new approach helps to clarify and give definition to the numbers which help define the Town's budget.

TOWN COUNCIL WORK PLAN 2020-2022



CAREFREE
ARIZONA



GUIDING PRINCIPLES:

Carefree is a distinctive, premier upper Sonoran Desert community that seeks to deliver high quality lifestyle, experienced based retail destinations and access to nearby expansive desert preserves and lakes.

VALUE STATEMENT:

Carefree's leadership is committed to providing a safe community with quality infrastructure and services within its limited financial capacity and minimizing tax liability on its residents.

CORE TASKS:

Quality Community Development:	Infrastructure Management:	Economic Development & Financial Stability:	Communications, Marketing and Community Engagement:
<ul style="list-style-type: none"> a. Statutory updates to General Plan b. Update any zoning standards to align with General Plan and or new state laws, community design guidelines & building codes c. Update fee structures, entitlement and permit documents 	<ul style="list-style-type: none"> a. Prepare a work plan including but not limited to: <ul style="list-style-type: none"> i. Update of 10-year street preventative maintenance plan and culvert maintenance plan ii. Identify 5-year capital project improvement plan b. Coordinate, update and/or implement: <ul style="list-style-type: none"> i. MS4 permitting and reports ii. Flood control permitting and reports iii. Hazardous mitigation plan iv. Emergency Operations plan c. Manage Public Works Department: <ul style="list-style-type: none"> i. Coordinate Department's activities ii. Address design/engineering related improvements iii. Coordinate/conduct MS4 & OSHA training iv. Coordinate governmental compliance requirements v. Seek grants and funding for capital projects 	<ul style="list-style-type: none"> a. Create an Economic Development Strategic Work Plan <ul style="list-style-type: none"> i. Identify revenue targets ii. Outline strategic initiatives to reach revenue targets, business retention and attraction plans, primary trade area analysis and outreach programs iii. Cultivate relationships with trade organizations, real estate associations, and local business associations b. Create a program based budget: <ul style="list-style-type: none"> i. Convert line item budget to a policy and program based budget ii. Incorporate discussions on goals, achievements, metrics and deliverables iii. Incorporate financial policies and short and long term financial goals to ensure continual future Town solvency 	<ul style="list-style-type: none"> a. Engage residents, visitors and businesses through visitor center b. Direct the Ambassador program c. Identify all of the amenities the area has to offer and get the word out d. Support business programs like: first Thursday art walks, restaurant week, etc. e. Build and run the Town social media program f. Provide a series of regular communications with residents, visitors and businesses g. Provide a steady stream of articles to local area newspapers to keep Carefree top of mind among residents and those within the primary trade area h. Coordinate the use/activities held within the Town amphitheater

BUDGET INTRODUCTION

This is the first year the Town has re-engineered its budget into a program based budget. In the past, the Town has reviewed the organizational and department's needs based upon a line-item budget process. The benefits of program based budgeting are that specific performance/service levels are defined and the estimated associated costs to produce those outcomes are outlined in the budget. Being the first year of program based budgeting, it will evolve and provide expanded detail as the budget document is further developed over future fiscal years. This new approach will provide citizens a better understanding of how the public money is spent/invested.

The next section of the budget will evolve from a high level discussion and explanation of Town specific financial policies to fund base accounting and a more detailed outline of each of the Town's Departments, associated services, accomplishments, and expenses. This outline provides a holistic background to the organizational and financial structure of the organization to the contributions of each of the organizational parts. This will permit a better understanding of how the public's money is invested and how it serves the interest of the Carefree community.

This next section is broken down into a discussion of the following subsets:

- Fund Base Accounting – an explanation of the various Town Funds.
- Financial Policies – a high level explanation of the Town's financial policies to ensure transparency and solvency.
- Town Operational Revenues – an outline of where the Town's revenues come from which support the current levels of core municipal services.
- Town Structure – an explanation of the Town's organizational structure.
- General Fund – an explanation of services and costs associated with each Department.
- Alternative Funds – an explanation of additional Town Funds which support the Town's operations.
- Capital Reserves – an explanation of the Town reserves.
- Expenditure Analysis – a summary of the expenditure limitation and exemptions.

BUDGET INTRODUCTION

FUND BASED ACCOUNTING:

The Governmental Standards Board establishes the parameters and acceptable standards for governmental accounting. Annually, Town officials participate in the Government Finance Officers' Association meetings to review ongoing requirements and updates to the standards for financial reporting and budgeting as established by the Governmental Standards Board.

Government accounting is also known as Fund base accounting. The public dollars are placed in separate accounts based upon specific restrictions associated with the revenue stream. The following is an outline of the Town's different Funds.

General Fund:

Typically, the largest municipal Fund, the General Fund support's the community's core municipal services. The revenues supporting this Fund come from combined sources of municipal sales taxes, state shared revenue, utilities fees, permit and license fees, grants as well as other fees for services provided by the Town.

Fire Fund:

The Town's municipal sales tax for retail products in Carefree is 3%. Of that 3%, one third of the revenue is placed in the Fire Fund to cover the costs associated with the master contract for Rural Metro. The remaining two thirds of this revenue is deposited in the Town's General Fund. There remains a structural deficit in this Fire Fund as the 1% does not cover the entire costs of the current master contract with Rural Metro. Therefore, the remaining liability is debited against the revenue within the Town's General Fund. As the annual compounded inflationary index on the master contract increases, this structural deficit will continue to grow. However, if the Town can enhance and diversify its tax base through economic development initiatives, the structural deficit could decrease or perhaps even be offset. It is also important to note that this does not take into account any increases to a future master contract with Rural Metro as the current contract expires in July 2022. Additionally, if the level of service such as the addition of Automatic Aid is including in a future contract for emergency services, there will be a significant increase in annual expenses which will create an even larger imbalance or structural deficit to the current funding mechanism.

Highway User Revenue Fund:

The State of Arizona places a flat tax of .18 cents per gallon of gasoline. This tax is then proportioned to the State, Counties, Cities and Towns. The Town receives its proportional share based upon its population relative to those cities and towns within Maricopa County. As the communities with the County grow, Carefree's proportional share will decrease. It is important to note that these funds are restricted and can only be used for street and transportation related purposes such as pavement management, street signs, traffic management and street sweeping.

BUDGET INTRODUCTION

Municipal Court Funds:

Those whom are found guilty of a violation in municipal court are assessed a series of fees and fines. A significant portion of the fees and fines help to offset the expense in administering the state and county court system; however, a proportional share also goes to the municipal court to help defray the administrative costs. These fees include, Court Enhancement, GAP and MJCEF funds. Due to the restrictive nature of these funds the Administrative Office of the Court reviews how funds are specifically applied to court operations. These court restricted funds cannot be used outside of the court to fund municipal operations.

Capital Improvement Funds:

The infrastructure within the Town is mostly built out but over time there maybe considerations by future decision makers to add a level of service or build some additional infrastructure such as for example, bridging a wash crossing or developing a dog park. These improvements are considered Capital Improvements. A Capital Improvement Plan is typically prepared to evaluate, prioritize, budget for and fund these Improvements. Since Carefree's infrastructure is mostly built out this has not been accomplished in the recent past. However, as the useful life of Capital Improvements is exhausted the community needs to begin to consider and plan for the replacement of these Improvements such as street surfaces. It is important to note that the useful life of Capital Improvements can sometimes be extended through incorporation of best maintenance practices. However, eventually, all Capital Improvements must be replaced. This Fund has been used to fund maintenance of existing improvements and plan for and add to existing amenities, facilities and infrastructure.

Water Company Fund:

The Town has assisted the Carefree Water Company improve and expand its infrastructure to serve Carefree residents. This assistance has taken form in a Water Infrastructure Finance Authority (WIFA) loan and a capital aid and advance loan. Both of these loans and the associated payments from the water company fall under this Fund.

Other Funds:

Many communities have other designated Funds in addition the Funds listed above, this includes but is not limited to Enterprise Funds which establish a separate business accounts for the operation of utilities, Development Fee Funds in which fees are collected from new developments which require extension of infrastructure and capacity, and Debt Service Funds which are fees collected through the administration of a property tax. The Town does not assess these fees and thus, these accounts are currently not relevant to the Town's current budget.

BUDGET INTRODUCTION

GUIDING FINANCIAL POLICIES:

Historically, the Town has been managed in a fiscally conservative manner to ensure that the Town maintains a secure financial foundation. In order to consistently ensure that this foundation is maintained, the Town has implemented financial policies. Over time, these policies need to be adapted to ensure the Town remains solvent. There are four attributes to the Town's financial solvency: *cash solvency* – the ability to pay bills, *budget solvency* – the ability to balance the budget, *long range solvency* – the ability to pay future costs, and *service solvency* - the ability to provide needed and desired level of services. These four attributes of the Town's solvency need to be reviewed and reconciled annually to ensure the Town can balance sometimes competing needs.

Expenditure Control Policy:

The Town Administration prepares and oversees the implementation and compliance with the legally adopted budget. Purchases and expenditures must comply with all applicable legal requirements. On an annual basis, the Town Council adopts appropriations through the budget process. During the course of the fiscal year management approves all costs up to \$15,000. Those investments over the \$15,000 threshold require Council authorization. The Town uses a number of cooperative purchase agreements and state contracts to ensure expenses are publicly procured. Those non-unique minor expenses that are not associated with such agreements or contracts will typically necessitate the Town seeking multiple quotes to ensure the most competitive price for the given product/service. For those larger capital improvements the Town either pursues an RFP/RFQ process or seeks piggyback provisions in like contracts with other larger governmental entities to share the contract's economy of scale.

On a weekly basis the Town Administration reviews invoices and bills paid. Additionally, the Town Clerk and Mayor further validate by reviewing and signing the checks. This permits additional scrutiny of all accounts payable. On a monthly basis, the Mayor and Town Administrator review the balances of all funds and investments. Additionally, the Town's balance sheet and check registry are presented monthly to the Council to review and accept into the public record. These checks and balances ensure a verifiable and transparent process associated with the disbursement of the public's monies.

Revenues and Collections Policy:

In order for the Town to provide and maintain core municipal services the citizens expect, the Town must have dependable sources of revenue. Therefore, these revenues must be collected in an equitable, timely and efficient manner. The Arizona Department of Revenue (ADOR) provides the collection services for all municipal sales taxes. These tax payments by law are considered confidential and cannot be disclosed for specific businesses. As the agency which collects all revenues, ADOR administers audits and assesses late penalties, outstanding taxes owed and correlated interest payments.

BUDGET INTRODUCTION

User Fees Policy:

Typical of most communities, the Town has established fee schedules for specific services provided to customers/residents/businesses that receive a specific benefit. User Fees are typically establish to help offset as much as possible both the direct and indirect costs of the program or service. Periodically, the Town will update these fee schedules to address escalation of cost of services and inflationary indices. An example of some of these fees are permits, licenses and special event fees.

Capital Reserves Policy:

The Town has expanded its Capital Reserve Funds over time by minimizing its annual operation costs to help fund a “pay-as-you-go” approach for Capital Improvements. However, as these annual operation costs increase and additional federal and state governmental regulations create additional organizational expenses, the previous levels of operational savings and transfers to Capital Reserves will be reduced. Additionally, the Town has benefited in the past from construction sales tax generated from the development of new homes. As the community nears build-out the sales taxes generated from these new homes will also significantly decrease and thus also contribute to a reduction of funding transferred into the Capital Reserves. Therefore, if the Town cannot diversify its tax base through economic development initiatives to fund its future Capital Reserves the Town will have to look at new policies to fund Capital Improvements with a useful lifecycle of 8 or more years.

Rainy Day Fund Policy:

Due to the fact that the Town is heavily reliant on the elasticity of one revenue stream, municipal sales tax, the Town has maintained approximately 40-50% of its annual operations in a Rainy Day Fund. This Fund balance is to ensure that the Town can maintain the solvency of municipal services for at least a six month period of time. It is important to note, that during significant economic contractions resulting from the Great Recession and the COVID-19 pandemic shut downs, the Town did not access these funds but instead reduced its operational expenses. This may point to the future consideration to re-evaluate the required levels of this Rainy Day Fund and instead, make some of this money available to fund future Capital Improvements.

Financing Alternatives Policy:

The Town has used pay-as-you-go philosophy to fund Capital Improvements. However, short term financing was used to secure the purchase of buildings within the Town Center for Town Offices and Council Chambers. These loans have been paid off. Given the Town’s Permanent Base Adjusted Expenditure Limit of approximately \$11.4MM, the increase in annual operational costs will limit future annual expenditures for Capital Improvement Projects. Therefore, large Capital Projects that have a life-cycle beyond 8 years may need to be financed to comply with the statutory expenditures limits. For example, if the community desires to place new asphalt on all public streets, such investment could be in the range of \$35MM to \$40MM. If financed, the Town would spread this costs over perhaps a twenty (20) year time period. There is a benefit to spreading these costs out as this multigenerational approach

BUDGET INTRODUCTION

spreads the financial liability of these infrastructure investments over time. As a result, the current generation enjoys the benefit of the new/replaced infrastructure investment while future generations share in the financial liability of this investment which they also benefit from. These projects could be financed through different methods such as revenue bonds, general obligation bonds, improvement districts or community facility districts. It is important to note that any type of bond that assesses one's real estate will be required to be approved by the electorate. The community's leadership has been adverse to this approach as the pay-as-you-go model has served the community well; however, based upon the looming limitations on the Town's expenditures limits it may not be possible to continue this practice if, in the future, the community desires to address larger more costly capital improvements.

Budgetary Basis of Accounting:

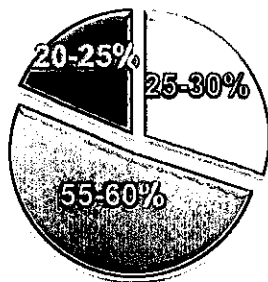
The Town Council follows these procedures in establishing the budgetary data reflected in the financial statements.

1. In accordance with Arizona Revised Statutes, the Town Administrator submits a proposed budget for the fiscal year commencing the following July 1 to the Town Council. The operating budget includes proposed expenditures and the means of financing them for the upcoming fiscal year.
2. Public hearings are conducted to obtain citizens comments.
3. The Town budget is legally enacted through passage of a resolution. It has been the Town's practice that this resolution is typically adopted prior to the beginning of the fiscal year on July 1st; however, state statute permits up to the 3rd Monday of August.
4. To ensure compliance with the expenditure limitation, a uniform expenditure report is filed with the State each year. The Town follows a voter-approved permanent base adjustment to the expenditure limit approved on November 3, 1998.
5. The Town Administrator, subject to the Town Council approval, may at any time transfer any unencumbered appropriation balance between department or activity.

TOWN OPERATIONAL REVENUES

OVERALL OPERATIONAL REVENUES:

**Specific Sources of Town's Revenue
(10-Year Averages)**



- ▣ User Fees
- ▣ Municipal Sales Tax
- ▣ State Shared

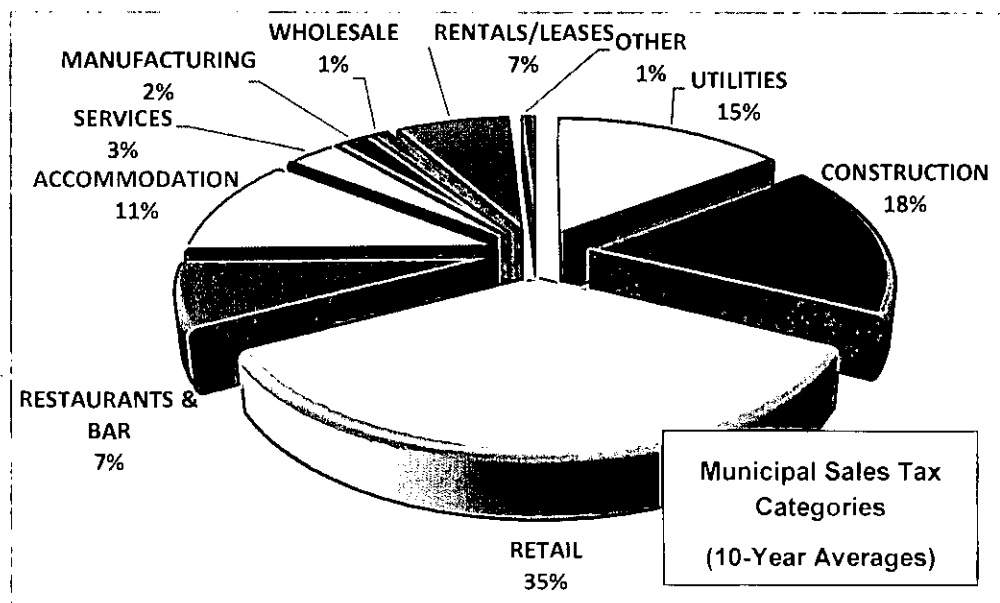
Based upon the financial framework outlined in the previous pages, now let's take a more granular focus on the Town's sources of revenue and then outline the programs and services these monies are invested in.

Municipal revenues typically originate from three primary sources, local fees, state shared revenue and municipal property tax. Carefree does not assess a municipal property tax; therefore, the two primary sources of revenue that support the core

community services are local fees and state shared revenue. Local fees can be broken down further to fees users pay for services, (for example building permits and license fees) and a local municipal sales tax. As illustrated in the above graph, up to 60% of the Town's annual revenue source is derived from its local municipal sales tax of 3%. Both the user fees and state shared revenue make up the remaining balance and each can annually vary between 20% and 30%.

Municipal Sales Tax Forecast:

Due to the fact that the Town's financial model is highly reliant on an elastic revenue stream in Municipal Sales Tax, it is important to understand the local contributors and their trends to help cultivate an informed forecast. Over the last ten years, a time period nestled between the Great recession and the COVID pandemic, the local economy expanded.



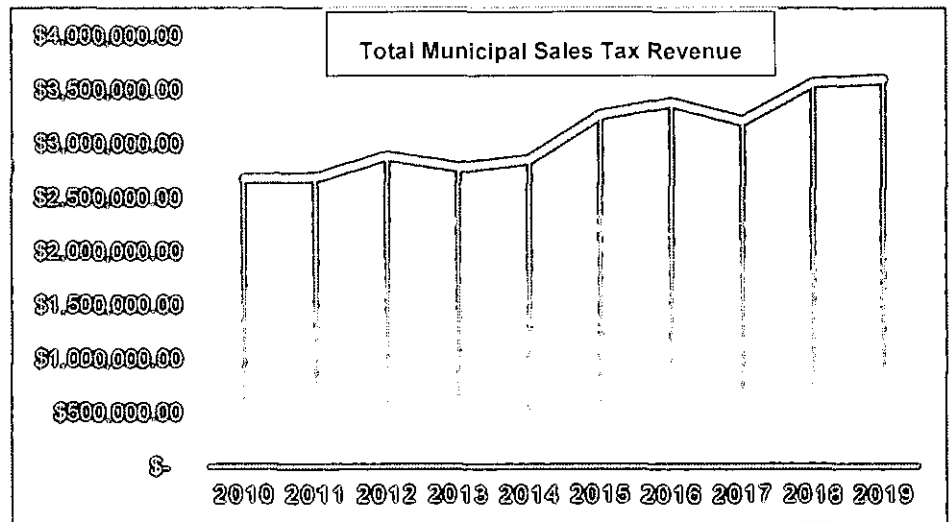
**Municipal Sales Tax
Categories
(10-Year Averages)**

This is reflected in generated sales taxes from a low of \$2.6 million, post-

TOWN'S OPERATIONAL REVENUES

recession years to a more recent high pre COVID of approximately \$3.6 million. Over this ten year time period, on average, approximately 1/3 of the Town's Municipal Sales tax were generated by retail businesses. The balance of this retail business can be attributed to the larger big box retailers that anchor the local economy and attract a broader consumer base. Construction also continues to be a large contributor; however, as

the Town reaches build out there will be a shift from the construction revenue generated from new homes to more significant rebuild/home renovation projects. With the addition of the Hampton Inn within the Town Center, the continued growth in CIVANA's business and possibility of additional complementing resort(s) the accommodations category provides the greatest opportunity to enhance the



Town's economic base. Furthermore, accommodations in economic development terms are considered economic generators. In other words, the synergy created by these hotels will help to improve and expand the business for the restaurants and bars and create additional beneficial exposure to nearby retail. Therefore, with this expansion in accommodations category over time there should be a correlated expansion within both the restaurant as well as retail categories which hopefully will help to mitigate future declines within the construction category. The other categories that contribute to the municipal tax base will not vacillate much.

Given these trends in addition to the economic development strategic initiatives undertaken with the adoption of an Economic Development Strategic Plan, the Town is forecasted to see increased revenue from its base industries of retail, restaurants & bars and accommodations. The recent progress being made in COVID vaccinations and the pent up desire to travel will also provide for significant opportunities for these base industries to capitalize.

The confluence of these trends has led us to continue to project positive sales tax growth. With the addition of the a new hotel, continued growth in the restaurant and retail sectors the sales taxes collected during the current fiscal year of approximately \$3.6 million are forecasted to moderately increase to approximately \$3.7 million.

TOWN'S OPERATIONAL REVENUES

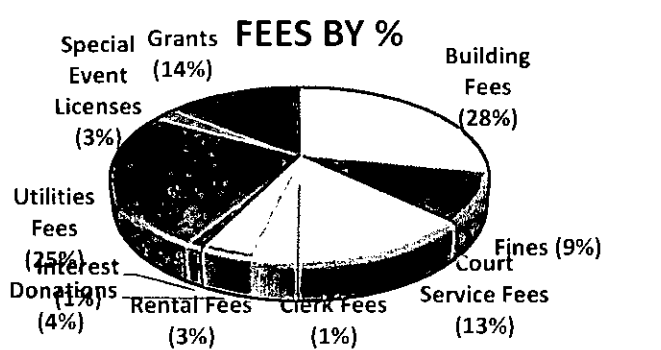
User Fees:

As described earlier, User Fees are essentially fees the Town charges to recover costs for providing services, these include but are not limited to license fees, building fees, planning and zoning fees, court fees, facilities fees and rental fees. The largest of the user fees is associated with the building permit and inspection process and is due to the healthy construction environment we continue to see throughout Town. Currently, there are 23 custom homes under construction and 5 additional new residences under permit review. Due to low interest rates and the hyperactivity in the housing market, we will continue to see consistent revenues in the form of building fees. The next highest category is associated with utility fees paid by respective utilities to use and perform work within the Town's rights-of-way. The Court service fee is paid to the Town of Carefree by the Tow of Cave Creek to manage and assume operational costs of the court. This contract between communities provides for a shared economy of scale to efficiently and effectively provide quality judicial services to both Towns at the lowest possible costs.

Table ##: Source and Amount of User Fees anticipated for FY22.

Source of Fee	Amount
Building Fees	\$400,000.00
Fines	\$130,000.00
Court Service Fees	\$178,100.00
Clerk Fees	\$1,200.00
Rental Income	\$49,000.00
Donations	\$51,000.00
Interest	\$20,000.00
Utilities Fees	\$350,000.00
Special Event Licenses	\$40,000.00
Grants	\$200,000.00
TOTAL	\$1,419,300.00

Chart ##: User Fees by Percentage of Total for FY22.



TOWN'S OPERATIONAL REVENUES

State Shared Revenue:

The State shares four revenues streams with the Town:

1. State Sales Tax,
2. State Income Tax,
3. Highway User Revenues (HURF), and
4. Vehicle License Tax (VLT).

State Sales Tax:

The State assessed sales tax is 5.6%. Cities and Towns share in a portion of the total collected. A municipality receives its share of the state sales tax based on the relation of its population to the total population of all incorporated cities and towns in the state according to the decennial census. These monies may be use for any municipal public purpose.

State income Tax:

In 1972, a citizen's initiative provided that cities and towns received a 15% share of the state income tax annually. This source of money is called urban revenue sharing. This money is distributed to a municipality based on its population in relation to the total population of all incorporated cities and towns according the decennial census. The annual amount of urban revenue sharing money is based upon income tax collections from two years prior to the fiscal year in which the city or town receives these funds. There is no restriction on the expenditure of urban revenue sharing funds, except that they must be expended for a municipal public purpose.

Highway User Revenues:

This revenue source is commonly referred to as the gasoline tax which is a flat tax of 18 cents per gallon of fuel. Municipalities receive 27.5% of the HURF. One half of the monies received by municipalities is based upon a formula of the municipality's population in relation to the population of all cities and towns in the state according to the decennial census. The remaining half is allocated upon the count of origin of the gasoline sales and the municipality's population relative to the population of all incorporated cities and towns in the respective county. These funds can only be used for improvements to streets.

Vehicle License Tax:

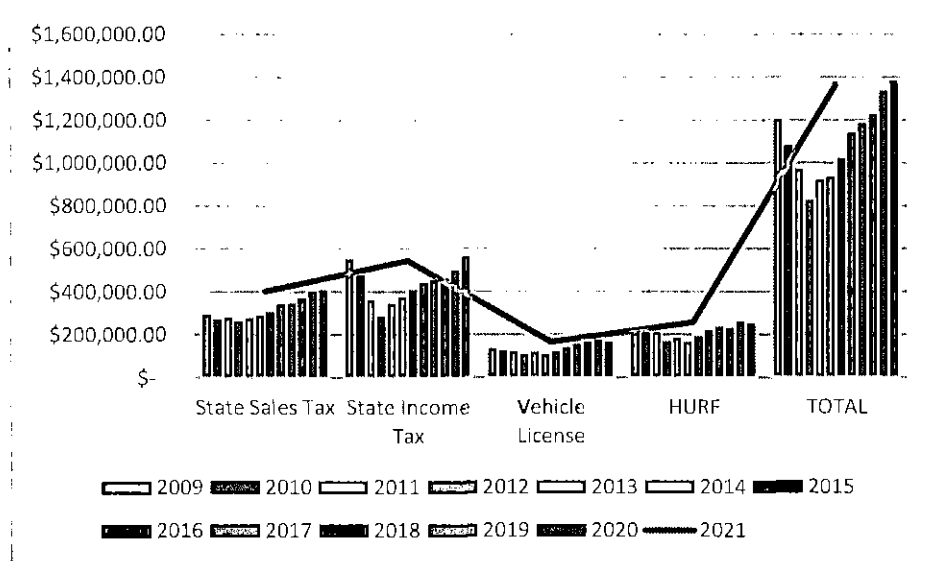
Approximately 20% of the revenues collected for the licensing of motor vehicles are distributed to incorporated municipalities. These funds are distributed on the population of the municipality based upon the total population of the county the municipality is located within.

The below chart outlines the trends of these four state revenue sources over the past 12 years. The line on the chart is the anticipated state shared revenue per each revenue source and total shared revenue. This depicts that the Town will receive approximately \$1.416MM in state share revenue over the next fiscal year.

Table ##: Amounts of State Shared Revenue per Category.

SOURCE	ACTUAL FY20	ANTICIPATED FY21	FORECASTED FY22
State Sales Tax	400,795	407,000	461,000
State Income Tax	501,223	561,223	512,000
Vehicle License Tax	164,941	164,500	182,000
HURF	451,158	250,000	261,000
TOTAL	1,518,117	1,382,723	1,416,000

Chart ##: The Town's proportion of State shared revenues.



TOWN'S OPERATIONAL REVENUES

SUMMARY:

Chart ##: Percentage of Town Revenue Sources

In summary, the Town is forecasting to receive a total of \$6,534,000 in revenue over the next fiscal year. It is important to note that this figure does not include an anticipated \$468,500 of revenue from the recently approved federal stimulus package. These additional stimulus funds will be used to help offset capital projects anticipated for this fiscal year.

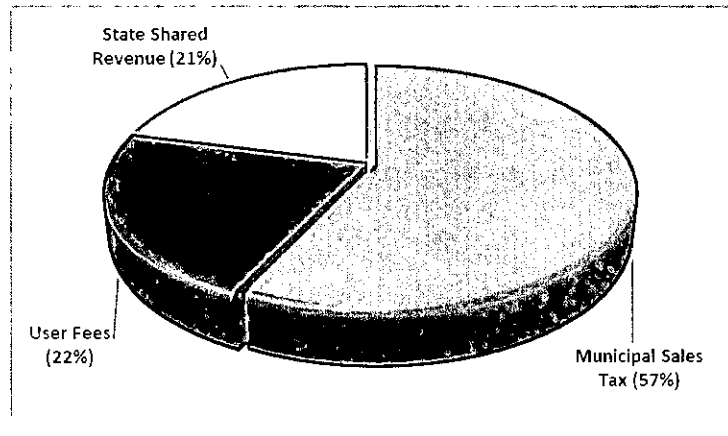


Table ##: Total Forecasted Amount Per Town Revenue Sources.

Municipal Sales Tax	\$3,700,000
User Fees	\$1,419,000
State Shared Revenue	\$1,364,000
TOTAL	\$6,483,000

REVENUE SOURCE	FORECASTED AMOUNT
Municipal Sales Tax	\$3,700,000
User Fees	\$1,419,000
State Shared Revenue	\$1,416,000
TOTAL	\$6,535,000

TOWN'S OPERATIONAL EXPENSES

OVERALL OPERATIONAL EXPENSES:

The forecasted annual revenues are typically invested into three categories: Human Resources, Public Safety Contracts, and Operations. Of the approximate \$6.5 million in annual revenues, approximately \$5.9 million are forecasted to be invested within these aforementioned categories. More specifically, in rounded numbers this breaks down to \$1.9 million (32%) in Human Resources, \$2.2 million (38%) in public safety, and \$1.8 million (30%) in general operation costs. The remaining funds are to be invested within anticipated Capital Improvement Projects including but not limited to streets, drainage, town center improvements and crosswalk improvements.

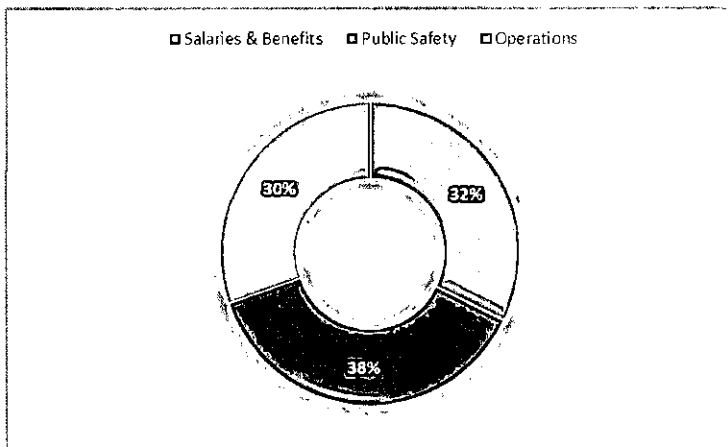


Chart ##: Proportional share of operating budget per category.

Human Resources/Salaries & Benefits:

Carefree has a very nimble municipal organization with a total of seventeen (17) full time employment positions (FTEs). By way of comparison, the Town contracts health benefits through the Rural Arizona Group Health Trust (RAGHT). This Trust represents dozens of small rural communities throughout the state of Arizona. From a staffing

perspective, Carefree was and remains the smallest staffed municipality within this "rural" community Health Trust. Furthermore, from a local market perspective, when compared to neighboring Cave Creek, Carefree has less than 50% of the Cave Creek administrative staffing levels. The biggest contributors to the increase in the organization salaries and benefits is mainly attributed to the hiring of a Communications Manager, Economic Development Director and Town Engineer. In addition, health benefits are increasing by approximately 9% and a COLA of 1.5% and merit increases of 2.5% are being proposed.

Public Safety remains a significant invest at 38% of the Town's operating budget which includes both the Rural Metro master contract as well as a separate contract with Maricopa County Sherriff Office for patrol services.

The final category is operations which includes but is not limited to materials, supplies, facilities management, equipment leasing, vehicle purchases, utilities, professional consulting contracts, organizational fees/permits/subscriptions as well as office supplies.

A more detailed breakdown of these expenses per Department as well as Division will be outlined in the next section.

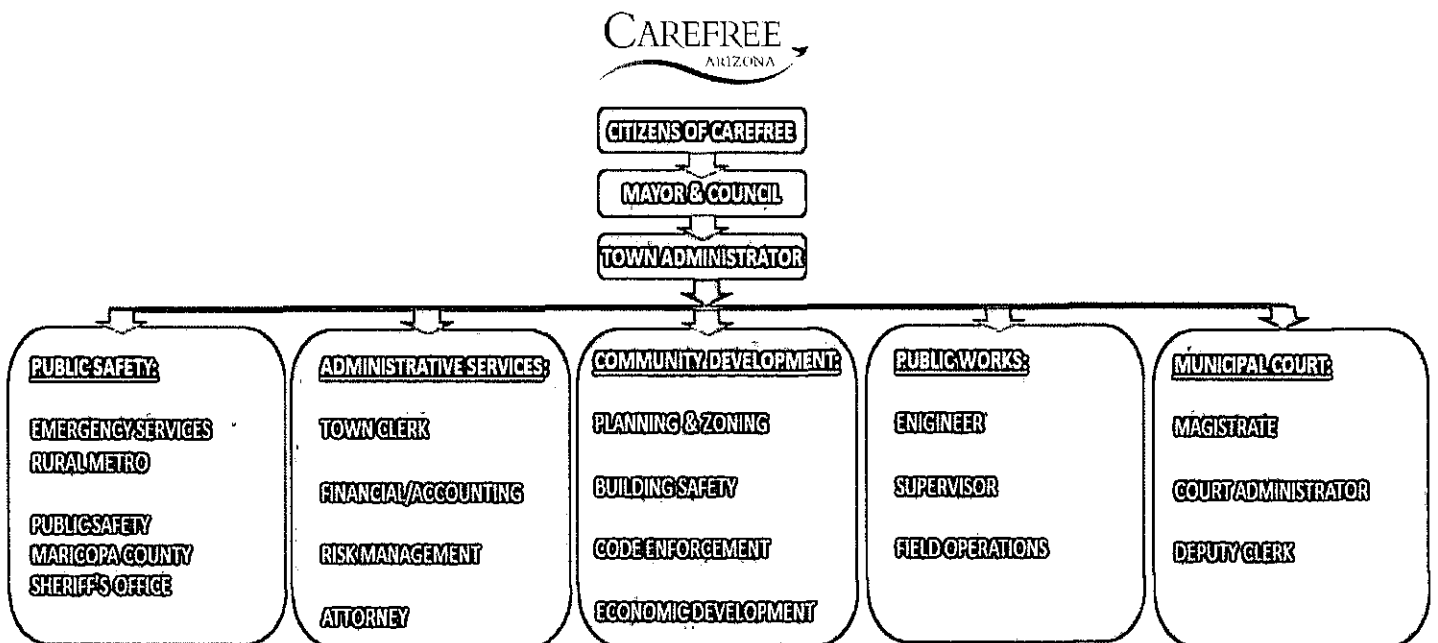
TOWN ORGANIZATIONAL STRUCTURE

It is important to note that unlike many elected offices, the Town of Carefree Mayor, Vice Mayor and Councilmembers are all nonpaid positions. In this volunteer capacity the Mayor and Council are elected at large and serve two year terms.

The Town of Carefree is a statutory community. As a statutory community the Council acts a legislative body that may adopt new laws and policies to govern the community; however, such laws and policies must be consistent with and may not regulate beyond the authority provide by federal, state and county statutes.

The Town is governed under a Town Administrator-Council form of government. In this form of government, the Mayor acts as the Chief Executive Officer and the Town Administrator serves as the Chief Administrator Officer whom oversees the daily operations of the Town’s departments, prepares various regulatory and policy documents as well as the budget for the Council’s consideration. There are five core areas that compose the Town’s municipal services as indicated below, administrative services, public safety, community development, public works and municipal court.

The following graphic depicts the Town’s organizational structure:



TOWN OPERATIONAL EXPENSES

Summary of Expenses per Category:

In the next section of the budget the specific operation costs of each department and respective division is detailed further. However, at a high level, the operations budget can be divided into three components. Human resources/Salaries and Benefits, Operational Expenses and Public Safety Contracts. Based upon these three broad categories, approximately \$1.92 MM (32%) is being invested in human resources; approximately \$2.2 MM (37%) in public safety contracts; and \$1.75 (30%) MM in operational expenses.

Chart ##: Allocation of FY 2021-2022 Operational Funds (\$5.87MM).

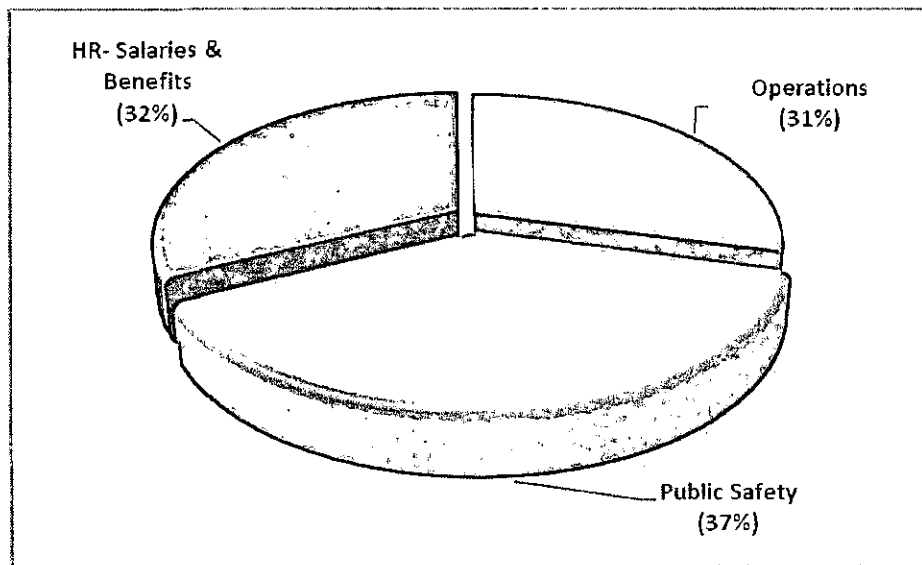


Table ##: Allocation of FY 2021-2022 Operation Funds

CATEGORY	EXPENSE
Public Safety	\$2,200,000.00
HR- Salaries & Benefits	\$1,925,000.00
Operations	\$1,750,000.00
TOTAL	\$5,875,000.00

DEPARTMENTAL BUDGETS

Town Council:

The Town Council is charged with sustaining the public trust through transparent, responsive governing while acting as stewards of the public treasury. The Mayor and Council conduct regular Council meetings typically the first Tuesday of each month to review issues related to Town operations.

The corporate authority of the Town Council are authorized by law through the adoption of Ordinances, Resolutions, or Proclamations. It is important to note that such authority to create regulations and policies must fall within the expressed authorities of Arizona Revised Statute. The Town may not adopt regulations or policies that restrict beyond these boundaries established by the state. From time to time, as state laws are refined, the Town must make adjustments to ensure local regulations and policies are in compliance. Therefore, over time, the Town Code and associated ordinances and resolutions/policies are modified to address evolving state requirements.

The Town Council also appropriates funds and provides policy direction to the Town Administrator. The Town Council appoints the Town Administrator, the Municipal Court Magistrate, the Town Attorney and the Town Prosecutor. The Town Administrator oversees the daily operations of each department while the Town Magistrate oversees the operations of the Court. Both The Town Attorney and Prosecutor are contracted to provide legal services to the Town and report directly to the majority of the Town Council. Individually, Councilmembers cannot convey independent direction to the Town Administrator and attorneys; however, a majority of the Council may decide upon and direct the Administrator and/or attorneys to address certain issues or circumstances.

Goals for Fiscal Year 2021-2022:

As expressed earlier in this budget document, the Town Council met this past fall with incoming and outgoing Councilmembers to collectively discuss a work plan for the next two years. Improved communications, diversification of the tax base through strategic economic development initiatives, quality development and reinvestment in the Town's infrastructure were the identified common themes. At a high level these initiatives will include but will not be limited to:

Communications:

- Create and implement a communication program to engage multiple audiences – residents, businesses, future investors.
- Improve the use of digital media to regularly engage these audiences.
- Seek new communication platforms and/or regularly update these platforms to enhance community engagement.

Economic Development:

- Develop and implement a comprehensive economic development strategy to help diversify the Town's sales tax base.

DEPARTMENTAL BUDGETS

- Develop and maintain a more balanced and sustainable financial structure to support core municipal services at desired levels.
- Develop an Economic Development Technical Advisory Panel (EDTAP) to examine and recommend strategies to the Town Council to ensure best practices are implemented as well as ensure the long-term financial sustainability of the Town.
- Promote business retention, expansion and attraction of quality businesses.

Quality Community Development:


- Update Community's General Plan to comply with statutory requirements and evolving community needs.
- Update Community's Zoning Ordinance to align with the General Plan and evolving community needs.
- Update Community Design Guidelines to encourage quality development.
- Update associated Fees schedule to ensure cost recovery for processing, review and inspection services.

Infrastructure:

- Continue to use best practices to maintain and enhance the publicly owned infrastructure.
- Continue to address regulatory compliance requirements and incorporate into future capital projects including but not limited to MS4 General Permit – Small Communities, Flood Control District coordination, Hazardous Mitigation Program, MAG Transportation Improvement Plans, and Preventative Street Maintenance Program.
- Review and enhance future funding to address requirements of aging infrastructure.
- Explore improvements and funding for any changes to service levels to all public safety services – police & fire to address evolving external influences with contracted agencies and nearby municipalities that may influence the Town's current service levels.

Council Budget:

As expressed earlier in this budget document, the Mayor and Council are unpaid/volunteer positions. The expenses that fall within the Mayor and Council are to cover the costs of the office supplies, technology and educational opportunities.

	FY 17/18	FY 18/19	FY 19/20	EST FY 20/21	BUDGET FY 21/22
Council	\$7,923	\$9,389	\$15,497	\$5,499	\$14,375

DEPARTMENTAL BUDGETS

MEET THE MAYOR AND COUNCIL:

Mayor Les Peterson



Les Peterson is a valley native, and earned BA and MA degrees from ASU in 1965 and 1967. His early business career was in promotion and marketing with Procter and Gamble and Pillsbury, followed by 30+ years in management consulting focused upon marketing and long-range business planning. He has worked with over 180 different companies, on over 1000 brands and service areas, in business development and related areas.

Les is a past president of the Boulders Homeowners Association, and a member of the Paradise Valley Community College President's Advisory Board. Les served for fourteen years as one of two outside "judges" in the MBA entrepreneurial studies program at Cornell University. He is a guest lecturer at ASU in marketing in international markets.

Les is a 24 year Carefree resident, and served on the Carefree Planning and Zoning Commission. He was elected to the Carefree Town Council in 2013, and was elected by the Council to become Vice Mayor in June of 2013. He became Mayor in 2015.

The primary areas of focus for Les include economic development and marketing for the Town of Carefree. Les is a fiscal conservative who will help strengthen our community by handling our town's finances responsibly.

Vice Mayor John Crane



John Crane is a 29 year resident of Carefree and has enjoyed actively serving the community in various roles. He was appointed to the Carefree Town Council in 2012 and elected to the Town Council in 2013. John currently serves as Vice Mayor. Previously, John served on the Carefree Subdivision Committee and as the Vice Chairman of the Carefree Planning and Zoning Commission. John is serving his 11th year as president and board member of the Carefree Foothills Homeowners' Association, is a Desert Foothills Land Trust board member and is an Arizona Site Steward monitoring Indian archeological sites in the Cave Creek / Carefree area.

John earned a BS degree in Mathematics from Villanova University in 1978 and a MS degree in Systems Management from the University of Southern California in 1985. After serving seven years as a nuclear submarine officer, he entered the electronics field. For the past 24 years, as a business owner, he has served as a sales representative for Asian, European, and US semiconductor material and equipment suppliers to customers in North America.

John believes local government, as the level of government closest to the people, must be transparent and responsive and must work. While successful economic development is key to the Town's future, a balance must be struck between citizen and commercial interests and fiscal restraint.

DEPARTMENTAL BUDGETS

Councilmember Vince D'Aliesio



What is best for the citizens you are elected to represent ALWAYS supersedes all other objectives.

Vincenzo "Vince" D'Aliesio: born in Waterbury, CT, moved to Phoenix, AZ, July 1972, at 7 months of age. Grew up in Phoenix, was an altar boy, boy scout, high school and college athlete (football), started mowing lawns in the neighborhood at age 10 and has had a job since. Proud AZ native: Graduated from Camelback High, attended SCC and PVCC, graduated from

ASU, a Master's in Education from NAU. Vince and his family moved to Carefree in 2016, vowing to never move again after finding paradise in the Desert Foothills.

Over a 24-year span, worked as a high school and college football coach, credits his late Coaches: Pete Kellen (Camelback High) and Bruce Snyder (ASU), who both preached on the importance of always doing what's right. Greatest influences are his parents: Pasquale and Anna D'Aliesio: "work hard, take care of your family, help others, and know that you did your best today."

Lives in the first house built in Carefree (by Gerry Jones), has worked as an insurance broker, educator, coach, and student, most importantly a husband of 24 years to Cheryl and father of three: Noah, a 17-year-old son and two 14-year-olds, Sophie & Matthew, all three educated in CCUSD schools from kindergarten, and now in high school. The D'Aliesio's also have a rescue Chi-Pin named Snoopy and two desert tortoises: Stanley & Sammy Hagar, in addition to the many beautiful coyotes, javalina, bobcats, mule deer, and other God's creatures that allow Vince and his family to reside on their land.

Hobbies include restoring pottery, announcing and broadcasting high school and college sports for ASU, Ottawa, MCC, Camelback & Campo Verde High Schools, and the Arizona Interscholastic Association, as well as sports radio & tv: co-host of the JV Sports Show. Member of the Arizona American Italian Club and Phoenix Union High School District Sports Hall of Fame Selection Committee, honoring past athletes and coaches, and raising money for scholarships.

Vince currently serves as President of the Board of Directors of the Cave Creek Museum, and is working to expand the museum's footprint throughout all of the Desert Foothills through outreach and appreciation for historical and contemporary artistry and architecture. Vince also serves as a member of the League of Arizona Cities and Towns Budget & Finance Committee and the Kiwanis Club of Carefree.

DEPARTMENTAL BUDGETS

Councilmember Tony Geiger



Tony Geiger has been a resident of Carefree for over twenty years. Tony's career focused on various levels of management and sales for manufactures of equipment used in water and sewer infrastructure. Tony's last 11 years included leading the executive management team. Additionally, Tony started and sold two small marketing companies serving the infrastructure market in Arizona. This management experience has given Tony in-depth knowledge of finance, budgeting, engineering and marketing.

Since 2013, Tony has taken these practical professional experiences and has volunteered thousands of hours dedicated to improving the water and sewer infrastructure servicing Carefree.

Councilmember Stephen Hatcher



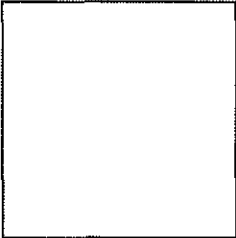
Stephen Hatcher has been a resident of Carefree since 2011 and moved to Cave Creek in 1992 from Scottsdale. Stephen earned his BS in Mechanical Engineering from Arizona State University and in 1980 started his first career with Lockheed Aerospace in military research and finished his engineering career as a Concept engineer with Boeing Military Research. Stephen taught graduate finance for fourteen years for University of Phoenix and investment theory for the School of Financial Planning. Stephen's graduate thesis was statistical modeling for the City of Scottsdale to facilitate the forecasting efforts on construction activity, city tax base and annual budgets.

Stephen is actively working against domestic violence through the Theresa's Fund and supporting the Marine Corps families through Operation Hero Project.

Stephen's focus has been on the water systems for the town and developing effective drivers for economic development.

DEPARTMENTAL BUDGETS

Councilmember Position Vacated.



Councilmember Cheryl Kroyer



Cheryl is currently serving her second term on the Town Council. Her chief area of concentration has been in the Town's marketing. Over the last 2+ years, she has worked on getting better signage around Town; economic development efforts; setting and executing Town branding; and participating in efforts to incorporate all of the Town's homes and businesses into the Carefree Water Company.

Cheryl fell in love with Carefree in 1988 and has been a full time resident since 1998. As a resident she is dedicated to keeping the community a great place to live and to play.

Before retiring, Cheryl spent 30+ years in the advertising business on a wide range of national consumer goods. She was on the team that introduced American Honda's Acura brand and worked on businesses as varied as Hunt Wesson Foods, Polaroid, Gallo Wines, Porsche Cars and the 'Got Milk' campaign among others.

Since moving here, she has been involved in a number of volunteer organizations: She served on the auxiliary board of Scottsdale Healthcare for three years and published and edited the hospital's first electronic newsletter. She has also served on the board of The Arizona Institute for Breast Health as treasurer and public relations manager. For the last three years, Cheryl has worked Wednesdays at the Foothills Food Bank.

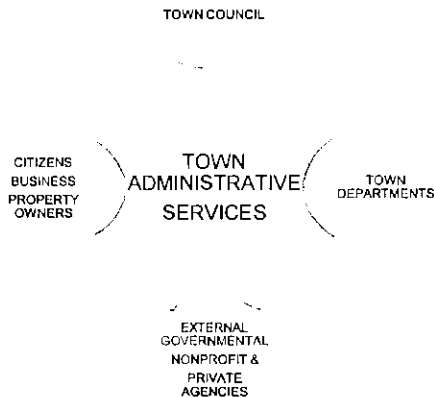
In her free time she enjoys golf, yoga, bridge, movies and can be seen walking her golden retriever, Biff, through Town most mornings.

Cheryl graduated from the University of Texas at Austin with a Bachelor of Journalism degree.

DEPARTMENTAL BUDGETS

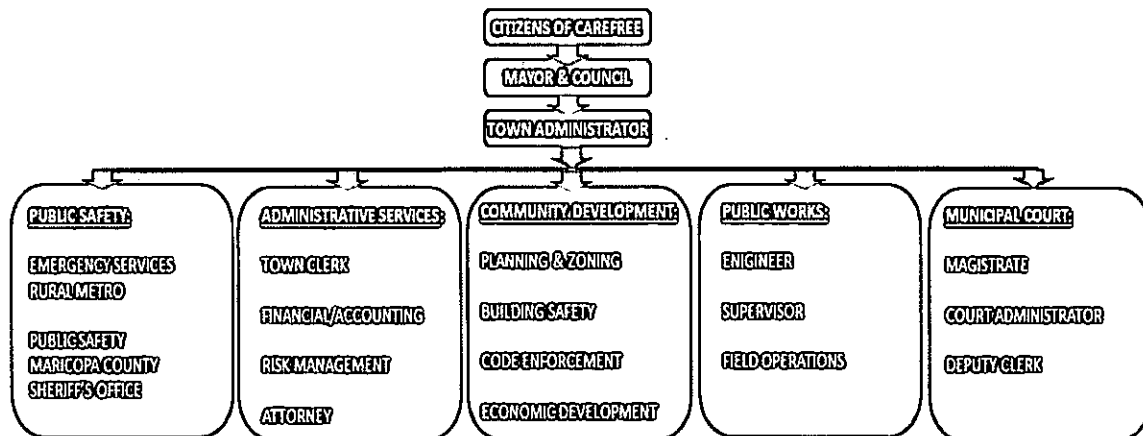
SUMMARY OF TOWN ADMINISTRATIVE SERVICES:

The Town Administration acts as the nucleus to the organization by coordinating and managing the work flow of the organization. The Administration works continuously with both internal and external entities/agencies to ensure coordination of services between citizens, businesses, governmental agencies, nonprofits, private entities, Town Council and Town Departments.



The personnel that supports the Administration Department is composed of five (5) full time positions: Town Administrator, Town Clerk, Town Accountant, Communications Manager, and Executive Assistant/Receptionist. Through these positions, the Department coordinates the following organizational activities: Human Resources, Risk Management, Legal Services, Financial Services, Information Technology, Public Records, Election Coordination, Intergovernmental Affairs, Communications and general operations & management of all Town Departments. The following organizational chart illustrates the Town's structure. Within each Department are interrelated Divisions. The services provided by each Department and the associated Divisions will be outline in this section of the budget beginning with the Administrative Services.

Figure ##: Town Organizational Structure.



DEPARTMENTAL BUDGETS

The following tables outline the dedicated staffing levels as well as a high level summary of total operational costs associated with each Division of the Town's Administrative Services as well as a description of the specific services provided by the respective Division.

Table ##: Summary of all Town Administrative Services Department Full Time Employment Positions.

FTE Position	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22
Town Administrator	1.0	1.0	1.0	1.0	1.0
Town Clerk/Treasurer	1.0	1.0	1.0	1.0	1.0
Deputy Clerk/Accountant	1.0	1.0	1.0	1.0	1.0
Communications Manager				.5	1.0
Receptionist/Executive Assistant	1.0	1.0	1.0	.5	1.0
Total FTE Positions	4.0	4.0	4.0	4.0	5.0

In addition to these full time positions, the Town contracts for legal and risk management services. Currently, the law firm of Sherman and Howard provides general legal services for the Town. In some instances, where specialize legal services are necessary, the Town will contract for specialized legal services to supplement these general legal services. The costs associated with these specialized legal services may be associated with other Departments based upon the respective issue. Furthermore, as typical of most municipalities within the state, the Town contracts with Southwest Risk to provide a portfolio of insurance coverage to address the unique needs of municipal governments. This municipal pool permits local governments to provide the broadest coverage to address their unique needs at the lowest possible costs to their respective communities. This insurance pool meets at the annual League of Cities and Towns Conference to establish annual budgets, rates and policies for the pool.

The table on the following page summarizes, at a high level, the Divisional expenses within recent fiscal years as well as the forecasted expenses for the upcoming fiscal year. The figures include the salaries and benefits in addition to the Division's General operational costs. These operations costs include office supplies, equipment, supporting technology, utilities, contracted services such as waste removal and janitor services, continuing education requirements, professional and agency membership dues and other miscellaneous fees. These agency dues captured under the Management Division include but are not limited to annual fees assessed by the Arizona Department of Revenue, League of Cities and Towns, County Agency Permits, Emergency Management Fees and Maricopa Association of Government and Maricopa County. In addition, maintenance of emergency generators, monthly utility

DEPARTMENTAL BUDGETS

payments for town facilities and organizational bank fees are also captured within the Management Division outlined in the below table.

Table ##: Summary of total expenses for Town Administrative Services per Division.

Division	ACTUAL FY18/19	ACTUAL FY19/20	BUDGETED FY20/21	FORECASTED FY21/22
Town Management	\$401,000	\$435,000	\$437,000	\$491,000
Town Clerk	\$275,000	\$294,000	\$301,000	\$330,000
General Legal Services	\$90,000	\$300,000	\$260,000	\$160,000
Risk Management	\$100,000	\$101,000	\$120,000	\$120,000
Communications (previously Town marketing)	\$431,000	\$765,000	\$54,000	\$151,000
Total Expenses	\$1,297,000	\$1,895,000	\$1,172,000	\$1,252,000

DEPARTMENTAL BUDGETS

Town Administrator:

Pursuant to the Town Code the Town Administrator acts as the Chief Administrative Officer of the Town. In this role the Town Administrator provides the central direction and leadership for the administration in overseeing the daily operations of the Town's services. As Chief Administrative Officer, the Town Administrator reports directly to the Town Council and supports the goals and directives defined by the majority of the Town Council by coordinating these initiatives with the Town staff and contracted service providers.

As defined within the Town Code, the Town Administrator provides the direct management of all Town staff and is responsible for coordinating the administrative functions and operations of all Town Departments. The Administrator sets all policies associated with the management of staff as well as promotes a culture of inclusiveness and encouraging a positive work environment. Amongst many responsibilities, the Administrator manages the development and implementation of the Town budget and acts as the Town's purchasing agent. Additionally, the Administrator works closely with the Town's legal representatives and risk managers to help mitigate risk and financial liabilities to the Town.

Accomplishments for Fiscal Year 2020-2021:

- Facilitated Strategic Planning session with the Town Council resulting in new Town work plan for the next two years.
- Developed new program based budget.
- Navigated impacts of economic contraction resulting from COVID-19 pandemic while maintaining a safe environment for employees, residents and decision makers by using digital platforms and best health practices to conduct daily business meetings.
- Coordinated with critical development interests which will be important components to the community's tax base.
- Facilitated a strategic organizational shift from event marketing to economic development initiatives and hired an Economic Development Director.
- Coordinated with legal representatives to address the community's best interests and mitigate risk.
- Assisted in strategic planning for future improvements to Town's water infrastructure and street maintenance.
- Managed organizational compliance related issues/permits.
- Managed Town service contracts to ensure efficient and effective levels of service.
- Hired Communications Manager to strengthen communications and engage residents, businesses and community interest in Town related issues, services and programs.
- Hired Town Engineer to manage, maintain and/or replace the Town's aging infrastructure and assets as well as review projects and development to ensure regulatory compliance.

Goals & Objectives for Fiscal Year 2021-2022:

DEPARTMENTAL BUDGETS

- Work with Communications Manager to further improve communications by enhancing visibility to websites, social media platforms and other communication channels.
- Work with Economic Development Director to implement recommendations of EDTAP and Council to diversify the Town's sales tax base to provide for sustainable revenues to support the Town's existing core municipal services.
- Work with Council appointed Public Safety Committee to evaluate any refinements to level of services for police and fire contracts and potential for photo radar to supplement traffic enforcement.
- Enhance the management of capital assets, capital improvements, Public Works resources and government compliance requirements by developing planning tools to manage, maintain and or replace capital assets/improvements over time.
- Coordinate with staff and contracted consultant teams working on future initiatives such as General Plan, special projects and/or financial evaluations.
- Continue to work with external agencies to represent the best interests of the Town.
- Continue to coordinate the execution of work plans of each Town Department.

There are two full time positions within the Town Management budget, Town Administrator and Executive Assistant. Within the operations budget the expenses are paid for organizational permits/dues/fees, all utilities, costs associated with both Town Council chambers and Town Administrative Offices, organizational technology licenses and updates, and equipment outlays for emergency generators. Additionally, some special projects are capture within the Town Management division budget. This year, the purchase and installation of security cameras are proposed for the gardens to reduce vandalism.

Table ##: Town Management Divisional Budget.

	FY 18/19	FY 19/20	BUDGETED FY 20/21	FORECASTED FY 21/22
Salaries (2 Full Time Employees)	\$211,100.00	\$223,400.00	\$215,900.00	\$224,200.00
FICA	\$11,682.00	\$13,388.00	\$13,388.00	\$11,700.00
Medicare	\$3,055.00	\$3,247.00	\$1,331.00	\$1,500.00
ASRS	\$24,911.00	\$26,738.00	\$26,387.00	\$26,123.00
Insurance	\$10,000.00	\$10,100.00	\$10,300.00	\$13,700.00
Workmans Compensation	\$417.00	\$540.00	\$560.00	\$560.00
Unemployment Insurance	\$205.00	\$475.00	\$670.00	\$750.00
Salaries & Benefits	\$261,370.00	\$277,888.00	\$268,536.00	\$278,533.00
Office supplies/technology/maintenance	\$41,164.00	\$49,432.00	\$57,450.00	\$55,000.00
Building maintenance/services	\$50,500.00	\$55,600.00	\$58,000.00	\$69,000.00
Vehicle/Fuel	\$2,065.00	\$2,100.00	\$2,450.00	\$2,450.00
Special Projects/Contractual Services	\$14,000.00	\$18,000.00	\$18,000.00	\$53,000.00
Dues Subscriptions/organizational fees	\$28,000.00	\$28,000.00	\$28,500.00	\$29,000.00
Education/Conferences	\$3,800.00	\$4,000.00	\$4,000.00	\$4,000.00
Operations/Supplies/Contracts	\$139,529.00	\$157,152.00	\$168,400.00	\$212,450.00
DIVISION TOTALS	\$400,899.00	\$435,040.00	\$436,936.00	\$490,983.00

DEPARTMENTAL BUDGETS

Town Clerk:

The Town Clerk is the custodian of the Town's public records and is tasked to maintain documents that are necessary for the effective administration and operation of the Town government. The Town Clerk also serves as the Town's elections official which in return coordinates with County Elections Department to ensure efficient and effective elections. Through these roles, the Town Clerk strives to promote public trust in Town government by providing courteous and prompt responses to citizen/public requests to public information or processes. The Town Clerk also oversees the treasury of the Town and works with the Deputy Clerk/Accountant to ensure necessary funding is available to be disbursed to pay weekly invoices.

The Town Clerk directly supervises the Deputy Clerk/Accountant who provides support to the Town Clerk. The Deputy Clerk/Accountant oversees the payment of invoices, helps to coordinate annual budget documentation and annual audit to ensure Governmental Accounting Standards and Principals are complied with.

Accomplishments for Fiscal Year 2020-2021:

- Posted Town Council agenda items for Council's consideration and citizen information on the Town's website.
- Coordinated changes to employee health insurance.
- Processed requests and posted Arizona Department of Liquor license applications.
- Coordinated primary and general election with Maricopa County Elections Department.
- Continued to manage and address organization's information technology requirements.
- Continued to oversee the management of the Town's treasury.
- Assisted Town Attorney in settlement of disputed estates and filing of various legal testimony.
- Provided financial oversight to town funds.
- Coordinated annual audit with new auditor.

Goals for Fiscal Year 2021-2022:

- Work with Communications Liaison to share public information regarding town events, issues and general information.
- Continue to upgrade the Town's information technology to permit staff access to hardware and software which assist them to efficiently and effectively perform their tasks.
- Implement new accounting software to assist in new budget format.

There are two full time employees within the Clerks office, the Town Clerk and Deputy Clerk. Similar to other Divisions in the Town both the Clerk and Deputy Clerk wear many hats including but not limited to the Town financial oversight, cemetery management, technology oversight, notary services and legal documentation coordination. Over the next fiscal year, new software will be purchased to better assist

DEPARTMENTAL BUDGETS

in the creation of financial documentation that supports the new budget format. This data will be used in future budget preparation.

Tabel ##: Town Clerk Divisional Budget.

	FY 18/19	FY 19/20	BUDGETED FY 20/21	FORECASTED FY 21/22
Salaries (2 Full Time Employees)	\$182,781.00	\$195,861.00	\$196,000.00	\$206,300.00
FICA	\$11,058.00	\$11,704.00	\$12,200.00	\$12,800.00
Medicare	\$2,586.00	\$2,737.00	\$2,836.00	\$2,990.00
ASRS	\$21,568.00	\$23,719.00	\$23,550.00	\$25,600.00
Insurance	\$19,500.00	\$18,900.00	\$25,300.00	\$27,200.00
Workmans Compensation	\$361.00	\$384.00	\$380.00	\$410.00
Unemployment Insurance	\$205.00	\$207.00	\$500.00	\$550.00
Salaries & Benefits	\$238,059.00	\$253,512.00	\$260,766.00	\$275,850.00
Office supplies/technology/maintenance	\$4,300.00	\$9,750.00	\$4,850.00	\$6,500.00
Legal Advertisement/Elections	\$3,500.00	\$3,500.00	\$3,600.00	\$3,600.00
Special Projects/Contractual Services	\$21,550.00	\$23,000.00	\$27,000.00	\$39,000.00
Dues Subscriptions/organizational fees	\$550.00	\$570.00	\$580.00	\$650.00
Education/Conferences	\$7,300.00	\$3,800.00	\$3,900.00	\$4,000.00
Operations/Supplies/Contracts	\$37,200.00	\$40,620.00	\$39,930.00	\$53,750.00
DIVISION TOTALS	\$275,259.00	\$294,132.00	\$300,696.00	\$329,600.00

DEPARTMENTAL BUDGETS

Communications:

Community engagement assumes many different forms through conventional verbal, written and broadcasted media platforms as well as today's rapidly evolving digital and social media platforms. As a result of this diversification in communication platforms and various preferences on how audiences engage, it requires significant dedication and time to engage the community. These varying platforms require that similar messages be formatted in different ways and provide for rapid engagement which dedicate additional resources and time.

This position manages the Town's website content and appearance, digital media platforms, video communications and written communications regarding a complexity of community related issues and interests. This position also communicates with various local business associations to cultivate and facilitate additional business exposure and associated opportunities through the use of these communication platforms to highlight unique/special events the businesses may produce. In addition, the position works with Town staff, elected and appointed officials and residents to engage on community issues.

Accomplishments for Fiscal Year 2020-2021:

- Hired Communications Manager
- Created Communication plan to identify and/or improve existing communication vehicles to share Town events and issues with various audiences.
- Began process to upgrade Town's websites.
- Assisted in working with communication and advertising strategies with business associations.
- Coordinated the use of event space in the Town Center.
- Assisted in the planning and execution of community events/activities.
- Assisted in the development of communications regarding town issues.

Goals for Fiscal Year 2021-2022:

- Work with various merchants associations to build visibility.
- Coordinate the use of event space within the Town Center to facilitate community based events that are produced by third parties.
- Implement improvements to the Town's digital and social media to enhance content, visual quality and frequency of reach.
- Coordinate and help to manage the Town Center visitor center as well as content of information shared within the center and coordinate Ambassador Program.
- Produce informational videos and manage the Town's YouTube channel to enhance engagement of visitors, residents and business interests.
- Form partnerships with internal and external businesses to create a package of experiences to market to various audiences.

DEPARTMENTAL BUDGETS

There is only one full time position within the Communications Division. This individual not only coordinates the dissemination of communications with staff, elected and appointed officials with outside entities. In addition, they will help to manage the inaugural Ambassador program after the current limitations associated with health pandemic subsided. The Communication Manager will be located in the Town's visitor center next to the amphitheater. This will also house the Ambassador program and create better oversight and use of the Town's facilities. Associated with the communication program will be updates to the Town's websites and added graphics to provide for a more sophisticated appearance.

Table ##: Communications Divisional Budget.

	FY 18/19	FY 19/20	BUDGETED FY 20/21	FORECASTED FY 21/22
Salaries (1 Full Time Employee)	\$78,900.00	\$93,671.00	\$20,000.00	\$55,900.00
FICA	\$4,853.00	\$5,808.00	\$2,100.00	\$5,200.00
Medicare	\$1,135.00	\$1,358.00	\$800.00	\$2,911.00
ASRS	\$8,082.00	\$10,772.00	\$3,900.00	\$7,000.00
Insurance	\$5,700.00	\$7,600.00	\$3,200.00	\$6,000.00
Workmans Compensation	\$62.00	\$150.00	\$100.00	\$409.00
Unemployment Insurance	\$143.00	\$278.00	\$150.00	\$200.00
Salaries & Benefits	\$98,875.00	\$119,637.00	\$30,250.00	\$77,620.00
Office supplies/technology/maintenance	\$3,650.00	\$4,400.00	\$3,000.00	\$3,500.00
Special Projects/Contractual Services	\$321,500.00	\$632,000.00	\$15,000.00	\$65,000.00
Dues Subscriptions/organizational fees	\$550.00	\$570.00	\$275.00	\$580.00
Education/Conferences	\$7,040.00	\$8,220.00	\$5,500.00	\$4,000.00
Operations/Supplies/Contracts	\$332,740.00	\$645,190.00	\$23,775.00	\$73,080.00
DIVISION TOTALS	\$431,615.00	\$764,827.00	\$54,025.00	\$150,700.00

DEPARTMENTAL BUDGETS

Risk Management:

There are two specific areas of contractual services under Town Administrative Services when it comes to risk mitigation – General Legal Services and Insurance.

Legal Services:

The Town Council appoints its legal representation by contracting with private law firms. More specifically, there are two separate law firms contracted for legal services:

1. Town Attorney for general legal counsel and
2. Town Prosecutor for legal services specifically related to the prosecution of violations processed through the municipal court.

The Town Attorney serves at the pleasure of the Town Council and acts as the general legal counselor to the Town Council, appointed officials and Town staff. As such, the Town Attorney shall provide their opinion orally or in writing when requested by the majority of Council, Commission or Town Administrator. Additionally, the Town Attorney may draft/review contracts, conveyances, ordinances, resolutions and other legal instruments. Furthermore, the Town Attorney arranges for the prosecution and defense of all suits, actions or causes where the town is party and shall report to the Council on the condition of any suit or action to which the Town may be a party.

The Town Prosecutor also serves at the pleasure of the Town Council and is responsible for representing the Town in contested matters in front of the municipal court where the defendant is represented by a Counselor or in cases where the Prosecutor's participation is requested by Town officers/staff.

Accomplishments for Fiscal Year 2020-2021:

- The Town Attorney coordinated legal issues on Town's behalf including but not limited to water acquisition filings.
- The Town Attorney attended Council meetings and advised Council on pending legal issues.
- The Town Attorney continued to review new legislation and potential impacts on existing Town regulations and/or policies to ensure compliance with refinements to State Statutes.
- The Town Prosecutor complied with all standards and policies of the Administrative Office of the Court.

Goals for Fiscal Year 2021-2022:

- Continue to work with staff to provide legal advice when considering updates to Town Codes and policies.
- Provide the strongest, most defensible legal advice to the Town Council and Town Administrator in connection to active litigation.

DEPARTMENTAL BUDGETS

Insurance:

In 1986 the Arizona Municipal Risk Retention Pool was developed through the assistance of the Arizona League of Cities and Towns. The vision behind this Pool was to provide an alternative method to share the unique risks borne by local governments and thereby, stabilizing rates. The Town of Carefree joined this municipally owned pool in 1989. As a member, the town has an equity share and is eligible for annual dividends, either in the form of a check or a credit toward the subsequent year's policy. The Town has typically taken the annual dividend to credit it towards the subsequent year's policy.

The pool also provides specialized services to its members to assist on issues associated with personnel, equal employment opportunities, civils rights, land use regulations, human resource database and tenant's user liability policies for third parties.

DEPARTMENTAL BUDGETS

SUMMARY OF COMMUNITY DEVELOPMENT DEPARTMENT:

The Community Development Department is responsible for overseeing the orderly and quality of development within the community. The Department is composed of Building Safety, Planning and Zoning, Code Enforcement and Economic Development. Each of these Division work in collaboration with one another to implement Town's vision, strategies, regulations and policies.

The following tables outline the dedicated staffing levels and the overall summary of costs of operating each of the Divisions within the Community Development Department.

Table ##: Summary of all Full Time Employment (FTE) Positions.

FTE Position	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22
Building Official	1.0	1.0	1.0	1.0	1.0
Planning & Zoning Administrator	1.0	1.0	1.0	1.0	1.0
Planning Clerk	1.0	1.0	1.0	1.0	1.0
Code Enforcement Officer	1.0	1.0	1.0	1.0	1.0
Economic Development Director				.5	1.0
Total FTE Positions	4.0	4.0	4.0	4.5	5.0

Table ##: Summary of expenses per Division.

Town Division	FY18/19	FY19/20	FY20/21	FY21/22
Building Safety	\$182,000	\$216,000	\$222,000	\$275,000
Planning & Zoning	\$175,000	\$240,000	\$255,000	\$304,500
Code Enforcement	\$51,000	\$56,000	\$58,000	\$82,000
Economic Development*			\$244,000	\$265,000
Summary of Expenses	\$408,000	\$512,000	\$779,000	\$926,500

* Economic Development is a new Division as of FY 19/20.

DEPARTMENTAL BUDGETS

Building Safety:

The Building Safety Division is responsible for administering and enforcing the Town's adopted building codes to ensure a safe built environment. The Building Department is charged with receiving, reviewing, approving and issuing of all building permits as well conducting inspections to ensure compliance to adopted building codes. The Building Official also coordinates with the Town Engineer, Planning and Zoning Director and Town's Fire Marshal (Rural Metro) to manage the review, approval and issuance of building permits.

The Building Department contracts out with a certified third party firm specializing in building inspections and plan review. This assists in the timely processing of permits during periods of significant development activity and allows the Town to flexibly adjust the level of service to match its needs at the respective time. The costs associated with the administration of the building code are offset through the administration of a fee structure associated with the issuance of a Building Permit.

Accomplishments Fiscal Year 2020-2021:

- The Building Division conducted 2,834 inspections over the course of the fiscal year.
- The permitted construction projects added over 55,000 square feet, remodeled 83,000 square feet and was valued at a total of over \$8MM.
- The Building Division also performed 917 site visits, 217 plan reviews, approved 23 new single-family residences, approved 47 home remodels and continues to inspect Town Center Developments – the Hampton Inn and the View Townhomes.

Goals for Fiscal Year 2021-2022:

- Review and update permit fee structure to ensure cost recovery for services rendered.
- Investigate options for on-line permitting for applying for permits, payments and paperless reviews.
- Adopt updated versions of International Building Codes.
- Update Professional Certificates.
- Complete up to 60 hours of continuing education.
- Maintain timely plan reviews and inspections.

DEPARTMENTAL BUDGETS

Table ##: Building Safety Divisional Budget.

	FY 18/19	FY 19/20	BUDGETED FY 20/21	FORECASTED FY 21/22
Salaries (1 Full Time Employee)	\$99,661.00	\$113,543.00	\$113,543.00	\$129,923.00
FICA	\$5,905.00	\$7,040.00	\$7,040.00	\$8,055.00
Medicare	\$1,381.00	\$1,646.00	\$1,646.00	\$1,884.00
ASRS	\$11,760.00	\$13,750.00	\$14,090.00	\$16,123.00
Insurance	\$11,300.00	\$11,600.00	\$12,400.00	\$13,700.00
Workmans Compensation	\$1,438.00	\$1,520.00	\$1,650.00	\$1,720.00
Unemployment Insurance	\$205.00	\$600.00	\$550.00	\$750.00
Salaries & Benefits	\$131,650.00	\$149,699.00	\$150,919.00	\$172,155.00
Office supplies/technology	\$4,000.00	\$4,000.00	\$4,600.00	\$5,500.00
Vehicle/Fuel	\$6,000.00	\$3,000.00	\$5,800.00	\$37,000.00
Special Projects/Contractual Services	\$40,000.00	\$58,500.00	\$60,000.00	\$60,000.00
Dues Subscriptions	\$135.00	\$350.00	\$350.00	\$350.00
Operations/Supplies/Contracts	\$50,135.00	\$65,850.00	\$70,750.00	\$102,850.00
DIVISION TOTALS	\$181,785.00	\$215,549.00	\$221,669.00	\$275,005.00

DEPARTMENTAL BUDGETS

Planning and Zoning:

The Planning and Zoning Division is charged with the orderly growth of the community through the implementation of the community's General Plan and Zoning Ordinance. The General Plan establishes broad policies for future development or redevelopment of property within the Town, while the Zoning Ordinance establishes the specific regulations pertaining to the use of property by defining the appropriate density and intensity of the development. From time to time, special planning studies are conducted to assist in development of new policies or regulations. The Planning and Zoning Division also coordinates with the Building Safety Division and Engineering Division to review permitting compliance with zoning requirements. In addition, the Planning and Zoning Department works closely with the Economic Development Division to assist with Economic Development initiatives that will help to diversify and enhance the community's ability to provide core municipal services.

In summary, the Planning and Zoning Department:

1. Provides professional and thorough guidance and coordination of all land planning and development activities;
2. Facilitates public participation and awareness of projects and/or zoning cases through citizen participation requirements;
3. Implements the Town's regulations and policies fairly and consistently;
4. Treats all residents and customers in a respectful and helpful manner.

Accomplishments Fiscal Year 2020-2021:

- Processed 20 Zoning Applications:
 - 11 public meetings/public hearings including 2 Text Amendments.
 - 4 Administrative Land Division Cases.
 - 5 Preapplications including 3 Variances and 2 Mountainside.
- Conducted 125 Site Inspections over the course of the Fiscal Year:
 - 30 ROW Preconferences.
 - 25 Building Permit Pregrades.
 - 30 Building Permit Finals.
 - 10 Zoning Cases.
 - 30 Misc (Construction Concerns, Complaints).
- Reviewed 162 Building Permits for compliance with the Town's Zoning Ordinance.
- Issued Zoning Verification Letters/Ordinance Violation Letters/Complaint Replies.
- Prepared 2 Design Alternatives for Cave Creek Road Expansion.
- Created a new archival system for the Planning and Zoning Division.
- Shifted from paper to electronic format of key documentation systems.
- Supported the facilitation and issuance of building permits, right-of-way permits, and other development-related activities.

DEPARTMENTAL BUDGETS

- Presented at the Desert Foothills Leadership Academy.
- Maintained Arborist and Landscape Architecture Licenses.
- Obtained Certified Municipal Clerks and General Planning Technician Certifications.
- Addressed walk-ins/Phone calls/Development questions.

Goals for Fiscal Year 2021-2022:

- Oversee the hiring of planning consultant in the *General Plan* update process.
- Oversee the hiring of zoning consultant in the *Zoning Ordinance* update process.
- Support efforts related to a *Redevelopment Plan for Town Center* under the Economic Development Division.
- Reformat/update Community Design Guidelines.

Table ##: Planning and Zoning Divisional Budget.

	FY.18/19	FY.19/20	BUDGETED FY.20/21	FORECASTED FY.21/22
Salaries (2 Full Time Employees)	\$120,461.00	\$138,750.00	\$147,568.00	\$160,525.00
FICA	\$6,339.00	\$8,639.00	\$9,149.00	\$9,953.00
Medicare	\$1,482.00	\$2,012.00	\$2,140.00	\$2,328.00
ASRS	\$13,638.00	\$16,873.00	\$18,313.00	\$19,921.00
Insurance	\$20,680.00	\$22,303.00	\$24,183.00	\$26,380.00
Workmans Compensation	\$1,240.00	\$1,420.00	\$1,450.00	\$1,450.00
Unemployment Insurance	\$205.00	\$600.00	\$650.00	\$800.00
Salaries & Benefits	\$164,045.00	\$190,597.00	\$203,453.00	\$221,357.00
Office supplies/technology	\$6,700.00	\$6,900.00	\$8,100.00	\$5,400.00
Vehicle Maintenance/Fuel	\$1,460.00	\$1,700.00	\$1,700.00	\$1,800.00
Special Projects/Contractual Services	\$2,000.00	\$40,000.00	\$40,000.00	\$74,000.00
Dues Subscriptions	\$340.00	\$500.00	\$1,000.00	\$1,100.00
Education/Conferences	\$500.00	\$750.00	\$800.00	\$800.00
Operations/Supplies/Contracts	\$11,000.00	\$49,850.00	\$51,600.00	\$83,100.00
DIVISION TOTALS	\$175,045.00	\$240,447.00	\$255,053.00	\$304,457.00

DEPARTMENTAL BUDGETS

Code Enforcement:

The Code Enforcement Officer works with Town staff and the community to address Town Code compliance issues in a fair and equitable manner. Additionally, this Division manages the issuance of business licenses and vendor certificates during special events. From time to time, the Division will also work in association with the Town's first responders to address emergency preparedness and responses. In addition to these responsibilities, the Division also provides additional administrative front office support and provides bailiff services to the municipal court.

Accomplishments Fiscal Year 2020-2021:

- Processed over 350 business licenses.
- Processed over 475 vendor certificates.
- Conducted over 200 investigations.
- Assisted in the hiring of new Code Enforcement Officer.

Goals for Fiscal Year 2021-2022:

- Continue court safety training.
- Work with Fire Chief on updates to Emergency Operation Plan and coordination efforts.
- Continue to manage and process business licenses, vendor certifications and investigate complaints.

Table ##: Code Enforcement Divisional Budget.

	FY 18/19	FY 19/20	BUDGETED FY 20/21	FORECASTED FY 21/22
Salaries (1 Full Time Employee)	\$30,502.00	\$32,436.00	\$32,550.00	\$29,000.00
FICA	\$1,668.00	\$2,011.00	\$1,785.00	\$1,792.00
Medicare	\$390.00	\$470.00	\$417.00	\$419.00
ASRS	\$3,373.00	\$3,873.00	\$3,518.00	\$3,587.00
Insurance	\$11,000.00	\$11,500.00	\$12,200.00	\$4,750.00
Workmans Compensation	\$550.00	\$560.00	\$650.00	\$750.00
Unemployment Insurance	\$102.00	\$317.00	\$375.00	\$525.00
Salaries & Benefits	\$47,585.00	\$51,167.00	\$51,495.00	\$40,823.00
Office supplies/technology	\$510.00	\$1,500.00	\$2,350.00	\$2,200.00
Vehicle/Fuel	\$2,150.00	\$3,000.00	\$2,800.00	\$38,500.00
Education/Conferences			\$500.00	\$200.00
Operations/Supplies/Contracts	\$2,660.00	\$4,500.00	\$5,650.00	\$40,900.00
DIVISION TOTALS	\$50,245.00	\$55,667.00	\$57,145.00	\$81,723.00

DEPARTMENTAL BUDGETS

Economic Development:

Due to the fact that the Town's financial model is dependent on the generation of sales tax, the Town must focus on economic development initiatives to diversify the tax productivity of its businesses. This diversification will permit the Town to reduce financial risk by balancing the elastic revenue streams of complementing tax generating businesses with the costs of providing existing core municipal services. Furthermore, given the small number of residents, it necessitates the attraction of nearby residents and visitors from a broader trade area to create a destination experience and enhance the sales tax revenues. Recently, the Town reached an inflection point with its town driven events and has refined its strategy to focus on optimizing its business retention and attraction activities. As a result, an Economic Development Director was hired, an Economic Development work plan was developed and an Economic Development Technical Advisory Panel was created to assist in the implementation of this business diversification plan.

The basic definition of Economic Development is the generation of wealth. This generation can take many different forms in different communities. The vision behind the Town's Economic Development initiatives is to diversify the Town's sales tax base to ensure a sustainable revenue stream to continue to cover the escalating costs of providing core municipal services.

The Economic Development Division works on strategic initiatives to retain and attract businesses and development which generate and diversify the Town's tax base, and meet goals for economic sustainability. This requires the Division to actively work with varying business interests to improve the Carefree business and consumer environment, gain better exposure for Carefree businesses to enhance the business traffic and cultivate new commercial investment, all of which will provide more financially sustainable community and positive enhancements to the Carefree lifestyle.

Accomplishments Fiscal Year 2020-2021:

- Hired community's first Economic Development Director in March 2020
- Regularly updated businesses regarding evolving COVID-19 circumstances and financial assistance programs.
- Met with many of the business owners within the Town Center
- Began to meet and assist different associations such as an Art Gallery Association and Restaurant Association.
- Worked with Thunderbird Artist to address COVID-19 compliance issues and address layout with nearby merchants to create enhance foot traffic.
- Worked with Farmers Market and nearby merchants to enhance layout and create better flow to enhance foot traffic.
- Created COVID-19 friendly entertainment options within the amphitheater to enhance foot traffic within the Town Center.

DEPARTMENTAL BUDGETS

- Created Economic Development strategic plan to define mission, goals and strategies for Economic Development program.
- Implemented Economic Development Technical Advisory Panel.

Goals for Fiscal Year 2021-2022:

- Continue to work with businesses to address COVID-19 compliance.
- Continue to work with and form additional merchant associations to improve communications between like businesses and enhance success.
- Implementation of Economic Development strategic plan.
- Set benchmarks and targeted milestones for retail tax growth.
- Update Town Center Master Plan and enhance the revitalization planning goals as well as tools to accomplish revitalization goals such as a redevelopment area.
- Initiate key General Plan amendments/updates.

Table ##: Economic Development Divisional Budget.

	FY 18/19	FY 19/20	BUDGETED FY 20/21	FORECASTED FY 21/22
Salaries (1 Full Time Employee)			\$113,543.00	\$126,284.00
FICA			\$7,040.00	\$7,803.00
Medicare			\$1,646.00	\$1,831.00
ASRS			\$14,091.00	\$15,672.00
Insurance			\$12,450.00	\$13,800.00
Workmans Compensation			\$1,650.00	\$325.00
Unemployment Insurance			\$550.00	\$278.00
Salaries & Benefits	\$0.00	\$0.00	\$150,970.00	\$165,993.00
Office supplies/technology			\$1,000.00	\$3,500.00
Business Retention & Attraction			\$15,000.00	\$10,000.00
Special Projects/Contractual Services			\$75,000.00	\$80,000.00
Subscriptions/trades assoc.			\$1,000.00	\$4,000.00
Education/Conferences			\$1,000.00	\$2,000.00
Operations/Supplies/Contracts	\$0.00	\$0.00	\$93,000.00	\$99,500.00
DIVISION TOTALS	\$0.00	\$0.00	\$243,970.00	\$265,493.00

DEPARTMENTAL BUDGETS

SUMMARY OF PUBLIC WORKS DEPARTMENT:

The Public Works Department manages and maintains many of the Town capital assets including but not limited to public streets, drainage culverts within public rights-of-way, Town street signs, landscape within public rights-of-way and facility maintenance of Town owned buildings and amenities. Many of these tasks require additional regulatory management to ensure compliance to the Town's MS4 permit, dust control permits and application of any chemicals. The Town Engineer oversees these regulatory compliance requirements as well as ensure the facilities and amenities of the Town are resourcefully used and maintained over time.

Table ##: Summary of Full Time Employee Positions Public Works Division:

FTE Position	FY17/18	FY18/19	FY19/20	FY20/21	FY20/22
Town Engineer	.25	.25	.25	.25	1.0
Facilities Supervisor	1.0	1.0	1.0	1.0	1.0
Facilities Foreman	1.0	1.0	1.0	1.0	1.0
Equipment Operator	2.0	2.0	2.0	2.0	2.0
Total FTE Positions	4.25	4.25	4.25	4.25	5.0

Table ##: Summary of expenses for the Public Works Department per Division:

Town Division	FY18/19	FY19/20	FY20/21	FY20/22
Town Engineer	\$124,000	\$152,000	\$429,000	\$285,000
Facilities	\$658,500	\$812,000	\$758,000	\$899,000
Summary of Expenses	\$782,500	\$964,000	\$1,187,000	\$1,184,000

DEPARTMENTAL BUDGETS

Town Engineer:

The Town Engineer oversees governmental regulatory compliance requirements and ensures the best maintenance practices are used to effectively and efficiently manage capital improvements and assets. Over the past ten years, the Town has contracted part-time assistance and used the skills within the Town Administration to temporarily fill the role of the Town Engineer. Due to growing regulatory compliance requirements and the growing need for an in house Engineer to coordinate public work activities, address questions pertaining to drainage issues, workloads associated with the permitting process and need to develop and continuously update Capital Improvement Plan, a full-time position is required to sufficiently address the workload.

Accomplishments for Fiscal Year 2020-2021:

- Initiated the process to fill the Town Engineer position.
- Completed MS4 compliance requirements.
- Completed and managed Dust Control permitting requirements.
- Completed numerous drainage repairs and street repairs.
- Conducted inspections for grading and drainage compliance and review plans for compliance issues.
- Oversaw over 50 rights-of-way permits.
- Managed street maintenance projects.
- Managed maintenance and repair of Town Center lights.
- Coordinated maintenance program and repairs within the gardens.

Goals for Fiscal Year 2021-2022:

- Ensure continued regulatory compliance and training.
- Update program to maintain culverts.
- Update Town's Pavement Preventative Maintenance Plan.
- Create replacement and maintenance schedules for Town's heavy equipment and vehicles.
- Continue to assist/oversee improvements to public rights-of-way and Town facilities.
- Seek grant/alternative funding for public works projects.
- Continue to conduct grading and drainage inspections and review plans for compliance issues.

DEPARTMENTAL BUDGETS

Table ##: Town Engineer Divisional Budget.

	FY 18/19	FY 19/20	BUDGETED FY 20/21	FORECASTED FY 21/22
Salaries (1 Full Time Employees)	\$24,000.00	\$27,000.00	\$37,500.00	\$107,000.00
FICA			\$1,085.00	\$6,641.00
Medicare			\$254.00	\$1,553.00
ASRS			\$2,490.00	\$13,292.00
Insurance			\$2,500.00	\$13,378.00
Workmans Compensation			\$1,000.00	\$1,450.00
Unemployment Insurance			\$800.00	\$1,300.00
Salaries & Benefits	\$24,000.00	\$27,000.00	\$45,629.00	\$144,614.00
Vehicle Maintenance/Fuel				\$3,500.00
Special Projects/Contractual Services	\$100,000.00	\$125,000.00	\$400,000.00	\$115,000.00
Office/supplies/subscriptions				\$5,500.00
Education/Conferences				\$1,500.00
Operations/Supplies/Contracts	\$100,000.00	\$125,000.00	\$400,000.00	\$125,500.00
DIVISION TOTALS	\$124,000.00	\$152,000.00	\$445,629.00	\$270,114.00

DEPARTMENTAL BUDGETS

Facilities Division:

The Facilities Division is charged with managing and maintaining the Town's public facilities and assets. This includes keeping streets clean from debris, repairing damage to streets and helping to coordinate pavement maintenance projects, manage/repair traffic signage and oversee and assist in the management of public amenities, facilities or properties.

Over the past year, the facilities staff has spent nearly 1,700 hours picking up trash along the arterial and collector streets within Carefree. This task is done on a weekly basis and ensures the Town major streets are free from debris. The staff also spends approximately 700 hours trimming, mowing and re-grading the shoulders of many of the public streets to mitigate encroachment of brush into drivers view sheds and around signage while also reducing fire hazards within the community. Additionally, facilities does maintenance and repairs within the Town Center gardens that is beyond the scope of the current contracts for landscape and janitorial services. The staff spent approximately 3,600 hours repairing lights, painting surfaces and walls and repairing vandalism. Storm cleanup is another essential service provided by the facilities staff. Depending upon the magnitude of the storm event this can take between several days to several weeks to conduct post storm cleanups.

Here's a highlight of additional tasks over the past year 2020-2021:

- Implemented a program to efficiently use new brush chipper to better manage overgrowth of plant material along Towns rights-of-way.
- Thinned all tree canopies within the Town Center Gardens.
- Painted all walls and buildings within the Town Center Gardens.
- Built storage facility for golf cart and amphitheater chairs and tables to create space in the greenroom.
- Converted greenroom into a flexible space for visitor center, meeting space, office space and event space.
- Installed new drainage culvert in cemetery to stop erosion along driveway.
- Treated surface of amphitheater and painted floor of Splash Pad.
- Repaired all lights and electrical outlets covers within Town Center Gardens.
- Oversaw conversion of Firehouse bay lighting to energy efficient LED lights.
- Ensured all Town Center Irrigation leaks were address immediately upon automated notification to mitigate water loss.
- Regularly remove trash along collector and arterial streets.
- Participated in MS4 training and conducted inspections.
- Conducted culvert inspections.

DEPARTMENTAL BUDGETS

Goals for Fiscal Year 2021-2022:

- Ensure continued regulatory compliance and training.
- Continue and refine program to maintain culverts.
- Continue to manage and maintain rights-of-way and Town facilities/amenities.
- Continue to coordinate infrastructure projects with street maintenance projects.
- Develop schedule for trimming along Town's rights-of-way.
- Work with Town Engineer to create replacement schedule for equipment with limited useful life.
- Coordinate with Town Engineer Capital Improvement Plans and Projects.

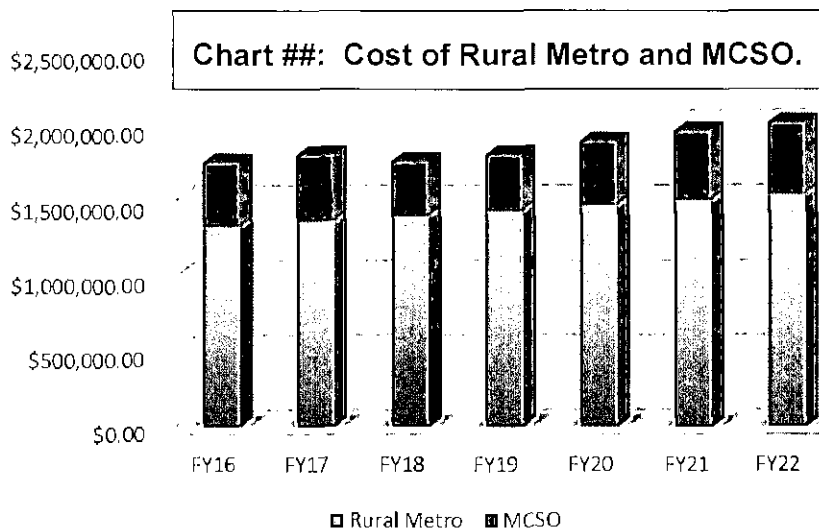
Table ##: Facilities Divisional Budget.

	FY.18/19	FY.19/20	BUDGETED FY.20/21	FORECASTED FY.21/22
Salaries (4 Full Time Employees)	\$200,835.00	\$219,576.00	\$225,110.00	\$235,405.00
FICA	\$11,881.00	\$13,614.00	\$13,957.00	\$14,595.00
Medicare	\$2,779.00	\$3,184.00	\$3,264.00	\$3,413.00
ASRS	\$23,699.00	\$26,217.00	\$27,936.00	\$29,214.00
Insurance	\$38,500.00	\$38,565.00	\$41,200.00	\$45,150.00
Workmans Compensation	\$14,610.00	\$15,400.00	\$16,350.00	\$17,400.00
Unemployment Insurance	\$410.00	\$1,215.00	\$1,300.00	\$1,415.00
Salaries & Benefits	\$292,714.00	\$317,771.00	\$329,117.00	\$346,592.00
Uniforms	\$2,800.00	\$2,800.00	\$3,000.00	\$3,200.00
Utilities	\$29,235.00	\$31,300.00	\$32,300.00	\$34,500.00
Leased space/Yard Maintenance	\$15,900.00	\$7,250.00	\$8,700.00	\$9,000.00
Operating Supplies/Signage	\$30,380.00	\$40,420.00	\$74,000.00	\$140,000.00
Equipment Rental/Maintenance	\$44,750.00	\$21,000.00	\$13,000.00	\$14,000.00
Vehicle Maintenance/Fuel	\$24,170.00	\$18,500.00	\$22,000.00	\$25,000.00
Special Projects/Contractual Services	\$131,000.00	\$133,500.00	\$136,500.00	\$180,000.00
Gardens supplies/utilities	\$85,871.00	\$87,810.00	\$97,000.00	\$100,000.00
Equipment purchase		\$150,000.00	\$41,000.00	\$45,000.00
Dues Subscriptions	\$500.00	\$500.00	\$500.00	\$500.00
Education/Conferences	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00
Operations/Supplies/Contracts	\$365,806.00	\$494,280.00	\$429,200.00	\$552,400.00
DIVISION TOTALS	\$658,520.00	\$812,051.00	\$758,317.00	\$898,992.00

DEPARTMENTAL BUDGETS

Public Safety:

There are two main components within the Public Safety Department: Law Enforcement and Fire and Emergency Services. These first responder services are provided to the Town through contracts with Maricopa County Sherriff's Office (MCSO) and Rural Metro. This contractual model permits the Town to



have access to a broader range of services in the most economical manner. This cost effective approach is important as the costs for municipally run public safety enterprises has grown exponentially throughout the state and nation as the costs of public safety pensions continue to rise over recent years along with the costs to equip and retain these first responders.

On average, the costs to provide comprehensive public safety services makes up on average approximately 35%-40% of the Town's operational expenses. The table below illustrates the escalating costs of these public safety contracts. In FY18 there was a recalibration of the MCSO service level to reduce traffic enforcement in the summer months. This recalibration resulted in a slight reduction in costs for service that year however, the trend illustrates a consistent annual increase in costs of these public safety contracts. With next year, together, the two contracts with MCSO and Rural Metro will be approximately \$2 MM. These figures do not include any service level modifications to these public safety contracts or prosecution services fees, incarceration fees or animal control fees.

DEPARTMENTAL BUDGETS

Law Enforcement:

MCSO is a fully integrated law enforcement agency that is charged with enforcing the State and local laws and deterring criminal activity. MCSO will protect lives and property, investigate criminal activity and work in partnership with the Town Council, staff and community interests to resolve issues and concerns. MCSO is dedicated to providing the town a courteous and professional law enforcement agency that is supportive of community based policing principals. All sworn personnel are required to meet and stay in compliance with established State training as defined by the Arizona Police Officer Standards and Training (AZ POST).

The MCSO contract is based upon a cost recovery model for labor, training and equipping personnel, supporting equipment, supplies, staffing, office space, vehicles and overhead/indirect costs. MCSO assigns 5 deputies to each beat which covers the community 24 hours a day, seven days a week. Carefree's current contract contains 1.5 beats for patrolling of the community. During high season, with the increase in traffic from October – March the town increases the traffic patrol by .5 beats. Associated with each beat are a proportional share of MCSO's hierarchy consisting of Detectives, Sergeants, Lieutenants and Captain/Commander.

At any time, the services can be amended to facilitate an increase level of service; however, any increase in service must be reconciled with a revenue stream to offset the increase in costs. Recently, some residents have inquired about the use of photo radar to more effectively modify the behavior of the bad actors driving through the community. The human element of patrolling traffic speeds is only as good as the Deputy being at a specific location to document and issue a citation. However, the use of technology such as photo radar is more consistent and effective in reducing traffic speed. If this technology is used within the community it can help redeploy the Deputies focused on traffic calming to more neighborhood patrols and stronger presence throughout the community. This can also help to fund additional increases in the contract to more evenly cover the community throughout the year. The newly appointed public safety committee will also be evaluating these options and will possibly make a recommendation about any future changes in services.

In addition to the MCSO contract, the Town contracts annually with Maricopa County Animal Control to manage stray animals. Additionally, separate from the expenses to operate the Consolidated Municipal Court the Town pays a fee to Maricopa County for incarcerations associated as well as prosecution service fees associated with cases processed through the Municipal Court.

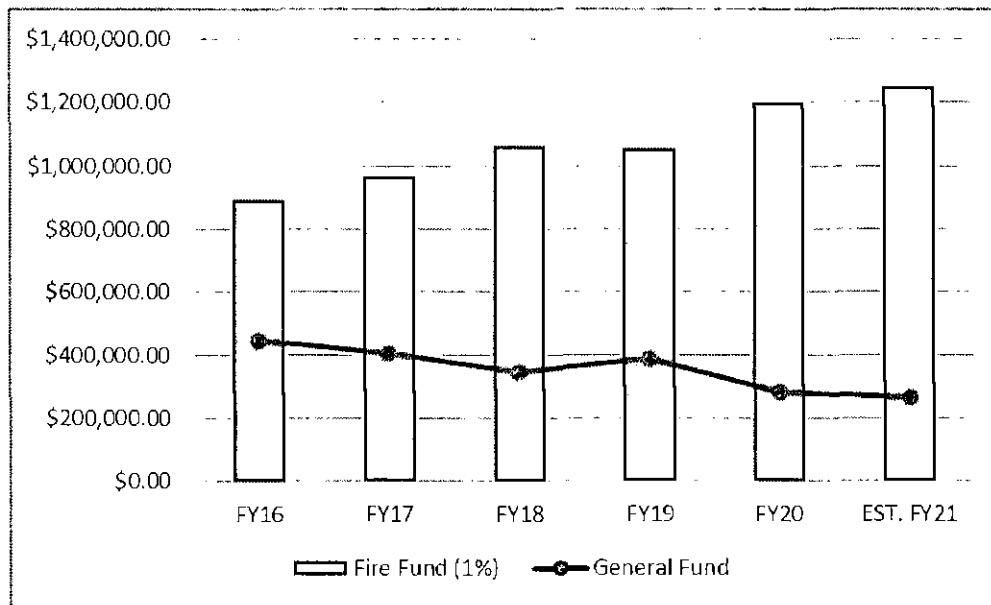
DEPARTMENTAL BUDGETS

Table ##: Budget of Law Enforcement.

	FY 18/19	FY 19/20	FY20/21	FY21/22
MCSO Contract	\$374,900.00	\$429,900.00	\$459,600.00	\$476,600.00
Posse	\$9,262.00	\$5,000.00	\$0.00	\$0.00
Jail Service	\$11,500.00	\$15,000.00	\$15,000.00	\$15,000.00
Prosecutor	\$45,000.00	\$48,000.00	\$50,000.00	\$55,000.00
Animal Control	\$2,000.00	\$3,383.00	\$3,400.00	\$3,400.00
Total	\$442,662.00	\$501,283.00	\$528,000.00	\$550,000.00

Fire Department and Emergency Services:

Originally, the Town residents subscribed to emergency services with Rural Metro. In 2006, the Town assumed this financial liability and began to pay directly to Rural Metro for fire protection and emergency services. Under this master contract approach with Rural Metro, the Town owns all facilities, furnishings, equipment and apparatus while Rural Metro provides for the personnel to operate and manage the facilities and equipment. This approach removes the fixed costs of these assets from the contract and provides for a limited contract based upon the costs of labor.



The master contract is in part funded through a dedicated 1% municipal sales tax and placed in a dedicated fund called the Fire Fund. As illustrated in the table below, the revenue generated by this dedicated sales tax does not cover the annual costs of the master fire contract. As a result of this

structural deficit which has averaged approximately \$355,000 over the last six fiscal years, supplemental funding is required from the Town's General Fund. As the costs of the master fire contract increases as well as any future modification to existing levels of services, the Town will need to explore how best to address an escalation in this structural deficit within the Fire Fund.

DEPARTMENTAL BUDGETS

As typical of any Fire Department its core service is to prevent and suppress structural and wild land fires within the Town limits. The Fire Department also provides emergency medical services and transports, hazardous material mitigation and coordination with regional, state and federal agencies planning for and in response to natural or man-made disasters. In addition, the Fire Department provides for a wide range of community services such as CPR training, car-seat installation, holiday toy drives and emergency management. In addition Rural Metro provides Fire Marshal service by reviewing new development proposals and ensuring compliance to the Town's fire code. In this capacity the designated Fire Marshal provides for both plan review and building safety inspections.

Over the past year the Fire Department responded to over 500 calls for assistance. The average response time for a code 3 (emergency call) was 3 minutes and 12 seconds. The total calls includes but is not limited to:

- Approximately 330 medical calls
- 77 snake removal request
- 7 brush files
- 4 vehicle fires
- 1 residential fire
- 15 traffic accidents
- 2 lock outs
- 6 requests to check hazards

With the upcoming expiration of the current master contract with Rural Metro in addition to Cave Creek's desire to join a qualifying agency for automatic aid, the Town must consider its options to ensure the current resources are not isolated and the Town is provided regional backup. The recent wildfires in Cave Creek disclosed the importance of a regional approach to providing emergency services. Indeed, this regional approach comes with additional costs; however, this regional response to emergencies can save properties and possibly lives. If the Town chooses to apply for the automatic aid cooperative, it must meet specific requirements of staffing, training and supporting equipment to qualify. These upfront costs along with additional annual operating costs will add to the current structural deficit in the Fire Fund. Therefore, any conversation associated with automatic aid must also include additional funding sources to create a financially sustainable solution to fund the emergency services. This spring a citizen committee appointed by the Council will review the level of emergency services and desired approach as well as options to fund any proposed refinements to the current level of services.

DEPARTMENTAL BUDGETS

Table ##: Budget for Fire and Emergency Services.

	FY 18/19	FY 19/20	FY20/21	FY21/22
Master Fire Contract	\$1,442,505.00	\$1,478,568.00	\$1,515,532.00	\$1,553,420.00
Fire Equipment Replacement	\$12,000.00	\$15,000.00	\$15,000.00	\$15,000.00
Fuel/Apparatus Maintenance	\$21,320.00	\$21,500.00	\$28,000.00	\$30,000.00
Building Maintenance	\$6,400.00	\$6,500.00	\$6,600.00	\$6,700.00
Water/Sewer	\$10,600.00	\$11,000.00	\$11,500.00	\$12,000.00
Office Equipment Maintenance	\$5,000.00	\$6,700.00	\$10,000.00	\$10,000.00
Total	\$1,497,825.00	\$1,539,268.00	\$1,586,632.00	\$1,627,120.00

DEPARTMENTAL BUDGETS

Municipal Court:

Municipal Courts have jurisdiction over violations arising under the town ordinances and codes in the communities the court serves. In addition, the court presides over civil traffic, criminal traffic, and misdemeanor violations set forth in state law. Further, the court issues protective orders when appropriate to citizens in need of specific court-ordered protection. Resolution of some criminal matters may include a trial by jury. Jurors are selected from the local community and must appear in court to participate in the jury selection process.

The Presiding Judge is appointed by the Town Council and serves a *minimum* term of two years. The Presiding Judge controls the calendar, supervises the operations of the court and court staff, and makes assignments for associated judges. The Presiding Judge appoints a public defender as required by state law. The appropriate compensation is determined by the Presiding Judge and the defendant must reimburse the cost of the public defender unless there is a finding of indigence by the court. To ensure that all court customers receive equal access to justice and in accordance with state mandates, the use of interpreters is provided at no cost to those customers in need of interpretation services.

The most significant fixed costs associated with the operation of the court is labor. This labor includes the contracts for Presiding Judge, associate judges, public defender, interpreter, court administrator, deputy clerks and bailiff. Indeed, the Town Prosecutor is an additional labor expense that is not captured within the specific court budget but can be found within legal services under the Town Administration Department. These labor costs can contribute to approximately 75% of the annual operational costs of the court. Several years ago, the Towns of both Carefree and Cave Creek agreed that a significant annual savings could be yielded to both communities if they shared the annual fixed costs of operating a municipal court. As a result, with the approval of the Supreme Court, an Intergovernmental Agreement was executed between the two communities to share the expenses and operate one municipal court instead of two independent courts located just a few miles from each other. In return, this sharing of fixed labor costs results in savings of approximately 50% to both communities rather than each town operating and staffing their own municipal court. Furthermore, a single court location is less confusing for customers who must appear at the courthouse.

The provisions of the IGA require that the court operate within municipal facilities located within the Town of Cave Creek; however, the Presiding Judge is appointed by the Carefree Town Council and the judge selects the court administrator and deputy clerk(s). The Town of Carefree manages and pays all expenses associated with the operation of the court and in return Cave Creek pays Carefree a set monthly service fee to offset the court's operational expense. Furthermore, a large portion of the fines and assessments collected by the court are paid to state and county as required by law. Any remaining monies collected are applied against the operational costs of the municipal court. In addition, the court is proactive in seeking out and applying for grant funding whenever possible and has been successful at obtaining multiple grants.

Each year, the court's financial practices are audited by an outside company to verify that current practices are in compliance with state and local mandates. The annual audit report is shared with the Town of Cave Creek, as set forth in the IGA.

The Presiding Judge and court staff ensure that they are providing the best service possible by attending continuing education programs as required by the Arizona Supreme Court. Attendance at educational conferences and training sessions assists the judge and staff in staying knowledgeable about the ever-changing laws as well as improving customer service to all customers. In addition, continual active membership in professional associations is helpful in keeping up with policy changes at the county level as they occur. As technology changes, the court strives to continually improve the services it offers to customers by offering customers more options and for resolving court matters.

The following tables outline the dedicated staffing levels, the overall summary of costs of operating each of the divisions within the consolidated municipal court, and the total number of charges filed in the court.

Table ##: Summary of all Municipal Court Positions.

FTE Position	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22
Presiding Judge*	1.0	1.0	1.0	1.0	1.0
Pro Tem Judge*	3.0	3.0	3.0	4.0	4.0
Public Defender*	2.0	2.0	2.0	2.0	2.0
Interpreter*	1.0	1.0	1.0	1.0	1.0
Court Administrator	1.0	1.0	1.0	1.0	1.0
Deputy Clerk	2.0	1.0	1.0	1.0	1.0

**Services provided through contracts.*

DEPARTMENTAL BUDGETS

Table ## Summary of Types of Charges processed by the Court.

Charges Filed	FY17/18	FY18/19	FY19/20	FY20/21
Criminal (non-traffic)	23	30	32	21
Criminal Traffic				
Failure to Appear (traffic & non-traffic)	1	3	1	0
DUI	31	25	16	11
Serious Criminal Traffic	10	3	2	1
Other Criminal Traffic	58	15	25	10
Civil Traffic	1,254	929	921	699
Town Code	7	6	9	3
Total	1,384	1,011	974	745

*FY 20/21 Figures include only the first half of the year (July 2020 – December 2020).

Accomplishments for Fiscal Year 2020-2021:

- Implemented PayNearMe, which provides more convenient payment options by allowing customers to make cash payments at thousands of retailers (such as CVS Pharmacy) throughout the country.
- Received grant funding to improve safety for customers and court staff in response to the COVID-19 pandemic.

Goals for Fiscal Year 2021-2022:

- Implement Online Alternative Dispute Resolution

DEPARTMENTAL BUDGETS

The Table below outlines the subtotal of costs to operate the court. The summary below does not capture all the indirect costs outlined in the cost recovery model of the the Consolidated Court Intergovernmental Agreement.

Table ##: Consolidate Court Divisional Expenses*

	FY 18/19	FY 19/20	BUDGETED FY 20/21	FORECASTED FY 21/22
Salaries (2 Full Time Employees)	\$125,979.00	\$151,486.00	\$152,902.00	\$143,311.00
FICA	\$8,150.00	\$9,392.00	\$9,480.00	\$8,885.00
Medicare	\$1,906.00	\$2,197.00	\$2,217.00	\$2,078.00
ASRS	\$16,270.00	\$18,087.00	\$18,975.00	\$17,785.00
Insurance	\$20,085.00	\$19,965.00	\$17,430.00	\$26,140.00
Workmans Compensation	\$254.00	\$264.00	\$270.00	\$270.00
Unemployment Insurance	\$205.00	\$306.00	\$320.00	\$325.00
Salaries & Benefits	\$172,849.00	\$201,697.00	\$201,594.00	\$198,794.00
Office supplies/technology/maintenance	\$12,000.00	\$17,100.00	\$17,350.00	\$18,350.00
Contracted services	\$68,865.00	\$69,757.00	\$72,048.00	\$81,595.00
Dues Subscriptions/organizational fees	\$1,100.00	\$1,300.00	\$1,300.00	\$1,400.00
Education/Conferences	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
Operations/Supplies/Contracts	\$83,465.00	\$89,657.00	\$92,198.00	\$102,845.00
DIVISION TOTALS	\$256,314.00	\$291,354.00	\$293,792.00	\$301,639.00

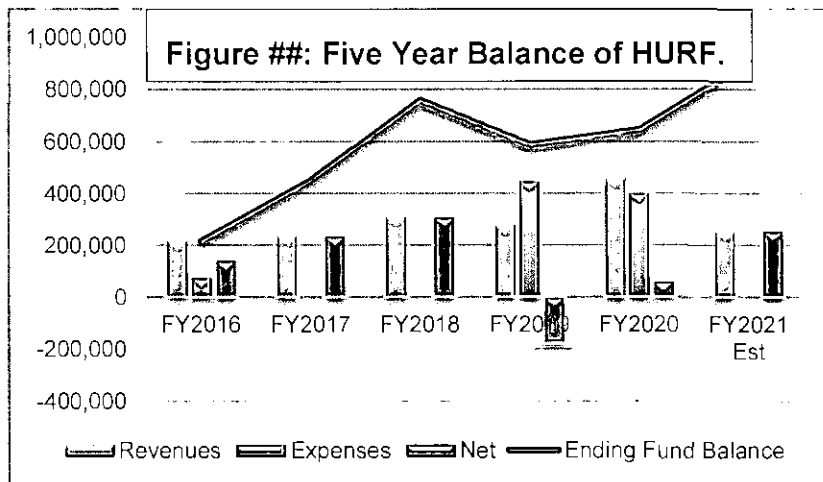
*Divisional Expenses do not include prosecution fees, incarceration fees and indirect administrative expenses.

ALTERNATIVE FUNDS

The General Fund is used to account for revenue and expenses associated with the Town’s annual operations. In addition to the General Fund there are numerous restricted funds which are for specific purposes as required by Arizona State Statute, Town Code or policy. The following is outline of these Funds.

Highway User Revenue Fund:

The State of Arizona assesses a flat tax of eighteen cents per gallon of gasoline. The revenue generated from the tax goes to in part fund the Arizona Department of Public Safety, Arizona Department of Transportation, County Departments of Transportation and municipal street improvements. On a municipal level, this funding can only be used for constructing, reconstructing and maintaining of roadways as well as traffic control devices and signage.



The Town has a ten year street preventative maintenance plan. This plan was last updated in 2012 and will need to be revisited in the next few years. This plan evaluates the level of asphalt distress and defines treatments to reduce the oxidation and helps to mitigate the deterioration of the street surfaces throughout the community.

The funds within the Highway

User Revenue Fund (HURF) are used to help offset the costs for the street maintenance projects. However, these funds do not typically cover the balance of costs associated with the projects. As the Figure indicates below, HURF monies are saved over time and then invested in the street projects. At the present time, the balance of HURF is approximately \$900,000. It is important to note, as the asphalt continues to age, its useful life decreases and options should be considered to fund an asphalt replacement project throughout the community.

Approximately 2 years ago, the Town began the current cycle of Street Maintenance Projects. To date nearly 55% of the streets were treated with a crack seal and fiber micro surface treatment. The remaining streets were delayed in anticipation of the future water infrastructure improvement projects nearing construction and other conflicting utility improvements within the streets and/or nearby construction. Over the next few years, as this utility work is completed, these roadways will also receive a similar application. There is one section of Cave Creek Road between Carefree Drive and Mule Train which is experiencing some structural issues, an appropriate solution may be milling and

ALTERNATIVE FUNDS

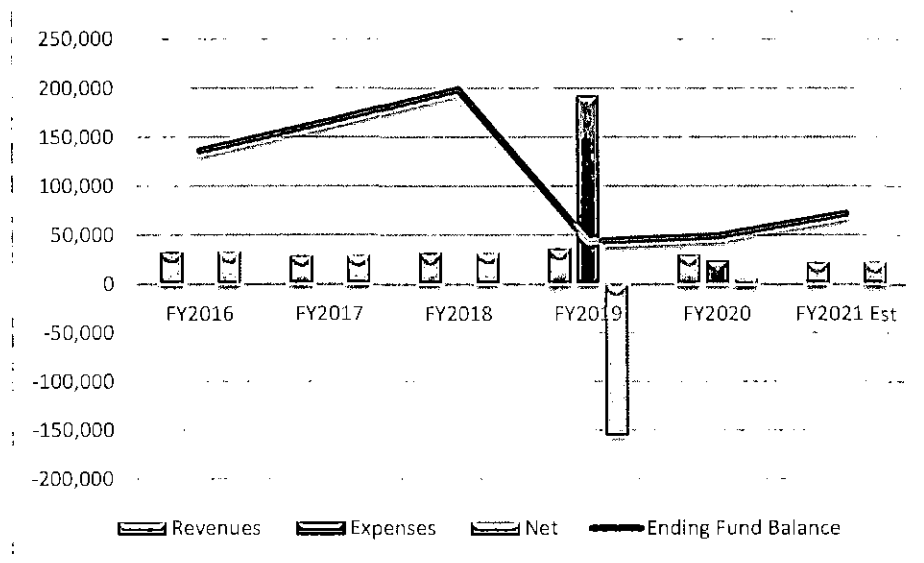
new asphalt overlay which should be planned over the next fiscal year. In addition, a section of Carefree Drive near the Basha's center and the southern part of the Easy Street loop between the Hampton Inn Project and the View Townhomes will need to be treated. These sections of streets were delayed as a result of the construction and utility work into both of these sites. The Town will be working with the developers of these properties to essentially split the cost for this street surface maintenance project. The HURF funds will be allocated towards these anticipated construction projects. Additionally, the new Town Engineer will oversee these future projects and begin planning for the next street assessment using recent technology to evaluate the streets' conditions and develop the next 10 year street maintenance plan.

Utility Capital Expenditure Fund:

This fund was established through the Southwest Gas Company franchise agreement to help address continual street maintenance resulting from trenching for utilities. This fund is annually recoverable by Southwest Gas Company if the Company claims improvements such as street repairs during a specific fiscal year. Any residual funds become Town funds at the end of the fiscal year and are used to help fund the Town street preventative maintenance program.

As you can see from the chart below, there is approximately \$25,000 in annual revenue. These monies are saved and then subsequently invested in street maintenance projects over time. A residual balance of \$25,000 is typically maintained to ensure any claims by Southwest Gas for reimbursement can be funded.

Figure ##: Five Year Balance of Utility Capital Expenditure Fund



ALTERNATIVE FUNDS

Utility Community Facility District Fund:

In 1998, the Carefree Water Company was purchased through a Utility Community Facility District (UCFD). The guiding principles of this transaction was to diversify the Water Company's water portfolio, alleviate its dependency on the community's aquifer and provide additional fire suppressant capacity. In order to assist in these efforts, there was a Capital Advance as well as a Capital Lease established.

Capital Advance – Water Infrastructure that were originally paid for out of the Town's General Fund are incrementally being paid back to the Town through a Capital Advance with zero percent interest. The lease agreement qualifies as a capital advance for accounting purposes and therefore, has been recorded at the present value of its future minimum payments as of the inception date. Charges for service from the Water Fund are used to repay the capital advance. Amortization of assets within the Water Fund acquired under the capital advance is included with depreciation expense. The future minimum capital advance obligations and the net present value of these minimum capital advance payments at year end are as follows:

Table ##: Balance of the Town's Capital Advance Loan to Water Company.

DATE	BALANCE
Jun-21	\$1,974,333.00
Jun-22	\$1,559,993.00
Jun-23	\$1,145,653.00
Jun-24	\$731,313.00
Jun-25	\$316,973.00
Jun-26	\$0.00

Capital Lease – A million gallon water reservoir was also transferred to the Water Company under a Capital Lease. As such for accounting purposes, the lease is recorded at the present value of its future minimum lease payments as of the inception date. Similar to the Capital Advance, amortization of assets within the Water Fund acquired under the capital lease is included with depreciation expense.

ALTERNATIVE FUNDS

Table ##: Balance of Capital Lease Loan to Water Company.

YEAR	BALANCE
Jun-21	\$1,694,855.00
Jun-22	\$1,450,090.00
Jun-23	\$1,205,326.00
Jun-24	\$960,562.00
Jun-25	\$715,798.00
Jun-26	\$471,034.00

In order to service the balance of these two loans provided through/by the Town to the Water Company, the Water Company provides annual debt payments of approximately \$660,000 to satisfy the loans.

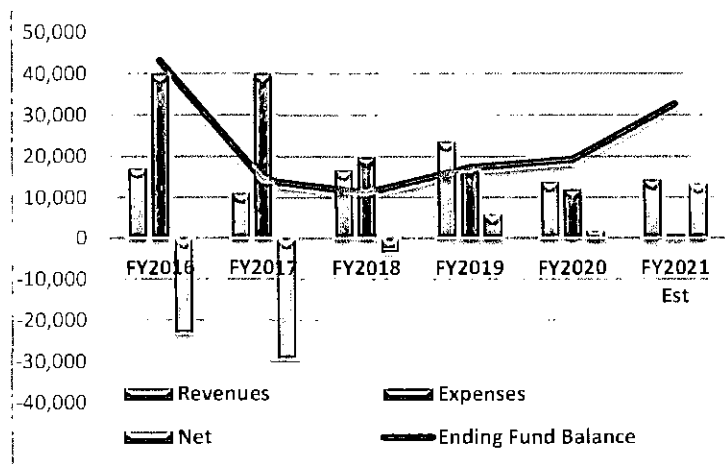
Municipal Court Funds:

There are several dedicated Court Funds established by Statute, Court Enhancement, MJCEF and GAP. Although a minor revenue stream is associated with these restricted Court accounts their purpose is to support judicial needs of the Court.

Court Enhancement Funds:

The chart below outlines the revenues, expenses, annual net change in position and annual fund balance. Although there are not a significant amount of monies within this fund, this balance is devoted to specific investments in court operations.

Figure ##: Five Year Balance of Court Enhancement Funds.

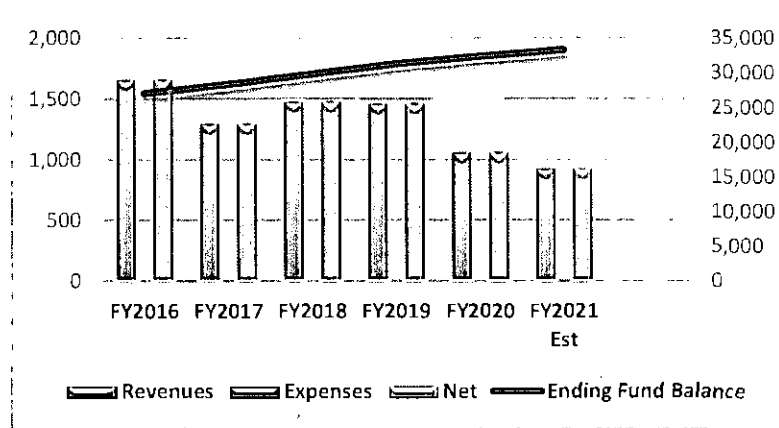


ALTERNATIVE FUNDS

MJCEF:

The chart below outlines the revenues, expenses annual net change in position and annual fund balance of MJCEF. These Funds are allocated through the authority of the superior court and cannot arbitrarily be used for court operations. Over the last five years, there has not been any expenditures from this Fund and thus the balance is nearing approximately \$35,000. This Fund can be used for future capital expenditures to support the court's needs.

Figure #: Five Year Balance of Court Restricted MJCEF Funds.

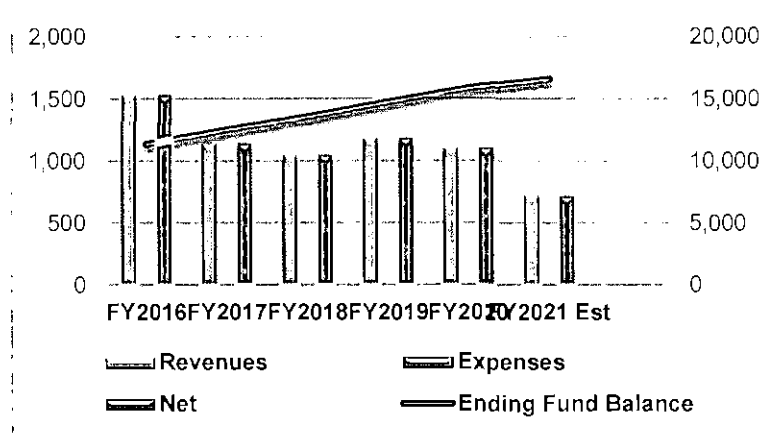


ALTERNATIVE FUNDS

GAP:

The chart below outlines the revenues, expenses annual net change in position and annual fund balance of GAP. This Fund are allocated through the authority of the superior court and cannot arbitrarily be used for court operations. Similar to MJCEF, over the last five years, there has not been any expenditures from this Fund and thus the balance is approximately \$16,000. This Fund can be used for future capital expenditures to support the court's needs.

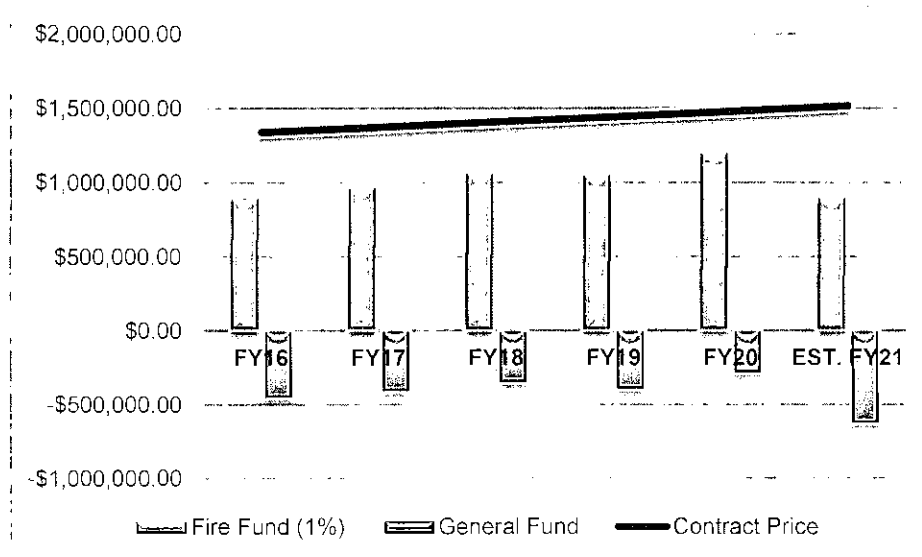
Figure ##: Five Year Balance of Court Restricted GAP Funds



ALTERNATIVE FUNDS

Fire Fund:

The Town assesses a total of 3% sales tax on retail products purchased with the Town. One-third of this assessment on retail products is earmarked to the Fire Fund. The Fire Fund is used to pay for the master contract with Rural Metro. This Fund does not pay for the entire balance of the master fire contract with Rural Metro. Therefore, the remaining balance must be paid out of the Town's operations Fund the General Fund. This structural deficit will continue to grow as the costs to the master contract out pace the revenue generated by the dedicated sales tax within the Fire Fund. In the table below, the line indicates the escalating price of the master contract with Rural Metro. This contract has an inflationary index for labor based upon the local labor index CPI-UW for Mesa-Phoenix. This index also has an annual cap on 2.5%. The bars are the chart indicated where the funds come from. The gap between the line and the fire fund bars illustrate the current structural deficit of the Fire Fund. The blue bars indicate the amount per year of this structural deficit. This structural deficit does not take into account any changes to level of service of the expiring master contract with Rural Metro. Indeed, any increase in this structural deficit will illuminate operational funding to take care of other infrastructure needs. Therefore, this structural deficit needs to be evaluated to eliminate the financial stress it is creating to properly fund other community needs.



CPR Fund:

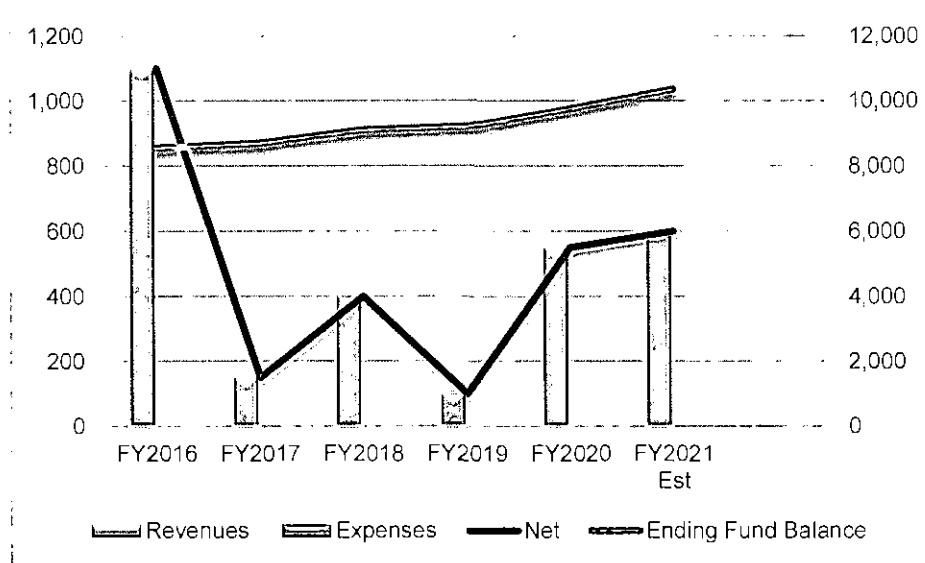
As part of the master contract, the fire department produces a CPR program. The revenues and expenses associated with this program are captured within this specific Fund and simply reimburse the costs of the program for supplies.

ALTERNATIVE FUNDS

Cemetery Fund:

The Town operates a small cemetery located south of Cave Creek Road on the east side of Pima Road. Although over recent years there have been resources used to grade, clean up and repair portions of this cemetery, the expenses associated with these improvements came from the Public Works Department. In the future, these funds will be used to further comply with dust control requirements and some aesthetical improvements. Currently, the balance to this Fund is just over \$10,000.

Figure ##: Five Year Balance of Cemetery Fund.

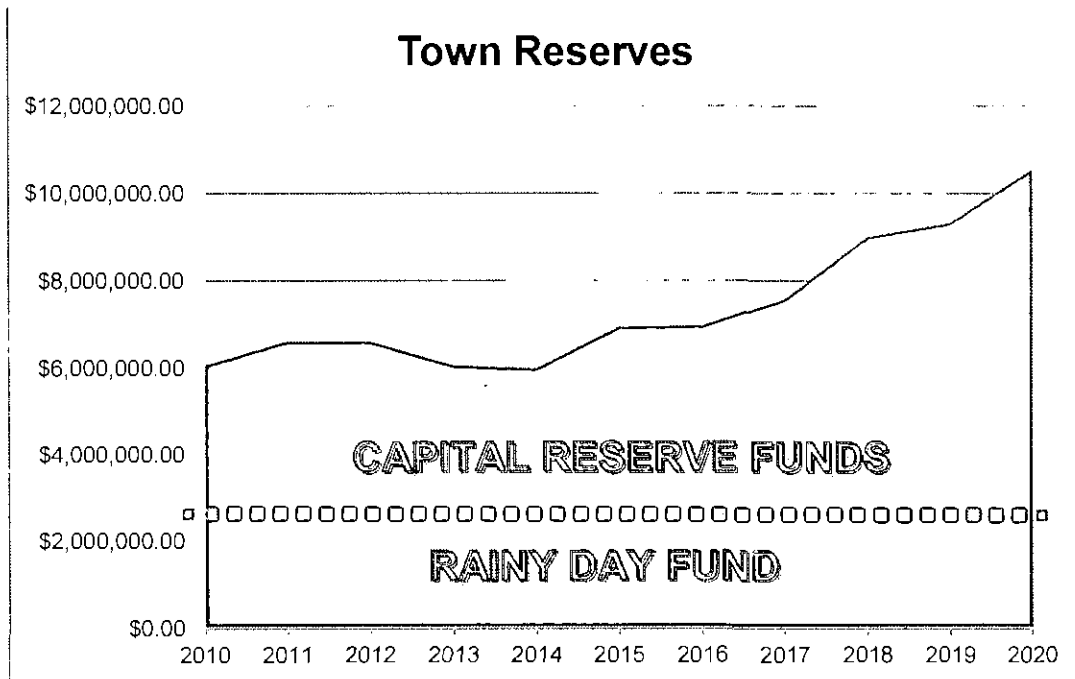


CAPITAL IMPROVEMENT PROGRAM

CAPITAL RESERVE FUNDS:

Over the past ten years, the Town has increased its Capital Reserve Fund by over \$4MM by minimizing operational expenses. This reserve account has been used to fund Capital Projects such as street maintenance, Town Center improvements, Public Works equipment, and the purchase of buildings for both the Town Hall, Town Council Chambers, a Fire Station and all associated equipment and apparatus. As the Town's infrastructure ages, the Town will need to prioritize competing investments with these finite resources.

In addition to the increases to the capital reserves, over this period of time, there have been significant economic contractions. However, even during these significant economic contractions the Town has preserved its \$2.5MM rainy day fund. In order to reconcile the future infrastructure expenses the Town may need to evaluate the amount of rainy day funds as the Town has proven it can navigate historic economic downturns without the need for such large rainy day fund balances. However, the Town must always be cognizant that its revenues are correlated with the fluctuations of the economy and thus, due to the elasticity of these revenues, the Town should maintain a higher level/percentage of rainy day funds than other communities which have offsetting non-elastic revenues.



CAPITAL IMPROVEMENT PROGRAM

Currently, the community is seeing significant reinvestment in older homes. Many of these homes due to their age are being updated to address desires of the existing market and new technology. Similarly, over time, the Town's supporting infrastructure needs to be updated.

Streets:

One of the Town's largest capital assets and liabilities are the public streets serving the community. These streets are subject to the extreme heat and rays of the harsh desert sun. As a result, there is significant oxidation which leads to the drying and cracking of the asphalt and the degradation of the street surface. To reduce the impacts of these natural environmental conditions on the streets the Town regularly performs cycles of street preventative maintenance. This is done through observing the various forms of asphalt distress and rating the pavement condition index (PCI). This helps to identify the various forms of maintenance including but not limited to: crack seal, fog seal, slurry seal, chip seal, mill and overlay. The Town last conducted a pavement evaluation in 2012. The Town is in the middle of its current street maintenance cycle with approximately 45% of the streets treated with a polyflex crack seal and a fiber micro-surface. The Town will complete the current street maintenance cycle over the several years as well as complete an update of its pavement evaluation. This update to the pavement condition will outline the future requirements and financial needs to address street maintenance over the next 10 years.

In addition to the maintenance to the street surface, there are infrastructure associated with the street including existing crosswalks, signage, drainage outlets which will need to be maintained and or improved overtime. Furthermore, as a new generation of residents move into town, as typical, there are requests for additional signs, crosswalks, sidewalks, street modifications, intersection modifications and landscape modifications. These requests must be reconciled with a cohesive plan to prioritize the projects and create a sustainable funding mechanism. Current Town capital reserve funds are earmarked to maintain the existing aging Town assets. The introduction of new infrastructure should provide for a new separate funding mechanism to ensure an imbalance is not created resulting in the inability to maintain existing, aging infrastructure.

Drainage Facilities:

The Public Works Department performs maintenance on several hundred drainage culverts that are located underneath the Town's public rights-of-way. The Department has an inspection schedule to clean debris from the entrance and exits of these culverts. Many times, the bed of the wash leading into these culverts will fluctuate. This results in sedimentation deposits within these culverts. Typically removing this sedimentation does not increase the capacity of the culvert as the sedimentation levels will always reach its equilibrium with the bed of the wash. Therefore, the focus of the public works efforts are to minimize/remove brush and debris that would inhibit flows into the culverts and ensure integrity of wing/head walls are maintained to push the water through the culvert. Overtime, some of these culverts and headwalls will need additional maintenance.

CAPITAL IMPROVEMENT PROGRAM

Public Buildings:

The Town owns numerous building which house various administrative functions. Over time, as any capital asset ages, funds will need to be reinvested back in to reposition and repair the asset. Currently, here's a description of the five town owned buildings/facilities.

- Town Council Chambers – This building is the most recent addition and was remodeled to facilitate public meetings. The ongoing maintenance costs are captured in the Town Administration budget. Some additional improvements in this next fiscal year may include some cameras to broadcast public meeting through the internet.
- Town Hall/Administrative Offices – The majority of Town staff work out of this building. The property is located in a highly desirable and visible area near the new hotel, across from the Sundial and adjacent to Cave Creek Road. As a result, from an economic development perspective, it may be more appropriate to reposition the building/property for restaurant/retail uses rather than Town offices. However, the staff will need a suitable space to relocate to. Currently, the ongoing maintenance costs are captured within the Town Administration budget.
- Amphitheater multiple-purpose room – Over the last several months the flex space has been remodeled to house the new communication manager, visitor center, storage and changing areas for future performances. This provides a better functioning and more professional space for the various users groups. The ongoing costs to maintain this space are captured in the Town Center facilities budget.
- Fire Station – The fire station was built in 2006 and is part of the Towns fire safety program. Currently, Rural Metro pays utilities with the exception of water and 50% of the waste water. The Town pays to repair all equipment and overtime has replaced furniture or other equipment. Over the last several years, the most significant repairs have focused around the roof and the garage doors.
- Public Works/Water Company – the Town owns the buildings which house both the Public Works Department and the Water Company. The Town has converted the lighting system to LED which provides for a higher quality of lighting at a lower monthly cost. In addition the roofs to both Public Works and the water Company buildings have been redone. The ongoing maintenance to these spaces are captured in the Public Works Department budget.
- Lease Space – the Town leases a privately owned lot adjacent to the Public Works facility to provide capacity to store material and equipment to support the Facilities team.

Town Center:

Within the Town Center is a significant amount of public infrastructure/assets within and around the Town Gardens. From the street lamps to directional signage and landscape to the amenities within the gardens such as the amphitheater, splash pad, playground and fountains. Due to the heavy use of these items, over time, they will need to be refreshed. Additionally,

CAPITAL IMPROVEMENT PROGRAM

new ways of managing the space need to be introduced to mitigate damage that is occurring from vandalism and from the frequency of pets relieving themselves. This will include but is not limited to landscape replacement, security cameras, replacement of metal poles, ceramic painting of surfaces and retreatment of other paved surfaces. Additionally, pet relief stations should be explored to focus appropriate areas and help preserve the integrity of the facilities.

Over the balance of the next fiscal year, the following items in the table below have been identified as the current fiscal year priorities/expenses and the associated revenue offsets.

Table ##: Fiscal Year Capital Projects

DEPARTMENT	TOTAL
Administrative Services	\$620,000.00
Community Development	\$340,000.00
Public Works	\$685,000.00
Consolidated Municipal Court	\$105,000.00
TOTAL	\$1,750,000.00

EXPENSES	AMOUNT
Pedestrian Crosswalks Improvements	\$650,000.00
Town Center Signage Improvements	\$450,000.00
Town Center Redevelopment Initiatives	\$400,000.00
Street Maintenance	\$1,500,000.00
Water Infrastructure	\$2,000,000.00

TOTAL **\$5,000,000.00**

REVENUES	AMOUNT
HURF	\$300,000.00
Utility CAP	\$25,000.00
Bond Reimbursement	\$2,000,000.00
Federal Grant/Stimulus	\$485,000.00
General Fund Transfer	\$400,000.00
Capital Reserves Transfer	\$1,790,000.00
TOTAL	\$5,000,000.00

CONTINGENCY FUNDS

The contingency fund is established to absorb unanticipated expenses during the course of the fiscal year. This permits additional flexibility to fund additional expenses if there is sufficient revenue to support such expense. Annually, this fund is \$200,000 but can be adjusted by the Council during the budget process.

EXPENDITURE LIMIT ANALYSIS

Each year the Arizona Economic Estimates Commission develops expenditure limits for local governments. These expenditure limitations are based on a formula using 1979-80 expenses adjusted for inflation and population growth. However, many communities have used statutory mechanism to adjust the base due to growing needs of the respective communities. On November 3, 1998 the citizens of Carefree approved a permanent base adjustment of \$1,047,314. Therefore, based upon Carefree's permanent base adjustment, the expenditure limit for FY2021/22 is \$11,340,358

It is important to note that there are certain exemptions and deductions from this expenditure limit. For example, debt service payments, HURF, bond proceeds, stimulus funds and grant expenditures are not included when determining compliance with expenditure limitations. The Table below is an estimation of the Town's expenditure limitation, deductions and exclusions and final spending authority.

Table ##: Expenditure Limitation Analysis.

Total Expenditures:	\$11,902,355
Exclusions from Revenues:	
Bond Proceeds	\$ 0
Debt Service Payments	\$ 244,227
Dividends, Interest, Gains	\$ 21,419
Grants	\$ 200,000
ALF	\$ 9,800
Contributions from private organizations	\$ 0
HURF	\$ 261,500
UTCAP	\$ 22,530
Refunds, Reimbursements	\$ 2,000,000
Voter approved exemptions	\$ 0
Total Exclusions:	\$ 2,759,476
Total Expenditures Subject to Limitation:	\$ 9,142,879
Expenditure Limitation:	\$11,340,358
Under Limitation by:	\$ 2,197,479

APPENDIX

AUDITOR GENERAL SCHEDULES A-G TO BE ADDED



**TOWN OF CAREFREE
INFORMATION SUMMARY**

MEETING DATE:

May 4, 2021

SUBJECT:

Approval of Resolution 2021-07 appointing the Town Clerk/Treasurer as Applicant Agent for the Arizona Department of Military Affairs for the Public Assistance Program related to the Coronavirus (COVID-19) pandemic.

ATTACHMENT:

- Resolution No. 2021-07

SUMMARY:

Both the federal and state government have declared a State of Emergency as a result of the COVID-19 pandemic and have established various programs under the jurisdiction of federal and state agencies such as the Federal Emergency Management Authority (FEMA) and the Arizona Department of Emergency and Military Affairs (DEMA). The State of Emergency is still in effect and the most recent program, Public Assistance, may provide additional moneys to the Town of Carefree at a 100% reimbursement.

In order to participate in this program the Town Council must designate specific personnel who have the authority to represent the Town in providing information, authorizing distributions and acting in such manners as required applying and receiving these funds and assistance. Due to her familiarity in the process and in the role of Town Clerk and Treasurer of the Town of Carefree, it is most practical to appoint Kandace French Contreras as the Applicant Agent for the Town of Carefree.

TOWN COUNCIL ACTION:

Approval Resolution 2021-07.

REPORT PREPARED BY:

Kandace French Contreras, Town Clerk/Treasurer

**ARIZONA DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS
DESIGNATION OF APPLICANT'S AGENT FORM**

The intent of this DESIGNATION is to appoint an APPLICANT'S AGENT for the following:

Select program(s) Public Assistance HMA Mitigation Program SEC Mitigation
Select duration Until further notice Only Event _____ From _____ to _____

Applicant: the Town of Carefree

CERTIFICATION

I, Les Peterson, duly appointed and Mayor of
(Authorizing Official's Name) (Title)

the Town of Carefree, do hereby certify that the information below is true and correct,
(Applicant)

based on a resolution passed and approved (**attached**) by the Town Council
(Governing Body)

of the Town of Carefree on the 4th day of May, 2021.
(Applicant) (day) (month) (year)

Kandace French Contreras has been designated as the Applicant's Agent
(Name of Designated Applicant's Agent)

to act on behalf of the Town of Carefree.
(Applicant)

Mayor 05-04-2021
(Authorizing Official's Signature) (Title) (Date)

This document MUST be accompanied by a copy of the Resolution or Meeting Minutes by your governing board which designated the Applicant's Agent.

Designated Applicant's Agent

Name Kandace French Contreras

Title/Official Position Town Clerk/Treasurer

Full Mailing Address P.O. Box 740, 8 Sundial Circle, Carefree, AZ 85377

Email Address Kandace@Carefree.org

Daytime Telephone Number 480-488-3686 Cell 623-810-9040
(Please include area code and extension if not a direct number)

For DEMA Use Only

Received By: _____
(Initials & Date)

March 2020

Form #AZ PA 204-4

**TOWN OF CAREFREE, ARIZONA
RESOLUTION 2021-07**

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF CAREFREE, MARICOPA COUNTY, ARIZONA, APPROVING THE DESIGNATION OF APPLICANT'S AGENT FORM SUBMISSION TO THE ARIZONA DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS, WHICH DESIGNATES THE TOWN CLERK AS THE TOWN'S AGENT FOR APPLYING FOR CERTAIN PUBLIC ASSISTANCE; AND AUTHORIZING THE MAYOR AND TOWN CLERK TO EXECUTE AND DELIVER SAID APPLICATION ON BEHALF OF THE TOWN OF CAREFREE

WHEREAS, the Town of Carefree (the "Town") has incurred expenses it otherwise would not have so as to safely fulfill its duties and responsibilities in a time of national pandemic; and

WHEREAS, both the government of the United States and the government of the State of Arizona have declared that a State of Emergency exists on account of the pandemic and these governments have established various programs, under the jurisdiction of agencies such as the Federal Emergency Management Authority (FEMA) or the Arizona Department of Emergency and Military Affairs (DEMA), to provide reimbursement and other public assistance to units of government such as the Town to offset costs uniquely incurred on account of the pandemic; and

WHEREAS, in order to participate in these programs the Town must designate specific personnel who the Town has authorized to represent the Town in providing such information and other materials as may be necessary for the Town to receive the funds it is entitled to receive.

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

1. The Designation of Applicant's Agent form to the Arizona Department of Emergency and Military Affairs, which designates the Town Clerk as the Town of Carefree's agent to execute applications on behalf of the Town of Carefree for the purpose of obtaining financial assistance under the Disaster Relief Act, is hereby approved in the form attached hereto.

2. The Mayor, the Town Administrator, the Town Attorney, and the Town Clerk are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED, APPROVED AND ADOPTED by the Mayor and Common Council of the Town of Carefree, Arizona, this 4th day of May, 2021.

___ AYES ___ NOES ___ ABSTENTIONS ___ ABSENT

Les Peterson, Mayor

ATTEST:

APPROVED AS TO FORM

Kandace French Contreras,
Town Clerk/Treasurer

Michael Wright, Town Attorney

**TOWN OF CAREFREE
INFORMATION SUMMARY**

MEETING DATE: May 4, 2021

SUBJECT

Final Plat, Case #20-02-FP: Discussion and possible action to consider acceptance of the Final Plat. The development, zoned R1-35 Single Family Residential, is subdivided into 6 residential lots for a new subdivision named Estates at Carefree. The property is generally located west of the northwest corner of Stagecoach Pass and Pima Road. This is a public meeting and comments will be taken.

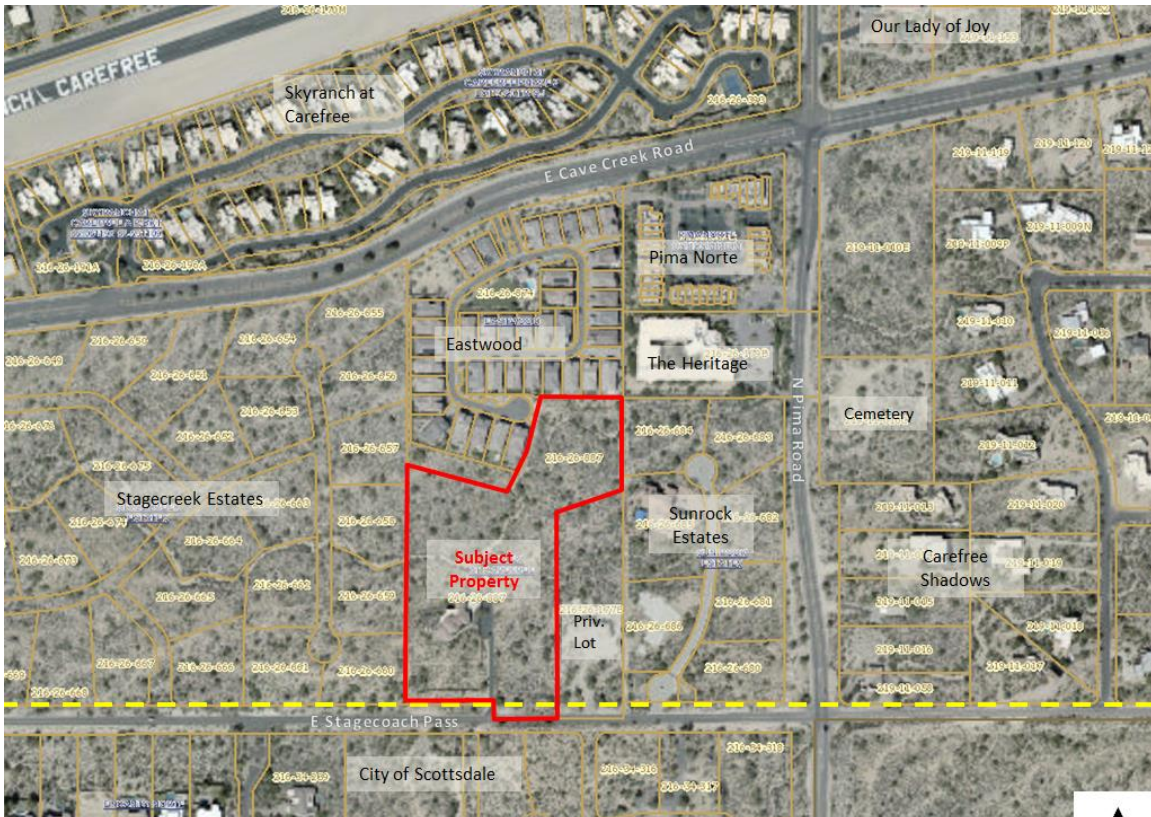
ATTACHMENTS

- Exhibit 1: Final Plat
- Exhibit 2: RESOLUTION #2021-08
- Exhibit 3: Declarations of Covenants, Conditions, and Restrictions (CC&Rs)

KEY ITEMS FOR CONSIDERATION

- The Final Plat is in substantial conformance with the approved Preliminary Plat as per Section 2.20 of the Subdivision Ordinance.
- The plat consists of 6 residential lots designed to accommodate a detached, custom home product with a tract for landscaping, entry feature, and roads/utilities.
- The development is zoned R1-35 Single Family Residential, which allows for a minimum lot size of 35,000 square feet. The lot sizes range from 35,010 to 80,499 square feet.
- Primary (and only) access will be from Stagecoach Pass; the entry will be gated and the internal street shall be private.
- Water will be provided to the site by the Carefree Water Company. The applicant has received his 100-year assured water supply certificate from the Arizona Department of Water Resources.
- Storm water retention shall be provided for this project and be designed for the 100-year 2-hour storm event. As each lot develops, it will be responsible for its own on-site retention as well as modifying existing basins as needed to maintain current retention requirements.
- Each lot will provide its own septic system for wastewater as allowed by the Maricopa County Environmental Services Department.
- The applicant is in the process of dedicating right-of-way to the City of Scottsdale.

The Estates at Carefree project encompasses approximately 8 gross acres (7.55 net acres) of previously developed, but mostly vacant, properties and is located west of the northwest corner of Stagecoach Pass and Pima Road.



Source: Maricopa County Assessor, 2020



This neighborhood consists of 6 lots for single-family residential development and a tract to include its gated entry, vehicular access, and landscaping. Easements are provided utility, drainage, and conservation purposes. The Preliminary Plat was approved by Town Council on November 10, 2020. The Final Plat conforms to that November approval.

The Final Plat includes the following:

LOT/TRACT TABLE	
Lot #	Area (SF/AC)
1	35,414 / 0.81
2	42,647 / 0.98
3	78,677 / 1.81
4	80,499 / 1.85
5	35,169 / 0.81
6	35,010 / 0.80

Tract Area	21,244 / 0.49
Total	328,660 SF / 7.55 AC

The following additional utilities and services apply:

- Refuse – Contracted Vendor
- Police – Maricopa County Sheriff’s Office
- Fire – Rural Metro Fire Department
- Cable – COX Communications
- Communications – COX Communications and CenturyLink
- Power – APS
- Gas – Southwest Gas

The Town can expect a well-designed development that is compatible with the surrounding area.

SUMMARY

The applicant has fulfilled the necessary Town requirements to obtain Preliminary Plat approval. If Town Council should decide to approve, the attached Conditions for Approval are included for the Council’s consideration.

ACTION NEEDED FOR RECOMMENDATION

Proposed is draft of approved Resolution #2021-08 including Conditions of Approval.

ESTATES AT CAREFREE
CONDITIONS FOR APPROVAL
20-02-FP

1. All utilities shall be placed underground.
2. All improvements including, but not limited to, streets, storm drainage and water lines shall be constructed as per Town of Carefree and MAG specifications. Pursuant to the Subdivision Ordinance waiver allowance, the private streets terminating in a cul-de-sac shall be allowed to exceed the length of 400 feet and no sidewalks or alleys shall be required. The Improvement Plans shall be approved prior to the issuance of any building permits.
3. Areas adjacent to or within the FEMA Flood Zone AE shall address lateral migration and scour potential. Erosion setbacks shall be defined that establish areas requiring engineered scour control measures for all development improvements.
4. Disturbance within the FEMA Flood Zone AE shall require a Floodplain Use Permit from the Flood Control District of Maricopa County.
5. Prior to the issuance of building permits, the developer shall obtain the required permits to comply with Maricopa County dust control standards and Arizona Department of Environmental Quality storm water management standards and policies.
6. Each lot shall be developed as a single, custom home according to the Town of Carefree Zoning and Building requirement. Under no circumstances shall the subdivision be mass graded and/or building pads established prior to the issuance of any building permit.
7. Residential fire sprinklers shall be installed in all residences.
8. Pursuant to the Subdivision Ordinance and Subdivision Improvement Agreement, the developer shall give the Town assurance in the form of 110% money or bond in the amount of the engineer's estimate of the construction cost for the on-site and off-site improvements.
9. After review by the Town Council, the Subdivision Improvement Agreement shall be recorded.
10. Declarations of Covenants, Conditions, and Restrictions (CC&Rs) shall be recorded with the Final Plat.
11. After approval and prior to recording, three (3) sets of the following documents shall be given to the Town:
 - a. The approved and signed final plat map.

- b. The approved and signed Subdivision Improvement Agreement.
 - c. The approved and signed CC&R's.
 - d. Electronic copy of the Final Plat and associated documents.
12. After recording, the applicant shall file one copy of the above information with the County, one with the Town of Carefree and retain one copy for their records.

DEDICATION:
STATE OF ARIZONA)
) SS.
COUNTY OF MARICOPA)
KNOW ALL MEN BY THESE PRESENTS:

URISCHUMM AND CAROL CARPENTER, OWNERS HEREBY SUBDIVIDE A PORTION OF SECTION 36, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, UNDER THE NAME "ESTATES AT CAREFREE" AS SHOWN ON THIS FINAL PLAT. THIS PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF THE LOTS, TRACTS, STREETS, AND EASEMENTS CONSTITUTING THE SUBDIVISION. EACH LOT, TRACT, STREET, AND EASEMENT SHALL BE KNOWN BY THE NUMBER, LETTER, NAME OR DESCRIPTION GIVEN EACH RESPECTIVELY ON THIS PLAT. THE EASEMENTS ARE DEDICATED FOR THE PURPOSES, AND SUBJECT TO THE CONDITIONS, STATED.

PRIVATE STREETS
URISCHUMM AND CAROL CARPENTER, AND URISCHUMM AS TRUSTEE OF THE SCHUMM FAMILY TRUST, DATED SEPTEMBER 09, 2013, COLLECTIVELY OWNER, GRANTOR, DECLARE THE PRIVATE STREETS SHOWN HEREON AS TRACT "A" AS PRIVATE ACCESS WAYS, NOT DEDICATED TO THE PUBLIC FOR ITS USE EXCEPT AS EXPRESSLY STATED HEREON. THE GRANTOR AND ITS SUCCESSORS SHALL MAINTAIN, REPAIR AND REPLACE THE PRIVATE STREETS. THE TOWN HAS NO OBLIGATION TO MAINTAIN, REPAIR AND REPLACE THE PRIVATE STREETS ARISING FROM THIS PLAT.

PUBLIC EASEMENTS:
URISCHUMM AND CAROL CARPENTER, AND URISCHUMM AS TRUSTEE OF THE SCHUMM FAMILY TRUST, DATED SEPTEMBER 09, 2013, COLLECTIVELY OWNER, GRANTOR, DEDICATE TO THE CAREFREE WATER COMPANY, THE EASEMENT AS SHOWN HEREON, SUBJECT TO THE CONDITIONS STATED.

WATERLINE EASEMENT: A PERPETUAL, NON-EXCLUSIVE EASEMENT SHOWN HEREON ON LOT 4, UPON, OVER, UNDER AND ACROSS THE PROPERTY ON THIS PLAT FOR WATER PIPES AND OTHER RELATED FACILITIES, AND FOR CONSTRUCTION, OPERATION, USE, MAINTENANCE, REPAIR, MODIFICATION AND REPLACEMENT OF PIPES AND OTHER RELATED FACILITIES.

PUBLIC ACCESS EASEMENT: A PERPETUAL, NON-EXCLUSIVE EASEMENT SHOWN HEREON ON LOTS 1 & 6, UPON, OVER, UNDER AND ACROSS THE PROPERTY ON THIS PLAT FOR THE PURPOSE OF VEHICULAR TRAFFIC TO TURN-AROUND PRIOR TO GATES ACCESS TO THE SUBDIVISION. THE GRANTOR AND ITS SUCCESSORS SHALL MAINTAIN, REPAIR AND REPLACE THE IMPROVEMENTS WITHIN THIS EASEMENT. THE TOWN HAS NO OBLIGATION TO MAINTAIN, REPAIR AND REPLACE IMPROVEMENTS WITHIN THIS EASEMENT.

URISCHUMM AND CAROL CARPENTER, AND URISCHUMM AS TRUSTEE OF THE SCHUMM FAMILY TRUST, DATED SEPTEMBER 09, 2013, COLLECTIVELY OWNER, GRANTOR, DEDICATE TO THE TOWN OF CAREFREE, THE EASEMENTS AS SHOWN HEREON, SUBJECT TO THE CONDITIONS STATED.

DRAINAGE EASEMENT: A PERPETUAL, NON-EXCLUSIVE EASEMENT SHOWN HEREON OVER TRACT A, AND LOTS 1 THROUGH 6, UPON, OVER, UNDER AND ACROSS THE PROPERTY ON THIS PLAT, FOR DRAINAGE AND FLOOD CONTROL AND ALL RELATED PURPOSES, INCLUDING WITHOUT LIMITATION, CONSTRUCTION, MAINTENANCE, OPERATION, REPLACEMENT, AND REPAIR OF LEVEES, DIKES, DAMS, STORMWATER STORAGE BASINS, STORM DRAINS (SD), CHANNELS, IMPROVEMENTS, WASHES, WATERCOURSES AND OTHER DRAINAGE OR FLOOD CONTROL FACILITIES (COLLECTIVELY, "DRAINAGE FACILITIES"), SUBJECT TO THE FOLLOWING:

- GRANTOR IS RESPONSIBLE FOR ALL DRAINAGE FACILITIES ON THE PROPERTY. DRAINAGE FACILITIES ON THE PROPERTY MIGHT NOT BE OBVIOUS. LACK OF AWARENESS OF DRAINAGE FACILITIES DOES NOT EXCUSE FAILURE TO PERFORM THE REQUIREMENTS OF THIS DOCUMENT.
- GRANTOR SHALL NOT CONSTRUCT, OBSTRUCT OR ALTER ANY DRAINAGE FACILITIES ON THE PROPERTY WITHOUT GRANTEE'S PRIOR WRITTEN CONSENT.
- AT GRANTEE'S EXPENSE, GRANTEE SHALL MAINTAIN DRAINAGE FACILITIES IN GOOD CONDITION, REPLACE AND REPAIR DRAINAGE FACILITIES AS NECESSARY TO MAINTAIN THEIR FLOOD CARRYING OR STORAGE CAPACITY; PREVENT EROSION; AND PREVENT ANY REFUSE, DEBRIS, SEDIMENT, VEGETATION, OR OTHER OBSTRUCTION FROM ACCUMULATING IN DRAINAGE FACILITIES. GRANTEE IS NOT OBLIGATED TO PERFORM ANY SUCH WORK.
- IF, IN GRANTEE'S OPINION, GRANTEE FAILS TO DO SUCH WORK, THEN GRANTEE MAY DO THE WORK AT GRANTEE'S EXPENSE. IN ADDITION TO GRANTEE'S OTHER REMEDIES, THE COST OF THE WORK SHALL BE SECURED BY A LIEN THAT GRANTEE HEREBY GRANTS AGAINST THE PROPERTY, WITH INTEREST AT THE ANNUAL RATE OF EIGHT PERCENT (8%).
- GRANTOR SHALL INDEMNIFY, DEFEND AND HOLD GRANTEE HARMLESS AGAINST GRANTEE'S FAILURE TO PERFORM UNDER THIS DOCUMENT

EMERGENCY AND SERVICE ACCESS EASEMENT: A PERPETUAL, NON-EXCLUSIVE EASEMENT SHOWN HEREON OVER TRACT A, UPON, OVER, UNDER AND ACROSS THE PROPERTY ON THIS PLAT, FOR ACCESS FOR EMERGENCY, PUBLIC SAFETY, REFUSE COLLECTION, UTILITY, AND OTHER PERSONNEL AND VEHICLES AND FOR THE RIGHT TO CONSTRUCT, OPERATE, USE, MAINTAIN, REPAIR AND REPLACE IMPROVEMENTS RELATED TO ACCESS AS TOWN DEEMS NECESSARY FOR ACCESS PURPOSES.

VEHICULAR NON-ACCESS EASEMENT: A PERPETUAL, NON-EXCLUSIVE EASEMENT SHOWN HEREON UPON, OVER, UNDER AND ACROSS THE PROPERTY ON THIS PLAT, TO PROHIBIT THE USE OF MOTOR VEHICLES UPON THE EASEMENT. GRANTEE SHALL NOT INSTALL DRIVEWAYS OR OTHER MEANS OF VEHICULAR ACCESS UPON THE EASEMENT. GRANTEE SHALL MAINTAIN THE EASEMENT, INCLUDING ANY IMPROVEMENTS, IN A NEAT, SAFE AND CLEAN CONDITION. GRANTEE MAY ENJOIN ANY VIOLATION OF THIS EASEMENT. GRANTEE MAY ENTER THE PROPERTY TO ENFORCE THIS EASEMENT. HOWEVER, THIS EASEMENT DOES NOT CREATE PUBLIC ACCESS TO THE PROPERTY. MENTIONING REMEDIES IN THIS EASEMENT DOES NOT LIMIT GRANTEE'S RIGHT TO OTHER REMEDIES. VEHICULAR NON-ACCESS EASEMENTS SHALL NOT APPLY TO UTILITY MAINTENANCE VEHICLES IN AREA WHERE UTILITY RIGHTS EXIST.

PUBLIC UTILITY EASEMENT: A PERPETUAL, NON-EXCLUSIVE EASEMENT SHOWN HEREON IN TRACTS A, AND UPON, OVER, UNDER AND ACROSS THE PROPERTY ON THIS PLAT, FOR ELECTRICITY, TELECOMMUNICATIONS, DATA TRANSMISSION, AND ALL OTHER MANNER OF UTILITIES, AND FOR CONSTRUCTION, OPERATION, USE, MAINTENANCE, REPAIR, AND REPLACEMENT OF IMPROVEMENTS RELATED TO UTILITIES. GRANTEE SHALL NOT PLACE OR ALLOW ANY (1) TREES, HEDGES, SHEDS OR OTHER PLANTS WHICH CAN GROW LARGER THAN 18 INCHES TALL, OR (2) HARDSCAPE, SWIMMING POOLS, SHEDS OR OTHER VERTICAL OR HORIZONTAL STRUCTURES IN THE EASEMENT.

CONSERVATION AREA EASEMENT: A PERPETUAL, NON-EXCLUSIVE EASEMENT SHOWN HEREON UPON, OVER, UNDER AND ACROSS THE PROPERTY ON THIS PLAT, FOR NATURAL DESERT OPEN SPACE CONSERVATION, AS FOLLOWS:

- GRANTOR SHALL NOT USE THE PROPERTY IN ANY WAY INCONSISTENT WITH THE PRESERVATION OF THE EASEMENT IN ITS UNDISTURBED CONDITION AS PERMANENT NATURAL DESERT OPEN SPACE.
- GRANTOR SHALL NOT GRADE, GRUB OR EXCAVATE THE EASEMENT, OR CONSTRUCT ANY STRUCTURE ON THE EASEMENT, EXCEPT AS APPROVED BY GRANTEE, IN WRITING, SPECIFICALLY REFERRING TO THIS EASEMENT.
- GRANTOR SHALL RESTORE THE EASEMENT IN ACCORDANCE WITH PLANS APPROVED BY GRANTEE, IF THE EASEMENT IS DISTURBED. THE RESTORED DESERT SHALL BE PRESERVED AS DESERT OPEN SPACE.
- GRANTEE MAY ENJOIN ANY VIOLATION OF THIS EASEMENT. GRANTEE MAY ENTER THE PROPERTY TO ENFORCE THIS EASEMENT. HOWEVER, THIS EASEMENT DOES NOT CREATE PUBLIC ACCESS TO THE PROPERTY.
- MENTIONING REMEDIES IN THIS EASEMENT DOES NOT LIMIT GRANTEE'S RIGHT TO OTHER REMEDIES.

FINAL PLAT FOR

"ESTATES AT CAREFREE"

LOCATED IN A PORTION OF THE SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 6 NORTH,
RANGE 4 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DEDICATION (CONTINUED):

MAINTENANCE EASEMENT (WALL/FENCE):
URISCHUMM AND CAROL CARPENTER, AND URISCHUMM AS TRUSTEE OF THE SCHUMM FAMILY TRUST, DATED SEPTEMBER 09, 2013, COLLECTIVELY OWNER, GRANTOR, DECLARE AND ESTABLISH MAINTENANCE EASEMENTS (WALL/FENCE) AS SHOWN HEREON AS PRIVATE EASEMENTS NOT DEDICATED TO THE PUBLIC. MAINTENANCE EASEMENTS (WALL/FENCE) ARE DEDICATED TO GRANTORS OR THEIR ASSIGNS FOR USE TO MAINTAIN, REPLACE, AND REPAIR SUBDIVISION ENTRY FEATURE IMPROVEMENTS (WALLS, FENCES, AND APPURTENANCES) APPROVED BY THE TOWN OF CAREFREE. MAINTENANCE, REPLACEMENT, AND REPAIR WORK WITHIN THE PORTIONS OF THE MAINTENANCE EASEMENTS JOINTLY DEDICATED AS DRAINAGE EASEMENTS SHALL BE SUBORDINATE TO THE DRAINAGE EASEMENT AND SHALL NOT NEGATIVELY IMPACT THAT AREA'S PRIMARY PURPOSE TO PROVIDE STORMWATER RETENTION/DETENTION CAPACITY AND SERVE OTHER DRAINAGE RELATED PURPOSES.

LOT DRIVEWAY INGRESS/EGRESS EASEMENT:
URISCHUMM AND CAROL CARPENTER, AND URISCHUMM AS TRUSTEE OF THE SCHUMM FAMILY TRUST, DATED SEPTEMBER 09, 2013, COLLECTIVELY OWNER, GRANTOR, DECLARE AND ESTABLISH A LOT DRIVEWAY INGRESS/EGRESS EASEMENT FOR THE BENEFIT OF THE OWNERS OF LOT 3. THE LOT DRIVEWAY INGRESS/EGRESS EASEMENT AS SHOWN HEREON IS PRIVATE AND NOT DEDICATED TO THE PUBLIC. ALL DRAINAGE IMPROVEMENTS WITHIN THIS EASEMENT, INCLUDING DRAINAGE PIPES, CULVERTS, BRIDGES, HEADWALLS PIERS, RIP RAP, ETC., SHALL BE MAINTAINED BY THE GRANTORS OR THEIR ASSIGNS. MAINTENANCE, REPLACEMENT, AND REPAIR OF DRIVEWAY AND SURFACE FEATURES, SUCH AS PAVING, PAVERS, CONCRETE, STABILIZED DECOMPOSED GRANITE, OR OTHER TRAVELING SURFACES SHALL BE THE RESPONSIBILITY OF THE OWNER OF LOT 3.

GRANTORS WARRANT AND COVENANT TO GRANTEE AND ITS SUCCESSORS AND ASSIGNS THAT GRANTORS ARE LAWFULLY SEIZED AND POSSESSED OF THE PROPERTY; THAT GRANTORS HAVE A GOOD AND LAWFUL RIGHT TO MAKE THE CONVEYANCE DESCRIBED HEREIN; AND THAT GRANTEE SHALL HAVE TITLE AND QUIET POSSESSION AGAINST THE CLAIMS OF ALL PERSONS.

THE PERSONS EXECUTING THIS DOCUMENT WARRANTS HIS OR HER AUTHORITY TO DO SO AND THAT ALL PERSONS NECESSARY TO BIND GRANTEE HAVE JOINED IN THIS DOCUMENT. THIS DOCUMENT RUNS WITH THE LAND IN FAVOR OF GRANTEE'S SUCCESSORS AND ASSIGNS.

DATED THIS _____ DAY OF _____, 2021

GRANTOR: _____
URISCHUMM

GRANTOR: _____
CAROL CARPENTER

GRANTOR: SCHUMM FAMILY TRUST, DATED SEPTEMBER 9, 2013

BY: _____
URISCHUMM, TRUSTEE

ACKNOWLEDGEMENT:

STATE OF ARIZONA)
) SS.
COUNTY OF MARICOPA)

BEFORE ME THIS _____ DAY OF _____, 2021, URISCHUMM AND CAROL CARPENTER, OWNERS, PERSONALLY APPEARED BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC, WHO ACKNOWLEDGED THEMSELVES TO BE THE LEGAL OWNERS OF THE PROPERTY SHOWN HEREON AND ACKNOWLEDGE THAT URISCHUMM AND CAROL CARPENTER, AS OWNERS, EXECUTED THIS INSTRUMENT FOR THE PURPOSES HEREIN CONTAINED.

IN WITNESS WHEREOF, I HEREBY SET MY HAND AND OFFICIAL SEAL

BY: NOTARY PUBLIC _____ DATE _____

MY COMMISSION EXPIRES: _____

ACKNOWLEDGEMENT:

STATE OF ARIZONA)
) SS.
COUNTY OF MARICOPA)

BEFORE ME THIS _____ DAY OF _____, 2021, URISCHUMM AS TRUSTEE OF THE SCHUMM FAMILY TRUST, DATED SEPTEMBER 9, 2013, PERSONALLY APPEARED BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC, WHO ACKNOWLEDGED THEMSELVES TO BE THE LEGAL OWNERS OF THE PROPERTY SHOWN HEREON AND ACKNOWLEDGE THAT URISCHUMM AND CAROL CARPENTER, AS OWNERS, EXECUTED THIS INSTRUMENT FOR THE PURPOSES HEREIN CONTAINED.

IN WITNESS WHEREOF, I HEREBY SET MY HAND AND OFFICIAL SEAL

BY: NOTARY PUBLIC _____ DATE _____

MY COMMISSION EXPIRES: _____

APPROVAL BLOCK:

APPROVED BY THE TOWN COUNCIL OF CAREFREE, ARIZONA THIS THE _____

DAY OF _____, 2021

BY: _____
MAYOR

ATTEST BY: _____
CITY CLERK

THIS PLAT HAS BEEN REVIEWED FOR COMPLIANCE WITH THE TOWN OF CAREFREE'S DESIGN STANDARDS, POLICIES & SPECIFICATIONS.

BY: _____
TOWN ENGINEER DATE: _____

THIS SUBDIVISION HAS BEEN REVIEWED FOR COMPLIANCE WITH THE TOWN OF CAREFREE'S PRELIMINARY PLAT CASE AND ZONING CASE 17-08-RZ AND ALL RELATED STIPULATIONS.

BY: _____
TOWN ENGINEER DATE: _____

NOTES:

- THIS SITE CONSISTS OF A TOTAL OF 6 LOTS, AND 1 TRACT, IN THE R-35 ZONING DISTRICT.
- THE FINAL PLAT IS IN SUBSTANTIAL CONFORMANCE WITH THE PRELIMINARY PLAT.
- THERE SHALL BE NO FURTHER DIVISION OF LAND OR DELINEATION OF PARCELS WITHIN THE AREA OF THIS SUBDIVISION PLAT WITHOUT APPROVAL BY TOWN COUNCIL.
- ESTATES AT CAREFREE, WAS ISSUED A CERTIFICATE OF ASSURED WATER SUPPLY ON MARCH 9, 2020, ADWR CERTIFICATE # 27-7011380000. THIS SUBDIVISION WILL BE SERVED BY CAREFREE WATER COMPANY.
- FIRE PROTECTION FOR THIS SUBDIVISION WILL BE PROVIDED BY RURAL METRO. APPROVAL DATED MARCH 6, 2020 HAS BEEN RECEIVED FROM RURAL METRO.
- DEVELOPMENT AND USE OF THIS SITE WILL CONFORM TO ALL APPLICABLE TOWN OF CAREFREE ORDINANCES.
- ALL NEW OR RELOCATED UTILITIES SHALL BE PLACED UNDERGROUND.
- ALL ROADS (PRIVATE & PUBLIC) ARE TO BE CONSTRUCTED TO MINIMUM TOWN STANDARDS. ROADS WITHIN THIS SUBDIVISION ARE "PRIVATE", AS DEDICATED ON TRACT "A" AND SHALL BE OWNED AND MAINTAINED BY THE HOMEOWNERS' ASSOCIATION.
- NO STRUCTURE OF ANY KIND SHALL BE CONSTRUCTED OR ANY VEGETATION TO BE PLANTED OR BE ALLOWED TO GROW WITHIN ANY DRAINAGE EASEMENTS WHICH WOULD IMPEDE THE FLOW OF WATER OVER, UNDER OR THROUGH THE EASEMENT.
- ALL NEW LANDSCAPE IMPROVEMENTS INSTALLED BY THIS SUBDIVISION WITHIN STAGECOACH PASS RIGHT-OF-WAY SHALL COMPLY WITH CITY OF SCOTTSDALE STANDARDS.
- THE HOMEOWNERS' ASSOCIATION SHALL BE RESPONSIBLE FOR THE MAINTENANCE AND UPKEEP OF ALL LANDSCAPING AND DRAINAGE FACILITIES WITHIN TRACTS AND DRAINAGE EASEMENTS AS DEDICATED ON SAID PLAT.
- INGRESS/EGRESS ACCESS AND MAINTENANCE RIGHTS, BUT NOT OBLIGATION, SHALL BE GRANTED TO TOWN OF CAREFREE FOR ALL TRACTS AND DRAINAGE EASEMENTS DEDICATED ON SAID PLAT FOR THE PURPOSE OF INSPECTION AND MAINTENANCE OF PUBLIC DRAINAGE FACILITIES ADJACENT TO OR WITHIN SAID TRACTS.
- ALL FINISHED FLOOR ELEVATIONS OF ANY STRUCTURE SHALL BE FREE FROM INUNDATION DURING A 100-YEAR PEAK RUNOFF EVENT.
- A ONE (1) FOOT VEHICULAR NON-ACCESS EASEMENT (VNAE) IS REQUIRED ON ALL LOT BOUNDARIES ADJACENT TO A LANDSCAPE TRACT OR ADJACENT PARCELS.
- ALL ONSITE WATER MAINS WILL BE CONSTRUCTED BY THE DEVELOPER AND DEDICATED TO CAREFREE WATER COMPANY.
- ALL LOTS SHALL BE ON SEPTIC SYSTEMS. SEPTIC SYSTEMS TO BE APPROVED BY MCESD ON AN INDIVIDUAL LOT BASIS.
- LANDSCAPING, BACKFLOW PREVENTION DEVICES, UTILITY BOXES, AND ALL OTHER UTILITY RELATED GROUND MOUNTED EQUIPMENT SHALL BE PAINTED TO COMPLEMENT THE DEVELOPMENT AND SHALL BE SCREENED WITH LANDSCAPE MATERIAL WHERE POSSIBLE. ALL HVAC UNITS SHALL BE GROUND MOUNTED.
- FINAL LANDSCAPING WILL CORRESPOND TO THE APPROVED LANDSCAPE PLAN.
- ALL TRACT, CENTERLINE, AND LOT MONUMENTATION HAVE BEEN OR WILL BE PERMANENTLY SET BY COMPLETION OF SUBDIVISION INFRASTRUCTURE CONSTRUCTION.
- ALL EASEMENTS ON-SITE SHALL REMAIN IN-PLACE UNLESS NOTED TO BE ABANDONED.
- DRAINAGE EASEMENTS FOR RETENTION BASINS AND FLOODPLAINS SHALL BE THE MAINTENANCE RESPONSIBILITY OF THE HOMEOWNERS' ASSOCIATION. THE TOWN SHALL ALSO BE ABLE TO ACCESS AND MAINTAIN THE BASINS IN ACCORDANCE WITH THE DRAINAGE EASEMENT DEDICATION HEREIN STATED, IF THE ASSOCIATION FAILS TO PROPERLY MAINTAIN THEM.

- NO NATURAL GRASS OR TURF SHALL BE PLANTED ON ANY PORTION OF THE PROPERTY.
- ALL EXISTING FENCES/WALLS SHALL BE RECONFIGURED AND/OR REMOVED TO MEET ZONING ORDINANCES.
- ALL PERIMETER SUBDIVISION MONUMENTS ARE FOUND, AS SHOWN, OR SHALL BE SET, AS SHOWN HEREON.
- AFFIDAVITS OF CORRECTION OR AMENDMENT TYPE LETTERS CONCERNING THIS PLAT ARE NOT VALID. THERE WILL BE NO REVISION TO THIS PLAT WITHOUT THE TOWN ENGINEER'S APPROVAL.
- LAND DESIGNATED AS CONSERVATION AREAS SHALL BE PERMANENTLY MAINTAINED AS NATURAL DESERT SPACE, PURSUANT TO TOWN ORDINANCE. DESIGNATED AREAS SHALL NOT BE ACCEPTED FOR MAINTENANCE OR PROPERTY OWNERSHIP BY THE TOWN OF CAREFREE, WITHOUT EXPRESSED ACTION OF THE TOWN'S CITY COUNCIL. BEFORE ANY IMPROVEMENT IS ACCEPTED, IT SHALL MEET TOWN STANDARDS. FAILURE TO MAINTAIN THE DESIGNATED AREAS COULD RESULT IN A CIVIL ACTION BROUGHT BY THE TOWN FOR COSTS INCURRED BY THE TOWN OF CAREFREE FOR MAINTENANCE AND PRESERVATION.
- ALL EASEMENTS ARE SHOWN ON THIS PLAT ARE DEDICATED HEREON UNLESS LABELED AS EXISTING.

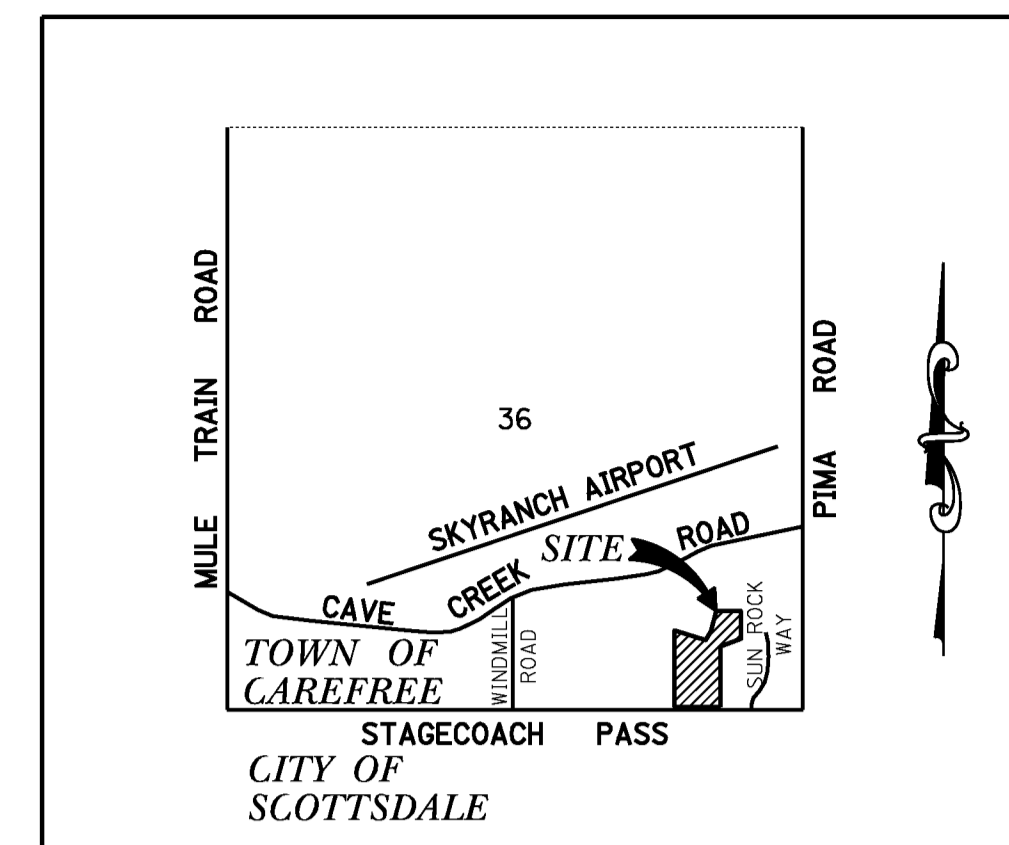
PARENT PARCEL LEGAL DESCRIPTION:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF MARICOPA, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

LOT A, OF ESTATES AT CAREFREE, ACCORDING TO THE PLAT THEREOF OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, IN BOOK 1458 OF MAPS, PAGE 2 AND IN BOOK 1456 OF MAPS, PAGE 18. APN: 216-26-887

ABANDONMENTS:

SEE SHEET 2 FOR ABANDONMENT TABLE



VICINITY MAP

N.T.S.

APPLICANT/OWNER:

URISCHUMM
8650 E. STAGECOACH PASS
CAREFREE, ARIZONA 85337

CONTACT: URISCHUMM
PHONE: (602) 697-6949
EMAIL: BEEMERGUJRT@GMAIL.COM

SURVEYOR:

J. ENGINEERING
6370 E. THOMAS ROAD, SUITE 200
SCOTTSDALE, ARIZONA 85251

CONTACT: JAMES A. LOFTIS, R.L.S.
PHONE: (602) 334-4387
EMAIL: JIM@JENGINEERING.COM

BENCHMARK:

MARICOPA COUNTY BRASSCAP IN HANDHOLE
DOWN 0.5' NO STAMPING AT THE INTERSECTION
OF PIMA ROAD AND STAGECOACH ROAD
ELEVATION = 2561.45 ('88 DATUM)

BASIS OF BEARING:

SOUTH LINE OF THE SOUTHEAST QUARTER OF SECTION
36, WHICH BEARS S89°52'37"W PER LOT SPLIT
RECORDED IN BOOK 736 OF MAPS PAGE 5 M.C.R.

REFERENCE DOCUMENTS:

- BOOK 736 OF MAPS, PAGE 5, MCR
- BOOK 1268 OF MAPS, PAGE 6, MCR
- BOOK 1135 OF MAPS, PAGE 14, MCR
- BOOK 1456 OF MAPS, PAGE 18, MCR

SITE DATA:

PLAT AREA: 7.55 AC
DWELLING UNIT TOTAL: 6
ZONING: R1-35

INDEX OF SHEETS	
SHEET NO.	DESCRIPTION
PT01	COVER SHEET, DEDICATION, NOTES
PT02	LEGEND, KEY MAP, TABLES
PT03-03	FINAL PLAT SHEETS

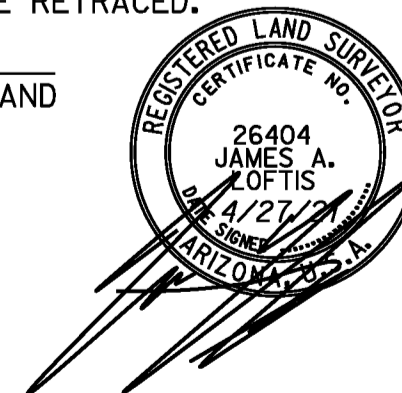
SURVEY NOTES:

- ALL BEARINGS AND DISTANCES ARE CALCULATED UNLESS OTHERS NOTED.
- THIS SURVEY HAS MADE NO INDEPENDENT SEARCH FOR TAXES, ASSESSMENTS, RESERVATIONS IN PATENT, EASEMENTS, RIGHTS OF WAY, ENCUMBRANCES, LIENS, COVENANTS, CONDITIONS OF RESTRICTIONS OR ANY OTHER RECORD INFORMATION THAT MAY BE DISCLOSED BY A CURRENT TITLE REPORT OR OTHER RESEARCH.

SURVEY CERTIFICATION:

THIS IS TO CERTIFY THAT THE SURVEY AND LOT TIE OF THE PREMISES DESCRIBED AND SHOWN HEREON WAS MADE UNDER MY DIRECTION DURING THE MONTH OF FEBRUARY 2018; THAT THE SURVEY IS TRUE AND COMPLETE AS SHOWN; THAT THE MONUMENTS SHOWN ACTUALLY EXIST OR WILL BE SET AS SHOWN; THAT THEIR POSITIONS ARE CORRECTLY SHOWN; AND THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

REGISTERED LAND
SURVEYOR
4/27/21
DATE



FINAL PLAT FOR ESTATES AT CAREFREE

COVER SHEET
FINAL PLAT
FOR
ESTATES AT CAREFREE

3eengineering
planning civil engineering surveying

3 ENGINEERING, LLC
6370 E. THOMAS ROAD
SUITE # 200
SCOTTSDALE, ARIZONA 85251
PHONE: (602) 334-4387
FAX: (602) 490-3330
WWW.3ENGINEERING.COM

PROJECT NO.
5052

DATE: 4/27/21

SHEET NO.
PT01
1 of 5

DRAWN BY: MATTHEW M.

TRACT AREA AND USE TABLE

TRACT	ACRES	USE
A	0.49	PRIVATE ACCESSWAY, WATER EASEMENT, REFUSE COLLECTION, DRAINAGE, EMERGENCY & SERVICE TYPE VEHICLE ACCESS, PUBLIC UTILITIES, & INGRESS/EGRESS EASEMENT.
TOTAL	0.49	

AREA TABLE

LOT AREA	7.06 ACRES
TRACT AREA	0.49 ACRES
R/W AREA	0.00 ACRES
TOTAL AREA	7.55 ACRES

CURVE TABLE

NO.	DELTA	RADIUS	LENGTH
C01	=30° 12' 31"	50.58'	26.67'
C02	=30° 12' 31"	49.42'	26.06'
C03	=50° 11' 02"	114.00'	99.85'
C04	=11° 32' 05"	243.05'	48.93'
C05	=34° 22' 01"	50.00'	29.99'
C06	=277° 38' 01"	46.00'	222.90'
C07	=57° 33' 22"	50.00'	50.23'
C08	=05° 49' 26"	267.05'	27.14'
C09	=50° 11' 02"	90.00'	78.83'
C10	=30° 12' 31"	49.42'	26.06'
C11	=30° 12' 31"	50.58'	26.67'
C12	=50° 11' 02"	102.00'	89.34'
C13	=22° 47' 26"	255.05'	101.45'
C14	=14° 46' 02"	317.84'	81.92'

LOT AREA TABLE

LOT NO.	AREA (SF)	AREA (AC)	ZONING DISTRICT
1	35,414	0.81	R1-35
2	42,647	0.98	R1-35
3	78,677	1.81	R1-35
4	80,499	1.85	R1-35
5	35,169	0.81	R1-35
6	35,010	0.80	R1-35
TOTAL	307,416	7.06	R1-35

LEGEND:

- SECTION LINE
- EASEMENT LINE
- - - EXISTING EASEMENT LINE
- CENTERLINE
- BOUNDARY LINE
- ADJACENT PARCEL OR TIE LINE
- EXISTING RIGHT OF WAY LINE
- LOT/TRACT/RIGHT OF WAY LINE
- SECTION MONUMENT, AS NOTED
- BRASS CAP
- ▲ SUBDIVISION CORNER, AS NOTED
- R/W RIGHT OF WAY
- MCR MARICOPA COUNTY RECORDER
- SET 1/2" REBAR W/ CAP RLS 26404 (UNLESS OTHERWISE NOTED)

ABANDONMENTS:

THE DEDICATIONS SHOWN ON THE FOLLOWING TABLE ARE HEREBY ABANDONED WITHIN THE BOUNDARIES OF THIS PLAT UPON PLAT APPROVAL BY THE TOWN OF CAREFREE COUNCIL, AND RECORDATION WITH THE MARICOPA COUNTY RECORDER'S OFFICE.

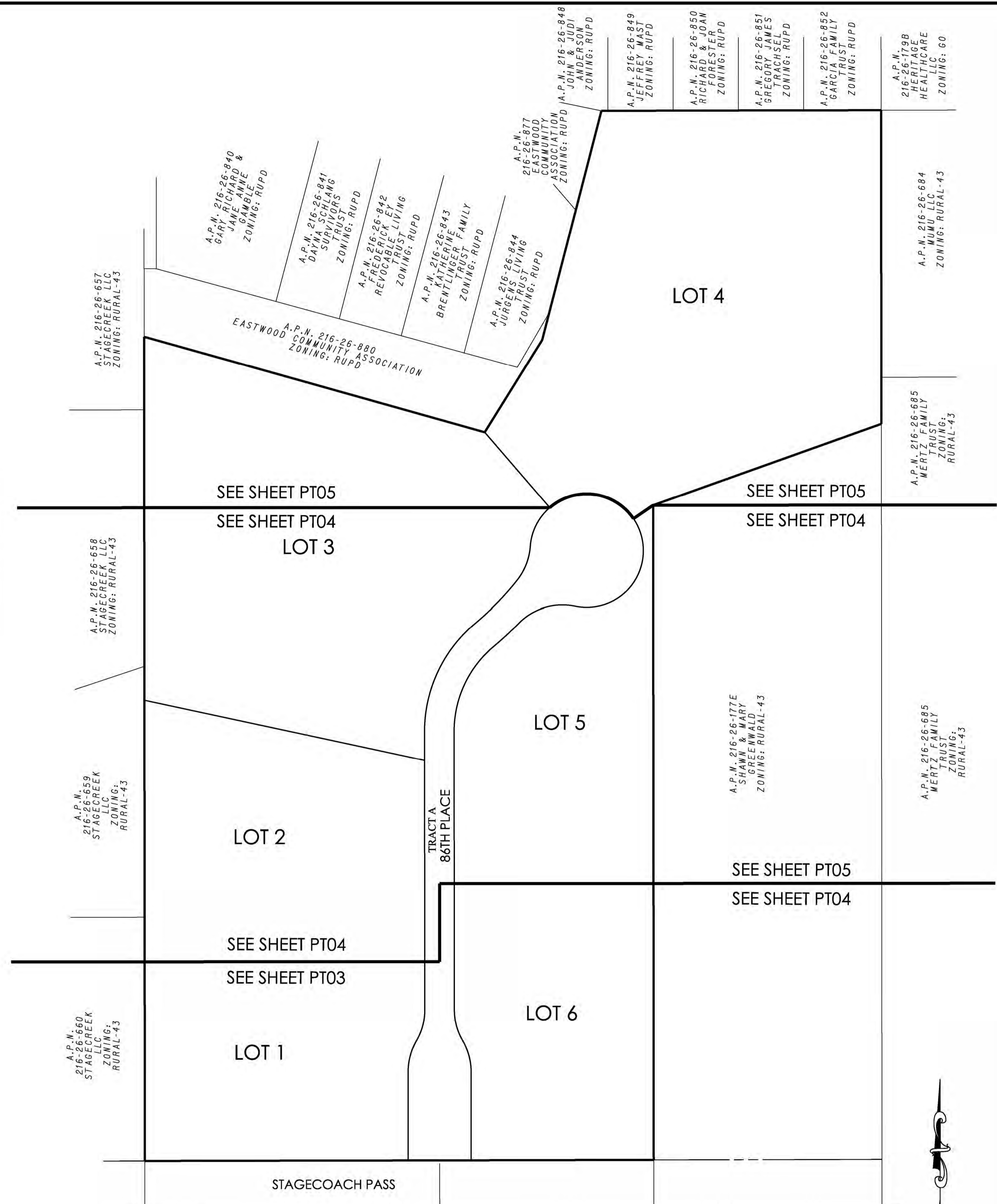
Bk./pg. and/or Docket	Description
Dkt. 2005-0245340 modified per Dkt. 2015-0509713 and Dkt. 2016-0243920	20' Ingress/Egress and Public Utility Easement
Bk. 738/pg. 4 (Dkt. 2005-0387559)	30' Ingress/Egress and Public Utility Easement
Bk. 1086/pg. 24 (Dkt. 2011-0463237), modified per Dkt. 2015-0509713 and Dkt. 2016-0243920	20' Ingress/Egress and Utility Easement
Bk. 1135/pg. 14 (Dkt. 2013-0042890)	20' Public Utility Easement

EASEMENT LINE TABLE

NO.	BEARING	LENGTH
L01	N89° 57' 03"E	41.81'
L02	N00° 14' 46"W	58.04'
L03	N88° 08' 37"W	23.07'
L04	N78° 00' 22"W	16.18'
L05	N89° 20' 23"E	35.12'
L06	N51° 36' 07"E	18.45'
L07	N79° 47' 26"E	27.35'
L08	N48° 04' 03"W	36.32'
L09	N00° 07' 23"W	15.01'
L10	N00° 07' 23"W	71.66'
L11	N89° 57' 03"E	40.07'
L12	N89° 57' 03"E	11.42'
L13	N00° 02' 57"W	37.84'
L14	N89° 57' 03"E	11.42'
L15	N89° 57' 03"E	10.84'
L16	N00° 02' 57"W	37.84'
L17	N89° 57' 03"E	10.84'
L18	N89° 57' 03"E	40.00'
L19	N00° 02' 57"W	71.57'
L20	N75° 23' 27"W	12.94'
L21	N85° 40' 15"E	90.75'
L22	N17° 41' 55"E	42.23'
L23	N66° 04' 11"E	73.77'
L24	N50° 26' 03"W	36.42'
L25	N11° 43' 07"W	45.41'
L26	N89° 57' 03"E	35.61'
L27	N89° 28' 01"E	133.92'
L28	N18° 54' 53"W	19.12'
L29	N89° 57' 03"E	15.92'
L30	N59° 11' 00"E	56.89'
L31	N59° 34' 20"W	54.35'
L32	N71° 21' 32"W	13.95'
L33	N52° 32' 16"W	29.29'
L34	N56° 45' 44"W	34.43'
L35	N44° 04' 17"E	27.65'
L36	N45° 16' 45"W	62.76'
L37	N50° 32' 56"W	15.64'
L38	N44° 52' 20"W	19.48'
L39	N58° 15' 41"W	23.60'
L40	N88° 17' 11"W	20.83'
L41	N65° 16' 26"E	29.78'
L42	N31° 28' 30"E	24.83'
L43	N09° 48' 02"W	21.24'
L44	N45° 12' 29"W	16.84'
L45	N32° 04' 16"E	27.93'
L46	N38° 04' 01"E	40.03'
L47	N24° 38' 51"W	40.05'
L48	N65° 46' 04"E	33.08'
L49	N29° 36' 56"E	66.34'
L50	N14° 50' 12"W	15.36'

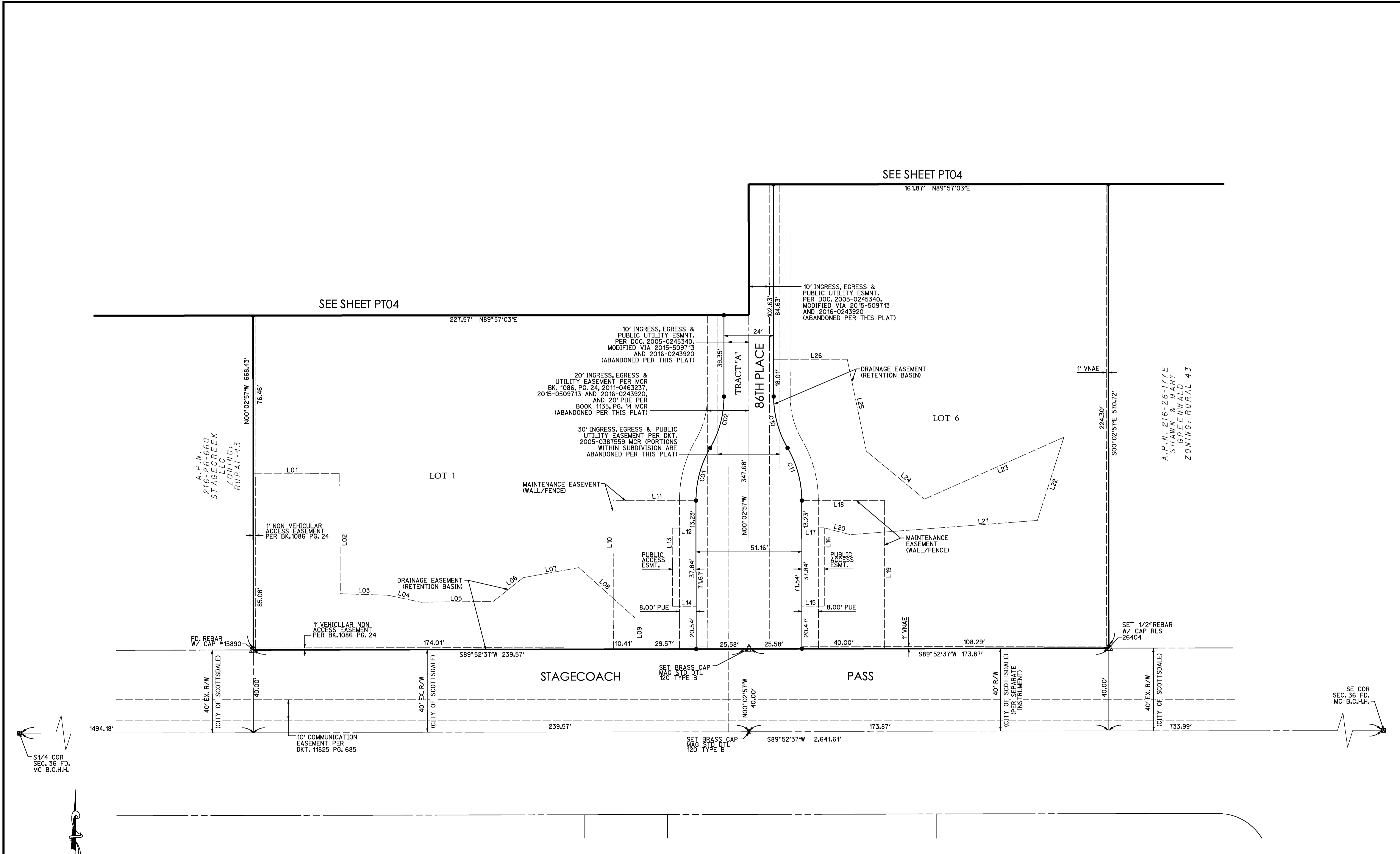
EASEMENT LINE TABLE

NO.	BEARING	LENGTH
L51	N21° 01' 13"E	19.20'
L52	N35° 55' 22"E	11.78'
L53	N49° 30' 31"E	34.17'
L54	N61° 46' 20"E	29.76'
L55	N87° 57' 34"W	41.72'
L56	N62° 35' 21"W	29.02'
L57	N87° 28' 13"W	42.69'
L58	N69° 40' 44"E	34.96'
L59	N31° 30' 34"E	31.67'
L60	N39° 12' 20"E	46.20'
L61	N59° 06' 35"E	39.89'
L62	N30° 00' 15"E	25.18'
L63	N41° 18' 04"E	15.16'
L64	N24° 55' 23"E	56.65'
L65	N28° 42' 04"E	158.61'
L66	N64° 11' 48"W	36.81'
L67	N25° 55' 04"E	23.31'
L68	N72° 27' 23"E	78.67'
L69	N13° 56' 22"E	47.15'
L70	N57° 22' 09"E	26.81'
L71	N72° 29' 40"W	17.84'
L72	N30° 34' 08"E	33.47'
L73	N65° 15' 23"W	45.38'
L74	N83° 35' 01"E	52.17'
L75	N76° 11' 38"E	83.90'
L76	N62° 50' 17"W	84.23'
L77	N56° 46' 48"E	77.57'
L78	N36° 44' 32"E	73.07'
L79	N20° 41' 01"E	104.83'
L80	N43° 12' 31"E	84.37'
L81	N85° 12' 45"W	133.67'
L82	N67° 40' 49"E	52.48'
L83	N71° 07' 35"E	47.46'
L84	N78° 22' 29"W	111.21'
L85	N42° 55' 17"E	29.91'
L87	N00° 00' 55"W	124.12'
L88	N13° 12' 12"W	34.29'
L89	N09° 42' 00"W	21.82'
L90	N04° 11' 56"W	8.28'
L91	N67° 12' 55"E	9.50'
L92	N04° 16' 42"E	28.31'
L93	N15° 52' 52"E	14.20'
L94	N23° 46' 28"E	26.53'
L95	N15° 39' 24"E	40.65'
L96	N15° 39' 24"E	38.24'
L97	N74° 20' 36"W	161.47'
L98	N00° 02' 57"W	142.65'
L99	N00° 02' 57"W	135.35'



FINAL PLAT FOR ESTATES AT CAREFREE

<p>KEYMAP & TABLES FINAL PLAT FOR ESTATES AT CAREFREE</p>	<p>3e engineering planning civil engineering surveying</p>	<p>3 ENGINEERING, LLC 4370 E. THOMAS ROAD SUITE # 250 SCOTTSDALE, ARIZONA 85251 PHONE: (602) 334-4887 FAX: (602) 490-3320 WWW.3ENGINEERING.COM</p>	<p>PROJECT NO. 5052</p>
		<p>DATE: 4/27/21</p>	
<p>REGISTERED LAND SURVEYOR 26404 JAMES A. LUTTIS 4/27/21 MARICOPA COUNTY, ARIZONA</p>		<p>SHEET NO. PT02 2 of 5</p>	<p>DRAWN BY: MATTHEW M.</p>

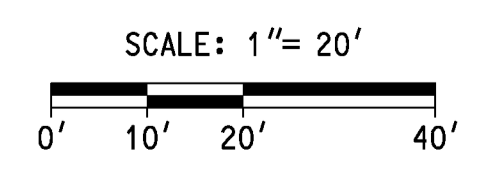


SEE SHEET PT04

SEE SHEET PT04

A.P.N. 216-26-177E
SHAWN & MARY
GREENWALD
ZONING: RURAL-43

A.P.N. 216-26-660
STAGECREEK
LLC
ZONING:
RURAL-43



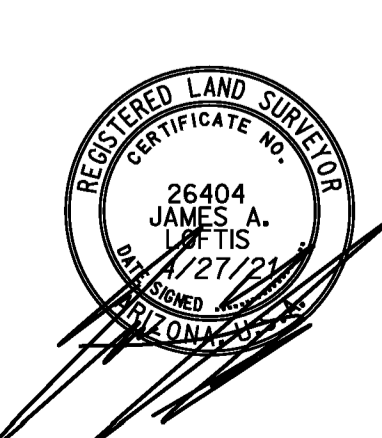
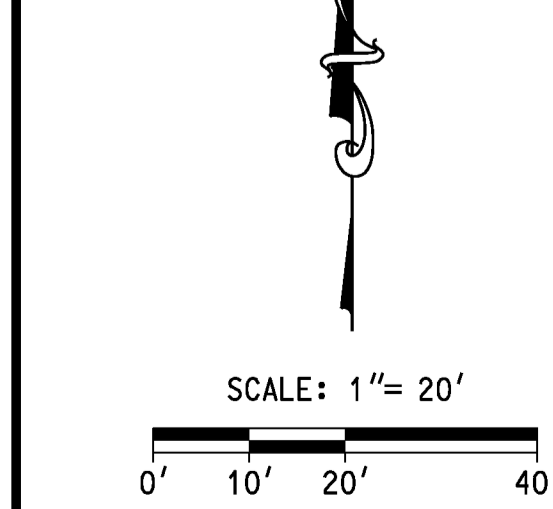
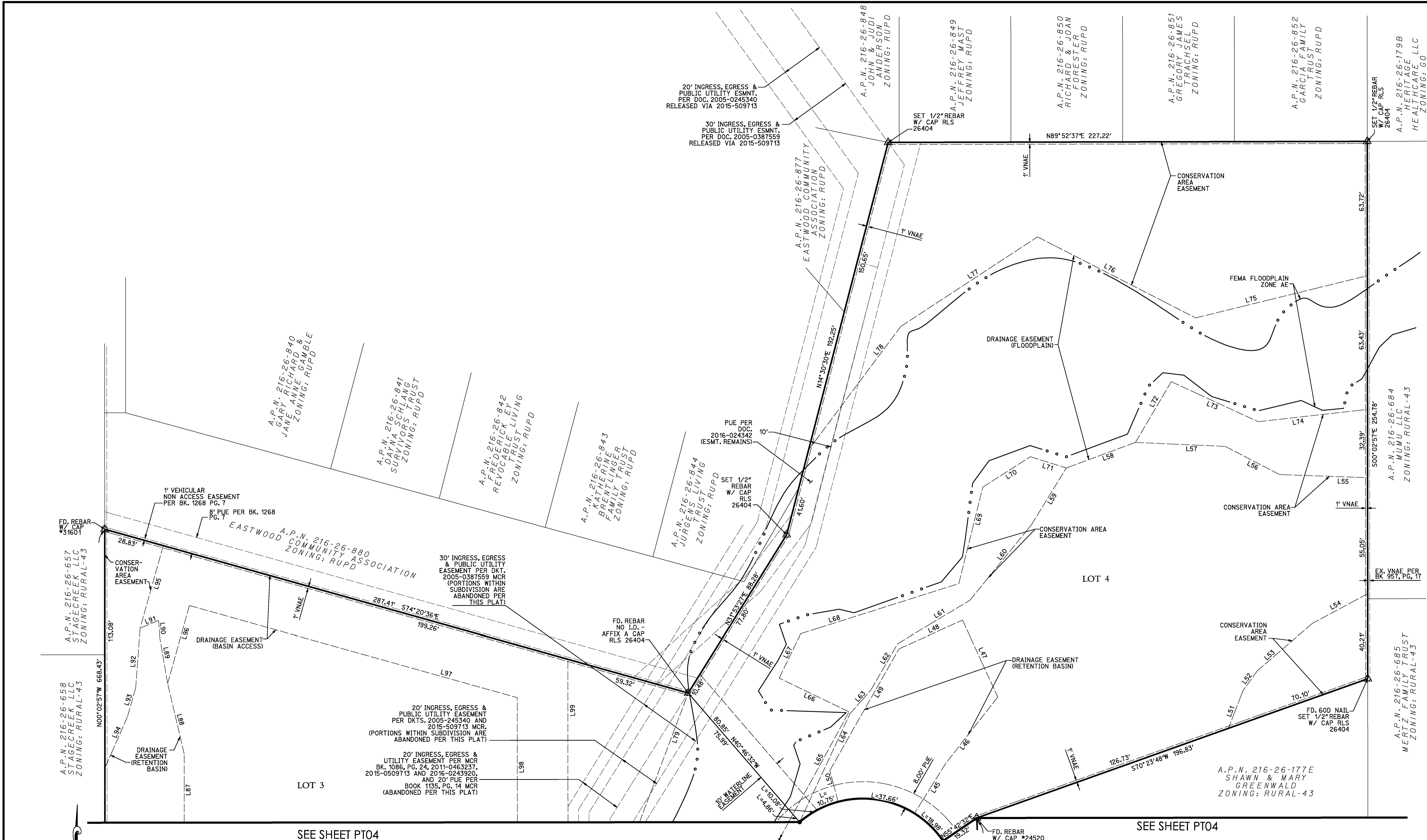
FINAL PLAT FOR ESTATES AT CAREFREE

PLAT SHEET
FINAL PLAT
FOR
ESTATES AT CAREFREE



3 ENGINEERING, LLC
4370 E. THOMAS ROAD
SUITE # 200
SCOTTSDALE, ARIZONA 85251
PHONE: (602) 334-4387
FAX: (602) 490-3330
WWW.3ENGINEERING.COM

PROJECT NO.
5052
DATE: 4/27/21
SHEET NO.
PT03
3 of 5



FINAL PLAT FOR ESTATES AT CAREFREE

PLAT SHEET
FINAL PLAT
FOR
ESTATES AT CAREFREE

3e engineering
planning civil engineering surveying

3 ENGINEERING, LLC 4370 E. THOMAS ROAD SUITE # 200 SCOTTSDALE, ARIZONA 85251 PHONE: (602) 334-4387 FAX: (602) 490-3330 WWW.3ENGINEERING.COM	PROJECT NO. 5052 DATE: 4/27/21 SHEET NO. PT05 5 of 5
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**TOWN OF CAREFREE, ARIZONA
RESOLUTION 2021-08**

**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF
THE TOWN OF CAREFREE, MARICOPA COUNTY, ARIZONA,
APPROVING APPLICATION 20-02-FP, A FINAL PLAT OF A
RESIDENTIAL SUBDIVISION KNOWN AS ESTATES AT
CAREFREE; AND IMPOSING CONDITIONS UPON SUCH
APPROVAL.**

WHEREAS, On January 28, 2021, Mr. Uri Schumm and Ms. Carole Carpenter (the "Applicant") submitted an application for approval of a Final Plat of a 6-lot residential subdivision known as Estates at Carefree located in a portion of the southeast quarter of Section 36, Township 6 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, and;

WHEREAS, Said application and supporting documents have been on file in the Town Hall offices at 8 Sundial Circle in Carefree for review by members of the general public, and;

WHEREAS, On May 4, 2021, the Carefree Town Council met to discuss and consider the Subdivision and receive comments from the general public, at which time the Final Plat for the Subdivision was approved, subject to certain conditions which are addressed in the "Conditions for Approval" attached as Exhibit "A", and;

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

- Section 1. The Final Plat for Estates at Carefree and Legal Description, attached as Exhibits "B" and "C" are hereby approved.
- Section 2. The Town Engineer and the Applicant shall sign the Final Plat of the Subdivision and the Town Clerk shall transcribe a Certificate of Approval upon the Final Plat.
- Section 3. The Subdivision Improvement Agreement (Exhibit "D") between the Town of Carefree and the Applicant to the approval of the Town Administrator and upon approval shall be signed by the Mayor and the Applicant, and shall be recorded with the Final Plat.
- Section 4. The Conditions and Restrictions (the "CC&R's") are subject to the review of the Town Administrator and upon review shall be recorded with the Final Plat.

Section 5. The Town shall be provided copies of the recorded Final Plat, CC&R's and Subdivision Improvement Agreement.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Carefree, Arizona, this ____ day of May, 2021.

Ayes ____ Noes ____ Abstentions ____ Absent ____

TOWN OF CAREFREE, an
Arizona Municipal Corporation

Les Peterson, Mayor

ATTEST:

Kandace French Contreras, Town Clerk

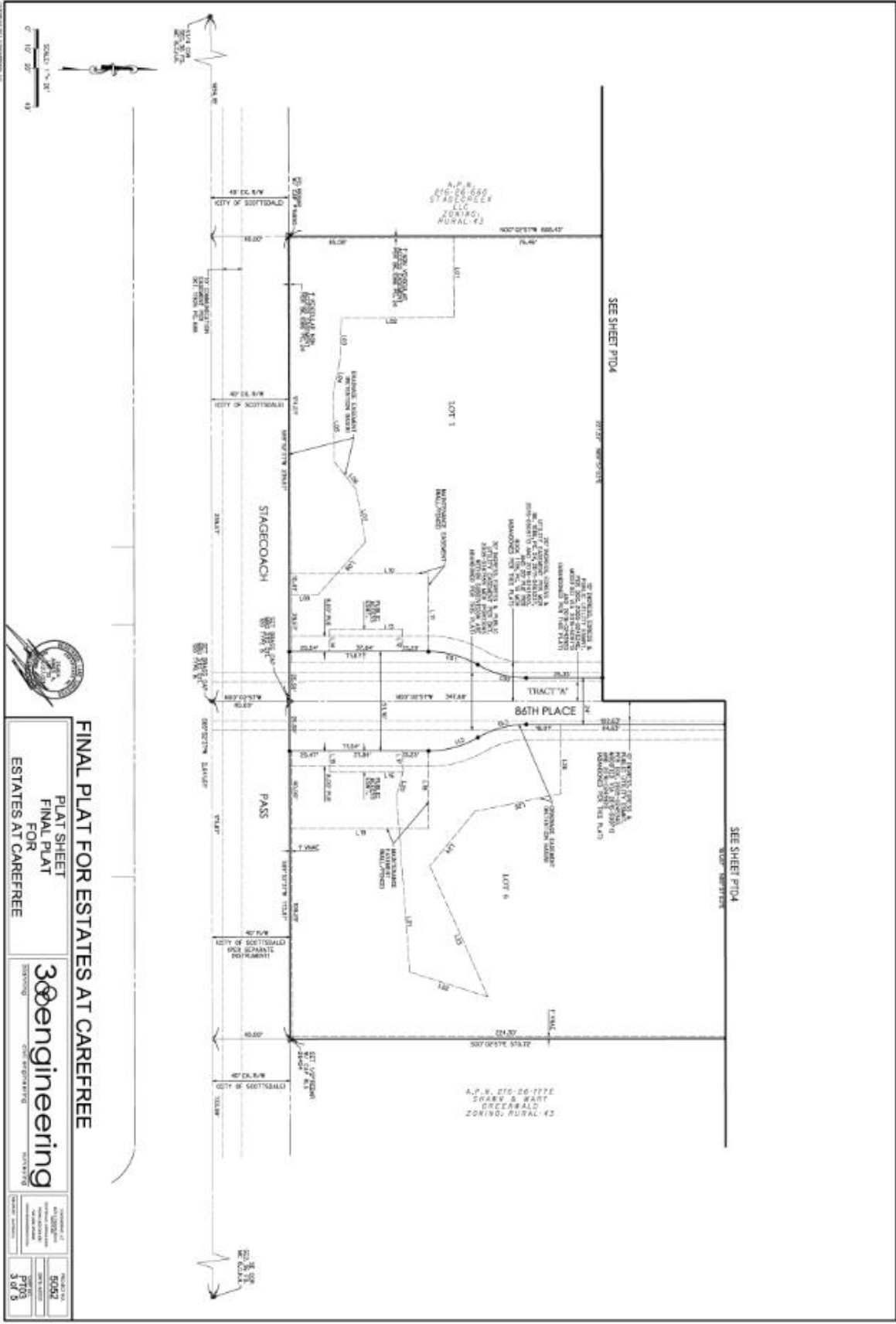
APPROVED AS TO FORM:

Michael W. Wright, Town Attorney

EXHIBIT 'A'
CONDITIONS FOR APPROVAL
FINAL PLAT (20-02-FP)
ESTATES AT CAREFREE SUBDIVISION

1. All utilities shall be placed underground.
2. All improvements including, but not limited to, streets, storm drainage and water lines shall be constructed as per Town of Carefree and MAG specifications. Pursuant to the Subdivision Ordinance waiver allowance, the private streets terminating in a cul-de-sac shall be allowed to exceed the length of 400 feet and no sidewalks or alleys shall be required. The Improvement Plans shall be approved prior to the issuance of any building permits.
3. Areas adjacent to or within the FEMA Flood Zone AE shall address lateral migration and scour potential. Erosion setbacks shall be defined that establish areas requiring engineered scour control measures for all development improvements.
4. Disturbance within the FEMA Flood Zone AE shall require a Floodplain Use Permit from the Flood Control District of Maricopa County.
5. Prior to the issuance of building permits, the developer shall obtain the required permits to comply with Maricopa County dust control standards and Arizona Department of Environmental Quality storm water management standards and policies.
6. Each lot shall be developed as a single, custom home according to the Town of Carefree Zoning and Building requirement. Under no circumstances shall the subdivision be mass graded and/or building pads established prior to the issuance of any building permit.
7. Residential fire sprinklers shall be installed in all residences.
8. All existing fences/walls shall be reconfigured and/or removed to meet the Zoning Ordinance and Building Code prior to the issuance of the infrastructure building permit.
9. Pursuant to the Subdivision Ordinance and Subdivision Improvement Agreement, the developer shall give the Town assurance in the form of 110% money or bond in the amount of the engineer's estimate of the construction cost for the on-site and off-site improvements.
10. After review by the Town Council, the Subdivision Improvement Agreement shall be recorded.
11. Declarations of Covenants, Conditions, and Restrictions (CC&Rs) shall be recorded with the Final Plat.
12. After approval and prior to recording, three (3) sets of the following documents shall be given to the Town:
 - a. The approved and signed final plat map.
 - b. The approved and signed Subdivision Improvement Agreement.
 - c. The approved and signed CC&R's.
 - d. Electronic copy of the Final Plat and associated documents.

13. After recording, the applicant shall file one copy of the above information with the County, one with the Town of Carefree and retain one copy for their records.

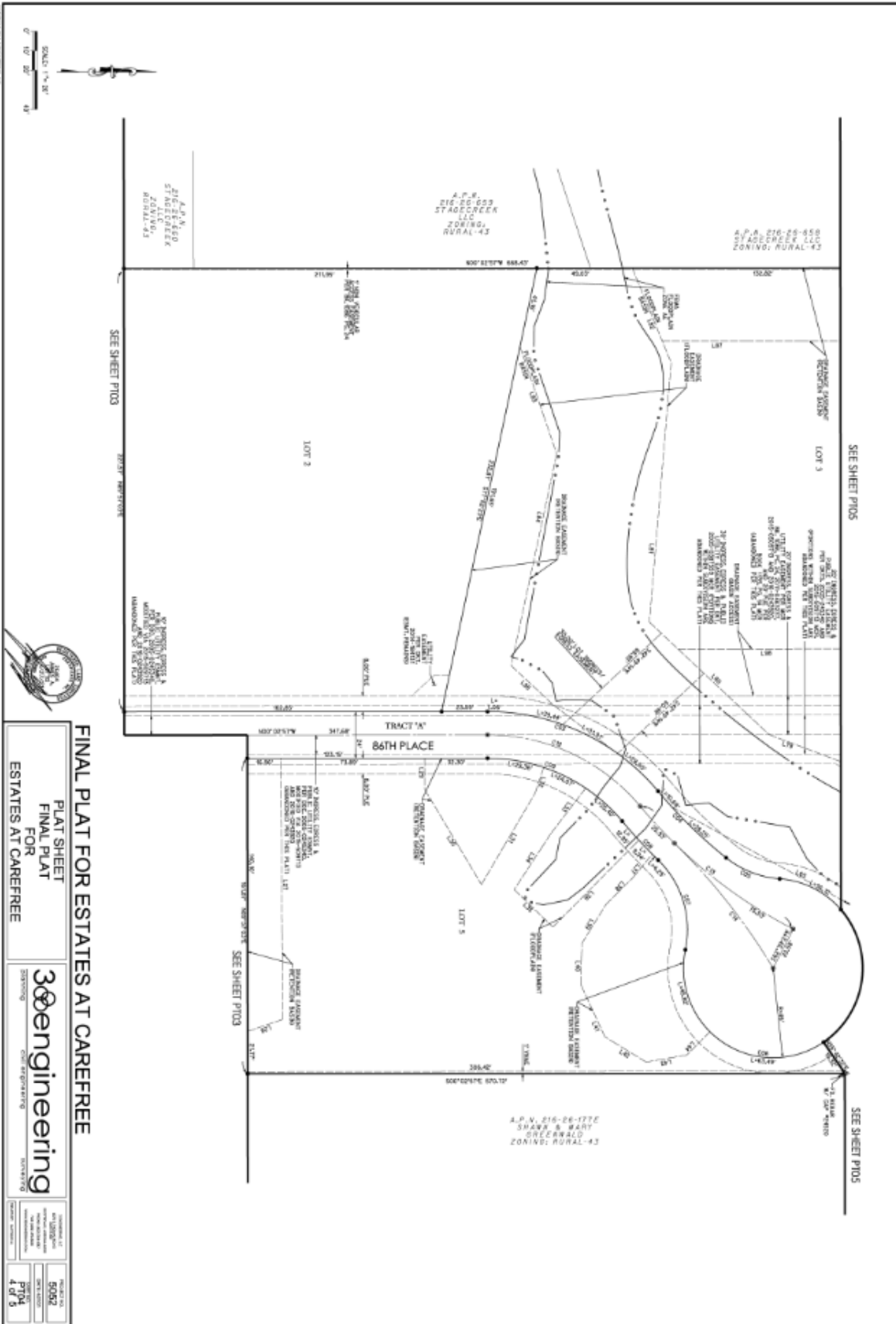


FINAL PLAT FOR ESTATES AT CAREFREE

PLAT SHEET
FINAL PLAT
FOR
ESTATES AT CAREFREE



PROJECT NO.	50007
DATE	PT03
SHEET NO.	3 OF 3



A.P.N. 216-06-009
STAGECREEK
ZONING: RURAL-43

A.P.N. 216-06-010
STAGECREEK
ZONING: RURAL-43

A.P.N. 216-06-177C
SHANK & BART
SHEERARD
ZONING: RURAL-43

A.P.N. 216-06-177E
SHANK & BART
SHEERARD
ZONING: RURAL-43

NO PERSONS, STRUCTS, A
OR OTHER IMPROVEMENTS
SHALL BE PLACED ON
ANY OF THE LOTS
COMPRISING THIS PLAT, SET
HEREIN, WITHOUT THE
APPROVAL OF THE CITY.

SEE SHEET P103

SEE SHEET P103

SEE SHEET P103

SEE SHEET P103

SEE SHEET P103

SEE SHEET P103

SEE SHEET P103

FINAL PLAT FOR ESTATES AT CAREFREE

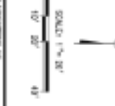
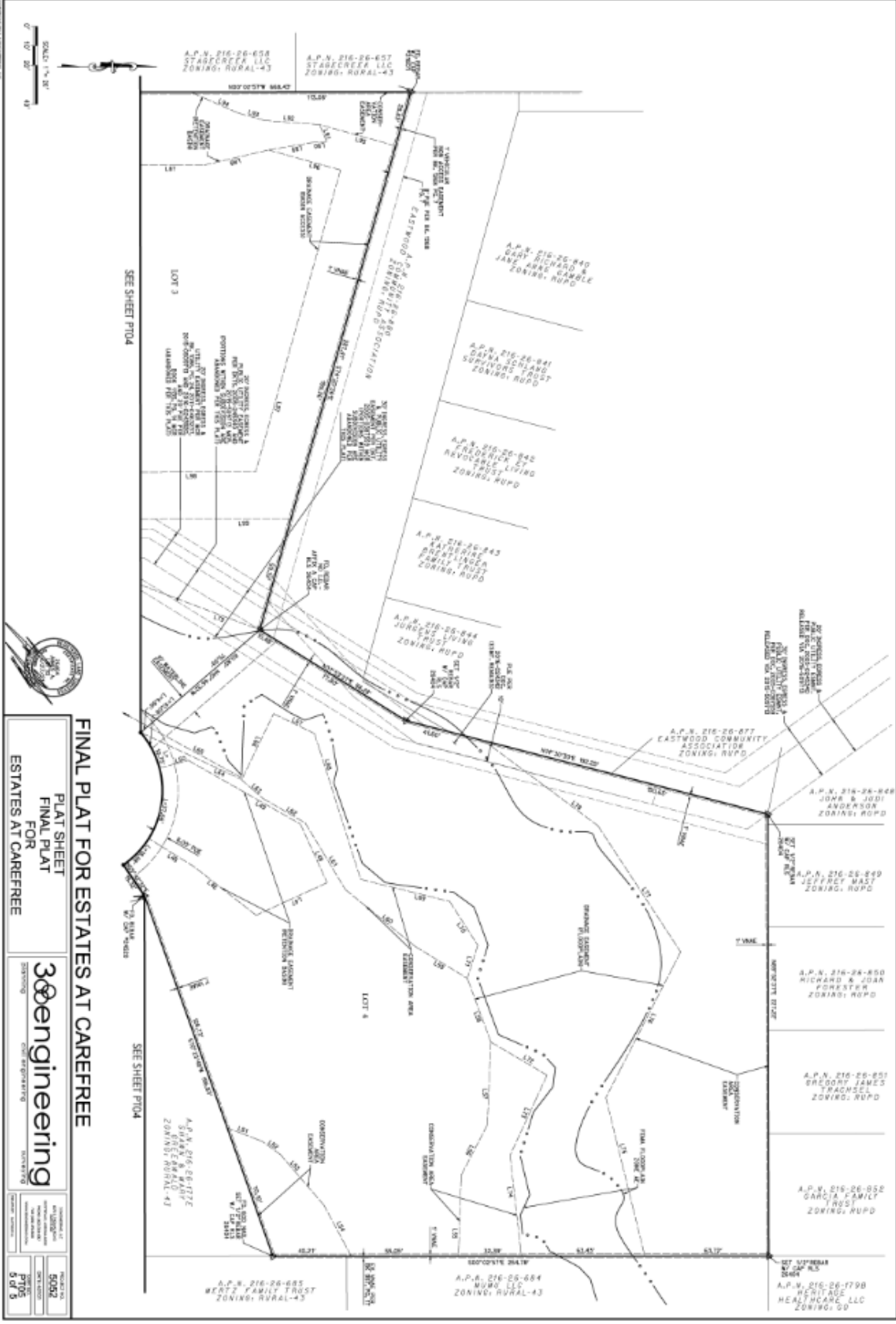
PLAT SHEET
FINAL PLAT
FOR
ESTATES AT CAREFREE

3eengineering
CIVIL ENGINEERING

DATE: 10/15/14
DRAWN BY: [Name]
CHECKED BY: [Name]
SCALE: AS SHOWN

PROJECT NO: 5009
SHEET NO: P104
4 of 5





FINAL PLAT FOR ESTATES AT CAREFREE

PLAT SHEET
FINAL PLAT
FOR
ESTATES AT CAREFREE

3engineering
CORPORATION

DATE: 05/24/2024
PROJECT: ESTATES AT CAREFREE
SHEET: 5 OF 5

TRACT AREA AND USE TABLE

TRACT	AREA	USE
A	6.49	PRIVATE ACCOMMODATION, WATER EXHAUSTION, SEWER COLLECTION, MANHOLE, SANITARY & SEWERAGE PIPE, VEHICLE ACCESS, PUBLIC UTILITY LINES, & INTERSECTION EASEMENT.
TOTAL	6.49	

AREA TABLE

AREA TABLE	AREA	USE
LOT AREA	1.00	RESIDENTIAL
TRACT AREA	6.49	RESIDENTIAL

CHURN TABLE

NO.	DELTA	AVGNO	LENNO
101	+3971.731	56.56	28.67
102	+3971.731	49.42	28.68
103	+3971.731	42.28	28.69
104	+3971.731	35.14	28.70
105	+3971.731	28.00	28.71
106	+3971.731	20.86	28.72
107	+3971.731	13.72	28.73
108	+3971.731	6.58	28.74
109	+3971.731	-0.56	28.75
110	+3971.731	-7.70	28.76
111	+3971.731	-14.84	28.77
112	+3971.731	-21.98	28.78
113	+3971.731	-29.12	28.79
114	+3971.731	-36.26	28.80
115	+3971.731	-43.40	28.81
116	+3971.731	-50.54	28.82
117	+3971.731	-57.68	28.83
118	+3971.731	-64.82	28.84
119	+3971.731	-71.96	28.85
120	+3971.731	-79.10	28.86
121	+3971.731	-86.24	28.87
122	+3971.731	-93.38	28.88
123	+3971.731	-100.52	28.89
124	+3971.731	-107.66	28.90
125	+3971.731	-114.80	28.91
126	+3971.731	-121.94	28.92
127	+3971.731	-129.08	28.93
128	+3971.731	-136.22	28.94
129	+3971.731	-143.36	28.95
130	+3971.731	-150.50	28.96
131	+3971.731	-157.64	28.97
132	+3971.731	-164.78	28.98
133	+3971.731	-171.92	28.99
134	+3971.731	-179.06	29.00
135	+3971.731	-186.20	29.01
136	+3971.731	-193.34	29.02
137	+3971.731	-200.48	29.03
138	+3971.731	-207.62	29.04
139	+3971.731	-214.76	29.05
140	+3971.731	-221.90	29.06
141	+3971.731	-229.04	29.07
142	+3971.731	-236.18	29.08
143	+3971.731	-243.32	29.09
144	+3971.731	-250.46	29.10
145	+3971.731	-257.60	29.11
146	+3971.731	-264.74	29.12
147	+3971.731	-271.88	29.13
148	+3971.731	-279.02	29.14
149	+3971.731	-286.16	29.15
150	+3971.731	-293.30	29.16

LOT AREA TABLE

LOT NO.	AREA	USE
1	1.00	RESIDENTIAL
2	1.00	RESIDENTIAL
3	1.00	RESIDENTIAL
4	1.00	RESIDENTIAL
5	1.00	RESIDENTIAL
6	1.00	RESIDENTIAL
7	1.00	RESIDENTIAL
8	1.00	RESIDENTIAL
9	1.00	RESIDENTIAL
10	1.00	RESIDENTIAL
11	1.00	RESIDENTIAL
12	1.00	RESIDENTIAL
13	1.00	RESIDENTIAL
14	1.00	RESIDENTIAL
15	1.00	RESIDENTIAL
16	1.00	RESIDENTIAL
17	1.00	RESIDENTIAL
18	1.00	RESIDENTIAL
19	1.00	RESIDENTIAL
20	1.00	RESIDENTIAL
21	1.00	RESIDENTIAL
22	1.00	RESIDENTIAL
23	1.00	RESIDENTIAL
24	1.00	RESIDENTIAL
25	1.00	RESIDENTIAL
26	1.00	RESIDENTIAL
27	1.00	RESIDENTIAL
28	1.00	RESIDENTIAL
29	1.00	RESIDENTIAL
30	1.00	RESIDENTIAL
31	1.00	RESIDENTIAL
32	1.00	RESIDENTIAL
33	1.00	RESIDENTIAL
34	1.00	RESIDENTIAL
35	1.00	RESIDENTIAL
36	1.00	RESIDENTIAL
37	1.00	RESIDENTIAL
38	1.00	RESIDENTIAL
39	1.00	RESIDENTIAL
40	1.00	RESIDENTIAL
41	1.00	RESIDENTIAL
42	1.00	RESIDENTIAL
43	1.00	RESIDENTIAL
44	1.00	RESIDENTIAL
45	1.00	RESIDENTIAL
46	1.00	RESIDENTIAL
47	1.00	RESIDENTIAL
48	1.00	RESIDENTIAL
49	1.00	RESIDENTIAL
50	1.00	RESIDENTIAL
51	1.00	RESIDENTIAL
52	1.00	RESIDENTIAL
53	1.00	RESIDENTIAL
54	1.00	RESIDENTIAL
55	1.00	RESIDENTIAL
56	1.00	RESIDENTIAL
57	1.00	RESIDENTIAL
58	1.00	RESIDENTIAL
59	1.00	RESIDENTIAL
60	1.00	RESIDENTIAL
61	1.00	RESIDENTIAL
62	1.00	RESIDENTIAL
63	1.00	RESIDENTIAL
64	1.00	RESIDENTIAL
65	1.00	RESIDENTIAL
66	1.00	RESIDENTIAL
67	1.00	RESIDENTIAL
68	1.00	RESIDENTIAL
69	1.00	RESIDENTIAL
70	1.00	RESIDENTIAL
71	1.00	RESIDENTIAL
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79	1.00	RESIDENTIAL
80	1.00	RESIDENTIAL
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91	1.00	RESIDENTIAL
92	1.00	RESIDENTIAL
93	1.00	RESIDENTIAL
94	1.00	RESIDENTIAL
95	1.00	RESIDENTIAL
96	1.00	RESIDENTIAL
97	1.00	RESIDENTIAL
98	1.00	RESIDENTIAL
99	1.00	RESIDENTIAL
100	1.00	RESIDENTIAL

RECORDING

THE GOVT. ENGINEER'S DRAWING ON THE FOLLOWING PUBLIC UTILITY EASEMENT AND EASEMENT IS SUBJECT TO THE TERMS OF THE PUBLIC UTILITY EASEMENT AND EASEMENT RECORDATION WITH THE MATRONS COUNTY RECORDERS OFFICE.

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RECORDING

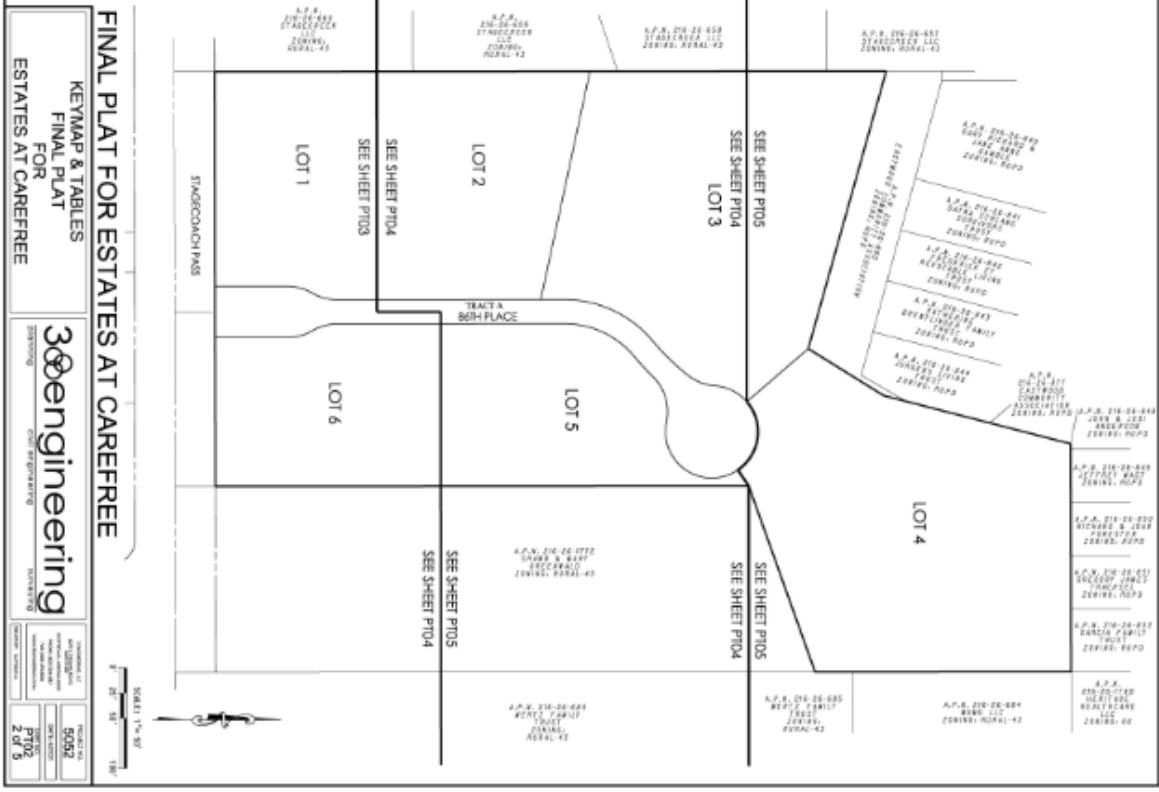
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FINAL PLAT FOR ESTATES AT CAREFREE

KEYMAP & TABLES
FINAL PLAT
FOR
ESTATES AT CAREFREE

3engineering
CONSULTING
CORPORATION
UNIVERSITY

SCALE: 1"=50'
DATE: 05/05/2015
SHEET NO. 2 OF 5

EXHIBIT 'C'
LEGAL DESCRIPTION
ESTATES AT CAREFREE SUBDIVISION

LEGAL DESCRIPTION: THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF MARICOPA, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

LOT A, OF ESTATES OF CAREFREE, ACCORDING TO THE PLAT THEREOF OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, IN BOOK 1458 OF MAPS, PAGE 2 AND IN BOOK 1456 OF MAPS, PAGE 18.

APN: 216-26-887

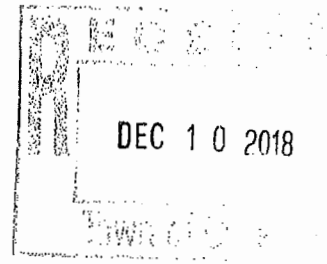
EXHIBIT 'D'
SUBDIVISION IMPROVEMENT AGREEMENT
INCLUDING ATTACHEMENTS
ESTATES AT CAREFREE SUBDIVISION

Design Guidelines

The objective of The Estates at Carefree is to create a community that strikes an accord with the natural environment of the Sonoran Desert. The remarkable elevation and features of the pristine setting define The Estates at Carefree. Wondrous views of the Black Mountain and the majestic Continental Mountain range, fabulous sunrises and sunsets, and Sonoran wildlife amongst the native vegetation are amenities unlike any others.

The vision for this property is to minimize the intrusion of man-made construction and heighten an awareness of the natural environment through a development approach that appears to be a "soft touch" on the land. Carefully sited custom lots provide an ideal backdrop to craft homes to realize this vision. Understanding the fragility of this place and adhering to a simple set of design principles should result in an unparalleled signature community with tremendous pride of ownership and timeless architectural authenticity.

The design theme examples of the community are shown and echo the local history, culture and environment. Inspiration is to be found in architecture that respects the past or finds excitement in being responsive to the natural elements that dominate the environment. These Design Guidelines are meant to encourage creativity and develop designs that are both site specific and relevant to this theme. Each home should respect its place not only as an individual, but as part of the overall fabric of the community. The homes that evolve here will be like no others in elegance, quality and relevance.



I. Building Design

Site Specificity

- ❖❖ All vertical structures, other than fences and walls must be located within the buildable area.
- ❖❖ View and solar orientation should dominate development plans. Special emphasis is to be placed on amount and exposure of all fenestration.
- ❖❖ Surrounding geological features and native plant life should be integrated into the overall design where possible.
- ❖❖ Location and configuration of exterior living areas should consider impact on adjacent Lots and common areas and demonstrate awareness of seasons and daily solar availability.

Architectural Styles

- ❖❖ The objectives of architectural expression are to reflect authenticity, high quality and reinforcement of the Hacienda Ranch theme of the community. Acceptable styles are:
 - ◆ Hacienda
 - ◆ Spanish Colonial
 - ◆ Territorial
 - ◆ Southwest Contemporary
 - ◆ Prairie
- ❖❖ Non-traditional, exotic or east-coast influenced architecture such as Colonial, Tudor, Victorian, Swiss Chalet, Gothic, French, Chinese, Moroccan, African, Arabic, or Mediterranean is prohibited.
- ❖❖ Architectural expression should be culturally relevant; that is, drawn from the local climate, terrain and from styles derived from the history of the southwest.
- ❖❖ Eclectic styles where architectural elements or materials do not belong together are prohibited.
- ❖❖ Architectural expression should be innovative, profound and unique.

Visual Impact

- ❖❖ The color, massing, shape and texture of the structures must be compatible with the natural environment and inconspicuous in the setting rather than to dominate the site. Highly reflective materials are not allowed. Any exterior color or finish shall not exceed an LRV of 50%.
- ❖❖ The overall three-dimensional composition of the structures should be restrained, stressing subtle massing changes vertically and horizontally and avoiding whimsical changes of color, materials, rhythm and form.
- ❖❖ The design must comply with the Design Guidelines and will be considered from vantage points near and far, and from points below and above the structure.
- ❖❖ The thermal properties of materials and construction assemblies should consider the area's extreme temperatures.
- ❖❖ Exterior materials should convey honest expression of authenticity associated with its use and should not appear to defy the laws of gravity or common sense.
- ❖❖ Exterior materials should avoid the look of being applied rather than integrated into the structure.
- ❖❖ Exposed metal must be powder coated, anodized or allowed to rust or patina.

- ❖❖ Rooflines of adjacent residences must vary in ridge heights, roof forms or gable directions. Porch or courtyard elements must be visible from the front elevation unless the front setback is greater than (7) seven feet further than an adjacent home. Hacienda gate entry portals are recommended.
- ❖❖ No two homes of the same plan with the same elevations shall be constructed adjacent to, or directly across the street from, each other.

Massing

- ❖❖ Front, rear and side masses (sides not adjacent to another lot) should be designed to provide visual interest to the structure through varying dimensions and direction and avoid the appearance of monolithic structures and monotonous repetition in the streetscape.
- ❖❖ Residences must be designed with at least three distinct building masses on any plan that is further than 25 feet from a neighboring lot. Masses shall have a minimum depth of 4 feet and width of 10 feet. To be considered a mass the vertical plane offset must be at least four feet from an adjacent mass. Dominating or large building masses are discouraged. No single building mass may be greater than 40% of the total building area under roof.

Height Limits

- ❖❖ Except for chimneys, no part of a structure may exceed a height of 24 feet above the finished grade.
- ❖❖ The maximum height of an exterior wall of a building shall not exceed 19 feet measured from the highest point adjacent to that wall to the top of the fascia or 4' parapet. Notwithstanding the above, the maximum height of an exterior wall shall increase to 24 feet if the plane is either 1) broken by another contiguous mass of at least 2 feet in depth and 12 feet in height measured from the lowest natural grade adjacent to that mass to the top of the fascia or parapet, 2) no more than 15 feet continuous horizontal length without a contiguous mass breaking the plane, 3) within an internal courtyard enclosed by building masses on four sides, or 4) within a front facing courtyard screened with a structure (i.e. building mass or wall) of not less than 10 feet in height as viewed from all sides.
- ❖❖ Chimneys may not extend more than 3 feet above the highest point of roofline within ten feet and may not exceed a horizontal dimension of 12 feet.

Exterior Walls

- ❖❖ All residences must incorporate at least two different complementing materials on exterior wall surfaces balanced and logical on any elevation further than 25 feet from a neighboring home or facing courtyard wall. Material transition should occur on inside corners. Any use of stone (real or artificial) should have the appearance of a legitimate structural element and not appear to be applied to a façade for decoration. Exterior stone must extend below the finished floor to provide no more than a 1-inch reveal from finished grade for the weep screed. Wainscoting is not permitted unless it is authentic to the architectural style. The Architectural Committee may grant the use of a single exterior material in its discretion if it is necessary to authenticate an architectural style.
- ❖❖ No unbroken plane on a front or rear facing exterior wall shall exceed 40 feet in length. No unbroken plane on a side elevation shall exceed 40 feet in length unless the wall is facing an adjacent lot in which case the unbroken plane may be 60 feet.

❖❖ Permitted exterior finish materials are as follows:

- ◆ Natural Stone
- ◆ Faux Stone
- ◆ Concrete Block
- ◆ Adobe
- ◆ Rammed Earth
- ◆ Brick
- ◆ Wood Siding
- ◆ Metal
- ◆ Stucco
- ◆ Concrete
- ◆ Non-reflective Glass

❖❖ Finished dimension of all walls shall not be less than 6" thick.

❖❖ Exterior materials must be durable and maintain their appearance and structural or thermal integrity over time.

Roofs

❖❖ No unbroken horizontal plane of a roofline shall exceed 40 feet in length on a front or rear elevation. No unbroken plane of a roofline on a side elevation shall exceed 40 feet in length unless the side elevation is facing an adjacent lot in which case the unbroken plane may be 60 feet.

❖❖ Pitched roof material must be metal (standing seam or corrugated steel, aluminum or copper), clay, fiber cement, concrete tile or slate. Metal tiles, wood shingles, wood shakes, asphalt shingles and spray foam (pitched roofs only) are prohibited.

❖❖ Pitched roof slopes shall be no less than 2'/12'

❖❖ Flat roofs must be painted to closely match the color of exterior walls with an LRV of 50% or less and have a minimum 1/4" per foot slope. All flashing, vents, appurtenances, and skylights must be screened behind parapets.

❖❖ Fascias are to be no less than 6 inches tall.

❖❖ Gutters and scuppers may be steel, copper or painted aluminum.

❖❖ Scuppers are allowed as long as they are integral to the architectural style of the house.

❖❖ Skylights and light tubes are permitted only on flat roof areas.

❖❖ The use of cathedralized attic insulation to eliminate attic vents, or the use of low-profile O'Hagen attic vents painted to match the roof to conceal their visibility, must be used.

Windows & Doors

❖❖ Windows and doors should be no lighter than the exterior walls and may be:

- ◆ Wood (painted or stained)
- ◆ Steel
- ◆ Copper
- ◆ Anodized or powder coated aluminum
- ◆ Glass

◆ Other material if all of the materials above are prohibited by building code regulations and approved by the Committee of Architecture.

❖❖ All Windows and Doors must be recessed a minimum of 4" from the plane of the exterior face of the wall on front and rear elevations and 2" on any side elevation not facing an adjacent lot. Exterior walls should turn into the window frame. Stucco window sills are permitted. Exposed headers, if used, must appear to be a legitimate structural element recessed or extend a minimum of 1 inch from the exterior plane of the wall and not appear to be applied onto the exterior wall. Sills are permitted if consistent with the authentic architectural style of the home. Pop out stucco frames around windows are prohibited.

- ❖❖ Windows and doors must be double or triple glazed. Reflective surfaces and single pane glass less than 3/8" thick are prohibited. Butted glass is allowed if appropriate for the architectural style of the home.
- ❖❖ Divided lites should incorporate either true mullions or artificial mullions between the panes on windows and doors.
- ❖❖ Architectural style should be consistent around the structure. Pointed arches are discouraged.
- ❖❖ Exterior shutters that together must be the same size as the opening they flank.
- ❖❖ Iron grills are allowed.
- ❖❖ Bay windows must enclose habitable space and continued to the ground.
- ❖❖ Awnings are allowed as long as they are integral and compatible in style to the architectural style of the structure. Retractable styles must have wind sensors.
- ❖❖ Rusticated cor-ten steel metal awnings in character to the theme community are strongly encouraged if consistent with the architectural style of the home.

Site Walls, Fencing & Railing

- ❖❖ Screen walls shall comply with Town of Carefree zoning ordinance.
- ❖❖ Retaining Walls and screen walls shall be integral color split face block, block & stucco or rammed earth in a muted color to complement the theme of the community.
- ❖❖ Railings must be compatible in style and materials with the architectural components of the residence and may be wood, steel, iron or tempered glass.

Garages

- ❖❖ Garages must be fully enclosed and should not dominate the architectural façade and no more than three garage openings shall occur on a single massing,
- ❖❖ Garage doors with windows or transparent glass are prohibited.
- ❖❖ Garage Doors must be recessed a minimum of 1 foot from the building plane and either wood clad or fiberglass composite in a molded stained wood appearance in both color and texture in a carriage style for all architectural styles except Southwest Contemporary. Garage doors with nontransparent glass and metal frames are permitted on Southwest Contemporary style homes only so long as the glass is opaque or translucent and the glass and frames are no lighter than the exterior walls.
- ❖❖ Garages may be oriented to either face the street or perpendicular to the street. Side-entry garages shall be articulated to not imply automobile storage.

Other Building Elements

- ❖❖ Column elements shall not be less than 12" square or round unless appropriate for the authentic architectural style and in logical proportion to the mass supported above. Column bases should match exterior character and prevent wood from coming into contact with the earth.
- ❖❖ Archways and piers must be a minimum of 12" thick.
- ❖❖ Chimneys must be designed as integral parts of the architectural character. Spark arrestors are to be hidden.
- ❖❖ Mechanical equipment (including antennas and satellite dishes) must be ground mounted and screened from view from adjacent lots and common areas.
- ❖❖ Refuse containers must be enclosed and screened from view of adjacent lots and common areas.
- ❖❖ If propane storage tanks are used for gas service to the home, they must be buried. Propane tanks for barbeques or outdoor heaters must be concealed and be per SWG purchase or lease requirements.

- ❖❖ Sport courts and play sets shall be limited to backyards and screened from view of adjacent lots, public streets and common areas. Lighting of these amenities is prohibited.
- ❖❖ Driveways shall not exceed 18% slope and be stone, brick, integrally colored concrete or exposed aggregate concrete.

II. Site Planning

Minimum Building Size

3,000 square feet of livable space (i.e. air conditioned space excluding garages) or 2,600 square feet with a 400 square foot attached or detached casita.

Natural Drainage Patterns

No improvements shall alter natural drainage courses in a manner that would adversely affect adjacent Lots, common areas, natural washes or streets. Finished drainage ways shall discharge as intended pursuant to the civil engineering design of the parcel as closely as possible.

Drainage Plans

Drainage Plans are to be submitted as part of the Preliminary Submittal Requirements and shall illustrate that parcel designed drainage patterns have been preserved and not diverted onto adjacent lots or into common areas. It is the responsibility of the Owner to consult with a licensed civil engineer to address drainage issues as a result of building improvements on a Lot. The Architectural Committee and the Association do not warrant approved plans and are not responsible for defective designs.

III. Landscape

Design Objectives

- ❖❖ To ensure developed areas create outdoor environments that reflect a "soft touch" on the land where Private Areas emerge seamlessly and unobtrusively from the serene, natural environment.
- ❖❖ To utilize plants, landscape structures and details that draw upon the indigenous landscape, traditions and architectural vernacular outlined in the Design Guidelines.
- ❖❖ To limit the amount of landscaping requiring intensive irrigation.

Design Guidelines

- ❖❖ Landscape designs must conform to civil engineering plans and not restrict, increase or redirect drainage designed for the site or facilitate erosion. Engaging a licensed professional for landscape design is strongly encouraged. Sketch form or rough draft layouts or free hand drawings shall not be accepted.
- ❖❖ Planting densities should mimic the densities of the surrounding native areas.
- ❖❖ The use of larger specimen trees is preferred in areas close to the house to help blend buildings with the site, accentuate entry areas, provide for climate amelioration and help define outdoor spaces.
- ❖❖ Plant materials should envelop buildings and outdoor spaces to transition structures into the natural environment. Shrubs may be used as informal, low walls and vines may be used to visually soften walls between structures. Trees should be sized to an appropriate scale to complement building masses.

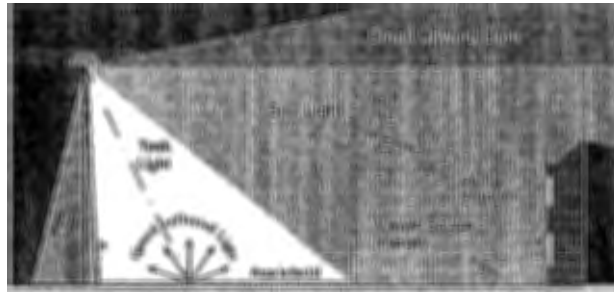
- ❖❖ Plant selections must be made from the Approved Plant List or otherwise approved by the Architectural Committee in its sole discretion. Under no circumstances may a plant for the Prohibited Plant List be used. Refer to Appendix A.
- ❖❖ Turf grass (natural or artificial) may be utilized in Private Areas only. Maximum turf grass area allowed on any given lot should not exceed 50% of the overall Private Area landscape.
- ❖❖ The style and color of outdoor structures should match or complement the main residential structure.
- ❖❖ All plantings must conform to the Planting guidelines discussed below using plants listed on the Approved Plant List or otherwise approved by the Architectural Committee.
- ❖❖ Landscape lighting should not be excessive and follow the Lighting Design Guidelines discussed below and Carefree Zoning Ordinance.

IV. Lighting

Design Objectives

To preserve the nighttime dark sky and avoid artificial obtrusive light polluting the community (see exhibit below). Direct upward light is to be avoided, and exterior spill light beyond the immediate area intended for lighting should be mitigated. Exterior lighting should utilize low intensity, indirect light sources to the extent necessary for safety and subtle drama.

Light Pollution



Design Guidelines

- ❖❖ Exterior building lighting should be the minimum needed to provide for adequate illumination and security of entries, patios and outdoor spaces. Light fixtures must have a shielded lamp to completely obscure the light source from view.
- ❖❖ Direct up lighting of structures or facades is prohibited except for subtle lighting of driveway entries or address numbers. Direct low-intensity down lighting of facades is permitted.
- ❖❖ Exterior up lighting must be directed onto vegetation or prominent site features such as boulders or plantings and not upon buildings or walls.
- ❖❖ Landscape and hardscape lighting must be recessed into the ground or concealed from neighboring property by natural features, plants or hardscape.
- ❖❖ Walkways and driveways may be illuminated by low, shielded pathway lights only. Regimented "runway" oriented layout is prohibited.
- ❖❖ Only low voltage lighting fixtures with a maximum intensity equivalent to a 35-watt halogen lamp or a 6-watt LED lamp may be used for all landscape and hardscape lighting applications. The use of multiple lower-intensity lamps in place of a single higher-intensity lamp is encouraged to avoid glare and lighting "hot spots" where possible.

V. Irrigation

Design Objective

To minimize erosion and risk of water loss from runoff and evaporation and to promote hearty, deep-root plant growth sufficient to meet the requirements of the Approved Plant List; and to maintain the appearance of the community with efficient water coverage with minimal reliance on the availability of the public water system.

Design Guidelines

- ❖❖ Incorporate drip-irrigation systems that provide deep root-zone irrigation of trees and shrubs
- ❖❖ Utilize an electronic irrigation controller to maximize irrigation system efficiency.
- ❖❖ Decomposed granite or other natural local aggregate shall be used as top dressing in all new planting areas on lots to retain soil moisture and provide for weed control.
- ❖❖ The use of broadcast sprinklers is prohibited except for temporary irrigation necessary for germinating hydroseeded areas returning to natural desert vegetation.

VI. Pools, Spas & Water Features

Design Objective

To incorporate pools, spas, and water features those relates in color, scale and configuration to the natural environment and are a seamless extension of the architectural style of the home and outdoor spaces. Also it is a goal of these guidelines to avoid unnecessarily inefficient use of water and negative impacts to the surrounding natural environment.

Design Guidelines

- ❖❖ Pools, spas and water features should be designed to be integral parts of the outdoor rooms and visually blend with the landscape.
- ❖❖ Landscaping should be selected and composed to complement water features.
- ❖❖ Swimming pool and spa areas shall not be located in any building setback line. Negative edge pools are allowed so long as the exterior surface is of a color and material to blend with the natural environment and effectively conceals hard water staining.
- ❖❖ Swimming pool and spa areas must be screened with low landscape walls and/or plantings to minimize their visibility.
- ❖❖ Design solutions that eliminate the need for a pool fence are encouraged. Pool enclosures must meet all Maricopa County ordinances and building codes.
- ❖❖ All exposed edges of pools, spas and water features must utilize materials and colors that blend with the surrounding native textures and colors. Pool covers must also blend with the surrounding environment.
- ❖❖ Diving boards, water slides and water sports equipment must not be visible from other lots, streets or community open spaces.
- ❖❖ All pool equipment must be screened from view in walled enclosures.

VII. Design Review Process

Each individual property owner shall be responsible for the compliance with state and local zoning, building Design Guideline requirements. The Town of Carefree and Maricopa County codes are available and must be followed. Community guidelines are available from the developer and shall be required to be followed per the manual provided.

VIII. Construction Trailer/ Field Office

Not Allowed.

IX. Sales & Marketing Trailer

Not Allowed.

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harrisal

When recorded, mail to:

Uri Schumm
P.O. Box 2480
Carefree, AZ 85377

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE ESTATES AT CAREFREE
RECORDED IN MARICOPA COUNTY, ARIZONA**

THIS DECLARATION is made on the date hereinafter set forth by URI SCHUMM, CAROL CARPENTER and THE SCHUMM FAMILY TRUST, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner and developer of certain property in the County of Maricopa, State of Arizona, which is more particularly described as follows:

Parcel No. 1. A portion of the Southeast quarter of the Section 36, Township 6 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows: COMMENCING at the Southeast corner of said section 36; thence South 89 degrees, 52 minutes, 37 seconds West along the South line of said Section 36, a distance of 907.86 feet; thence North 00 degrees, 02 minutes, 57 seconds West, a distance of 40.00 feet to the POINT OF BEGINNING; thence South 89 degrees, 52 minutes, 37 seconds West along an parallel with said South line, a distance of 239.57 feet; thence North 00 degrees, 02 minutes, 57 seconds West along a line parallel with the West line of said Section 36, a distance of 756.48 feet; thence South 74 degrees, 20 minutes, 36 seconds East, a distance of 335.92 feet; thence South 31 degrees, 53 minutes, 27 seconds West, a distance of 158.43 feet; thence South 00 degrees, 02 minutes, 57 seconds East along a line parallel with said East line a distance of 530.79 feet to the TRUE POINT OF BEGINNING; EXCEPT that portion of Lot 2C, per map recorded in Book 1135 of Maps, page 14, records of Maricopa County, Arizona in the Southeast quarter of Section 36, Township 6 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more

particularly described as follows: COMMENCING at a rebar with cap 16557 at the Northwest corner of said Lot 2C; thence South 74 degrees, 20 minutes, 42 seconds West (record), South 74 degrees, 20 minutes, 42 seconds West (measured), along the North line of said Lot 2C, 335.92 feet to a rebar with illegible cap within a large yucca at the Northeast corner of said Lot 2C; thence South 31 degrees, 53 minutes, 27 seconds West (record), South 31 degrees, 52 minutes, 47 seconds West (measured), along the East line of said Lot 2C, 88.28 feet; thence North 74 degrees, 20 minutes, 42 seconds West, 287.42 feet to a point on the West line of said Lot 2c; thence North 0 degrees, 02 minutes, 57 seconds (record) North 0 degrees, 03 minutes, 01 seconds West (measured), along said West line, 88.05 feet to the POINT OF BEGINNING; EXCEPT 1/16th of all gas, oil, metals and mineral rights as reserved to the State of Arizona in Patent of said land.

Parcel No. 2: A portion of the Southeast quarter of the Section 36, Township 6 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows: COMMENCING at the Southeast corner of said section 36; thence South 89 degrees, 52 minutes, 37 seconds West along the South line of said Section 36, a distance of 733.99 feet to the POINT OF BEGINNING; thence South 89 degrees, 52 minutes, 37 seconds West, a distance of 172.88 feet; thence North 00 degrees, 02 minutes, 57 seconds West, a distance of 570.79 feet; thence North 31 degrees, 53 minutes, 27 seconds East, a distance of 158.43 feet; thence North 14 degrees, 30 minutes, 30 seconds East, a distance of 192.25 feet; thence North 89 degrees, 52 minutes, 37 seconds East, a distance of 227.22 feet; thence South 00 degrees, 02 minutes, 57 seconds East, a distance of 254.78 feet; thence South 70 degrees, 23 minutes, 48 seconds West, a distance of 196.86 feet; thence South 00 degrees, 02 minutes, 57 seconds East, a distance of 570.72 feet to the POINT OF BEGINNING; EXCEPT 1/16th of all gas, oil, metals and mineral rights as reserved to the State of Arizona in Patent of said land.

NOW, THEREFORE, Declarant hereby declares that all of the Property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, conditions, and liens which are for the purpose of protecting the value and desirability of the Property, and which shall run with the Property and shall be binding on and inure to the benefit of all parties having or acquiring any right, title or interest in the Property or any part thereof, their heirs, successors or assigns.

ARTICLE I DEFINITIONS

Section 1. "Annual Assessment" shall mean and refer to the Annual Assessments and charges levied and assessed each year against each Lot pursuant to Article VI, Section I hereof.

Section 2. “Area of Common Responsibility” shall mean those landscaped tracts to be constructed and landscaped by Declarant in accordance with the recorded plat and shall be maintained by and at the expense of the Association in accordance with Article VIII, Section 2(n), below.

Section 3. “Articles” shall mean the Articles of Incorporation of the Association which are, or shall be, filed in the office of the Corporation Commission of the State of Arizona, as said Articles may be amended from time to time.

Section 4. “Association” shall mean and refer to **THE ESTATES AT CAREFREE HOMEOWNERS ASSOCIATION, INC.**, an Arizona non-profit corporation, its successors and assigns.

Section 5. “Association Rules” shall mean the rules adopted by the Board, as they may be amended from time to time.

Section 6. “Board” shall mean and refer to the Board of Directors of the Association.

Section 7. “Bylaws” shall mean the Bylaws of the Association; as such Bylaws may be amended from time to time.

Section 8. “Common Area(s)” shall mean that portion of the Property owned by the Association (including the Improvements, as hereafter defined, thereto), for the common use and enjoyment of owners (as hereafter defined).

Section 9. “Declarant” shall mean and refer to Uri Schumm, Carol Carpenter, The Schumm Family Trust, including their successors and assigns, if such successors or assigns should acquire more than one (1) undeveloped Lot and an Assignment of Declarant’s Rights is recorded.

Section 10. “Design Review Committee” shall mean the committee created pursuant to Article VII hereof.

Section 11. “Design Review Committee Rules” shall mean the rules adopted by the Design Review Committee, as they may be amended from time to time.

Section 12. “Declaration” shall mean this Declaration of Covenants, Conditions and Restrictions, as same may amended from time to time.

Section 13. “Developer” shall mean Uri Schumm, Carol Carpenter, The Schumm Family Trust, or any Person (defined below) who acquires more than one (1) undeveloped Lot from the Declarant for the purpose of development.

Section 14. “Dwelling Unit” shall mean any building, or portion of a building, situated upon a Lot designed and intended for use and occupancy as a residence by a Single Family.

Section 15. “**Governing Documents**” shall mean this Declaration, the Articles, Bylaws, Design Review Committee Rules (defined in Article IV, Section 3, below), collectively.

Section 16. “**Improvement(s)**” shall mean buildings, roads, roadways, driveways, parking areas, lighting fixtures, fences, walls, rocks, hedges, plantings, planted trees and shrubs, signs, and all other structures or landscaping of every type and kind.

Section 17. “**Lot**” shall mean and refer to any separate parcel of real property shown upon any recorded subdivision map of the Property, together with all Improvements constructed, or to be constructed, thereon and appurtenances thereto, with the exception of the Common Area and the Area of Common Responsibility.

Section 18. “**Maximum Annual Assessment**” shall be defined in Article VI, Section 3, hereof.

Section 19. “**Member**” shall mean any Person (defined below), including Declarant and Developer(s), who is a member of the Association based upon ownership of a Lot.

Section 20. “**Mortgage**” shall mean any recorded instrument as security for the performance of an obligation including, without limitation, a deed of trust. “**Mortgage**” shall mean a lending institution or other person secured by a mortgage, including a Trustee and Beneficiary under a deed of trust, and “**Mortgager**” shall mean the party executing a mortgage, including a Trustor under a deed of trust. “**First Mortgage**” shall mean a mortgage, which is the first and most senior of all mortgages upon the same Lot.

Section 21. “**Owner**” shall mean and refer to the record owner of equitable or beneficial title (or legal title if same has merged) of any Lot(s). If the owner of record is comprised of more than one (1) Person (defined below), “**Owner**” shall mean and refer to all such Persons cumulatively. “**Owner**” does not include Persons who hold an interest in any Lot merely as security for the performance of an obligation. Except as herein stated otherwise, “**Owner**” shall not include a lessee or tenant of a Lot. Notwithstanding the above, for the purposes of Articles II and VIII only, unless the context otherwise requires, “**Owner**” shall also include the family guests, invitees, licensees, and lessees of any Owner, together with any Person holding any possessor interest granted by such Owner in any Lot. “**Owner**” shall include Declarant and Developer so long as each owns any Lot within the Property.

Section 22. “**Person**” shall mean a natural individual, corporation, partnership, trustee or other entity capable of holding title to real property.

Section 23. “**Plat**” shall mean and refer to the plat of records in the office of the County Recorder of Maricopa County, Arizona, to be recorded.

Section 24. “**Property**” or “**Properties**” shall mean and refer to Lots 1 through 6, and such additions thereto as may hereafter be brought with the jurisdiction of the Association, by instrument recorded in the Office of the County Recorder of Maricopa County, Arizona.

Section 25. “Public Purchaser” shall mean any Person who becomes and Owner of any Lot with the Property, other than the Declarant or Developer.

Section 26. “Resident” shall mean each natural person residing in a Dwelling Unit.

Section 27. “Single Family” shall mean a group of one (1) or more natural persons, each related to the other by blood, marriage or legal adoption, or group of not more than three (3) natural persons, not all so related, who maintain a common household in a Dwelling Unit.

Section 28. “Special Assessments” shall be defined in Article VI, Section 5 hereof.

Section 29. “Visible From Neighboring Property” shall mean, with respect to any given object, that such object is or would be visible to a natural person six feet tall, standing on any part of such neighboring property at ground level; provided, however, that an object shall not be considered as being Visible From Neighboring Property if the object is visible only through a wrought iron fence and would not be Visible From Neighboring Property if the wrought iron fence were a solid fence.

Section 30. “Voting Owners” shall mean all of the Owners who are entitled to cast one (1) or more votes in the Association at the time of such vote.

**ARTICLE II
PROPERTY RIGHTS**

Section 1. Owner’s Easements of Enjoyment. Every Owner shall have a non-exclusive right and easement of enjoyment in and to the Common Area, which shall be appurtenant to, and shall pass with, the title to every Lot subject to the following provisions.

- a. The right of the Association to impose monetary penalties and suspend the voting rights and right to use the Common Areas by an Owner for any period during which any assessment against its Lot remains unpaid, or during which any other breach of this Declaration by such Owner continues; and the right of the Association to suspend the right to use the Common Areas for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.
- b. The right of the Association to Mortgage, dedicate or convey all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such Mortgage or conveyance shall be effective unless an instrument signed by two-thirds (2/3) of each class of Owners agreeing to such Mortgage or conveyance has been recorded.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, its rights of enjoyment to the Common Area and facilities to the members of its family, its tenants, or contract purchasers who reside on the Owner’s Lot.

Section 3. Owner's Easement of Enjoyment Limitations.

- a. An Owner's right and easement of enjoyment in and to the Common Area shall not be conveyed, transferred, alienated, or encumbered separate and apart from an Owner's Lot, and such right and easement of enjoyment in and to the Common Area shall be deemed to be conveyed, transferred, alienated, or encumbered upon the sale of any Owner's Lot, notwithstanding the fact that the description in the instrument of conveyance, transfer, alienation, or encumbrance may not refer to the Common Area.
- b. The Common Area shall remain undivided and no action for partition or division of any part thereof shall be permitted.
- c. Each Owner, tenant and occupant of a Lot, and the family members, guests, invitees and licensees thereof, may use the Common Area in common with the Owners of the other Lots in accordance with the purposes for which it is intended without hindering or encroaching upon the lawful rights of others, and subject to rules and regulations adopted by the Board.
- d. No Owner shall be exempted from liability for assessments by waiver of the enjoyment of the right to use the Common Area or by abandonment of its Lot or otherwise.

**ARTICLE III
PROPERTY SUBJECT TO THIS DECLARATION**

Section 1. General Declaration. As the Property has been subdivided into various Lots, and it is intended that the Property so subdivided shall be sold and conveyed to Public Purchasers subject to this Declaration, Declarant hereby declares that all the Property subject hereto is and shall be held, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred in whole or in part, subject to this Declaration, as amended or modified from time to time, this Declaration is declared and agreed to be in furtherance of a general plan for the subdivision, improvement and sale of the Property and is established for the purpose of enhancing the desirability and attractiveness of said Property and every part thereof. All of this Declaration shall run with all of said Property for all purposes and shall be binding upon and inure to the benefit of the Declarant, the Association, all Owners and their respective successors in interest. The improvements on Lot 2 of the Property, having been completed well before the recordation of these Covenants, Conditions and Restrictions, shall be exempt from all building, design and construction standards set forth in these Covenants, Conditions and Restrictions. In all other respects, Lot 2 shall be required to meet all the obligations and abide by all other rules and regulations contained herein.

**ARTICLE IV
THE ASSOCIATION**

Section 1. Organization.

- a. **The Association.** The Association is an Arizona non-profit corporation charged with the duties and vested with the powers prescribed by law and set forth in the Articles, Bylaws,

and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

- b. **Board of Directors and Officers.** The Board shall conduct the affairs of the Association and such officers as the Board may elect or appoint in accordance with the Articles and Bylaws, as may be amended from time to time. An Owner in violation of any provision of any of the Governing Documents shall be prohibited from serving on the Board or any committee established by the Board and shall be prohibited from serving as an officer of the Association.

Section 2. Powers and Duties of the Association. The Association shall have such rights, duties and powers as set forth in this Declaration and in the Articles and Bylaws, as same may be amended from time to time.

Section 3. Rules. By a majority vote of the Board, the Association may, from time to time and subject to the provisions of the Declaration, adopt, amend, and repeal rules and regulations to be known as the "Rules." The Rules may restrict and govern the use of any area by any Owner, or by any family member, guest, invitee, licensee or lessee of such Owner; provided, however, that the Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles, or Bylaws. A copy of the Rules as they may from time to time be adopted, amended, or repealed, shall be mailed or otherwise delivered to each Owner and may be recorded. Said Rules shall have the same force and effect as if they were set forth herein and were a part of this Declaration.

Section 4. Personal Liability. To the fullest extent permitted by law, no member of the Board or any committee member of the Association, or any officer of the Association, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of the Association, the Board or employee of the Association, or the Design Review Committee, or any other committee, or any officer of the Association, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith, without willful or intentional misconduct.

Section 5. Additional Fees. Each Public Purchaser of a Lot shall pay to the Association, or their agent, immediately upon becoming the Owner of the Lot, a transfer fee in such amount as may be established from time to time by the Board to compensate the Association for administrative and other costs associated with such transfer. In the event of a pending sale to Public Purchaser within the meaning of A.R.S. Section 33-1806.A, the Owner of the Lot and/or the Association may be required by Arizona law to provide certain information and documentation to the Public Purchaser. The Association, or its agent, may charge the Owner a reasonable fee, as established by the Board, to compensate the Association for the costs incurred in providing the documents and preparing the dated statement as required by Arizona law. A notice of pending sale received by the Association shall not constitute a request under A.R.S. Section 33-1807.I, and the dated statement furnished by the Association pursuant to A.R.S. Section 35-1806.A, following receipt of a notice of pending sale need not be in recordable form. Any written request for assessment and/or covenant violation information received by the Association from an escrow company, title company or real estate

agent shall not constitute a notice of pending sale for purposes of A.R.S. Section 33-1806.A unless such writing expressly states that it is a notice of pending sale given pursuant to such statute and includes the prospective purchaser's address. Any written request received by the Association from a Person other than the Owner or a Mortgagee shall not constitute a request under A.R.S. Section 33-1807.I unless the Association receives, prior to or simultaneously with such request, a writing signed by the subject Owner which designates the Person making the request as being authorized to make a request under A.R.S. Section 33-1807.I. In connection with a written request under A.R.S. 33-1807.I made by a Mortgagee, the Owner or a Person designated by the Owner as provided above, the Association, or its agent, may charge the Owner a reasonable fee, as established by the Board, to compensate the Association for providing the required recordable statement, which fee may be increased, at the discretion of the Board, for each succeeding request with respect to the same Lot or Owner if more than one (1) such request is received by the Association in any calendar year.

ARTICLE V MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot, which is subject to assessment, shall be a Member of the Association. There shall be only one (1) Member per Lot. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two (2) classes of voting Membership:

Class A: Class A Members shall be all Owners of Lots within the Property, with the exception of the Declarant, as such term is defined herein, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) Person holds an interest in a Lot, all such Persons shall collectively comprise one Member. The voting favor such Lot shall. Be exercised as such persons among themselves determine, or, in the absence of such determination, as determined by the Board of Directors, but in no event shall more than one (1) vote be cast with respect to any Lot. If one of the Persons comprising the Owner casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that such Person was acting with the authority and consent of all other Persons comprising the Owner of the same Lot.

Class B: The Class B Member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned by Declarant within the Property. The total votes which the Declarant shall be entitled to cast may be in such proportion on any matter as Declarant may determine. Each Class B Membership shall cease and be converted to Class A Membership, without further act or deed, upon the happening of any of the following events:

- (a) Upon the conveyance by Declarant of any Lot to an Owner, other than in connection with the assignment by the Declarant of all or substantially all of its rights under the Declaration (including a pledge or assignment b the

Declarant to any lender as security) with respect to a particular Lot so sold or otherwise disposed of; or

- (b) With respect to all remaining Class B Memberships, upon the first to occur of the following:
 - (i) When the total voters entitled to be cast by Class A Membership equal or exceed the total votes entitled to be cast by Class B Membership; or
 - (ii) The last day of December, 2025.

If any lender to whom any Declarant has assigned, or hereafter assigns, as security all or substantially all of its rights under the Declaration succeeds to the interest of such Declarant by virtue of said assignment, the Class B Memberships formerly held by such Declarant shall not be terminated thereby, and such lender shall hold the Class B Memberships on the same terms as such were held by such Declarant.

ARTICLE VI COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. The Declarant, for all Assessable Property which is subject to the Tract Declaration, hereby covenants and agrees, and each Owner by acceptance of a deed therefore (whether or not it shall be so expressed in such deed) is deemed to covenant and agree, to accept and be subject to mandatory Membership in the Association, and to pay the Association the following: (1) Annual Assessments; (2) Special Assessments; (3) Benefited Lot Assessments; (4) Maintenance Charges; and (5) Special Use Fees incurred by the Owner of any Resident occupying the Owner's Lot or Parcel or any portion thereof. The Annual Assessments, Special Assessments, Benefited Lot Assessments, Maintenance Charges, Special Use Fees, and other fees, fines and charges which are the obligation of an Owner hereunder, together with interest, costs, collection agency fees, and reasonable attorneys' fees of the Association incurred in connection with the enforcement and collection thereof or in otherwise enforcing this Declaration, shall be a charge and continuing servitude and lien upon the Lot or Parcel against which each such Annual, Special or Benefited Lot Assessment, Maintenance Charge or other charge is made and against the Lot or Parcel of an Owner liable for a Special Use Fee or other charge and, in addition, shall be the personal obligation of the Owner of such Lot or Parcel at the time when such payment becomes due and payable. The Annual, Special and Benefited Lot Assessments against each Lot or Parcel shall be based on the number of Memberships appurtenant to the Lot or Parcel. The personal obligation for delinquent Assessments and other charges shall not pass to the successors in title of the Owner unless expressly assumed by them; however, the Lot or Parcel shall remain subject to the lien of the delinquent Assessment except as provided in Paragraph 9, below. No Assessments may be charged against any property not covered by this Declaration; however, Maintenance Charges may be assessed against any property initially covered by or annexed under this Declaration. No Owner may waive or otherwise exempt himself from liability for the Assessments provided for herein, including but not limited to, by nonuse of

Common Areas or abandonment of his Lot. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution, abatement or set-off shall be allowed by reason of any action or failure to act of the Board of Association.

The Annual Assessments, Special Assessments, and other assessments, together with interest, late charges, costs and reasonable attorney's fees shall be a charge and continuing lien upon the Lot or Lots owned by each Member of the Association. Each such assessment, together with interest, late charges, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot(s) at the time when the assessment fell due. The personal obligation for delinquent assessments and interest, late charges, costs and reasonable attorney's fees shall not pass to the successor in title to the Lot unless expressly assumed by such successor.

Section 2. Purpose of Assessments. In order to promote the common good of this community, the assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Property and for the improvement and maintenance of the Common Area and the Area of Common Responsibility. The assessments shall fund the expenses for the administration and enforcement of the Governing Documents and for the operation, maintenance, repair and restoration of the Common Areas and the Area of Common Responsibility, including but not limited to, salaries, wages, payroll taxes, attorney's fees, accountant's fees, supplies, materials, parts, services, maintenance, repairs, and replacements, landscaping, insurance, fuel, power, and adequate reserves for the maintenance, restoration, and replacement of the Common Areas and the Area of Common Responsibility and the appurtenances thereto.

Section 3. Maximum Annual Assessment. Until January 1, 2022, the Maximum Annual Assessment shall be as determined by the Declarant and equally divided per year per Lot payable to the Association on due dates established by the Board.

- a. From and after January 1, 2022, the Maximum Annual Assessment may be increased effective January 1 of each year without a vote of the Membership by an amount no greater than twenty-five percent (25%) of the immediately preceding Annual Assessment.
- b. From January 1, 2022, the Maximum Annual Assessment may be in excess of the amount indicated in Article VI, Section 3(a), above, by a vote of a majority of the Members of the Association (present in person or by proxy).
- c. The Board of Directors may fix the Annual Assessment at an amount not in excess of the maximum.

Section 4. Working Capital. To ensure that the Association shall have adequate funds to meet its expenses or to purchase necessary equipment or services, each Owner shall pay or cause to be paid to the Association at the closing of the purchase a sum equal to one-half (1/2) of the current Annual Assessment for the Lot. Working Capital payments are nonrefundable and shall not be offset or credited against or considered an advance payment of any Assessments levied by the Association pursuant to this Declaration.

Section 5. Special Assessment for Capital Improvements. In addition to the Annual Assessment authorized above, the Association may levy in any assessment year, to be paid during such assessment year or such longer period as the Board deems appropriate, a Special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area or Area of Common Responsibility, or replacement of damaged or destroyed common elements where the Owner or Owners responsible for such damage or destruction have failed to replace or rebuild pursuant to Article VIII herein, including fixtures and personal property related thereto, provided that any such Special Assessment shall have the assent of two-thirds (2/3) of the votes cast by the Voting Owners (present in person or by proxy) at a meeting duly called for this purpose.

Section 6. Notice for Any Action Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4, above, shall be sent to all Members not less than ten (10) days nor more than fifty (50) days in advance of the meeting.

Section 7. Uniform Rate of Assessment. Both Annual and Special Assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly, quarterly, semi-annual or annual basis. Declarant shall pay assessments on each Lot within the Property owned by Declarant. Should any home located on any such Lot become occupied during Declarant's ownership of said Lot, Declarant, as applicable, shall from that date forward, pay the full assessment until said Lot is conveyed to a Public Purchaser; for unoccupied homes and Lots owned by Declarant, and unoccupied homes used for model home purposes, regardless of ownership, Declarant, as applicable, shall pay an amount of ten percent (10%) of the regular Annual and Special Assessment; provided, however, that as long as the Declarant is paying a reduced Annual Assessment, the Declarant shall pay to the Association any deficiency in funds caused by the Declarant having paid a reduced Annual Assessment as is necessary for the Association to be able to timely pay its expenses until such time as the Declarant no longer controls the Association.

Section 8. Date of Commencement of Annual Assessments: Due Date. The Annual Assessments provided for herein shall commence as to all Lots on the first day following the issuance of a Certificate of Occupancy for a home on a Lot conveyed to a Public Purchaser, unless said home is a sales office or model home. The first Annual Assessment shall be a prorated portion thereof adjusted according to the number of days remaining in the calendar year. The Board shall fix the amount of the Annual Assessment against each Lot at least thirty (30) days in advance of each Annual Assessment period. Written notice of the Annual Assessment shall be sent to every Owner subject thereto. The Board shall establish the due dates. Statements regarding unpaid assessments required to be given by the Association pursuant to A.R.S. Sections 33-1806.A and 33-1807.1 shall be given by the Association in accordance with such statutes and the provisions of Article IV, Section 5, above.

Section 9. Effect of Non-Payment of Assessments: Remedies of the Association. Any Annual Assessment, Special Assessment, or other assessment not paid within ten (10) days after the due date, shall bear a late charge of one hundred dollars (\$100.00) or ten percent (10%) of the unpaid assessment, whichever is greater, and interest from the due date at the rate of twelve percent (12%) per annum, or at such other rate as may be determined by the Board. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against

the Property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of its Lot.

- a. **Enforcement by Suit.** The Board may cause a suit at law to be commenced and maintained in the name of the Association against an Owner or Member (or former Owner or Member) to enforce each and all assessment obligations. Any judgment rendered in any such action shall include the amount of the delinquency, any late charges and interest as set forth in this Declaration, together with court costs and reasonable attorney's fees in such amount as the Court may adjudge against the delinquent Owner or Member.
- b. **Enforcement by Lien.** There is hereby created a charge and continuing lien, with power of sale, in favor of the Association on each Lot within the Property to secure payment to the Association of any and all Annual Assessments, Special Assessments, and other assessments levied against the Owner of such Lot together with late charges and interest thereon as provided in this Declaration and all costs of collection which may be paid or incurred by the Association in connection therewith, including court costs and reasonable attorney's fees. Recording of its Declaration constitutes record notice and perfection of the lien, and further recordation of any claim of lien for assessment is not required. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment of the assessment becomes delinquent. At any time after the occurrence of any default in the payment of any assessment, the Association, or any authorized representative, may, but shall not be required to, make a written demand for payment to the defaulting Owner on behalf of the Association. Said demand shall state the date and amount of the past due assessment. Each default shall constitute a separate basis for a demand or claim of lien or a lien, but any number of defaults may be included within a single demand or claim of lien. If any assessment is not paid within thirty (30) days after the due date therefore, whether or not such a written demand has been made, the Association may elect to record a notice of lien on behalf of the Association against the Lot of the defaulting Owner, but failure to do so does not affect priority, validity or enforceability of the lien. Such notice of lien shall be executed and acknowledged by any Officer or authorized representative of the Association, and shall contain substantially the following information:
1. The name of the delinquent Owner;
 2. The legal description and street address of the Lot against which claim of lien is made;
 3. The total amount claimed to be due and owing for the amount of the delinquency, together with interest thereon, late charges, collection costs, and reasonable attorney's fees;
 4. That the claim of lien is made by the Association pursuant to the Declaration; and
 5. That a lien is claimed against said Lot in an amount equal to the amount stated.

The lien created hereby shall have a priority over all other liens and encumbrances on a Lot except:

1. Liens and encumbrances recorded before the recordation of this Declaration;
2. Any consensual Mortgage on the Lot recorded before the date on which the assessment sought to be enforced became delinquent;
3. Liens for real estate taxes and other governmental assessments or charges against the Lot; and
4. The liens, which are specifically described in Section 10, below.

Any such lien may be foreclosed by appropriate action in the manner provided by law for the foreclosure of a realty mortgage or by the exercise of a power of sale in the manner provided by law under a trust deed, as set forth by the laws of the State of Arizona, as the same may be changed or amended. The lien provided for herein shall be in favor of the Association for the benefit of the Association. The Association shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage, and convey any Lot. In the event of such foreclosure, reasonable attorney's fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law each Owner, by becoming an Owner of a Lot, hereby expressly waives any objection to the enforcement and foreclosure of this lien in this manner. Notwithstanding any provision to the contrary, at any time that Arizona law may permit a lien for an unpaid assessment to have priority over any lien described in B or C, above, this Declaration may be amended by unilateral act of the Declarant or the Association to reflect the priority permitted by any such law.

Section 10. Subordination of the Lien to Mortgages. The lien for assessments provided for herein shall be subordinated to the lien of any first mortgage, and be of equal priority to the lien for assessments imposed by the covenants, conditions and restrictions relating to any Lot or residential unit which is sold in a single family detached development, townhouse development, or a condominium development with separate common area and separate homeowners association. Sale or transfer of any Lot shall not affect the assessment lien or the personal liability of the Owners for unpaid assessments due as of the date of the sale or transfer. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien for such assessments as to payments, which were due prior to such sale or transfer. No sale or transfer shall relieve such Owner from liability for any assessments thereafter becoming due or from the lien of any lien constituted as a first mortgage.

ARTICLE VII ARCHITECTURAL CONTROL

Section 1. Organization, Power of Appointment and Removal of Members. The aesthetic quality of the Property shall be maintained by a Design Review Committee constituted as follows and exercising its control as herein provided:

- a. **Design Review Committee Composition.** The Design Review Committee shall consist of three (3) members. None of such members shall be required to be an architect or to meet any other particular qualifications for membership. A member need not be, but may be, a member of the Board or an officer of the Association. An Owner in violation of any provision of any of the Governing Documents shall not be appointed to the Design Review Committee nor be permitted to serve on the Design Review Committee.
- b. **Alternate Members.** In the event of the absence or disability of one (1) or two (2) regular members of the Design Review Committee, the remaining regular member or members may designate, in writing, an alternate to act in place of a member or members for the duration of such absence.
- c. **Initial Members.** The members of the Board shall act as the initial members of the Design Review Committee.
- d. **Terms of Office.** Unless the initial members of the Design Review Committee have resigned or been removed, each initial member's term shall last until the Declarant is no longer the legal owner of any Lots. At such time as the Declarant is no longer the legal owner of a Lot, the successors will be appointed by the Board, and each Design Review Committee member appointed shall serve for a period of one (1) year and until the appointment of a successor. Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term. Design Review Committee members who have resigned, been removed, or whose terms have expired, may be re-appointed.
- e. **Appointment and Removal.** The right to appoint and remove all regular and alternate members of the Design Review Committee at any time shall be and is hereby vested solely in the Board, provided, however, that no regular or alternate member may be removed from the Design Review Committee by the Board except by the vote or written consent of a majority of all of the members of the Board.
- f. **Resignation.** Any regular or alternate member of the Design Review Committee may at any time resign from the Design Review Committee by giving written notice thereof to Declarant or to the Board, whichever then has the right to appoint Design Review Committee members.
- g. **Vacancies.** The Declarant or the Board shall fill vacancies on the Design Review Committee, however caused, whichever then has the power to appoint Design Review Committee members. A vacancy or vacancies on the Design Review Committee shall be deemed to exist in case of the death, sale of Lot(s), resignation, or removal of any regular or alternate member.

Section 2. Duties. It shall be the duty of the Design Review Committee to consider and act upon any and all proposals or plans submitted to it pursuant to the terms hereof, to adopt Design Review Committee Rules, to perform other duties delegated to it by the Board, and to carry out all other

duties imposed upon it by the Board, and to carry out all other duties imposed upon it by this Declaration.

Section 3. Meetings and Compensation. The Design Review Committee shall meet from time to time as necessary to perform its duties hereunder. Subject to the provisions of Section 1(b) of this Article VII, the vote or written consent of any two (2) Design Review Committee regular members, at a meeting or otherwise, shall constitute the act of the Design Review Committee unless the unanimous decision of the Design Review Committee is required by any other provision of this Declaration. The Design Review Committee shall keep and maintain a written record of all actions taken by it at such meetings or otherwise. Members of the Design Review Committee shall not be entitled to compensation for their services.

Section 4. Design Review Committee Rules. The Design Review Committee, from time to time and in its sole and absolute discretion, adopt, amend and repeal, by unanimous vote or written consent, rules and regulations to be known as "Design Review Committee Rules." The Design Review Committee Rules shall interpret and implement this Declaration by setting forth the standards and procedures for Design Review Committee review and the guidelines for architectural design, placement of buildings, landscaping, color schemes, exterior finishes, and materials and similar features which are recommended for use within the Property due to the different and varying areas within the project, the Design Review Committee, at its sole discretion, may adopt separate Design Review Committee Rules for specific lots.

Section 5. Waiver. The approval by the Design Review Committee of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the Design Review Committee under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing specification or matter subsequently submitted for approval. Notwithstanding, the above interpretations may change as Design Review Committee members change, and the Design Review Committee may disapprove new applications for items previously approved, provided, however, that standards shall be applied to all Lots in a nondiscriminatory manner.

Section 6. Liability. Neither the Design Review Committee nor any member thereof shall be liable to the Association, any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawings, or specifications, whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; (c) the development of any property; or (d) the execution and filing of any estoppel certificate, whether or not the facts therein are correct; provided, however, that with respect to the liability of a member, such member has acted in good faith on the basis of such information as may be possessed by him. Without in any way limiting the generality of any of the foregoing provisions of this Section, the Design Review Committee, or any member thereof may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted to the Design Review Committee.

Section 7. Time for Approval. In the event the Design Review Committee fails to approve or disapprove a complete application for approval within forty-five (45) days after receipt of any fee

payable pursuant to this Article, and all supporting or any additional information, plans and specifications requested by the Design Review Committee (whether or not submitted with the initial application), approval will not be required and this Article will be deemed to have been complied with by the Owner who had requested approval of such plans. All applications, whether approved or not approved, must meet all zoning laws and building requirements of the Town of Carefree. Design Review Committee approval does not constitute assurance of structural integrity.

Section 8. Review Fee. The Design Review Committee shall have the right to charge a fee, which fee shall be set by the Board, for applications for approval of any construction, installation, alteration, addition, repair, change or other work pursuant to this Article. The fee shall be payable at the time the application is submitted to the Design Review Committee. The Design Review Committee shall have the right to charge a construction deposit, which construction deposit shall be set by the Board to ensure compliance with the Design Review Committee Rules during construction.

ARTICLE VIII USE RESTRICTIONS

Section 1. Monetary Penalties. After notice to the violating Owner (which shall include information pertaining to the manner of enforcement) and an opportunity to be heard by the Board (or committee established by the Board to conduct such hearings), the Board may impose reasonable penalties on Owners for violations of any of the provisions of the Governing Documents. Any monetary penalties not paid within thirty (30) days after the date therefore shall bear a later charge of fifteen dollars (\$15.00) or ten percent (10%) of the unpaid monetary penalty, whichever is greater, and interest from the due date at the rate of twelve percent (12%) per annum, or at such other rate as may be determined by the Board. The Association may bring an action at law against the Owner personally to pay the monetary penalty, or foreclose the lien against the Property, as provided in Article VI, Section 8, above. No Owner may waive or otherwise escape liability for the monetary penalties provided for herein by non-use of the Common Area or abandonment of its Lot.

Section 2. Permitted Uses and Restrictions. The permitted uses, easements and restrictions for all Property covered by this Declaration shall be as follows:

- a. **Access.** Portions of the Property shall have controlled vehicular access, limited to Owners and invitees.
- b. **Animals.** No animals, birds, other than a reasonable number of generally recognized house or yard pets, shall be maintained on any Property and then only if they are kept, bred or raised thereon solely as domestic pets and not for commercial purpose. No animal or bird shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing or confinement of any animal or bird shall be maintained so as to be Visible from Neighboring Property. Upon the written request of any Owner, the Board shall conclusively determine, in its sole and absolute discretion, whether, for the purposes of this paragraph, a particular animal or bird is generally recognized house or yard pet, whether such pet is a nuisance, or whether the number of animals or birds of any

such Property is reasonable. In no case shall any poultry, fowl or livestock be maintained on any Property. Any decision rendered by the Board shall be enforceable in the same manner as other restrictions contained herein.

- c. **Antennas.** No antenna or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation, including but not limited to, satellite television or radio discs, antennas or equipment, shall be erected, used or maintained outdoors on any Lot, whether attached to a building or structure or otherwise, without the prior written approval of the Design Review Committee.
- d. **Architectural Control.** No improvement which would be Visible from Neighboring Property shall be constructed or installed on any Lot without the prior written approval of the Design Review Committee. No building, fence, wall, landscaping, addition, alternation, repair, change, excavation or other work which in any alters the exterior appearance, including but without limitation, the exterior color scheme, or any part of a Lot, or any Improvements located thereon which are Visible from Neighboring Property, from its natural or improved state existing on the date such Lot was first conveyed or transferred by Declarant or Developer to a Public Purchaser shall be made or done without the prior written approval of the Design Review Committee, except as otherwise expressly provided in this Declaration. Any prospective or actual Owner desiring approval of the Design Review Committee for the construction, installation, addition, alteration, repair, change excavation or replacement of any Improvement which is or would be Visible from Neighboring Property shall submit to the Design Review Committee a written request for approval specifying in detail the nature and extent of the addition, alteration, repair, change excavation or other work which the prospective or actual Owner desires to perform. Any prospective or actual Owner requesting the approval of the Design Review Committee shall also submit to the Design Review Committee any additional information, plans, and specifications which the Design Review Committee may request. The Design Review Committee shall have the right to refuse to approve any plans or specifications which are not suitable or desirable, in its opinion, for aesthetic or other reasons, and in so passing upon such plans, specifications, and without any limitation of the foregoing, it shall have the right to take into consideration the suitability of the proposed building or other structure, and of the materials of which it is to be built, the site upon which it is proposed to erect the same, the harmony thereof with the surroundings and the effect of the building or other structure as planned on the outlook from the adjacent or neighboring Property. Any subsequent changes, deletions or additions to the plans and specifications approved by the Design Review Committee must be approved in writing by the Design Review Committee. No prospective or actual Owner or other parties shall have recourse against the Board, Design Review Committee, or any of its members, for or with respect to any decision made in good faith.
- (1) **Architectural Control Design Guidelines.** All improvements on Lots at The Estates at Carefree shall comply with the Design Guidelines approved by the Town of Carefree.

- e. **Basketball Goals and Flag Poles.** No flag poles taller than sixteen (16) feet basketball goals or basketball standards or backboards may be constructed, erected, installed or maintained on any Lot so as to be Visible from Neighboring Property without the prior written approval of the Design Review Committee. No flagpoles taller than sixteen (16) feet are permitted. No basketball or basketball hoops or backboards may be constructed, erected, installed or maintained on any Lot in the front yard at any time.
- f. **Clothes Drying Facilities Outside.** Clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any Property unless they are erected, placed and maintained exclusively within a fenced service yard or otherwise concealed and shall not be Visible from Neighboring Property.
- g. **Declarant's Exemption.** Nothing contained in this Declaration shall be construed to prevent erection or maintenance by Declarant and/or Developer(s), or their duly authorized representatives, of improvements or signs necessary or convenient to the development or sale of Lots or Property.
- h. **Diseases and Insects.** No Owner shall permit any thing or condition to exist upon any Lot which shall induce, breed or harbor infectious plant diseases or noxious insects.
- i. **Drainage Easement.** There is hereby created a blanket easement for draining of ground and surface water on, over and across each Lot, right-of-way, Common Area(s) and the Property which shall be appurtenant to, burden or benefit each Lot, right-of-way, Common Area(s) or Property. No Owner shall obstruct, divert, alter or interfere, including but not limited to any type of structure or vegetation, in any way with the drainage of ground and surface water upon, across or over any portion of the Lots, right-of-way, Common Area(s) or Property. Each Owner shall, at its own expense, maintain the drainage ways and channels on its Lot in proper condition free from obstruction. The Association shall have the right, after ten (10) days notice to an Owner, except in the case of emergency (in which case the Association shall have an immediate right of access), to repair or otherwise maintain the drainage way or channel on said Owner's Lot, which the Association, acting through its Board, determines has not been maintained by the Owner in compliance with the provision. All costs and expenses, including but not limited to, reasonable attorney's fees and costs incurred by the Association shall be borne by the Owner, and shall be paid to the Association upon demand, plus interest at an annual rate of twelve percent (12%) from then (10) days after said demand until paid in full. Any sum not paid by an Owner may be treated as an assessment and collected in like manner as assessments levied pursuant to Article VI of this Declaration. For the purpose of this clause, drainage means the drainage that exists at the time the overall grading of the Lots, right-of-way, and Common Area(s) were completed by the Declarant or Developer. The Town of Carefree may, if it so desires, construct and/or maintain drainage facilities on or under the land in the easement areas.
- j. **Easement for Subsequent Construction.** There is hereby created an easement running in favor of Declarant and its Mortgagee, the Developer(s), the Declarant's successors, assigns and its or their agents, employees, or independent contractors, to enter upon any

portion of the Property for the purpose of constructing or installing improvements upon any additional land annexed to the Property pursuant to the terms of Article IX, Section 5, of this Declaration.

- k. **Easement for Maintenance Access.** Each Owner of a Lot shall hereby grant access to the Association or the Association's contractors for maintenance of the washes or drainage easements in the common areas.
- l. **Landscaping.** Each Owner of a Lot shall keep all landscaping, including but not limited to, all shrubs, trees, hedges, ground coverings and plantings of every kind, located on its Lot or in a public right-of-way adjacent to such Lot neatly trimmed, properly cultivated, and free of trash, weeds and other unsightly material. In addition to the above, all front yard landscape and landscaping of public right-of-way areas adjacent to the respective Lot must be approved in writing by the Design Review Committee prior to installation and such installation must be completed within ninety (90) days from the receipt of Certificate of Occupancy. Both front and rear yard landscaping shall be in accordance with all applicable Town of Carefree Ordinances and/or the Design Review Committee Rules, whichever is more restrictive. As per the Plat of The Estates at Carefree, no natural grass or turf shall be planted on any portion of the property.
- m. **Machinery and Equipment.** No machine or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Property, except such machinery or equipment as is usual and customary in connection with the use, maintenance or construction of buildings, improvements or structures which are within the permitted uses of such Property, and except that machinery and equipment which Declarant or the Association may require for the operation and maintenance of the Common Area and Area of Common Responsibility.
- n. **Maintenance of Common Areas and Area of Common Responsibility.** In addition to the maintenance, which the Association may perform pursuant to Section 3(c) of this Article VIII, the Association acknowledges that it is, and always will be, responsible for the maintenance of the Common Areas and the Area of Common Responsibility in accordance with the landscape plan approved by the Town of Carefree. The Association further acknowledges that the Town of Carefree is not, and never will be, responsible in any way for any of the Association duties. The Association shall maintain the landscaping, ground cover and plantings on all Common Areas and Area of Common Responsibility, including but not limited to, landscape, ingress and egress areas, and on such easements over an Owner's Lot as may have been granted to Declarant or the Association, regardless of whether any Owner or the Association is responsible hereunder for maintenance of such areas. No Owner shall remove, alter, injure or interfere in any way with any landscaping, shrubs, trees, ground cover or plantings placed upon any common Area or Area of Common Responsibility by Declarant or the Association, without the written consent of the Association having first been obtained. The Association or its authorized representative shall have the right to enter upon any Lot, at any reasonable time, for the purpose of planting, replacing, maintaining or cultivating such landscaping, shrubs, trees, ground

cover or plantings in the Common Area or Area of Common Responsibility and shall not be liable for trespass for so doing.

- o. **Mailboxes.** No mailboxes, mail posts, or similar items for the receipt of mail are permitted to be constructed or placed on a Lot. All mail will be delivered in the Town of Carefree.
- p. **Mineral Exploration.** No Property shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth, or any earth substance of any kind.
- q. **Nuisances.** No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any of the Property, and no odors shall be permitted to arise or emit therefrom, so as to render any such Property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to the occupants of such other property. No other nuisance shall be permitted to exist or operate upon any Lot so as to be offensive or detrimental to any other Property in the vicinity thereof or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any such Property without prior written approval of the Board. Normal construction activities and parking in connection with the building of Improvements on a Lot shall not be considered a nuisance or otherwise prohibited by this Declaration. No motorcycles or motor-driven vehicles (except lawn maintenance equipment) shall be operated on any walkways or sidewalks within the Property. The Board, in its sole discretion, shall have the right to determine existence of any such nuisance.
- r. **Overhangs.** No objects on any Property shall be allowed to overhang or to otherwise encroach upon any sidewalk, street, pedestrian way or Common Area from ground level to a height of twelve (12) feet without the prior approval of the Design Review Committee.
- s. **Parking.** Vehicles of all Owners, members of its family, tenants, lessees, agents, guests and invitees, are to be kept in garages or residential driveways of the Owner.
- t. **Perimeter Walls.** All interior and exterior Lot walls, including but not limited to, block walls and wrought iron walls or fences shall be maintained, repaired and replaced by the respective Lot Owner. Notwithstanding the above, the Association shall be responsible only for the maintenance of the entry walls, gates and signage and bridge headwalls or other such structures installed as part of the overall development exclusively to Tract A of The Estates at Carefree as shown on the Plat. All wrought iron must be maintained in a rust-free condition and painted in the color specified by the Design Review Committee and Board.
- u. **Related Structures.** Guesthouses, ramadas, gazebos, storage buildings, or other structures, as well as shade structures, must appear as integral elements of the main structure. Materials, colors and finishes shall be carefully coordinated on all auxiliary structures, and when viewed from neighboring properties or the street, visually related by

way of connecting walls, pergolas, terraces, or other landscape treatments and cannot exceed Town of Carefree zoning requirements.

- v. **Repair of Buildings.** No Improvement upon any Property shall be permitted to fall into disrepair, and each such building or structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished. The Association shall have the right after thirty (30) days notice to an Owner, to repair, paint or otherwise maintain the exterior of any Improvement (and without notice in the event of an emergency) which the Association, acting through its Board, determines in its discretion is in violation of this provision. All costs and expenses, including reasonable attorney's fees and costs, incurred by the Association shall be borne by the Owner, and shall be paid to the Association on demand, plus interest at the rate of twelve percent (12%) per annum from ten (10) days after said demand until paid in full. Any sum not paid by an Owner may be treated as an assessment and collected in a like manner as assessments levied pursuant to Article VI of this Declaration.
- w. **Residential Use.** All Dwelling Units shall be used, improved and devoted exclusively to residential use by a single Family. No trade or business may be conducted on any Lot or in or from any Dwelling Unit, except that an Owner or other Resident of a Dwelling Unit may conduct a business activity within a Dwelling Unit so long as:
1. The existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Dwelling Unit;
 2. The business activity conforms to all applicable zoning ordinances or requirements for the Property;
 3. The business activity does not involve persons coming on to the Lot or the door-to-door solicitation of Owners or other Residents in the Property; and
 4. The business activity is consistent with the residential character of the Property and does not constitute a nuisance or a hazardous or offensive use or threaten security or safety of other Residents in the Property, as may be determined from time to time in the sole discretion of the Board.

The terms "business" and "trade" as used in this Section shall be construed to have ordinary, generally-accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether (i) such activity is engaged in full or part time; (ii) such activity is intended or does generate a profit; or (iii) a license is required for such activity.

- x. **Restrictions on Further Subdivision.** No Lot shall be further subdivided or separated into smaller Lots or parcels by any Owner, and no portion less than all of any such Lot, or

any easement or other interest therein, shall be conveyed or transferred by any Owner without the prior written approval of the Board.

y. **No Rentals.** No Owner shall rent any portion of his Property or otherwise make said Property available for lease. The restriction in this paragraph shall supersede and invalidate any mention of tenancy or lease in these Covenants, Conditions and Restrictions.

- (1) **Right of Entry.** During reasonable hours and upon reasonable notice to the Owner or other occupant of a Lot, any member of the Design Review Committee, any member of the Board, or any authorized representative of any of them, shall have the right to enter upon and inspect any Lot, and the Improvements thereon, except for the interior portions of any completed Dwelling Unit for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and such persons shall not be deemed guilty of trespass by reason of such entry.
- (2) **Signs.** The only signs permitted on any Lot shall be: (1) residential identification signs of a face area of seventy-five (75) square inches or less for identification of the occupant and its address, in a style designated by the Design Review Committee; (2) one (1) sign of customary size may be temporarily erected or placed on a Lot for the purpose of advertising the Lot for sale; and (3) security signs of a face area of seventy-five (75) square inches or less, in a style and location designated by the Design Review Committee Rules or approved by the Design Review Committee. Notwithstanding the above, the Declarant and Developer may erect any signs during construction and marketing of the subdivision and this restriction shall not apply to the Association in furtherance of its powers and purposes herein set forth. All permitted signs must be professionally painted lettered and constructed.
- (3) **Storage Sheds.** Storage sheds are not allowed unless made an integral part of the residential structure, and prior written approval by the Design Review Committee before being constructed.
- (4) **Swimming Pools and Spa.** Swimming pools and spas should be designed to architecturally integrate with the residence through the use of walls, lawns or courtyards. Swimming pools and spas must be constructed according to the Town of Carefree ordinances and other applicable regulations, including required fence and enclosure heights. Doors and gates leading to swimming pools and spas must meet the Town of Carefree safety and closure regulations, including doors that open directly from the residence to any pool or spa area.

Due to environmental concerns, pool backwash and draining shall not be disposed of into a wash or other natural draining area. It is recommended that a drywell be constructed to allow for disposal of pool backwash and draining. Any applicable governmental regulations governing disposal of pool water must be followed.

Pool equipment, including all valves, pumps, filters, blowers, conduits, backflow preventors, piping and controls, must not be visible from a street, common area or neighboring homesite, and must be enclosed by walls and a gate or other suitable screening method to a height of twelve (12) inches minimum above the equipment, all within the building envelope.

- (5) **Temporary Occupancy.** No trailer, basement of any incomplete Improvement, building, shed, tent, shack, garage or barn, and no temporary Improvement of any kind shall be used at any time for a residence on any property either temporary or permanent. Temporary buildings or structures used during construction of a dwelling on any such Property shall be removed immediately after the completion of construction.
- (6) **Trailers and Motor Vehicles.** No motor vehicle classed by manufacturer rating as exceeding three-quarter (3/4) ton, mobile home, mini-motor home, travel trailer, recreational vehicle, tent trailer, trailer, camper, shell, detached camper, boat, boat trailer, or other similar equipment or vehicle may be parked or maintained, constructed, reconstructed or repaired on any Lot so as to be Visible from Neighboring Property, the Common Areas, or the streets. Such vehicles may, however, be concealed in attractively screened areas with prior written approval by the Design Review Committee. The provisions of this Section shall not apply to pickup trucks of three-quarters (3/4) ton or less capacity with camper shells not exceeding seven feet in height measured from ground level; provided, however, that the provisions of this paragraph shall not apply to emergency vehicle repairs or temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any Improvement approved by the Design Review Committee. Garages shall be used for parking vehicles only and shall not be converted for living or recreational activities without the prior written approval of the Design Review Committee or unless constructed by the Declarant at the time the Dwelling Unit was constructed. Except as provided above, only vehicles in operating condition shall be parked in residential driveways. Non-operating vehicles are not permitted in residential driveways unless repairs are imminent.
- (7) **Trash Containers and Collection.** No garbage or trash shall be placed or kept on any Property except in covered containers. In no event shall such containers be maintained or stored so as to be Visible from Neighboring Property, except to make the same available for collection, and then only the shortest time reasonably necessary to effect such collection. All rubbish, trash or garbage shall be removed from the Lots and shall not be allowed to accumulate thereon. No incinerators shall be kept or maintained on any Lot.

The Association shall have the right, at its discretion and from time to time, to negotiate and execute one or more contracts ("Trash Collection Agreement(s)") with a sanitation provider or providers of its choice for collection and removal of garbage, trash, recycling materials and other refuse within the Property and project.

In addition to the Annual Assessment included in Article VI, the Association may include in the Annual Assessment or levy in any assessment year a special assessment applicable to that year (and the same shall be charged and collected on a basis determined by the Board) for the purpose of paying the cost of providing collection and removal of garbage, trash, recycling materials and other refuse within the Property. Each Owner of a Lot shall be obligated to use the sanitation provider(s) selected by the Association for the collection and removal of garbage, trash, recycling materials and refuse from such Owner's Lots and agrees to comply with the terms, provisions and requirements of the Trash Collection Agreement(s). Each Owner, therefore, acknowledges and agrees that each Lot shall be subject to an assessment as part of the Annual Assessment or in addition to and apart from the annual and any other special assessments for the purpose of paying each Lot's prorated share of trash collection service provided to the Property. If directed by the Association, each Owner shall contract directly with the selected sanitation provider(s) for its services and shall pay the cost of such services directly to the sanitation provider(s).

- (8) **Utility Easements.** There is hereby created a blanket easement upon, across and under the Property for ingress, egress, installation, replacement, repair and maintenance of all utility and service lines and systems, including but not limited to, water, sewers, gas, telephones, electricity, television cable or communication lines and systems, etc. By virtue of this easement, it shall be expressly permissible for the providing utility or service company to install and maintain facilities and equipment on the property and to affix and maintain wires, circuits and conduits on, in and under roofs and exterior walls of Improvements upon the Property. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities or service lines may be installed or relocated on the Property except as initially developed and approved by the Declarant or thereafter approved by the Board. This easement shall be limited to Improvements as originally constructed. No excavation shall be done within a utility easement without the prior notification to the appropriate utility service company and, if applicable, without the prior consent of the appropriate utility service company.
- (9) **Utility Service.** No lines, wires, or other devices for the communication or transmission of electric current or power, including telephone, television and radio signals, shall be erected, placed or maintained anywhere in or upon any Lot unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures approved by the Design Review Committee. No provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or structures approved by the Design Review Committee.
- (10) **Variances.** The Board shall have the authority to grant variances from the restrictions in this Article as is reasonably necessary for the health, safety and welfare of the Members.

Section 3. Permitted Uses and Restrictions – Common Area and Area of Common Responsibility. The permitted uses and restrictions for Common Area and Area of Common Responsibility shall be as follows:

- a. **Permitted Uses.** In general, the Common Area shall be used for the benefit of the Owners, for the furnishing of services and facilities for which the same are reasonably intended and for the enjoyment to be derived from such reasonable and proper use, without hindering the exercise of or encroaching upon the right of any other Owner to utilize the Common Area, provided that no unlawful use shall be permitted.
- b. **Restricted Users.**
 - 1. The Common Area shall not be used by Owners for storage of supplies, materials or personal property of any kind.
 - 2. In general, no activity shall be carried on nor condition maintained by any Owner upon the Common Area which spoils the appearance of the Property or hinders or encroaches upon the right of any other Owner to utilize the Common Area as reasonably intended, or which would violate laws, rules or regulations of government authorities.
 - 3. The Area of Common Responsibility is not owned by the Association and is not Common Area; therefore, this Declaration does not grant to any Owner any right of access to or use of the Area of Common Responsibility.
- c. **Maintenance by the Association.** The Association may, at any time, as to any Common Area conveyed, leased or transferred to it or otherwise placed under its jurisdiction (excluding any public right-of-way), as to the Area of Common Responsibility, at the discretion of the Board, without any approval of the Owners being required:
 - 1. Reconstruct, repair, replace or refinish any Improvement or portion thereof upon any such area (to the extent that such work is not done by a governmental entity, if any, responsible for the maintenance and upkeep of such area in accordance with: (a) the last plans therefore approved by the Board; (b) the original plans for the Improvement; or (c) if neither of the foregoing is applicable and if such Improvement was previously in existence, then in accordance with the original design, finish or standard of construction of such Improvement as same existed.
 - 2. Construct, reconstruct, repair, replace, or refinish any road Improvement or surface upon any portion of such area used as a road, street, walk, and parking area.
 - 3. Replace injured and diseased trees or other vegetation in any such area and plant trees, shrubs and ground cover to the extent that the Board deems necessary for the conservation of water and soil and for aesthetic purposes.

4. Place and maintain upon any such area such signs, markers and lights as the Board may deem appropriate for the proper identification, use and regulation thereof, subject to the approval of the Design Review Committee.
 5. Remove all papers, debris, filth and refuse from the Common Area and Area of Common Responsibility as required, and clean and relamp lighting fixtures as needed.
 6. Repaint striping, markers, directional signs, etc., as necessary.
 7. Pay all real estate taxes and assessments on the Common Areas.
 8. Pay all electrical, water, gas and other utility charges or fees for services furnished to the Common Area and Area of Common Responsibility.
 9. Pay for and keep in force, at the Association's expense, public liability insurance in companies acceptable to the Association in amounts and with limits of liability desired by the Owners or required of the Owners pursuant to any other recorded document affecting the Property such insurance to name the Association as named insured.
 10. Do all such other and further acts, which the Board deems necessary to preserve and protect the Common Area and Area of Common Responsibility and the beauty thereof in accordance with the general purposes specified in this Declaration.
 11. The Board shall be the sole judge as to the appropriate maintenance of all grounds within the Common Area and Area of Common Responsibility (subject, however, to any requirements lawfully imposed by a governmental authority having jurisdiction thereof).
 12. Nothing herein shall be construed so as to preclude the Association from delegating its powers set forth above to a manager or agent or to other persons, firms or corporations.
- d. **Damage or Destruction of Common Area or Area of Common Responsibility by Owners.** In the event any Common Area or Area of Common Responsibility of Improvement thereon is damaged or destroyed by an Owner or any of its family members, guests, tenants, invitees, licensees, or agents, such Owner does hereby authorize the Association to repair said damaged area, and the Association shall so repair said damaged area in a good and workmanlike manner in conformance with the original plans and specifications of the area involved, or as the area may have been modified or altered subsequently by the Association, in the discretion of the Association. The amount necessary for such repairs shall be paid by Owner, upon demand, to the Association and the Association may impose a lien and enforce collection of same in the same manner as provided elsewhere in this Declaration for collection and enforcement of assessments.

**ARTICLE IX
GENERAL PROVISIONS**

Section 1. The Declaration. By acceptance of a deed or by acquiring any ownership interest in any of the real Property included within this Declaration, each Person, for itself, its heirs, personal representatives, successors, transferees and assigns, binds itself, its heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such Person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the Property covered hereby and thereby evidences its interest that all the restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such Person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various present, subsequent, and future Lot Owners.

Section 2. Enforcement. The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants and reservations now or hereafter imposed by the provisions of this Declaration and to recover its attorney's fees and costs incurred in connection with such proceeding if it prevails. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Any violation of these restrictions shall not affect the lien of any First Mortgage now of record, or which hereafter may be placed of record, upon said Lots or any part thereof.

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 4. Term; Amendment. This Declaration shall be effective upon the date of its recordation and, as amended from time to time, shall continue in full force and effect for a term of ten (10) years from the date this Declaration is recorded. From and after said date, this Declaration, as amended, shall be automatically extended for successive periods of ten (10) years each. This Declaration may be terminated or amended at any time upon recordation of the written consent of the Owners holding not less than sixty-seven percent (67%) of the Member votes, subject to City, County, State and Federal requirements and provided that the Common Area and Area of Common Responsibility will remain maintained. If the necessary votes and consents are obtained, as long as no right or obligation of the Declarant is affected without Declarant's consent, the Board shall cause to be recorded with the County Recorder of Maricopa County, Arizona, a Certificate of Termination, duly signed by the President or Vice President of the Association and attested by the Secretary of the Association, with their signatures acknowledged. Thereupon, this Declaration and the covenants contained herein shall have no further force and effect, and the Association shall be dissolved pursuant to the terms set forth in its Articles.

Section 5. Notices. All notices, demands or other communication intended to be served upon an Owner, the Board or the Association, except for monthly statements and other routine noticers

provided for in this Declaration, shall be in writing and shall be addressed as follows: if to an Owner, to the last known address of the Owner in the files of the Association. Notices shall be deemed delivered when mailed by the United States Postal Service registered or certified mail, addressed as provided, above, or when hand-delivered to the addressee.

Section 6. Rule Against Perpetuities. If any of the privileges, covenants or rights created by this Declaration shall be unlawful, void or voidable for violation of the Rule Against Perpetuities, then such provision shall continue until twenty-one (21) years after the death of the survivor of the now living descendants of the President of the United States.

IN WITNESS WHEREOF, Uri Schumm, Carol Carpenter, and Uri Schumm, Trustee for The Schumm Family Trust, as Declarant has caused its corporate name to be signed by the undersigned officer thereunto duly authorized this 11th day of JANUARY, 2021.

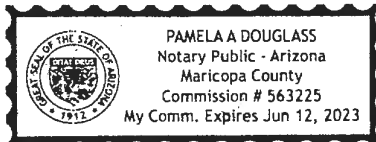
By *Uri Schumm*
URI SCHUMM

By *Carol Carpenter*
CAROL CARPENTER

By *Uri Schumm*
THE SCHUMM FAMILY TRUST
Uri Schumm, Trustee

STATE OF ARIZONA)
) ss
County of Maricopa)

On this 11th day of JANUARY, 2021, before me personally appeared URI SCHUMM and CAROL CARPENTER, whose identities were proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to this document, and who acknowledged they signed this document.



(Seal)

Pamela A. Douglass
Notary Public

COURTESY RECORDING INSTRUCTIONS

Pioneer Title Agency, Inc. is hereby handed the following document(s):

Estate at Carefree CC&R's

You are hereby authorized and instructed as a courtesy to deliver for recording to the Maricopa County Recorder's Office said document(s), with these instructions to be attached to and recorded as a part of the first mentioned document.

The undersigned understands and acknowledges that Pioneer Title Agency, Inc. is acting in the capacity of messenger only, without consideration, and is not responsible for the correctness of the form, content or execution of any of the document(s) and that Pioneer Title Agency, Inc. is hereby released of any and all liability in connection with the same. Further, the undersigned understands and acknowledges that Pioneer Title Agency, Inc. assumes no responsibility or liability due to any delay in recordation of said document(s).

The undersigned states that the real property affected by the document(s) is not involved in an open escrow, title insurance or other transaction pending with any office of Pioneer Title Agency, Inc. or any other title company.

The undersigned understands and acknowledges that at the time of recordation, the documents will not be insured by Pioneer Title Agency, Inc. Pioneer Title Agency, Inc. is hereby instructed not to do any title search in conjunction with this courtesy recording.

It is further understood and acknowledged that there shall be no liability and/or responsibility for a payment of any consideration by Pioneer Title Agency, Inc. to any party as this service is performed as a courtesy only.

Dated: January 11, 2021

SIGNATURES (All parties to document(s) must sign):

Mark Sch
- Party Making Delivery

Carol Carpenter
- Party Making Delivery

Address: 8650 E. STAGECOACH PASS, CAVE CREEK, AZ 85377

- Party to Document

- Party to Document

Pioneer Title Agency, Inc. office forwarding document(s) to recording desk:

Office Name DESERT FOOTHILLS

By: *Pamela A. Douglas*
PAMELA A. DOUGLAS

**TOWN OF CAREFREE
INFORMATION SUMMARY**

Agenda Item #



MEETING DATE:

May 4, 2021

SUBJECT:

Approval of Resolution 2021-11 designating the Town Clerk as the Chief Financial Officer pursuant to Arizona Revised Statutes §41-1279.07(E)

ATTACHMENT:

- Resolution No. 2021-11

SUMMARY:

Each year, at the conclusion of the annual audit, the Town Clerk submits the current year's expenditure limitation report (ELR) to the State Auditor General together with a form designating the Town Clerk as the Chief Financial Officer (CFO) for that purpose.

Arizona Revised Statutes §41-1279.07(E) now requires each county, city, town, and community college district to annually provide the Auditor General the name of the CFO the governing body designated to officially submit the current year's expenditure limitation report (ELR) together with documentation of the governing body's official designation authorizing the individual (by name) to submit the ELR as the CFO. Acceptable supporting documentation includes:

- A signed, governing body-approved resolution.
- Adopted governing body meeting minutes.
- A governing body-approved job description or employment contract that lists preparing and filing the ELR as a job duty. However, the supporting documentation must include the governing body's approval of the individual in that position.

For the purpose of designating the Town Clerk as the CFO, the issuance of the attached Resolution is most practical.

TOWN COUNCIL ACTION:

Approval of Review Resolution 2021-11 naming the Town Clerk as the CFO pursuant to Arizona Revised Statutes §41-1279.07(E)

REPORT PREPARED BY:

Kandace French Contreras, Town Clerk/Treasurer

APPROVED AS TO FORM:

Michael Wright, Town Attorney

RESOLUTION 2021-11

A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF CAREFREE, ARIZONA, DESIGNATING THE TOWN CLERK AS THE CHIEF FINANCIAL OFFICER TO SUBMIT THE FISCAL YEAR ANNUAL EXPENDITURE LIMITATION REPORT FOR FISCAL YEARS ENDING JUNE 30, 2021 AND JUNE 30, 2022

WHEREAS, The Town Clerk is the Chief Financial Officer (CFO) for the Town of Carefree and is responsible for submitting acceptance of such designation to the State Auditor General annually, together with the current year's Expenditure Limitation Report (ELR); and

WHEREAS, Arizona Revised Statutes §41-1279.07(E) requires the governing body to annually appoint the CFO by name designated to officially submit the current year's expenditure limitation report (ELR) to the Auditor General.

WHEREAS, the Council's designation of a CFO is necessary for the audit year ending June 30, 2021 as well as the current fiscal year ending June 30, 2022;

NOW, THEREFORE, IT IS RESOLVED by the Mayor and Town Council of the Town of Carefree, Arizona as follows:

1. Designating Kandace French Contreras, Town Clerk/Treasurer as the Chief Financial Officer for the Town of Carefree for the purpose of submitting the annual Expenditure Limitation Report, and
2. Approving Resolution No. 2021-11 designating Kandace French Contreras as the CFO, and making it effective upon the date of its adoption.

PASSED AND ADOPTED BY the Mayor and Town Council of the Town of Carefree, Arizona, this 4th day of May, 2021.

AYES _____ NOES _____ ABSTENTIONS _____ ABSENT _____

FOR THE TOWN OF CAREFREE

ATTESTED TO:

Les Peterson, Mayor

Kandace French Contreras, Town Clerk