

Town of Carefree

Annual Budget Book

TENTATIVE - MAY - FY 2026-2027





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INTRODUCTION

Budget Introduction, Mayor's Message, Administrator's
Message, Community Profile





Budget Introduction

The Town's fiscal year begins on July 1 and ends on June 30. This budget document establishes the annual plan for the allocation of public resources to support municipal services, operations, and capital investments within the community.

Each spring, the Town conducts a comprehensive review and projection of anticipated revenues and expenditures. This process is carried out through a series of publicly noticed Town Council meetings, providing residents, stakeholders, and the broader community with the opportunity to review, discuss, and provide input on the proposed budget.

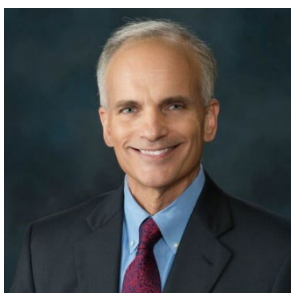
The preparation and adoption of the annual budget are conducted in accordance with Arizona Revised Statutes governing municipal budgeting and financial administration. The Town complies with all applicable legal requirements, including public notice, and adherence to the State-imposed expenditure limitation. The expenditure limitation, established under the Arizona Constitution and implemented through State law, restricts the total amount of expenditures the Town may incur each fiscal year, ensuring fiscal discipline and long-term financial stability.

The Town Council 2025-2028 Strategic Plan serves as the foundation for the town's municipal annual budget. With clear priorities in place, the plan provides a roadmap for how resources will be allocated in alignment with the town's long-term goals. This ensures that the town's investments are focused on areas that will provide the greatest impact for the community, whether through the improvement of infrastructure, the enhancement of public safety services, or the promotion of environmental sustainability. By aligning the budget with the strategic plan, the Town Council ensures that resources are being used efficiently and effectively to meet the needs of the residents.

The annual budget is formally adopted by the Town Council following this transparent and deliberate process. Accordingly, this document represents the culmination of that effort and reflects the Town's commitment to fiscal responsibility, statutory compliance, public engagement, and accountability.



Mayor & City Council



Mayor John Crane



Vice Mayor Cheryl Kroyer



Councilwoman
Shelia Amoroso



Councilmember
Lon Johnson



Councilmember
Diane Llyode
Roth



Councilmember
Clint Miller



Councilmember
Colleen Rose-
Scurti

Town Administrator



Kristen Krey



Mayor's Message

Dear Residents,

On behalf of the Town Council, it is my pleasure to present the Town of Carefree's Fiscal Year 2026–2027 Budget. This budget reflects the Council's continued commitment to maintaining the exceptional quality of life that defines our community, while ensuring the responsible stewardship of public resources. Through a disciplined and transparent process, the Town has developed a financial plan that supports essential services, invests in critical infrastructure, and advances key strategic priorities.

Carefree remains a financially strong community, guided by a conservative fiscal philosophy and a commitment to pay-as-you-go practices. This approach enables the Town to fund capital improvements without reliance on long-term debt, while maintaining strong reserves to address economic variability and future needs.

The Fiscal Year 2026–2027 Budget advances several important priorities for the Town. Continued investment in infrastructure remains a central focus including culvert repairs, the rehabilitation and replacement of failing and deteriorating street pavement, a comprehensive update to the zoning ordinance, and software solutions to streamline services and enhance efficiency.

The Town is also focused on strategic economic development efforts, including progress on the northeast corner of Carefree Highway and Cave Creek Road, as well as broader initiatives to strengthen the Town Center and support local businesses.

In addition, this budget supports ongoing implementation of the Town's strategic plan, including initiatives related to community character, tourism, and experience-based economic development. Targeted programs, such as façade improvements and enhanced marketing and outreach efforts, are designed to reinforce Carefree's unique identity as a destination for residents and visitors alike.

As a community that relies significantly on local sales tax and state-shared revenues, the Town continues to closely monitor economic conditions, legislative changes, and revenue trends to ensure long-term financial sustainability.

The development of this budget was a collaborative and transparent process, including public meetings and thoughtful deliberation by the Town Council. We value the input of our residents, businesses, and stakeholders, whose engagement helps shape the Town's priorities and decisions.

I would like to thank the Town Council, Town Administrator, and staff for their dedication and professionalism in preparing this budget. Their work ensures that Carefree remains well positioned to meet current needs while planning responsibly for the future.

We remain committed to preserving the unique character of Carefree while continuing to provide high-quality services in an efficient and fiscally responsible manner.

Respectfully,

John Crane

Mayor, Town of Carefree



Administrator's Message

Dear Residents,

It is an honor to serve the Town of Carefree as Town Administrator and to present the Fiscal Year 2026-2027 Budget. This document reflects both continuity in the Town's long-standing commitment to fiscal responsibility and a forward-looking approach to sustaining and strengthening the community.

Having previously served as Town Clerk and Treasurer, I bring to this role a strong understanding of the Town's financial structure, operations, and governance. This foundation supports a seamless leadership transition and ensures continued alignment with the priorities of the Town Council and community.

Carefree has built a reputation for thoughtful development, consistent infrastructure investment, and conservative financial management, all of which contribute to the high quality of life our residents enjoy. These outcomes reflect a shared commitment to preserving the Town's character while planning responsibly for the future.

The Town Council's updated Strategic Plan reinforces this direction, focusing on fiscal sustainability, economic opportunity, preservation of Carefree's small-town character, organizational excellence, and infrastructure investment. These priorities are directly integrated into departmental work plans and this year's budget.

The Town continues to apply a disciplined approach to financial management, evaluating its fiscal condition across multiple dimensions to ensure long-term stability and service delivery. Consistent with this approach, Carefree maintains a pay-as-you-go philosophy for capital investments, allowing the Town to address infrastructure needs without reliance on long-term debt. In the coming year, this includes continued investment in roadway rehabilitation and water system improvements, as well as strategic economic development efforts such as progress at the northeast corner of Carefree Highway and Cave Creek Road and initiatives supporting the Town Center and local businesses.

This budget reflects a balanced and responsible financial plan aligned with the Town's priorities and long-term vision. I would like to thank the Town Council for their leadership and support, as well as our dedicated staff for their professionalism and commitment to service. It is a privilege to serve the Carefree community, and I look forward to the work ahead.

Respectfully,

Kristen Krey

Town Administrator, Town of Carefree



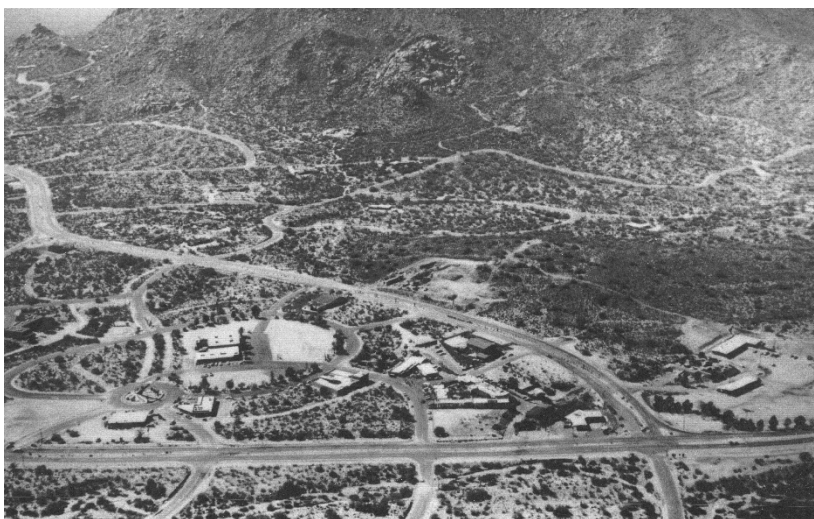


Community Profile

Located in the northeastern portion of the Phoenix metropolitan area, Carefree is a distinctive desert community set within the scenic foothills of Black Mountain and Continental Mountain. Encompassing approximately nine square miles, the Town is part of the greater Desert Foothills region, alongside Cave Creek and the northern areas of Scottsdale and Phoenix. Its proximity to the Tonto National Forest and nearby recreational destinations, including Bartlett and Horseshoe Lakes, contributes to its unique balance of natural beauty and accessibility.

Carefree's early history reflects the broader development of the region. In the late 19th century, the area saw activity tied to mining, ranching, and military presence during the Apache Wars. While early economic efforts such as mining were short-lived, these initial settlements laid the groundwork for future growth. By the early 20th century, regional development—particularly projects along the Verde River—brought new residents and modest commercial activity to the area.

The modern identity of Carefree emerged in the 1950s, when developers Tom Darlington and K.T. Palmer envisioned a planned desert community that emphasized both design and lifestyle. Built on the concept of a tranquil retreat, the Town was intentionally developed



with a distinctive character, reflected in its open spaces, architectural style, and uniquely named streets such as Easy Street and Tranquil Trail. The first homes were constructed in 1959, attracting residents seeking a quiet, high-quality desert environment.

Carefree was officially incorporated in 1984, establishing local governance and guiding future development. Growth accelerated through the 1990s, with expanded residential development and infrastructure investment. Today, the Town has transitioned from a growth-oriented community to one focused on reinvestment, redevelopment, and long-term sustainability as it approaches buildout.



With a population of approximately 3,800 year-round residents, Carefree also experiences a seasonal increase during the winter months, reflecting its continued appeal as a destination community. Current efforts are focused on maintaining infrastructure, enhancing economic vitality, and preserving the Town's unique character.

Planning and land use continue to play a central role in shaping Carefree's future. The Town recently completed an update to its General Plan, establishing a long-range vision for responsible development and sustainability. Building on this foundation, ongoing updates to the Zoning Ordinance will further align regulations with current standards, improve public engagement, and ensure that future development remains consistent with the community's values.

Today, Carefree remains defined by its commitment to thoughtful planning, fiscal stewardship, and preservation of its small-town character. This balance continues to guide the Town as it evolves, maintaining its identity while adapting to future opportunities and challenges.



CAREFREE SNAPSHOT

INCORPORATED:
1984

LAND AREA:
8.5 Sq. Miles

ELEVATION:
2,640 Feet

LOCATION:
Desert Foothills,
Northeast Valley Metro Area



COMMUNITY PROFILE

YEAR-ROUND RESIDENTS:
3,800

SEASONAL RESIDENTS:
+700

AVERAGE AGE:
64.5

**MEDIAN HOUSEHOLD
INCOME:**
\$147,165



TOWN POPULATION

10 MILES

North of Loop 101
East of Interstate 17

ADJACENT COMMUNITIES:
Cave Creek, Scottsdale,
Phoenix

NEARBY AMENITIES:
Tonto National Forest, Bartlett
Lake and Horseshoe Reservoir



REGIONAL ACCESS

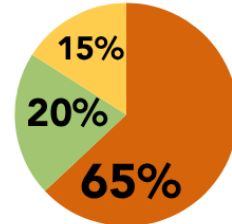
- Conservative fiscal management
- Long-term sustainability focus
- Pay-as-you-go capital strategy
- Strong reserve policies



FINANCIAL APPROACH



- Local Sales Tax
- State-Shared Revenues
- User Fees/Cost Recovery



REVENUE STRUCTURE

GENERAL PLAN:
Voter Approved in 2024

ZONING ORDINANCE:
Updating in FY 26-27

- CURRENT FOCUSES:**
- Infrastructure reinvestment
 - Economic development
 - Revenue diversification
 - Preservation of small-town character



PLANNING & DEVELOPMENT



- Master-planned desert community
- Low-density residential environment
- Strong hillside preservation standards
- Arts, tourism, and wellness destination
- Distinctive Town Center and public spaces



COMMUNITY IDENTITY

FINANCIAL OVERVIEW

Fiscal Management Statement, Strategic Plan, Financial
Structure and Policies, Budgetary Basis



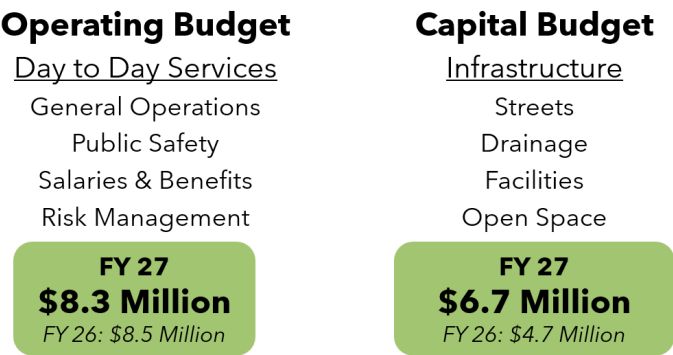


Financial Overview

Fiscal Management Statement

The Town of Carefree maintains a conservative and disciplined approach to financial management, focused on fiscal sustainability while delivering essential municipal services. The Town operates with a highly efficient organizational structure, maintaining staffing levels that are lower than many similarly sized municipalities. Staff operate in cross-functional roles to ensure service delivery, operational continuity, and compliance with state and local requirements, supplemented by specialized consultants when necessary.

Annual operating expenditures for FY2026-2027 total approximately \$8.3 million and are primarily influenced by external factors such as inflation, contractual service costs, and state-imposed requirements. While operating costs remain controlled, long-term financial pressure is increasingly driven by the Town’s aging infrastructure. Assets including roadways, drainage systems, public facilities, and equipment require ongoing maintenance and eventual replacement, resulting in rising lifecycle costs that must be proactively managed.



Carefree’s revenue structure is heavily dependent on local sales tax, requiring careful monitoring of external risks that may impact financial stability.

Legislative Risk:	State-level policy changes, including adjustments to transaction privilege tax classifications, potential tax eliminations, and unfunded mandates, can significantly affect municipal revenues.
Economic Sensitivity:	Sales tax revenues are closely tied to economic conditions and are influenced by a limited number of key contributors, increasing exposure to market fluctuations.



Inflationary Pressures:	Rising costs particularly in public safety contracts and services—continue to outpace historical trends, requiring ongoing adjustments to maintain service levels.
Limited Diversification:	Compared to larger jurisdictions, Carefree’s economic base is less diversified, contributing to greater revenue variability.

In response, the Town continues to prioritize strategic economic development to strengthen and diversify its revenue base. A key area of growth has been the hospitality sector, which has increased its contribution to sales tax revenues from approximately 9% to nearly 20% over the past decade. This expansion has supported broader economic activity, benefiting local businesses while helping to offset rising operational costs, particularly in public safety.

The Town’s revenue structure remains heavily reliant on local sales tax (approximately 65%), supplemented by state-shared revenues (20%) and user fees and cost recovery (15%).

Given this reliance, the Town continues to closely monitor economic conditions and legislative impacts while advancing economic development initiatives to strengthen and diversify its revenue base. Recent growth in the accommodations sector demonstrates the effectiveness of these efforts and the importance of continuing to support a resilient local economy.

This budget represents a balanced and forward-looking financial plan that aligns with the Town’s strategic priorities and long-standing commitment to fiscal responsibility.

The Town Council encourages our residents and stakeholders to review this document to gain a deeper understanding of the Town’s financial framework and priorities. Transparency and public engagement remain central to our process, and community input continues to play an important role in shaping our direction.

Through conservative budgeting, disciplined operations, and targeted economic strategies, Carefree remains well-positioned to manage financial risk while sustaining the high level of service expected by the community.



Strategic Plan and Budget Alignment

Overview

The Town Council's Strategic Plan serves as the foundation for the Fiscal Year 2026-2027 Budget, aligning resources with the Town's long-term priorities and supporting disciplined, policy-driven decision-making. This alignment ensures that investments are directed toward areas that provide the greatest benefit to the community, including infrastructure, public safety, economic development, and preservation of Carefree's character.

Developed through a collaborative process involving Town Council workshops and facilitated discussions, the Strategic Plan establishes a clear policy framework to guide organizational priorities, resource allocation, and service delivery. It defines multi-year priorities and deliverables, providing a structured and measurable approach to achieving the Town's goals while maintaining flexibility to respond to changing conditions.

The Strategic Plan functions as an operational tool that integrates strategic priorities into the annual budget, capital planning, and departmental work programs. This approach ensures that financial decisions are aligned with the Town's vision, mission, and core values, and that resources are allocated efficiently and effectively.

Strategic Framework

The Strategic Plan 2025-2028 defines the Town's direction through clearly established guiding elements:

- **Vision** - Long-term aspirations for the community
- **Mission** - The Town's purpose and service commitment
- **Core Values** - Principles guiding decision-making, governance, and service delivery

These elements provide the foundation for policy decisions, organizational performance, and accountability across all departments.

- **Strategic Priorities** - The Town Council has identified five key focus areas that guide policy and investment decisions

Each focus area is supported by guiding principles and multi-year initiatives designed to achieve measurable outcomes and maintain alignment with community priorities.



MISSION, VISION, & VALUES

VISION STATEMENT

"The Town of Carefree is dedicated to preserving its small-town charm and rural character, while ensuring transparency and fiscal sustainability. Our vibrant town fosters a welcoming destination, blending natural beauty with a friendly atmosphere and strong community values."

MISSION STATEMENT

"The Town of Carefree is dedicated to preserving its unique small-town charm which combines natural beauty with thoughtful design and growth. We prioritize transparency, community engagement, and collaboration. Our commitment to fiscal sustainability and public safety enhances the quality of life for all residents, businesses and visitors."

CORE VALUES

RESPECT

We foster a culture of inclusiveness, treating all residents, visitors, staff, and stakeholders with fairness and dignity.

TRANSPARENCY

We prioritize openness in our governance, ensuring that all actions, decisions, and communications are clear, accessible and shared with the public.

ACCOUNTABILITY

We take responsibility for our actions and decisions, providing fiscal discipline and ensuring that we prioritize the core services for the community.

SERVICE EXCELLENCE

As stewards, we are committed to providing exceptional public services that enhance the quality of life in our community within our financial capacity.

COLLABORATION

We believe in working closely with residents, businesses, and other stakeholders to shape a future that reflects collective input and shared goals.

RESILIENCE

We build a resilient community capable of adapting to challenges, ensuring long-term sustainability and well-being for all.

KEY FOCUS AREAS



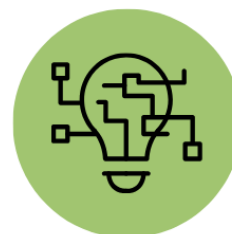
Fiscal Sustainability



Economic Opportunity



Authentic Small-Town Community



Innovative & High Performing Organization



Infrastructure



Implementation and Budget Integration

The Strategic Plan is implemented through the Town’s annual budget and operational processes. Strategic priorities are incorporated into departmental work plans and performance expectations. Projects and initiatives are assigned responsibility, timelines, and measurable outcomes. Budget allocations are directly aligned with strategic objectives. Capital planning reflects long-term infrastructure and investment priorities. This integrated approach ensures that the Strategic Plan is translated into actionable programs and measurable results.

Key Initiatives for Fiscal Year 2026-2027

The Fiscal Year 2026-2027 Budget supports the continued implementation of strategic initiatives, including:

	Pavement rehabilitation, drainage, Town Center, and long-term capital improvements
	Town Center initiatives, promotional strategies, and support for local businesses, and revenue enhancement through development
	Financial system upgrade, transparency initiatives, website refresh, and process efficiencies.
	Cost recovery evaluation, revenue diversification, and long-term financial planning.
	Zoning Ordinance updates, Zoning Overlay and enhanced community engagement through public participation.

These initiatives reflect the Town’s commitment to aligning resources with priorities while maintaining flexibility to respond to changing conditions.



Performance and Accountability

The Strategic Plan establishes a framework for monitoring progress and ensuring accountability. Projects are tracked through defined timelines and periodic updates. Progress is evaluated as part of the annual budget and planning process and adjustments are made based on performance, available resources, and emerging priorities. This process ensures continuous alignment between strategic objectives and operational outcomes.

Strategic Governance

The Strategic Plan is formally integrated into the Town's governance and decision-making processes to ensure the Plan guides annual budget development and informs capital improvement planning. The Plan supports policy development and Council agenda-setting and is reviewed and updated annually by the Town Council.

This structured approach ensures that strategic priorities remain current, actionable, and responsive to community needs.

Regional Collaboration

The Strategic Plan recognizes the importance of collaboration with regional partners, neighboring jurisdictions, and external organizations. These partnerships support coordinated planning efforts, resource sharing, and the advancement of projects that benefit the broader region.



Financial Structure and Policies

Overview of Municipal Budgeting

This budget document is designed to provide a clear, comprehensive, and transparent overview of the Town's financial structure, policies, and operations. It serves as a key communication tool to inform residents, elected officials, and stakeholders about how public resources are allocated to support municipal services and long-term community priorities.

The document presents the Town's financial plan in a structured format, including revenues, expenditures, fund organization, and departmental services. It is intended to enhance understanding of municipal operations, promote accountability, and support informed decision-making.

This section provides an overview of the Town's financial framework, including fund structure, financial policies, revenue sources, and expenditure allocation.

Financial Framework and Policies

The Town's financial management practices are guided by established policies that promote fiscal stability, long-term sustainability, and responsible stewardship of public resources. These policies support balanced budgeting, maintenance of adequate reserves, and a pay-as-you-go approach to capital investment. Key financial principles include:

- Maintaining structural balance between revenues and expenditures
- Preserving financial reserves to address economic variability and capital needs
- Funding infrastructure through current revenues rather than long-term debt
- Ensuring compliance with all applicable legal and regulatory requirements
- Promoting transparency and accountability in financial reporting.

These policies form the foundation for budget development and ongoing financial decision-making.

Fund-Based Accounting

The Town utilizes fund-based accounting in accordance with standards established by the Governmental Accounting Standards Board (GASB). This method organizes



financial activity into separate funds based on legal, regulatory, or operational requirements.

Fund accounting enhances transparency and accountability by ensuring that revenues are used only for their intended purposes. Each fund is independently tracked, allowing for clear reporting of financial activity and compliance with restrictions placed on specific revenue sources.

This structure provides a comprehensive view of the Town's financial position and supports effective financial management.

Major Funds Overview

General Fund

The General Fund is the Town's primary operating fund and supports essential municipal services, including administration, public safety, community development, public works, and municipal court operations. Revenues are derived primarily from local sales tax, state-shared revenues, and service-related fees.

Fire Fund

The Fire Fund is supported by a dedicated portion of local sales tax and is used to fund fire and emergency medical services through a contracted provider. Historically, revenues allocated to this fund have not fully covered expenditures, requiring ongoing support from the General Fund. This structural imbalance is a key consideration for future financial planning.

Highway User Revenue Fund (HURF)

The Highway User Revenue Fund consists of state-shared, restricted revenues derived primarily from fuel taxes and other transportation-related sources. These funds are legally restricted for street and transportation purposes, including roadway maintenance, improvements, and related infrastructure. Due to formula-based distribution and regional growth patterns, the Town's relative share of these revenues may decline over time.



Municipal Court Funds

Municipal Court Funds consist of restricted revenues generated through fines and fees associated with court operations. These funds are regulated by the Administrative Office of the Courts and may only be used for court-related purposes. They partially offset the cost of providing municipal court services but cannot be used for general governmental operations.

Capital Improvement Reserve Fund

The Capital Improvement Reserve Fund is used to finance major infrastructure projects and the replacement of capital assets. This fund supports the Town's pay-as-you-go philosophy, allowing for the maintenance and replacement of infrastructure without reliance on debt. Appropriate use of this fund is critical to ensuring long-term financial sustainability and avoiding the use of one-time resources for ongoing operational expenses.

Water Company Fund

This fund accounts for financial transactions related to the Town's support of the Carefree Water Company, including loans and capital contributions. These investments are intended to support infrastructure improvements and system reliability for the benefit of Carefree residents.

Other Funds

While many municipalities maintain additional fund types—such as enterprise, development fee, or debt service funds—the Town currently does not utilize these structures. This reflects the Town's operational model and limited reliance on debt financing or development-related fee structures.

Revenue and Expenditures

The Town's financial structure is supported by a combination of local sales tax, state-shared revenues, and user fees. Expenditures are allocated to support core municipal services, contractual obligations, and capital investments.



The Town maintains capital reserves to support infrastructure replacement and long-term investment needs. These reserves are a critical component of the Town's financial strategy, allowing for the planned replacement of aging assets and reducing reliance on debt.

Capital planning is integrated into the budget process to ensure that future infrastructure needs are identified, prioritized, and funded in a sustainable manner.

The budget reflects a balanced approach that prioritizes service delivery, infrastructure maintenance, and long-term financial stability. Detailed revenue and expenditure information is provided in subsequent sections of this document.



Financial Policies and Controls

Overview

The Town of Carefree maintains a comprehensive system of financial policies and internal controls to ensure fiscal discipline, transparency, and long-term financial sustainability. These policies guide budget development, revenue collection, expenditure management, and capital planning, while ensuring compliance with applicable state laws and professional standards.

The Town evaluates its financial condition across four dimensions of solvency—cash, budgetary, long-term, and service-level—to ensure it can meet current obligations, maintain services, and plan for future needs. These measures are reviewed annually to support informed decision-making and financial stability.

Expenditure Control Policy

The Town Administration is responsible for preparing and administering the legally adopted budget in accordance with Arizona Revised Statutes. All expenditures must comply with applicable legal requirements and approved appropriations. The Town Council adopts annual appropriations through the budget process. Administration is authorized to approve capital expenditures up to \$15,000. Expenditures exceeding this threshold require Town Council approval.

To promote cost efficiency and transparency:

- Cooperative purchasing agreements and state contracts are utilized when available
- Competitive quotes are obtained for purchases not covered by existing contracts
- Formal procurement processes (RFP/RFQ) are used for larger expenditures

Financial oversight procedures include:

- Weekly review of invoices and accounts payable by Administration
- Review and authorization of disbursements by the Clerk and Mayor
- Monthly review of fund balances and investments
- Monthly presentation of financial reports, including check registers, to the Town Council

These controls ensure accountability and transparency in the use of public funds.



Revenue and Collections Policy

The Town is committed to the equitable, timely, and efficient collection of revenues necessary to support municipal services. Municipal sales tax collections are administered by the Arizona Department of Revenue (ADOR) in accordance with state law. ADOR is responsible for audit, enforcement, and compliance activities. Confidentiality of taxpayer information is maintained as required by law.

These processes ensure the integrity, consistency, and reliability of the Town's primary revenue source.

User Fee Policy

The Town establishes user fees and charges to recover the cost of providing specific services to residents, businesses, and users. Fees are structured to recover both direct and indirect service costs where appropriate. Fee schedules are periodically reviewed and adjusted to reflect cost changes and inflation; examples include permits, licenses, and special event fees. This approach promotes equity by allocating costs to those who directly benefit from services while supporting overall financial sustainability.

Capital Reserve Policy

The Town maintains capital reserves to fund infrastructure replacement and major capital improvements in accordance with its pay-as-you-go financial philosophy. Capital reserves are used for assets with a useful life exceeding eight years and/or significant value. Use of one-time funds for ongoing operational expenses is avoided. Funding levels are evaluated in relation to long-term infrastructure needs.

As the Town approaches buildout and construction-related revenues decline, maintaining adequate reserve funding will require continued focus on revenue diversification and long-term financial planning.

Rainy Day Fund Policy

The Town maintains a contingency reserve to ensure financial stability during periods of economic uncertainty or revenue disruption. The current reserve level is approximately 35% of annual operating expenditures. The Town's policy target is a



minimum of one-third of annual operating expenditures. This level provides approximately four to five months of operational coverage. This reserve supports the Town's ability to respond to economic downturns, legislative changes, or other unforeseen financial impacts.

Financing and Debt Policy

The Town primarily utilizes a pay-as-you-go approach for capital improvements and has historically minimized the use of long-term debt.

However, for large-scale capital projects or to manage statutory expenditure limitations, the Town may evaluate financing alternatives, including: revenue bonds, general obligation bonds and Improvement districts or community facilities districts

The use of financing is evaluated based on long-term affordability, intergenerational equity, and alignment with the Town's financial capacity.



Budgetary Basis and Legal Compliance

The Town follows established procedures in adopting and administering its annual budget in compliance with Arizona Revised Statutes. The Town Administrator prepares and submits a proposed budget annually. Public hearings and workshops are conducted to ensure transparency and community input. The Town Council then adopts the budget through formal resolution. The Town complies with the State-imposed expenditure limitation and files required annual reports. Budget amendments and interdepartmental transfers are managed in accordance with legal and administrative guidelines.

This process ensures legal compliance, transparency, and sound financial management.

Financial Policies Summary

POLICY AREA	CURRENT PRACTICE	PURPOSE
Balanced Budget	The Town develops and adopts an annual budget in which recurring revenues are expected to meet or exceed recurring expenditures.	Supports ongoing fiscal stability and avoids reliance on one-time revenues for operating costs.
Expenditure Control	The Town administers expenditures in accordance with the legally adopted budget and applicable state laws. Administrative approval thresholds are applied, with Town Council approval required for larger expenditures.	Ensures fiscal discipline, legal compliance, and appropriate oversight of public funds.
Procurement and Purchasing	The Town utilizes cooperative purchasing agreements, state contracts, competitive quotes, and formal procurement processes, as appropriate.	Promotes cost efficiency, transparency, and fairness in purchasing decisions.
Financial Reporting and Transparency	The Town provides regular financial reporting to the Town Council, including monthly financial statements, check registers, and fund balance updates.	Supports transparency, accountability, and informed decision-making.
Revenue Management	The Town monitors its primary revenue sources, including local sales tax and state-shared revenues, and evaluates economic and legislative factors that may impact revenue stability.	Helps identify financial risks and supports informed budget planning.



Financial Policies Summary Cont.

User Fees and Cost Recovery	The Town establishes and periodically reviews user fees and charges to offset the cost of services, where appropriate.	Promotes equity by allocating costs to service users and supports financial sustainability.
Fund Balance / Contingency Reserve	The Town maintains a contingency ("rainy day") reserve at a level sufficient to support operations during periods of revenue disruption, currently approximately one-third of annual operating expenditures.	Provides financial resilience and the ability to respond to economic uncertainty or unexpected events.
Capital Reserve Practice	The Town maintains capital reserves to fund infrastructure replacement and major capital needs, consistent with its pay-as-you-go approach.	Supports long-term infrastructure sustainability and reduces reliance on debt.
Capital Financing Approach	The Town primarily utilizes a pay-as-you-go approach for capital improvements and evaluates financing options for large-scale or long-term projects when appropriate.	Balances financial flexibility with long-term affordability and infrastructure needs.
Debt Consideration	The Town has historically limited the use of long-term debt and evaluates financing alternatives based on project scope, cost, and financial capacity.	Ensures prudent consideration of financing options and long-term financial impact.
Capital Planning	The Town incorporates capital needs and infrastructure priorities into its annual budget and long-term planning efforts.	Aligns infrastructure investment with available resources and community priorities.
Internal Controls	The Town utilizes established administrative and financial review processes, including segregation of duties, multi-level review of expenditures, and regular financial oversight by management and the Town Council.	Safeguards public assets, ensures accuracy of financial reporting, and promotes compliance with policies and regulations.
Multi-Year Financial Planning	The Town considers long-term financial impacts, including capital needs, revenue trends, and operational costs, as part of its budgeting and planning processes.	Supports proactive decision-making and long-term financial sustainability.

REVENUES

Municipal Sales Tax, Cost Recovery Fees, State Shared Revenues,
Revenue Projections





Town Operational Revenues

Overview

The Town’s revenue structure is supported by three primary sources: **municipal sales tax, state-shared revenue, and cost recovery fees**. These revenues fund core municipal services and are forecasted annually using historical trends, current economic conditions, and known legislative impacts.

For Fiscal Year 2026-2027, revenue projections reflect a conservative approach, emphasizing stability and risk management given the Town’s reliance on economically sensitive revenue streams.

Revenue Composition

The Town’s revenue base remains consistent with prior years:

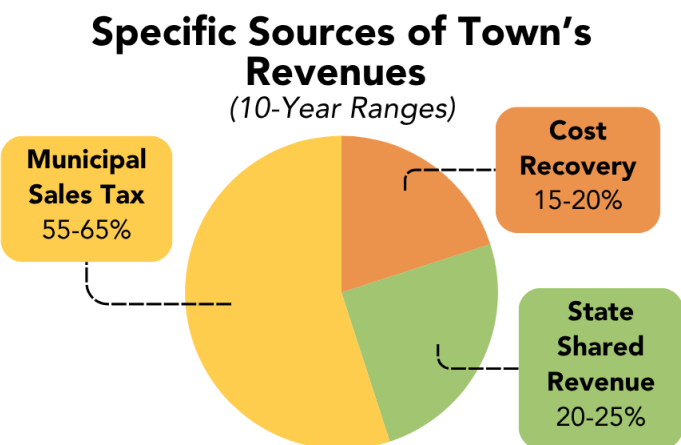
	FY 2025 - 2026	FY 2026 - 2027
Municipal Sales Tax	63%	65%
State-Shared Revenue	21%	20%
Cost Recovery Fees	16%	15%

This structure highlights a continued reliance on local sales tax as the Town’s primary revenue source, reinforcing the importance of economic conditions and business activity within the community.

Revenue Forecasting Approach

Revenue projections are developed using a conservative methodology that incorporates:

- Historical trends (including five-year averages)
- Current year performance
- State-provided forecasts and economic indicators
- Known legislative and policy changes





Over the last decade, municipal sales tax has consistently been the dominant source of income for the Town, making up the largest portion of the budget year after year. However, it's important to note that sales tax revenues are inherently tied to the performance of local businesses. As such, they are vulnerable to fluctuations caused by economic cycles and changing consumer behavior. Additionally, evolving legislation continues to have an impact on the Town's revenue streams. For instance, modifications to construction-related sales taxes, the elimination of residential rental taxes, and recent possible proposals to remove grocery taxes have all contributed to diminishing traditional revenue sources.

For sales tax, the Town utilizes a five-year average to moderate volatility and avoid over-reliance on peak-year performance. This approach reflects the cyclical nature of economically sensitive revenues.

In terms of diversification, the Town also generates significant revenue through cost recovery fees and state shared revenues, each making up an important portion of the budget. Cost recovery fees are designed to fund specific programs and services that benefit only a segment of the population, rather than the entire community. These fees help minimize the financial burden on the Town's General Fund by ensuring that those who directly use these services contribute towards their costs. Meanwhile, state shared revenue is distributed to local governments on a per capita basis, and as the population of neighboring communities grows at a faster rate than Carefree's, the Town's share of this revenue is expected to gradually decline over time.

For the upcoming fiscal year, the revenue breakdown (as illustrated in adjacent chart) is expected to follow a familiar trend.

Municipal Sales Tax is projected to account for approximately 65% of total revenue forecasted for FY27, equating to approximately \$5.3 million. This estimate is based on the average of actual sales tax revenue over the past five fiscal years. Taking a conservative approach, this forecast reflects current 5-year trend rather than relying on the performance of the last fiscal year. It's essential to recognize that sales tax consistently represents the largest portion of the Town's revenue, underscoring the Town's dependence on the success of local businesses and the broader economy. Given that the performance of businesses and the economy can fluctuate, the sales tax revenue does not follow a steady, predictable pattern, but instead experiences periodic peaks and valleys. By using a five-year average, we account for this potential volatility.

The chart below outlines all revenue sources collected by the Town.



TOTAL GENERAL FUND REVENUES

	FY 2025	FY 2026	FY 2026	FY 2027
GENERAL FUND REVENUES	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
LOCAL SALES TAX	\$4,718,187	\$3,545,000	\$3,153,984	\$3,545,000
STATE SALES TAX	\$558,823	\$561,396	\$528,925	\$550,000
BUILDING FEES	\$603,242	\$545,000	\$417,910	\$400,000
STATE INCOME TAX	\$774,755	\$724,689	\$724,689	\$724,000
FINES	\$258,255	\$190,000	\$262,810	\$260,000
COURT SERVICE FEES	\$200,346	\$207,200	\$207,200	\$211,344
TOWN CLERK-MISC. SALES	\$0	\$200	\$200	\$200
TOWN CLERK-PERMITS & FEES	\$75	\$300	\$60	\$200
WATER CO. RENT	\$33,000	\$33,000	\$33,000	\$33,000
WATER CO. LEASE PRINCIPAL	-\$48,000	\$231,697	\$231,697	\$222,041
WATER CO. LEASE INTEREST	\$21,586	\$13,067	\$13,067	\$4,223
WATER CO CAPITAL PMT PRINCIPAL	\$48,000	\$48,000	\$48,000	\$48,000
FIRE RENT & REIMB INCOME	\$40,669	\$40,000	\$38,203	\$40,000
MISC INCOME & DONATIONS	\$37,049	\$21,000	\$43,143	\$21,000
LGIP INTEREST INCOME	\$521,521	\$500,000	\$447,710	\$500,000
GENERAL FUND CONTRIBUTION	\$0	\$3,489,677	\$0	\$3,275,808
UTILITY FRANCHISE FEES	\$324,302	\$325,000	\$262,334	\$270,000
CABLE FRANCHISE FEES	\$76,368	\$85,000	\$78,555	\$80,000
COUNTY LIEU TAX/VLT	\$201,516	\$197,105	\$195,500	\$197,000
SPECIAL EVENT MARKETING REVENUE	\$63,297	\$75,000	\$57,753	\$60,000
FED,STATE, COUNT GRANTS	\$513,500	\$1,400,000	\$0	\$2,340,000
TOTAL REVENUES	\$8,946,490	\$12,232,331	\$6,744,740	\$12,781,816



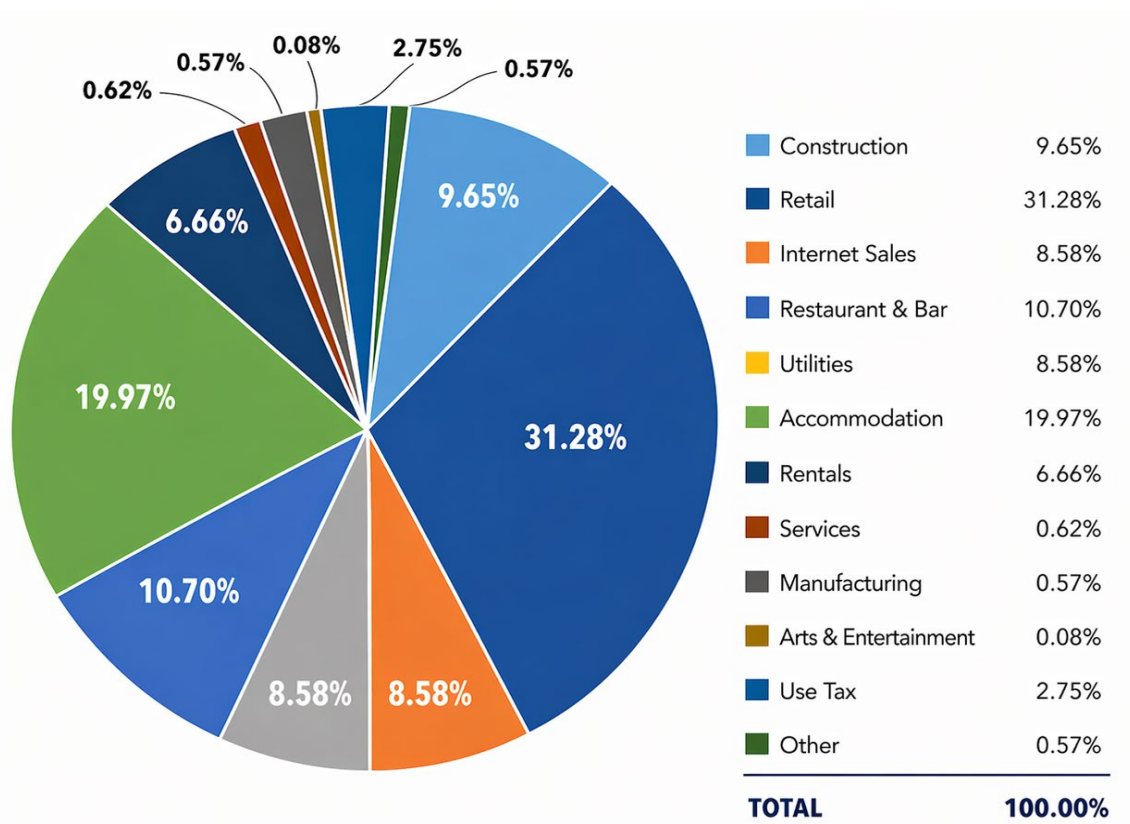
Municipal Sales Tax

Municipal sales tax is the Town's largest and most variable revenue source. Collections are directly tied to economic conditions, consumer behavior, and local business performance. Historically, revenues have fluctuated significantly, approximately \$2.7 million during economic downturns and exceeding \$7 million in recent peak years. Over the past 19 years, municipal sales tax revenues have averaged approximately \$3.76 million annually, reflecting the cyclical nature of economically sensitive revenues. This variability underscores the importance of conservative forecasting and revenue diversification.

The key driver of municipal sales tax in Carefree are retail activity, construction and development, hospitality and tourism. Retail and construction have traditionally generated most of the sales tax revenue. However, all sectors are subject to market fluctuations, business turnover and the overall broader economic conditions.

As the Town approaches residential buildout, construction-related revenues are expected to decline over time, reducing a historically significant funding source for capital projects.

FY26 ESTIMATED MUNICIPAL SALES TAX BY CATEGORY





MUNICIPAL SALES TAX % OF TOTAL BY CATEGORY (FY20-FY26)

CATEGORY	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 (EST.)
CONSTRUCTION	15.25%	9.13%	14.32%	11.17%	9.35%	18.91%	9.65%
RETAIL	41.42%	44.56%	34.05%	32.25%	30.87%	27.82%	31.28%
INTERNET SALES	3.48%	4.38%	5.70%	5.87%	6.03%	6.77%	8.58%
RESTAURANT & BAR	6.41%	9.50%	8.19%	9.53%	9.47%	8.99%	10.70%
UTILITIES	10.59%	9.14%	6.95%	7.53%	7.91%	7.02%	8.58%
ACCOMMODATION	5.71%	7.60%	12.97%	17.83%	20.28%	17.90%	19.97%
RENTALS	3.31%	4.33%	6.80%	6.40%	6.24%	5.84%	6.66%
SERVICES	4.99%	4.96%	4.71%	4.57%	2.97%	3.04%	0.62%
MANUFACTURING	1.28%	0.79%	0.71%	0.75%	0.58%	0.59%	0.57%
ARTS & ENTERTAINMENT	0.26%	0.19%	0.42%	0.50%	0.69%	0.58%	0.08%
USE TAX	6.21%	4.38%	4.35%	2.61%	4.54%	2.01%	2.75%
OTHER	1.09%	1.03%	0.82%	0.98%	1.08%	0.52%	0.57%
TOTAL	100%	100%	100%	100%	100%	100%	100%

**FY26 reflects a return to normalized revenue levels following an unusually strong FY25 performance*

Recent trends in municipal sales tax indicate gradual diversification, growth in hospitality and accommodations and modest increases in restaurant and service sectors. These shifts present opportunities to broaden the Town's tax base and reduce reliance on traditional sectors.

In 2006, the Town increased its municipal sales tax from 2% to 3% and approved development at Cave Creek Road and Carefree Highway, including the Lowe's Home Improvement store. These actions were intended to strengthen the Town's revenue base and support a new master contract for fire and emergency services with Rural Metro, replacing the prior subscription model.

Municipal Sales Tax Summary

While recent growth is notable, sales tax revenues remain inherently variable and influenced by economic cycles, legislative changes, and evolving consumer behavior. As a result, the Town utilizes conservative forecasting practices to account for this volatility and support long-term financial stability.



Cost Recovery Fees

Cost recovery fees are an important component of the Town's revenue structure, representing approximately 16% of total revenues. These fees are designed to allocate the cost of specific services to individuals or entities that directly benefit from them, rather than the community as a whole. This approach promotes equity, reduces reliance on general tax revenues, and supports efficient allocation of municipal resources.

COST RECOVERY FEES

	ACTUALS	BUDGETED	ESTIMATED	BUDGETED
COST RECOVERY FEES	FY25	FY26	FY26	FY 27
TOTAL	\$1,304,709	\$1,340,446	\$1,390,300	\$1,400,000

Role in the Town's Financial Framework

Unlike general tax revenues, which are broadly distributed, cost recovery fees are assessed on a user basis and are structured to reflect the cost of service delivery where appropriate. This provides flexibility to adjust fees in response to changes in demand, operational costs, and service levels. The Town periodically evaluates fee structures to maintain alignment with actual costs and ensure financial sustainability.

Major Revenue Categories

Building Permits, Inspections, and Planning/Zoning Fees

These fees represent the largest component of cost recovery revenues and are generated through development activities, including residential construction, remodels, and commercial projects.

Fees are assessed to recover the cost of plan review/permitting/inspections, ensure compliance with building codes and zoning regulations, protect public safety and infrastructure integrity.

Revenue from this category is influenced by development activity and is expected to moderate as the Town approaches residential buildout.



Utility Right-of-Way Fees

Utility providers pay fees for access to and use of the Town's rights-of-way. These fees support oversight and coordination of utility work, the inspection of installations and repairs and maintenance and protection of public infrastructure. This revenue source provides cost recovery for managing public rights-of-way without burdening taxpayers.

Court Service Fees and Fines

Through an intergovernmental agreement with the Town of Cave Creek, Carefree provides municipal court services and receives revenue to offset operational costs. This shared service mode improves operational efficiency, reduces duplication of services and ensures cost sharing between participating jurisdictions.

Rental Income

The Town generates rental income from leasing municipal facilities to entities such as the Water Company and Rural Metro. While a smaller revenue source, these funds offset facility maintenance and operational costs and maximize the use of Town-owned assets

Special Event Fees

Fees are charged for the use of public spaces for events such as festivals and community activities. These fees help recover costs associated with site maintenance and cleanup, traffic control and public safety support, and event coordination and administration. This ensures that event-related costs are not borne solely by the general taxpayer.

Business Licenses and Vendor Certificates

Business-related fees support regulatory compliance and administrative oversight.

These fees ensure adherence to local codes and standards, support public safety and zoning compliance and provide a mechanism for tracking business activity.



Cost Recovery Fees Summary

Cost recovery fees are projected at approximately \$1.4 million for FY2026-2027, reflecting stable revenue performance with modest growth in key categories such as building permits and utility fees.

This revenue source is generally more stable than sales tax but remains sensitive to development activity and service demand.

Cost recovery fees play a critical role in the Town's financial strategy by aligning service costs with users, supporting operational efficiency, and reducing reliance on general tax revenues. As development activity evolves, continued evaluation of fee structures will be essential to ensure they remain appropriate, equitable, and aligned with service delivery costs.



State-Shared Revenue

State-shared revenue represents approximately 20% of the Town's total revenue for FY2026-2027 and is a critical funding source for municipal operations and infrastructure. These revenues are distributed by the State of Arizona based on statutory formulas, primarily tied to population and economic activity.

While these revenues provide important financial support, they are externally controlled and subject to legislative, economic, and demographic changes.

STATE SHARED REVENUES FY22 - FY26

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
STATE SHARED REVENUES	FY2022	FY2023	FY2024	FY2025	FY2026	FY2026	FY2027
State Income Tax (URS)	\$523,051	\$699,050	\$977,024	\$774,755	\$712,773	\$724,689	\$724,000
State Sales Tax	\$490,938	\$554,736	\$555,767	\$558,823	\$560,000	\$528,925	\$550,000
VLT (County Lieu Tax)	\$183,054	\$182,202	\$192,489	\$201,516	\$190,000	\$195,500	\$197,000
HURF	\$288,864	\$274,193	\$285,646	\$291,636	\$285,000	\$232,780	\$289,000
TOTAL	\$1,485,907	\$1,710,181	\$2,010,926	\$1,826,730	\$1,747,773	\$1,681,894	\$1,760,000

State Sales Tax

A portion of statewide sales tax collections is distributed to municipalities based on population. These funds are unrestricted and may be used for general municipal purposes, including public safety, infrastructure, and community services.

State Income Tax (Urban Revenue Sharing)

Municipalities receive a share of state income tax revenues through urban revenue sharing, historically set at 15% and recently adjusted to 18% under the State's flat tax structure.

Key considerations include the two-year distribution lag, requiring forward-looking forecasting, population-based allocation, affecting relative share over time and the implementation of the 2.5% flat income tax, which is expected to reduce overall income tax collections and corresponding distributions.



Highway User Revenue Fund (HURF)

HURF revenues are derived primarily from fuel taxes and are restricted for transportation-related purposes, including street maintenance and roadway improvements.

Allocations are based on population and county of origin. HURF revenues are subject to variability due to changes in fuel consumption, increased fuel efficiency and electric vehicle adoption, fluctuations in transportation-related revenues

Vehicle License Tax (VLT)

Municipalities receive a share of vehicle license tax revenues based on population and county distribution formulas. These funds support general municipal operations but are influenced by vehicle registration trends, population changes, and economic conditions.

Revenue Trends and Considerations

State-shared revenues have experienced variability due to changes in economic conditions, population distribution, and state policy decisions.

Understanding trends in state-shared revenue from fiscal years 2017-2025 provides an insight into trends of future funding levels and the impact of external factors on revenue generation.

Trends include:

Highway User Revenue Fund (HURF) Fluctuations:	FY20 saw a one-time increase in HURF funding, giving municipalities a temporary financial boost. However, factors such as gas prices, changing fuel consumption patterns, and the rise of electric vehicles are expected to cause fluctuations in HURF revenue over time.
Recalibration in FY22:	FY22 marked a recalibration of state-shared revenue based on new census data. As populations change, future adjustments will impact the proportional share of each municipality's revenue, requiring cities and towns to adjust their financial planning.



Implementation of Flat Income Tax (FY24):	The introduction of a 2.5% flat income tax in FY24 is expected to significantly impact revenue sharing. Municipalities will now receive 18% of the income tax collected (a shift from the previous 15%). However, the approximate 10% decline in income tax revenues expected in the coming fiscal year will directly impact urban revenue sharing.
Vehicle License Tax and County-Level Distribution:	The distribution of motor vehicle licensing funds is consistently based on the county of origin and population-based metrics. Future changes in vehicle registration trends, as well as population growth or decline, may shift the balance of how revenues are distributed across municipalities.
Impacts on Carefree include:	• <u>Income Tax Impacts:</u> The transition to a flat income tax is expected to reduce overall revenue collections, impacting municipal distributions despite an increased allocation percentage. • <u>Population Dynamics:</u> As neighboring communities grow at a faster rate, Carefree's proportional share of state-distributed revenues may decline over time. • <u>Transportation Funding:</u> HURF revenues are subject to long-term structural changes, including reduced fuel consumption and evolving transportation trends.

Forecasting Approach

The Town's forecast for state-shared revenue incorporates:

- **State-provided projections**
- **Historical trends**
- **Known legislative changes**
- **Population-based allocation factors**

Given the external nature of these revenues, the Town applies a conservative approach to forecasting and monitors changes in state policy and economic conditions.



State Shared Revenue Summary

State-shared revenues provide a significant and flexible funding source for municipal services; however, they remain subject to factors beyond the Town's control. Legislative changes, economic conditions, and population shifts all influence future distributions.

As a result, the Town continues to incorporate conservative forecasting practices and emphasizes revenue diversification to mitigate risk and maintain long-term financial stability.



Overall Key Considerations for Revenue Projections

Sales tax revenue trends are primarily driven by retail and construction activity, which have historically generated the largest share of the Town's revenue. As illustrated in the chart, retail remains the dominant category, while construction has contributed significantly over time but reflects variability tied to development cycles.

Retail performance has been uneven, influenced by changing consumer behavior and business turnover. The closure of major retailers and the continued shift toward online purchasing highlight the Town's exposure to fluctuations in brick-and-mortar activity and reinforce the need to monitor sector stability.

Construction-related sales tax has historically supported capital funding, particularly for infrastructure such as the Town's street network. However, as residential buildout approaches completion, this revenue source is expected to decline, reducing a key funding stream for capital reserves.

In addition to local economic factors, state-shared revenues introduce further variability. The implementation of the 2.5% flat income tax is expected to reduce income tax distributions, while population-based allocation formulas may result in a gradual decline in the Town's relative share. Highway User Revenue Fund (HURF) revenues are also subject to changes in fuel consumption and broader transportation trends. Although these revenues provide important support for municipal services, they are externally controlled and subject to fluctuation.

These combined trends underscore the importance of adapting to a shifting economic and fiscal environment. Continued diversification particularly through growth in accommodations, hospitality, and service sectors will be critical to offset declines in traditional revenue sources and support long-term financial stability.

Revenue Impacts

While the Town's financial foundation remains anchored by municipal sales tax (65%), diversifying revenue sources is essential to mitigate the risks of over-reliance on a single revenue stream.

At the same time, State Shared Revenue (20%) and Cost Recovery Fees (15%) contribute to the overall fiscal health of the Town, and careful management of these resources will ensure the continued ability to deliver services and support long-term community development.



By focusing on diversification and economic growth, the Town can better position itself to weather economic downturns, legislative changes, and other external challenges, ensuring long-term financial sustainability. It is important to note that these forecasted revenues do not include speculative revenues such as grants and interest earned.

Revenue Concentration:	A significant portion of revenue is derived from municipal sales tax, creating exposure to economic fluctuations and business activity.
Economic Sensitivity:	Retail, construction, and hospitality sectors are subject to broader economic cycles, impacting revenue stability.
Legislative Risk:	State-level policy changes including tax reforms and revenue redistribution can directly impact municipal funding.
Other Potential Risks:	Structural changes, declining construction activity as buildout is reached, shifts in consumer behavior, including growth in online sales and business turnover impacting local tax generation.

To address these risks, the Town continues to emphasize:

- **Revenue diversification, particularly through hospitality and tourism**
- **Conservative forecasting practices**
- **Monitoring of legislative and economic conditions**
- **Alignment of revenue strategy with long-term financial planning**

While municipal sales tax will remain the primary revenue source, expanding the Town's economic base will be critical to maintaining long-term financial stability.



Annual Revenue Summary

The Town's revenue framework remains stable but is influenced by economic conditions, legislative changes, and evolving market dynamics. A conservative and data-driven forecasting approach, combined with ongoing efforts to diversify revenue sources, positions the Town to manage risk while continuing to support essential services and infrastructure.

In conclusion, while the Town's financial foundation remains anchored by municipal sales tax (65%), diversifying revenue sources is essential to mitigate the risks of over-reliance on a single revenue stream. By supporting the growth of a range of business sectors, the Town can build a broader and more stable tax base. At the same time, State Shared Revenue (20%) and Cost Recovery Fees (15%) contribute to the overall fiscal health of the Town, and careful management of these resources will ensure the continued ability to deliver services and support long-term community development. By focusing on diversification and economic growth, the Town can better position itself to weather economic downturns, legislative changes, and other external challenges, ensuring long-term financial sustainability. It is important to note that these forecasted revenues do not include speculative revenues such as grants, and interest earned.

EXPENDITURES

General Overview of Anticipated Expenses





Overview of Anticipated Expenses

The Town’s expenditures are organized into two primary categories: General Operating Expenses and Capital Improvement Projects. For Fiscal Year 2026-2027, total expenditures are projected at approximately \$12.7 million, reflecting continued investment in infrastructure and public safety while maintaining efficient operations.

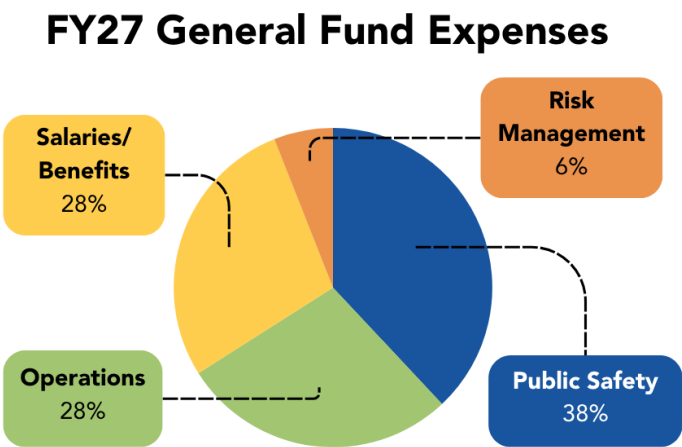
OPERATING	CAPITAL	GRANTS	TOTAL EXPENDITURES
\$8.3 Million	\$6.7 Million	-\$2.3 Million	\$12.7 Million

Looking ahead, expenditure growth is expected to be driven primarily by public safety contract costs, inflationary pressures on operational expenses, and the increasing need to maintain and replace aging infrastructure. As the Town approaches buildout, capital investment will continue to shift from expansion to preservation, requiring sustained funding strategies and long-term planning.

General Operating Expenses

General operating expenditures total approximately \$8.3 million and support the day-to-day delivery of municipal services. These expenses are organized into four primary categories: **public safety, human resources, operations, and risk management.**

Within the General Fund, public safety represents approximately 38% of operating expenditures, followed by personnel and operations at approximately 28% each, and risk management at approximately 6%.



Public Safety

Public safety remains the Town’s largest operational expenditure, totaling approximately \$3.0 million. This category includes contracted law enforcement, fire, and emergency medical services, as well as associated equipment and infrastructure.



Costs in this category have increased in recent years due to rising contract rates, service level adjustments, and equipment needs. Public safety continues to be a core priority, reflecting the Town's commitment to protecting residents, property, and community well-being.

The Town contracts with external agencies to provide public safety services, representing the largest component of operational expenditures.

The Rural Metro Fire and Emergency Services contract is projected at approximately \$2.0 million and continues through June 30, 2027. This contract is primarily personnel-based, as the Town owns the associated capital assets. The agreement includes an annual inflationary adjustment, and discussions regarding contract extension and future service levels are anticipated.

The Maricopa County Sheriff's Office contract for law enforcement services is based on a cost recovery model tied to service levels. The Town currently funds 1.5 deputies year-round with traffic enforcement support. Recent adjustments include expanded traffic enforcement services and a reduction in overall costs due to changes in the County's approach to public safety liability funding.

Human Resources (Salaries and Benefits)

Personnel costs total for FY27 are approximately \$2.3 million, a modest increase from \$2.2 million in FY26, and include salaries, retirement contributions, and healthcare benefits for the Town's workforce. The Town maintains a highly efficient staffing model, with staffing levels below many comparable municipalities.

Recent adjustments reflect inflationary increases, benefit cost changes, and the filling of key positions. A compensation study confirmed that staffing levels remain efficient and compensation is generally aligned with or below market benchmarks.

Approximately \$1.4 million of personnel costs are offset through cost recovery fees, reflecting the direct relationship between staff services and fee-based activities such as permitting, inspections, and court operations.

Operations

Operational expenses total approximately \$2.5 million and include public works supplies, equipment maintenance and replacement, utilities, technology, and administrative costs necessary to support daily operations.



While generally stable, these costs are influenced by inflation, increased service demands, and the ongoing need to maintain Town facilities and equipment.

Risk Management

Risk management costs total approximately \$470,000 and include insurance coverage, legal services, and liability protection. While representing a smaller portion of the budget, these expenditures are essential to protecting the Town from financial exposure and ensuring operational continuity.

Capital Improvement Projects

Capital expenditures are budgeted at approximately \$6.7 million and this supports the maintenance, rehabilitation, and replacement of the Town's infrastructure, including streets, drainage systems, and public facilities. As infrastructure assets age, capital investment requirements continue to increase, requiring proactive planning and sustained funding.

The Town's capital program reflects a transition from growth-related expansion to asset preservation as buildout is approached. This shift places greater emphasis on lifecycle management, reserve funding, and prioritization of critical infrastructure needs, particularly the Town's extensive street network.

Capital investments are funded primarily through reserves, consistent with the Town's pay-as-you-go financial philosophy, minimizing reliance on long-term debt while maintaining financial flexibility.

Expenditures Summary

The Town's expenditure framework reflects a balanced and disciplined approach that prioritizes public safety, infrastructure investment, and operational efficiency. Through conservative budgeting and strategic resource allocation, the Town continues to align expenditures with its long-term priorities while maintaining financial stability and high service levels.

DEPARTMENTAL BUDGETS

Organizational Structure, Total Compensation,
Department Operating Expenses, Public Safety





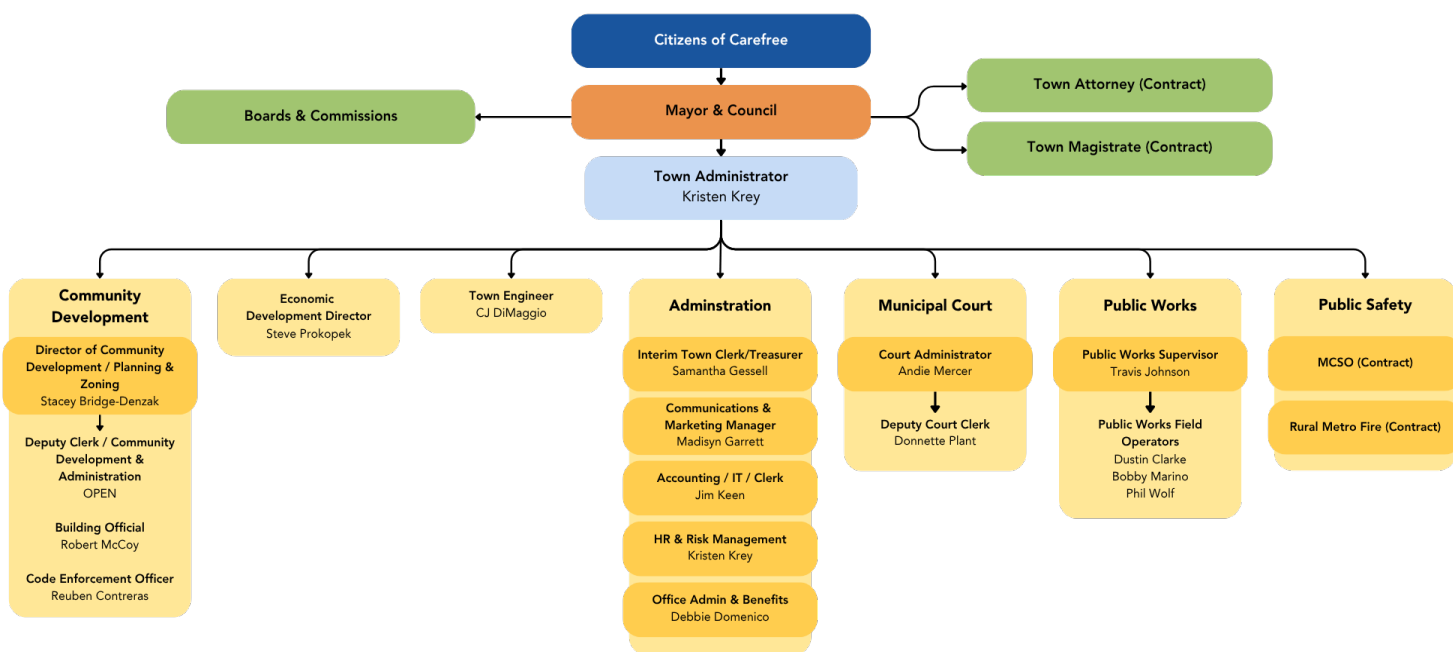
Town Organizational Structure

In the Town of Carefree, the Mayor, Vice Mayor, and Councilmembers are elected at large to staggered four-year terms and serve without compensation.

As a statutory municipality, the Town Council functions as the legislative body, enacting local laws and policies consistent with federal, state, and county requirements.

Carefree operates under a Council-Town Administrator form of government. The Mayor serves as Chief Executive Officer, while the Town Administrator, as Chief Administrative Officer, oversees daily operations, develops policies and regulations, and prepares the annual budget for Council consideration.

The Town provides core municipal services—administration, public safety, community development, public works, and municipal court—delivered by a lean workforce of 17 full-time employees, one of the smallest municipal staffs in the state.





Human Resources - Salaries and Benefits

Overview and Total Compensation Framework

The Town's compensation program is structured around a total compensation philosophy, which includes not only salaries but also employer-paid benefits such as retirement contributions, healthcare, statutory benefits, and leave provisions. This approach reflects the full cost of employment and ensures a more accurate comparison to market conditions.

With a workforce of approximately 17 full-time equivalent positions, Carefree operates with staffing levels below comparable municipalities. The Town maintains approximately 4 employees per 1,000 residents, compared to an average of 5.5 or more employees per 1,000 residents in similarly situated communities. This lean staffing model requires employees to perform cross-functional roles while maintaining service levels and regulatory compliance.

Compensation Study and Market Position

In response to community interest regarding staffing and compensation levels, the Town commissioned an independent compensation study conducted in FY2023-2024 by a qualified public sector consulting firm. The analysis included a review of job descriptions, employee responsibilities, and market benchmarking against comparable municipalities. The study found that 56% of positions are compensated at market levels and 44% of positions were below market. These findings indicate that while the Town operates efficiently, compensation in several areas lags beyond the broader municipal labor market.

Cost Recovery and Staffing Efficiency

A significant portion of personnel costs is offset through cost recovery fees, which are charged for services that directly benefit individual users, such as permitting and court services. These fees generate approximately \$1.4 million annually, offsetting the Town's total personnel costs of \$2.3 million in FY 2026-2027.

This structure reflects a strong alignment between staffing resources and service delivery, reducing the burden on general tax revenues while maintaining operational efficiency.



FY 2026-2027 Compensation Adjustment

For Fiscal Year 2026-2027, a 3.5% cost-of-living adjustment (COLA) is recommended for all employees. The Town does not utilize a merit- or performance-based pay system; therefore, COLA adjustments serve as the primary mechanism to address market movement and inflation.

This adjustment is supported by the following factors:

- **Inflation Trends:** While inflation has moderated from recent peaks, core inflation and service-related costs remain elevated, continuing to impact employee purchasing power.
- **Labor Market Conditions:** Public sector employers across Arizona and nationally continue to implement COLA adjustments typically ranging from 3% to 5% to remain competitive in attracting and retaining qualified staff.
- **Compensation Study Findings:** A COLA adjustment helps prevent further compression and widening of compensation gaps.
- **Workforce Structure:** Given the Town’s small workforce and lack of a merit-based system, COLA adjustments are necessary to maintain equitable and consistent compensation practices.

Benchmark data from organizations such as the League of Arizona Cities and Towns and ICMA indicate that recent public sector compensation adjustments have generally ranged between 3% and 5%, reflecting continued inflationary pressures and competitive labor market conditions

In addition to the COLA, the FY 2026-2027 budget reflects the filling of key positions filling the FY 2025-2026 vacancies of Town Administrator, Town Clerk/Treasurer and a full-time Building Official to support operational needs and maintain service levels.

TOTAL SALARIES AND BENEFITS

TOTAL COMPENSATION	FY25 ACTUAL	FY25-26 BUDGET	FY25-26 EST YR END	PROPOSED FY26-27
SALARIES ONLY	\$1,485,763	\$1,646,435	\$1,700,164	\$1,698,192
BENEFITS ONLY	\$469,807	\$544,940	\$640,013	\$605,792
TOTAL SALARY & BENEFITS	\$1,955,570	\$2,191,374	\$2,340,177	\$2,303,985



TOTAL COMPENSATION				
SALARIES & BENEFITS	FY25 ACTUAL	FY25-26 BUDGET	FY25-26 EST YR END	PROPOSED FY26-27
TOWN CLERK/FINANCE/IT				
SALARIES - 2 FTE	\$246,645	\$237,873	\$249,970	\$218,697
FICA	\$15,230	\$14,748	\$15,498	\$13,559
MEDICARE EXPENSE	\$3,562	\$3,449	\$3,625	\$3,171
ASRS RETIREMENT CONTRIBUTION	\$21,805	\$16,833	\$29,996	\$25,959
GROUP MED/DENTAL/LIFE/AD&D	\$20,784	\$18,547	\$24,130	\$18,420
VISION CARE	\$153	\$1,630	\$159	\$160
WORKMANS COMPENSATION	\$475	\$550	\$500	\$550
UNEMPLOYMENT INS.-DES	\$235	\$200	\$225	\$235
SALARIES & BENEFITS	\$308,888	\$293,831	\$324,104	\$280,751
BENEFITS ONLY	\$62,243	\$55,957	\$74,134	\$62,054
MUNICIPAL COURT				
SALARIES - 2 FTE	\$181,668	\$224,585	\$191,337	\$190,474
FICA	\$10,646	\$13,304	\$11,863	\$11,809
MEDICARE EXPENSE	\$2,490	\$3,111	\$2,774	\$2,762
ASRS RETIREMENT CONTRIBUTION	\$21,095	\$25,750	\$22,960	\$22,819
GROUP MED/DENTAL/LIFE/AD&D	\$25,525	\$33,279	\$29,717	\$32,078
VISION CARE	\$284	\$259	\$259	\$259
WORKMANS COMPENSATION	\$323	\$456	\$360	\$400
UNEMPLOYMENT INS.-DES	\$235	\$150	\$200	\$200
SALARIES & BENEFITS	\$242,266	\$300,895	\$259,471	\$260,801
BENEFITS ONLY	\$60,598	\$76,310	\$68,134	\$70,327
TOWN ADMINISTRATION				
SALARIES - 2 FTE	\$275,281	\$281,753	\$261,682	\$238,253
FICA	\$14,009	\$17,469	\$16,224	\$14,772
MEDICARE EXPENSE	\$3,982	\$4,085	\$3,794	\$3,455
ASRS RETIREMENT CONTRIBUTION	\$32,575	\$33,810	\$4,000	\$7,037
GROUP MED/DENTAL/LIFE/AD&D	\$13,286	\$13,819	\$31,402	\$39,215
VISION CARE	\$80	\$80	\$29,062	\$80
WORKMANS COMPENSATION	\$530	\$550	\$80	\$560
UNEMPLOYMENT INS.-DES	\$235	\$185	\$520	\$200
SALARIES & BENEFITS	\$339,977	\$351,750	\$346,764	\$303,572
BENEFITS ONLY	\$64,697	\$69,998	\$85,082	\$65,318



SALARIES & BENEFITS CONT.	FY25 ACTUAL	FY25-26 BUDGET	FY25-26 EST YR END	PROPOSED FY26-27
COMMUNICATIONS				
SALARIES - 1 FTE	\$70,996	\$71,821	\$71,821	\$74,318
FICA	\$4,395	\$4,453	\$4,453	\$4,608
MEDICARE EXPENSE	\$1,028	\$1,041	\$1,041	\$1,078
ASRS RETIREMENT CONTRIBUTION	\$8,711	\$8,619	\$8,518	\$8,903
GROUP MED/DENTAL/LIFE/AD&D	\$8,711	\$8,619	\$14,418	\$15,502
VISION CARE	\$80	\$80	\$80	\$80
WORKMANS COMPENSATION	\$137	\$200	\$185	\$200
UNEMPLOYMENT INS.-DES	\$117	\$85	\$83	\$90
SALARIES & BENEFITS	\$94,176	\$94,917	\$100,599	\$104,778
BENEFITS ONLY	\$23,180	\$23,096	\$28,778	\$30,461
PLANNING & ZONING				
SALARIES - 2 FTE	\$203,251	\$226,671	\$221,528	\$225,458
FICA	\$11,668	\$14,054	\$13,735	\$13,978
MEDICARE EXPENSE	\$2,729	\$3,287	\$3,212	\$3,269
ASRS RETIREMENT CONTRIBUTION	\$24,939	\$27,201	\$26,273	\$27,010
GROUP MED/DENTAL/LIFE/AD&D	\$28,106	\$31,388	\$26,500	\$26,500
VISION CARE	\$325	\$325	\$325	\$325
WORKMANS COMPENSATION	\$1,940	\$2,150	\$2,264	\$2,364
UNEMPLOYMENT INS.-DES	\$235	\$225	\$250	\$270
SALARIES & BENEFITS	\$273,192	\$305,300	\$294,088	\$299,175
BENEFITS ONLY	\$69,940	\$78,628	\$72,560	\$73,717
BUILDING & SAFETY				
SALARIES - 1 FTE	\$2,212	\$0	\$117,711	\$119,512
FICA	\$137	\$0	\$7,298	\$7,410
MEDICARE EXPENSE	\$32	\$0	\$1,707	\$1,733
ASRS RETIREMENT CONTRIBUTION	\$271	\$0	\$13,961	\$14,318
GROUP MED/DENTAL/LIFE/AD&D	\$0	\$0	\$35,859	\$13,354
VISION CARE	\$0	\$0	\$259	\$259
WORKMANS COMPENSATION	\$31	\$0	\$1,732	\$1,750
UNEMPLOYMENT INS.-DES	\$117	\$0	\$120	\$120
SALARIES & BENEFITS	\$2,800	\$0	\$178,646	\$158,456
BENEFITS ONLY	\$589	\$0	\$60,935	\$38,944



SALARIES & BENEFITS	FY25 ACTUAL	FY25-26 BUDGET	FY25-26 EST YR END	PROPOSED FY26-27
CODE ENFORCEMENT				
SALARIES - 1 FTE	\$38,190	\$63,269	\$49,432	\$73,511
FICA	\$2,175	\$3,923	\$3,065	\$4,558
MEDICARE EXPENSE	\$509	\$917	\$717	\$1,066
ASRS RETIREMENT CONTRIBUTION	\$4,609	\$7,592	\$5,863	\$8,807
GROUP MED/DENTAL/LIFE/AD&D	\$9,132	\$32,286	\$15,803	\$16,831
VISION CARE	\$105	\$259	\$259	\$259
WORKMANS COMPENSATION	\$658	\$850	\$964	\$1,000
UNEMPLOYMENT INS.-DES	\$703	\$500	\$200	\$225
SALARIES & BENEFITS	\$56,081	\$109,597	\$76,302	\$106,256
BENEFITS ONLY	\$17,891	\$46,328	\$26,870	\$32,745
ENGINEERING				
SALARIES - 1 FTE	\$68,615	\$122,490	\$120,675	\$126,077
FICA	\$4,254	\$7,594	\$7,482	\$7,817
MEDICARE EXPENSE	\$995	\$1,776	\$1,750	\$1,828
ASRS RETIREMENT CONTRIBUTION	\$8,419	\$14,699	\$14,312	\$15,104
GROUP MED/DENTAL/LIFE/AD&D	\$236	\$62	\$11,355	\$11,712
VISION CARE	\$0	\$0	\$80	\$80
WORKMANS COMPENSATION	\$971	\$900	\$1,777	\$1,850
UNEMPLOYMENT INS.-DES	\$117	\$400	\$300	\$400
SALARIES & BENEFITS	\$83,607	\$147,922	\$157,730	\$164,868
BENEFITS ONLY	\$14,992	\$25,432	\$37,055	\$38,790
PUBLIC WORKS				
SALARIES - 4 FTE	\$247,271	\$265,867	\$263,903	\$275,103
FICA	\$14,748	\$16,484	\$16,362	\$17,056
MEDICARE EXPENSE	\$3,449	\$3,855	\$3,827	\$3,989
ASRS RETIREMENT CONTRIBUTION	\$30,268	\$31,904	\$31,299	\$32,957
GROUP MED/DENTAL/LIFE/AD&D	\$46,471	\$51,845	\$70,111	\$72,493
VISION CARE	\$591	\$591	\$591	\$591
WORKMANS COMPENSATION	\$17,713	\$19,500	\$20,062	\$21,000
UNEMPLOYMENT INS.-DES	\$469	\$400	\$425	\$450
SALARIES & BENEFITS	\$360,980	\$390,446	\$406,580	\$423,639
BENEFITS ONLY	\$113,709	\$124,578	\$142,677	\$148,537



SALARIES & BENEFITS CONT.	FY25 ACTUAL	FY25-26 BUDGET	FY25-26 EST YR END	PROPOSED FY26-27
ECONOMIC DEVELOPMENT				
SALARIES - 1 FTE	\$151,634	\$152,104	\$152,105	\$156,789
FICA	\$9,318	\$9,430	\$9,431	\$9,721
MEDICARE EXPENSE	\$2,179	\$2,206	\$2,206	\$2,273
ASRS RETIREMENT CONTRIBUTION	\$18,530	\$18,253	\$18,040	\$18,783
GROUP MED/DENTAL/LIFE/AD&D	\$11,298	\$14,089	\$13,456	\$13,456
VISION CARE	\$233	\$259	\$259	\$259
WORKMANS COMPENSATION	\$293	\$300	\$317	\$325
UNEMPLOYMENT INS.-DES	\$117	\$75	\$80	\$80
SALARIES & BENEFITS	\$193,603	\$196,716	\$195,893	\$201,688
BENEFITS ONLY	\$41,969	\$44,612	\$43,788	\$44,899

Summary

The Town's approach to compensation reflects a balance between fiscal responsibility and the need to maintain a qualified and effective workforce. Through a total compensation framework, cost recovery strategies, and modest cost-of-living adjustments, the Town continues to manage personnel costs efficiently while remaining competitive within the municipal labor market.

SALARIES FROM FY25/26 - FY26/27

POSITION	FY 25/26 ACTUALS	FY 26/27 PROPOSED
TOWN ADMINISTRATOR	\$195,671	\$165,600
TOWN CLERK/TREASURER	\$120,175	\$96,000
ACCOUNTING/IT/CLERK	\$111,510	\$115,413
COMMUNICATIONS MANAGER	\$71,321	\$73,817
OFFICE MANAGER	\$57,979	\$60,008
ECONOMIC DEVELOPMENT DIRECTOR	\$152,105	\$156,789
TOWN ENGINEER	\$120,175	\$124,381
COURT ADMINISTRATOR	\$114,950	\$118,973
DEPUTY CLERK II	\$62,700	\$70,500
PUBLIC WORKS SUPERVISOR	\$90,758	\$93,935
PUBLIC WORKS FIELD OPERATOR	\$58,487	\$60,534
PUBLIC WORKS FIELD OPERATOR	\$46,786	\$48,424
PUBLIC WORKS FOREMAN	\$62,725	\$64,291
PLANNING & ZONING DIRECTOR	\$140,000	\$144,900
PLANNER I	\$76,291	\$75,000
BUILDING SAFETY OFFICIAL	\$115,000	\$119,112
CODE ENFORCEMENT OFFICER	\$62,704	\$73,010



Town Council

The Town Council serves as the legislative body, balancing policy, statutory requirements, financial considerations, and community input. Regular meetings are typically held on the first Tuesday of each month, with additional meetings and workshops convened as needed.

Council authority is exercised through ordinances, resolutions, and proclamations, all of which must comply with Arizona Revised Statutes. Ongoing updates to the Town Code and policies ensure alignment with evolving state requirements.

The Council establishes policy direction, allocates resources, appoints key officials—including the Town Administrator, Magistrate, Town Attorney, and Prosecutor—and authorizes major service contracts such as public safety.

While the Council acts collectively in directing the Town Administrator and legal counsel, the Administrator manages daily operations and the Magistrate oversees court functions.

Council priorities, as reflected in the Strategic Plan, focus on communication, economic development to diversify revenues, and reinvestment in infrastructure.

The Mayor and Council budget primarily supports basic operations, including office supplies, technology, and training.

The following expenses fall within the Mayor and Council Department and mainly cover the costs of office supplies, technology, and educational opportunities

MAYOR & TOWN COUNCIL TOTAL OPERATIONAL EXPENSES

	FY 2025	FY 2026	FY 2026	FY 2027
MAYOR AND COUNCIL	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
OFFICE SUPPLIES/IT	\$304	\$1,700	\$700	\$1,500
INS WORK COMP VOLUNTEERS	\$192	\$400	\$378	\$400
DUES & SUBSCRIPTIONS/MISC	\$3,193	\$5,200	\$2,600	\$3,200
SPECIAL PROJECTS - GRANTS APPL	\$9,320	\$10,000	\$9,320	\$10,000
EDU/TRAINING/LODGING/MEALS	\$9,706	\$9,500	\$6,235	\$11,500
TOTAL	\$22,715	\$26,800	\$19,233	\$26,600



Administration Division

The Administration Division serves as the operational hub of the Town, coordinating internal and external activities and working closely with residents, businesses, and governmental partners to ensure efficient service delivery.

This division is staffed by six full-time positions: Town Administrator, Town Clerk/Treasurer, Town Accountant/IT/Facilities, Economic Development Director, Communications Manager, and Office Manager. Together, these roles provide leadership, administrative support, financial management, communications, and support for economic development initiatives.

Core functions include Human Resources, Risk Management, Legal and Financial Services, Information Technology, Public Records, Elections, Intergovernmental Affairs, Communications, Economic Development, and overall organizational management.

Town Administrator

As established by Town Code, the Town Administrator serves as the Chief Administrative Officer, responsible for overseeing daily operations and implementing Council policies and directives. Reporting directly to the Town Council, the Administrator coordinates with staff and contracted service providers to ensure effective service delivery.

Key responsibilities include:

- Leadership & Coordination: Provides organizational leadership and works with the Council to implement strategic priorities.
- Operations & Personnel: Directly supervises staff, coordinates departmental functions, and establishes personnel policies that support an effective workplace.
- Financial Management: Oversees finance and treasury management to include budget development and administration, serves as purchasing agent.
- Human Resources and Risk Management: Works with legal and risk professionals to manage liabilities, responsibilities include payroll administration, regulatory compliance, insurance procurement, and claims management.
- Strategic Implementation: Ensures efficient operations and alignment of resources with Council goals and long-term priorities.



ADMINISTRATION

FY26 ACCOMPLISHMENTS

- Procured additional Town Center improvements - landscape, sidewalk leveling, street seal, lighting repairs, chair replacement, holiday decorations.
- Coordinated with MAG and neighboring communities regarding regional projects - Pima Rd and Cave Creek Rd corridor capacity/safety studies.
- Continue the Town's efforts to expand communications channels to improve engagement with the Carefree community.
- Incorporated update to Council Strategic Plan into budget
- Completed negotiation with Rural Metro for contract beginning FY28.

FY27 GOALS



- Implement Council Strategic Initiatives for FY27
- Strong focus on Economic Development process and engaging with local businesses and stakeholders.
- Continue to work with external agencies to represent the Town's best interests, serve on MAG Management Committee, AZ League committees for managers.
- Manage Human Resource Contractor to update employee manual and all job descriptions.
- Continue to coordinate the deliverables of each Town Department by working closely with each employee on their specific goals and providing performance planning for FY27 with regular updates
- Manage the financial upgrade workflow process decision points. Hire a contractor to determine, implement and document workflow processes
- Manage transparency project.
- Completion of on-the-job training
- Manage Public Safety Contracts - continue to build relationships with Rural Metro and MCSO.
- Adopt a Risk Management Plan including employee training.
- Manage Employee Benefits



TOWN ADMINISTRATION DEPARTMENT OPERATIONAL EXPENSES

	FY 2025	FY 2026	FY 2026	FY 2027
TOWN ADMINISTRATION	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
OFC-SUP/EQUIP MAINT- GEN/HVAC/COPIERS	\$33,057	\$62,200	\$33,075	\$61,300
POSTAGE	\$2,498	\$4,500	\$3,702	\$4,000
BANK CHARGES - CC FEES	\$11,469	\$12,000	\$4,316	\$6,000
CAPITAL OUTLAY	\$22,834	\$0	\$0	\$0
INTERNET/WIFI/TELEPHONE/TOWN BUILDINGS	\$20,542	\$30,500	\$13,753	\$20,000
UTILITIES/TRASH/STORAGE/SECURITY/ JANITOR	\$45,445	\$58,500	\$46,418	\$58,700
DUES/ SUBSCRIPTIONS/REGULATORY FEES	\$29,415	\$40,000	\$34,956	\$42,000
SPECIAL PROJECTS	\$29,500	\$0	\$0	\$20,000
INFOTECH-ALL OFFICE 365 SUBSCR+CYBER	\$41,057	\$42,000	\$40,456	\$43,000
PROFESSIONAL FEES/ACR	\$65	\$700	\$4,209	\$16,361
EDU/TRAINING/LODGING/MEALS	\$4,979	\$4,300	\$1,915	\$5,000
BUILDING MAINTENANCE	\$15,117	\$13,000	\$5,658	\$13,000
TOTAL	\$255,978	\$267,700	\$188,458	\$289,361



Town Clerk/ Finance/IT

The Town Clerk/Finance Department manages the Town's financial operations, public records, and core administrative functions, ensuring compliance, transparency, and efficient service delivery.

- Clerk Functions include managing Council meetings and agendas, maintaining official records, fulfilling public records requests, overseeing statutory notices and Town Code updates, and administering election processes.
- Finance/Treasury Functions encompass daily, monthly, and annual accounting; financial reporting; budgeting; audits; banking and State Treasurer transactions; and overall fiscal compliance.
- Human Resources & Risk Management responsibilities include payroll administration, regulatory compliance, insurance procurement, and claims management.
- Utility District Management includes serving as Treasurer and Secretary for the Carefree Water Company and Clerk for the Utilities Community Facilities District, supporting governance, contracts, and records management.
- Accounting Operations involve oversight of all accounting and audit activities, including accounts payable, payroll, financial reporting, capital asset tracking, grant compliance, and audit coordination.
- Information Technology supports Town operations through system maintenance, security administration, data backup and recovery, software and hardware management, and ongoing system upgrades to ensure reliability and data integrity.

The most significant operational expenses associated with this department are the audit services, financial system software, and elections as well as required legal advertisements for ordinance, budget and public hearings.



TOWN CLERK/TREASURER

FY26 ACCOMPLISHMENTS

- Responded to over 80 Public Records Requests and multiple litigation requests, producing approximately 6000 documents.
- Updated passed 2024, 2025 Ordinances in Town Code, website is now up to date.
- CWC /UCFD Finances managed and updated process during interim management
- Laserfiche project began with assignment of Intern from ASU for analysis and planning to update RMS
- Implemented New Fee Structure for Town
- Managing the 2026 July, Primary Election and November, General Election, with the County, including candidates, PACS.
- Completed renewed 5-year contract with RAGHT.
- Assisted in transition of work for the retiring Town Administrator

FINANCE/IT/FACILITIES

FY26 ACCOMPLISHMENTS

- Design of upgraded financial software necessitated by the retirement of the existing system.
- Completion of FY25 with new Auditing firm, establishing the foundation for the next 4 years.
- Fire Station
 - Multiple upgrades, replacements, technology enhancements and safety equipment were replaced or purchased this fiscal year.
- Public Works and Water Budlings-
 - Installed New Cameras and Security Systems in the Public Works Building, both shop and yard, and Kiwanis side plus installed new Cameras and security Systems at the Water Company.
- Implemented new Cyber Training for employees

TOWN CLERK/TREASURER

FY27 GOALS



- Restructure Records Management System and creation of a transparency portal
- Completion of on-the-job-training
- Development of retention schedule for each Town Department
- Development of an Email retention schedule
- Assist Council with researching a Council policy manual

FINANCE/IT/FACILITIES

FY27 GOALS



- Complete upgrade of financial software to ERP Pro10 and retirement of the existing Fundbalance system ½ left to complete. This will require vendors bank account ACH information in new system the process improvement of wiring checks.
- Document Workflows for accounting and facilities management by Daily, Weekly, Monthly, Quarterly, and Yearly.
- Document which systems get Annual checkups at all buildings.
- Document which Vendors repair what for each of our buildings for future reference.
- Replace failing laptops and Desktops as needed
- Monitor staff completion of Cyber training exercises



TOWN CLERK/FINANCE DEPARTMENT OPERATIONAL EXPENSES

	FY 2025	FY 2026	FY 2026	FY 2027
TOWN CLERK/FINANCE/IT	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
OFC SUP/TELE/ADVER/SUBSCRIP/IT	\$4,849	\$9,000	\$2,419	\$5,600
SOFTWARE/EQUIP. MAINT	\$10,118	\$23,000	\$23,269	\$28,526
ACCOUNTING & AUDITING	\$53,902	\$80,000	\$31,590	\$45,000
ELECTIONS	\$11,604	\$15,000	\$150	\$15,000
EDU/TRAINING/LODGING/MEALS	\$3,175	\$3,900	\$2,794	\$4,100
TOTAL	\$90,232	\$143,612	\$73,938	\$113,226



Communications

The Communications Department consists of the Communications Manager who leads the Town's engagement and outreach efforts, centralizing communications across all platforms to maintain clear and consistent messaging. This role focuses on strengthening connections with residents, businesses, and regional stakeholders while enhancing overall community participation.

Community engagement encompasses a range of communication methods, including verbal, written, and digital platforms. As communication channels continue to evolve, effective engagement requires a strategic and adaptable approach to ensure messaging is timely, consistent, and impactful.

In addition, the position supports economic vitality by promoting the Town to residents, visitors, and tourists, managing communications related to events at the Sanderson Lincoln Pavilion, and collaborating with local business organizations to increase visibility and engagement.

Working closely with Town staff, elected officials, and the community, this role ensures effective communication on key initiatives and community issues, supporting transparency and informed public engagement.

FY26 ACCOMPLISHMENTS

- Maintained consistent social media and email communications to strengthen the Carefree brand.
- Planned and executed major community events and launched three new annual events.
- Implemented venue management software (Planning Pod) and started formalizing the Sanderson Lincoln Pavilion rental process.
- Produced regular newsletters covering Town news, events, and updates.
- Improved website UX, ensured consistent updates, and strengthened ADA compliance (ReciteMe).
- Enhanced Visit Carefree site
- EX: Digital Town Map and WildJoy Day Trip Guide.
- Continued Visitor Center renovations to improve functionality and guest experience.
- Developed initial Carefree Creations designs with strong community response.



- Strengthened partnerships with local businesses to boost visibility and tourism.
- Worked with Foothills Caring Corp and Town of Cave Creek to earn the Dementia Friendly American distinction
- Assisted with projects such as Zoning Ordinance Update, Future of Town Hall Site, Budgets, etc.

FY27 GOALS



- Collaborate with Carefree business owners to enhance visibility and attract more visitors.
- Research best practices for government marketing strategies.
- Launch Carefree Creations, a new merch store offering stickers, mugs, shirts, and more.
- Expand SMS communications for quicker delivery of time-sensitive updates.
- Improve and consolidate the centralized online portal for town documents.
- Complete Visitor Center renovations and optimize it for visitors, events, and storage.
- Simplify and streamline event management with new software (Planning Pod).
- Research and implement best practices to strengthen community engagement.

COMMUNICATIONS DEPARTMENT OPERATIONAL EXPENSES

	FY 2025	FY 2026	FY 2026	FY 2027
COMMUNICATIONS	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
OFC SUP/PRINTING/MEDIA/EQUIP/TELEPHONE	\$6,417	\$15,500	\$8,692	\$16,500
SEASONAL/CONCERTS/GARDEN SEMINARS/SPEC EVENTS.	\$62,818	\$41,300	\$14,926	\$21,300
ADVERTISING/TELE/IT	\$25,901	\$34,500	\$14,385	\$28,350
WEBSITE MAINT&VISITOR CTR MATL	\$23,067	\$39,000	\$12,343	\$39,000
EDU/TRAINING/LODGING/MEALS	\$347	\$5,300	\$3,000	\$4,800
TOTAL	\$118,550	\$135,600	\$53,346	\$109,950



Economic Development

The Economic Development Department focuses on strengthening and diversifying the Town's sales tax base while enhancing overall community vitality. Efforts are directed toward attracting new businesses, supporting existing businesses, and fostering a sustainable, experience-driven economy that supports core municipal services and long-term capital investment.

Key objectives include:

- Expanding and diversifying the retail sales tax base, with an emphasis on quality brick-and-mortar development
- Maintaining a productive and resilient commercial environment
- Advancing implementation of the Village Center Master Plan

As a small community of approximately 3,800 residents, Carefree relies heavily on external spending—from the regional commute shed, Greater Phoenix visitors, and tourism—to sustain its revenue base. Accordingly, economic development efforts are focused on positioning Carefree as a regional destination while preserving its unique character.

A 24-month workplan guides current initiatives, with a primary focus on retail development at the northeast corner of Carefree Highway and Cave Creek Road, alongside continued revitalization of the Town Center. These efforts are aligned with the Town Council's Strategic Plan and implemented in coordination with staff, Council, businesses, and property owners.

This department works closely with the Economic Development Advisory Board (EDAB), which also serves as the Planning and Zoning Commission, to guide strategic planning, provide public input, and support implementation of key initiatives.

Economic development efforts are concentrated within three primary activity centers:

- Cave Creek Road & Carefree Highway: Regional retail hub serving the surrounding trade area
- Town Center: Mixed-use, experience-driven destination with boutique retail, dining, and accommodations

Overall, the Economic Development Division is focused on building a stable, diversified revenue stream through targeted investment, strategic partnerships, and thoughtful planning that aligns with community values and long-term goals.



FY26 ACCOMPLISHMENTS

- Implemented Comprehensive Sign Plan in coordination with Engineering
- Initiated Façade Improvement Program
- Kicked Off Town Hall Redevelopment Analysis
- Advancing Carefree Quarter project to meet Town revenue
- Completed Circulation and Parking Plan
- Completed Position Analysis
- Actively working with developers for new Town Center investment
- Completed policies and procedures with Town staff for commercial code enforcement
- Actively solicited vacant space to target potential users

FY27 GOALS



- Start construction of the Carefree Quarter
- Work with Easy Street property owners to create property owner association to explore BID
- Continue to Implement the façade improvement program for the redevelopment area
- Evaluate feasibility of Circulation & Parking plan and prioritize capital priorities
- Determine feasibility of issuance of Town Hall Site RFP
- Create and implement Invest Carefree promotional and outreach program

ECONOMIC DEVELOPMENT DEPARTMENT OPERATIONAL EXPENSES

	FY 2025	FY 2026	FY 2026	FY 2027
ECONOMIC DEVELOPMENT	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
OFC SUP/TELE/SUBSCRIP/IT	\$411	\$950	\$830	\$900
TOWN CENTER INITIATIVES - FACADES	\$16,179	\$50,000	\$10,928	\$50,000
ECONOMIC DEV TOWN HALL EVAL	\$0	\$10,000	\$13,800	\$10,000
MARKET DATA	\$3,000	\$4,000	\$0	\$4,000
BUSINESS ATTRACTION	\$0	\$5,000	\$0	\$5,000
EDU/TRAIN/LODGING/MEALS/PROF ORG	\$1,863	\$4,850	\$0	\$4,850
TOTAL	\$21,453	\$74,800	\$25,558	\$74,750



Risk Management - Legal

Legal and insurance services are key components of the Town's risk management framework within Administrative Services. The Town contracts with private law firms for legal representation.

The Town Council appoints two legal roles:

- **Town Attorney**, who serves as general legal counsel; and
- **Town Prosecutor**, who handles prosecution of cases in municipal court.

The Town Attorney advises the Council, appointed officials, and staff, providing legal opinions as requested and reviewing or drafting contracts, ordinances, and other legal documents. The Attorney also oversees litigation involving the Town and coordinates with specialized outside counsel as needed.

The Town Prosecutor represents the Town in contested municipal court matters and ensures compliance with applicable court standards and procedures.

FY26 ACCOMPLISHMENTS

- Provided legal counsel at Council meetings and on ongoing matters
- Monitored legislative changes and ensured compliance with state statutes
- Maintained compliance with Administrative Office of the Courts standards

FY27 GOALS

- Support updates to the Zoning Ordinance, Zoning Overlay, Town Code, and policies
- Provide the strongest, most defensible legal advice to the Town Council and the Town Administrator in connection with active litigation.

RISK MANAGEMENT - LEGAL EXPENSES

	FY 2025	FY 2026	FY 2026	FY 2027
RISK MANAGEMENT - LEGAL	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
LEGAL- GENERAL TOWN ATTORNEY - CONTRACT	\$68,102	\$125,000	\$122,318	\$130,000
LEGAL SPECIAL - ATTORNEY	\$31,342	\$100,000	\$0	\$100,000
TOTAL	\$99,444	\$225,000	\$122,318	\$230,000



Risk Management - Insurance

In 1986, the Arizona Municipal Risk Retention Pool (AMRRP) was established with the support of the Arizona League of Cities and Towns. This initiative aimed to offer local governments an alternative means to manage and distribute the unique risks they face, ultimately leading to more stable insurance rates. The Town of Carefree became a member of this municipally owned pool in 1989.

As a member of the pool, the town holds an equity share and is entitled to receive annual dividends. These dividends can be received either as a direct payment or as a credit towards the following year's insurance policy premium. Historically, the Town of Carefree has opted to apply the annual dividend as a credit towards the subsequent year's policy premium.

In addition to financial benefits, the pool offers specialized services to its members. These services cover various areas including personnel issues, equal employment opportunities, civil rights matters, land use regulations, human resource database management, and tenant's user liability policies for third parties. These resources and services provided by the pool serve to further support and assist member municipalities in effectively managing their risks and liabilities.

RISK MANAGEMENT - INSURANCE EXPENSES

	FY 2025	FY 2026	FY 2026	FY 2027
RISK MANAGEMENT - INSURANCE	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
INSURANCE CLAIMS/LOSSES	\$100	\$10,000	\$10,000	\$10,000
INSURANCE PREMIUM - AMRRP	\$105,721	\$130,000	\$204,698	\$231,309
TOTAL	\$105,821	\$140,000	\$214,698	\$241,309



Municipal Court

The Municipal Court plays a vital role in administering justice within the community by adjudicating violations of Town ordinances and applicable state laws. The Court has jurisdiction over civil and criminal traffic cases, misdemeanor offenses, and issues protective orders as authorized by law.

The Presiding Judge, appointed by the Town Council, oversees court operations, including administration, staffing, and judicial assignments. Court personnel include a court administrator, deputy clerk, bailiff, and other support staff, as well as contracted services such as public defenders and interpreters as required.

Personnel-related costs represent the majority of the Court's annual expenditures, reflecting the staffing and professional services necessary to ensure efficient and compliant operations.

The Town of Carefree participates in a shared court arrangement with the Town of Cave Creek through an intergovernmental agreement, allowing both communities to achieve operational efficiencies and cost savings. While the court operates within Cave Creek, certain staff and judicial appointments are made by the Town of Carefree.

Court financial practices are audited annually to ensure compliance with state and local requirements, with audit results shared in accordance with the intergovernmental agreement. In addition, the Presiding Judge and court staff participate in ongoing education and training as required by the Arizona Supreme Court to maintain professional standards and ensure effective service.

Through these practices, the Municipal Court supports fair and efficient administration of justice while maintaining compliance, accountability, and service to the community.

FY26 ACCOMPLISHMENTS

- Continued streamlining of court processes to provide more efficient customer service
- Obtained civil prosecution agreement with Town prosecutor for ARS 28-2322
- Obtained back up public defender contract with local attorney
- Review of bench warrant files by prosecution and court
- Reviewed and changed security protocols to conform with AOC requirements and ensure safety of customers and court staff



- Court Administrator & Deputy Court Clerk attended and received CPR certification
- Participation of the court in Stand Down for Veteran's Annual Event (Phoenix) and in the Stand Up for Veteran's Annual Event (Glendale)
- Presentation to Business class on careers in the law at Paradise Valley Community College.
- Criminal History Record Review Group Audit (AZ DPS) completed.
- Changes in Court Rules; Limited Jurisdiction Judges Association: 2025 Legislation and Rules Update.
- Deputy Court Clerk and Court Administrator now certified on ACJIS Network Terminal as Operator Level F-ADRS & Security & Privacy

FY27 GOALS



- Identification of any security concerns to improve court and customer safety.
- Identification of changes to court website to provide more efficient customer service.
- Identify materially relevant educational opportunities to enhance and improve court staff knowledge and performance of duties.
- Evaluate internal court administrative orders and policies for update and revision as needed.
- Continued streamlining of court processes to provide more efficient customer service.

SUMMARY OF TYPES OF CHARGES PROCESSED BY THE COURT

CHARGES FILED	FY 22-23	FY 23-24	FY24-25	FY25-26
CRIMINAL (NON-TRAFFIC)	27	72	38	94
CRIMINAL TRAFFIC				
FAILURE TO APPEAR (TRAFFIC & NON-TRAFFIC)	1	1	4	2
DUI	38	30	10	23
SERIOUS CRIMINAL TRAFFIC	1	1	3	5
OTHER CRIMINAL TRAFFIC	17	42	30	83
CIVIL TRAFFIC	952	1,621	1,352	1,851
TOWN CODE	7	99	13	11
TOTAL	1,043	1,869	1,450	2,069*

**FY 25/26 Figures only include the months of July 1, 2025, thru March 31, 2026*



MUNICIPAL COURT DEPARTMENT OPERATIONAL EXPENSES

	FY 2025	FY 2026	FY 2026	FY 2027
MUNICIPAL COURT	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
OFFICE SUPPLIES	\$7,122	\$7,600	\$5,681	\$7,600
SOFTWARE/EQUIP. MAINTENANCE	\$8,489	\$8,000	\$8,426	\$8,500
CAPITAL OUTLAY	\$8,522	\$8,600	\$0	\$0
ACCOUNTING & AUDITING	\$4,100	\$5,000	\$0	\$3,000
POSTAGE/SUBSCRIP	\$2,994	\$5,000	\$4,958	\$5,500
INTERPRETER	\$1,288	\$2,000	\$2,000	\$2,000
JURIES	\$0	\$1,000	\$0	\$1,000
PUBLIC DEFENDER - Contract	\$5,100	\$7,000	\$8,740	\$12,000
TOWN MAGISTRATE - Contract	\$57,817	\$85,000	\$83,748	\$91,021
MAGISTRATE PRO-TEM	\$140	\$1,000	\$560	\$1,000
EDU/TRAINING/LODGING/MEALS	\$625	\$4,350	\$650	\$4,350
TOTAL	\$96,198	\$134,550	\$114,763	\$135,971



Town Engineer

The Town Engineer is responsible for the planning, design, and regulatory oversight of the Town's infrastructure systems. The department ensures that public and private development complies with applicable federal, state, county, and local regulations while supporting the long-term functionality, safety, and sustainability of the Town's infrastructure.

Key responsibilities include the review and coordination of development-related engineering plans, issuance of permits for work within the public right-of-way, and oversight of grading and drainage activities to ensure compliance with adopted standards. The department also evaluates and addresses drainage conditions that may impact public safety or infrastructure, developing and implementing solutions to mitigate flooding and erosion risks.

The Engineering Department manages and updates the Town's five-year Capital Improvement Plan, identifying priority infrastructure projects and guiding long-term investment decisions. This includes coordination with other departments, alignment with development activity, and pursuit of grant funding to support project design and construction.

Through regulatory oversight, capital planning, and technical analysis, the department plays a critical role in protecting the Town's infrastructure, environment, and overall quality of life.

FY26 ACCOMPLISHMENTS

- Delivered RFP 2025-002 (Pavement Maintenance Project FY26) in Carefree Shadows and Carefree Rolling Hills \$1.0 million under budget
- Secured \$400,000 in grant funds from the Flood Control District of Maricopa County for construction of the White Wash at Leisure Lane Culvert Replacement Project
- Completed the Town's first culvert inventory since 2003
- Managed construction of RFP 2024-03 (Town Center Comprehensive Sign Plan)
- Developed MS4 annual training for Public Works staff
- Collaborated with MAG staff and City of Scottsdale to complete Pima Road Corridor Study
- Processed 61 right-of-way permit applications and conducted pre-and post-construction inspections (CY 2025)



- Completed 63 plan reviews for grading and drainage plans for building permits and Planning & Zoning review (CY 2025)
- Completed 49 final grading and drainage inspections (CY 2025)
- Updated grading and drainage plan checklist and standard notes to facilitate development reviews within the Town's new SmartGov Permit Portal

FY27 GOALS



- Advertise bid for construction of the White Wash at Leisure Lane Culvert Replacement Project
- Advertise bid for Pavement Preservation Program mill-and-overlay for Carefree Fore and Carefree Fore More
- Oversee the design and construction of culvert repairs and streambank stabilization projects
- Complete five-year update of Pavement Preservation Program for FY27-FY32
- Update MS4 Notice of Intent and Stormwater Management Plan to comply with new AZPDES General Permit to be published by ADEQ in late 2026
- Provide MS4 annual training for Public Works staff

TOWN ENGINEER DEPARTMENT OPERATIONAL EXPENSES

	FY 2025	FY 2026	FY 2026	FY 2027
TOWN ENGINEER	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
OFC -OPS SUP/GAS/VEH/TELE/IT/SUBSCRIP	\$5,470	\$11,800	\$3,608	\$6,650
PROFESSIONAL FEES - CONTRACTORS	\$24,656	\$35,000	\$36,755	\$110,000
SURVEYING / MS4		\$20,000	\$10,118	\$40,000
EDU/TRAINING/LODGING/MEALS	\$1,282	\$5,000	\$378	\$4,600
TOTAL	\$31,407	\$71,800	\$50,858	\$161,250



Public Works Department

Streets and Facilities

The Public Works Department is responsible for the maintenance and operation of the Town's public infrastructure, facilities, and rights-of-way. The department ensures that these assets remain safe, functional, and visually consistent with the community's standards.

Core responsibilities include the maintenance of the Town's roadway network, including pavement preservation, shoulder maintenance, and culvert clearing to support stormwater flow and roadway safety. The department also manages traffic signage, ensuring proper installation, repair, and replacement to maintain effective traffic control.

The department maintains Town-owned facilities and public spaces, including Town Center amenities and the Sanderson Pavilion, supporting both daily use and community events. This includes upkeep of landscaping, lighting, and public areas to ensure a high-quality environment for residents and visitors.

Additional responsibilities include routine debris removal, storm response, and vegetation management to reduce hazards and maintain the appearance of public rights-of-way. The department also oversees the maintenance, repair, and replacement of equipment and vehicles necessary to support ongoing operations.

The Fiscal Year 2026-2027 budget includes targeted investments in equipment replacement, facility maintenance, and infrastructure upkeep to ensure continued service delivery and long-term asset preservation.

FY26 ACCOMPLISHMENTS

- Ensured MS4 regulatory compliance at 7177 & 7181 Ed Everett Way
- Replaced inoperative 1998 Peterbilt truck with new haul truck and water truck
- Maintained Gardens fountains, splash pad, irrigation, and Sanderson Pavilion
- Replaced flooring in visitor center
- Troubleshoot electrical problems, replaced light fixtures, painted, and fixed doors throughout Town buildings
- Supported special events by installing lighting, chairs and tables, heaters, misters, and audio/visual equipment and by providing speedy trash removal



- Provided tree & brush trimming along streets to address visibility and fire hazards
- Provided 24/7 rapid response to material spills in streets
- Implemented contract for the safe handling and removal of dead animals on Town roads
- Troubleshoot digital radar speed signs
- Swept/removed debris in streets and culverts after storms
- Graded shoulders of arterial streets to provide firebreaks and safe pullouts for vehicles
- Removed trash and illegal dumping along Town roadways
- Maintained and replaced damaged and weathered traffic signs
- Completed National Safety Council Work Zone Technician Training

FY27 GOALS



- Develop uniform standards for Public Works work orders, contracting, and billing
- Contract for specialty Carefree Desert Gardens maintenance services to prioritize backlogs to adjust for public works time for repair of street signage and culverts
- Develop an “on-call” emergency response policy
- Integrate fleet management and tracking technology for improved loss / theft prevention

PUBLIC WORKS DEPARTMENT OPERATIONAL EXPENSES

	FY 2025	FY 2026	FY 2026	FY 2027
PUBLIC WORKS	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
OPERATING SUPPLIES	\$5,032	\$6,000	\$5,980	\$6,500
EQUIPMENT/EQUIP RENTAL-LEASE	\$4,049	\$14,000	\$12,105	\$18,000
EQUIPMENT MAINTENANCE	\$13,503	\$20,000	\$72,050	\$40,000
GASOLINE & EMERG DIESEL	\$12,064	\$17,500	\$15,301	\$19,500
SIGNS - STREETS	\$18,938	\$50,000	\$650	\$50,000
VEHICLE MAINTENANCE	\$3,710	\$10,000	\$7,577	\$10,000
PUBLIC WORKS MATERIALS/SUPPLIES	\$18,169	\$55,000	\$17,685	\$40,000
CAPITAL	\$34,345	\$250,000	\$252,916	\$0



IT/TELE/SEC/UTILITIES/TRASH/CHEM/PERMITS/FEES	\$19,070	\$25,000	\$37,656	\$35,300
LANDFILL FEES 40 YARD ROLL-OFFS	\$35,719	\$27,000	\$22,986	\$27,000
LEASE OF SPACE/RENT-YARD	\$6,210	\$14,500	\$6,210	\$7,000
PROFESSIONAL FEES-MEDIAN CONTRACT	\$54,505	\$60,000	\$49,550	\$60,000
EDU/TRAINING/LODGING/MEALS	\$0	\$5,500	\$0	\$5,500
BUILDING MAINTENANCE	\$19,013	\$20,000	\$15,705	\$20,000
TOTAL	\$244,328	\$574,500	\$516,371	\$338,800

CAREFREE DESERT GARDENS EXPENSES

	FY 2025	FY 2026	FY 2026	FY 2027
CAREFREE DESERT GARDENS	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
OPERATING SUPPLIES	\$12,346	\$7,800	\$7,250	\$8,000
OTHER MAINTENANCE	\$25,388	\$30,000	\$35,512	\$60,000
CAPITAL OUTLAY	\$0	\$60,000	\$0	\$0
LANDSCAPE MNT - CONTRACT	\$24,000	\$25,000	\$24,134	\$25,000
APS/SEWER-UTILITIES	\$51,590	\$50,000	\$42,145	\$50,000
RESTROOM SUPPLY & MNT	\$8,677	\$10,000	\$9,212	\$10,000
CHEMICALS	\$150	\$1,300	\$2,250	\$2,500
JANITORIAL	\$51,660	\$55,000	\$55,000	\$55,000
TOTAL	\$173,811	\$239,100	\$175,503	\$210,500

TOWN COUNCIL CHAMBERS (33 EASY STREET) EXPENSES

	FY 2025	FY 2026	FY 2026	FY 2027
TOWN COUNCIL CHAMBERS	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
IT/UTILITIES/TRASH/SEWER/JANITORIAL	\$32,000	\$36,000	\$32,539	\$37,100
BUILDING MAINT- PARKING LOT ASSESS	\$4,059	\$5,905	\$3,783	\$5,905
TOTAL	\$36,060	\$41,905	\$36,322	\$43,005



Community Development Division

The Community Development Division ensures the orderly, high-quality development of the community. It is comprised of three core divisions—Building Safety, Planning and Zoning, and Code Compliance—which work collaboratively to implement the Town’s vision, policies, and regulatory framework.

Building Safety Department

The Building Safety Department ensures that all construction within the Town meets applicable safety standards and building codes. Responsibilities include permit review, inspections, and enforcement of construction regulations to protect public health and safety.

Planning and Zoning Department

The Planning and Zoning Department guides land use and development in accordance with the Town’s General Plan and zoning regulations. This division reviews development proposals, administers zoning ordinances, supports long-term planning efforts, and facilitates public hearings.

Code Compliance Department

The Code Compliance Department maintains community standards by enforcing municipal codes related to property maintenance and nuisance conditions. The division conducts inspections, investigates complaints, and works with property owners to achieve compliance, helping preserve the Town’s overall quality of life.

Together, these departments support responsible and sustainable development while maintaining the Town’s character and ensuring compliance with adopted policies and regulations.



Planning & Zoning

The Planning and Zoning department is responsible for guiding land use and development to maintain the Town's physical environment and quality of life. This is accomplished through implementation of the General Plan and Zoning Ordinance, which establish the framework for how land is developed and used within the community.

The department reviews development applications, including subdivisions, commercial projects, and redevelopment proposals, to ensure compliance with adopted plans and regulations. It monitors zoning compliance, conducts special planning studies identified in the Town Council's Strategic Plan, and provides technical support to the Planning Commission, Town Council, and other committees. The division also facilitates public hearings and community input on land use matters.

In coordination with the Building Safety and Engineering functions, the department ensures that development and permitting activities are consistent with zoning requirements and Town standards.

The department's primary objective is to ensure orderly and responsible growth while preserving Carefree's distinctive character as a premier Upper Sonoran Desert community. Through consistent application of policies and thoughtful planning, the division supports development that aligns with the Town's vision and maintains the quality of life valued by residents.

FY26 ACCOMPLISHMENTS

- Processed 39 zoning applications and preapplications, including state-mandated text amendments on construction hours and administrative approvals, a new condominium subdivision, and various variances and mountainside single-family home projects.
- 19 Public Meetings/Public Hearings/Work Sessions including Town Council, community meetings, and work sessions.
- Reviewed approximately 180 building permits for compliance with the Town's Zoning Ordinance, including 40 new single-family residential lots, and conducted roughly 183 site inspections throughout the fiscal year, including pregrade reviews, final landscape inspections, and responses to construction concerns and other complaints.
- Led the hiring and coordination of a planning consultant to conduct a comprehensive update of the Carefree Zoning Ordinance; established a



citizen working group and began structured review and discussion of key issues within the existing code.

- Developed and managed a staff code enforcement working group to streamline tracking of commercial and residential complaints; implemented standardized procedures to ensure fair and consistent enforcement of Town codes and ordinances.
- Collaborated with Economic Development on Town Center development and redevelopment opportunities and incorporated to engage members of the development community, fostering relationships and identifying commercial investment opportunities within the Town.
- Contributed to the update and refinement of the Town's Strategic Plan 2025-2028.
- Directed the implementation and rollout of SmartGov permitting software, improving operational efficiency and enhancing the customer experience for both staff and applicants.
- Oversaw the upgrade of Carefree-Cave Creek Cemetery access route to improve vehicle accessibility for families and service providers; continued general management of the cemetery, including record maintenance and coordination with families.

FY27 GOALS



- Continue managing the comprehensive update to the Carefree Zoning Ordinance.
- Oversee development of a Town-wide zoning overlay district in coordination with the Ordinance update.
- Coordinate with Economic Development to finalize the Circulation and Parking Plan and support related redevelopment efforts.
- Conduct administrative review and approval of a major commercial development project within the Town.
- Continue management of the Carefree-Cave Creek Cemetery, including implementation of improvements to enhance visitor safety and comfort.
- Effectively manage the restructured Community Development Department.



PLANNING & ZONING DEPARTMENT OPERATIONAL EXPENSES

	FY 2025	FY 2026	FY 2026	FY 2027
PLANNING & ZONING	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
OFC SUP/GAS/VEH/PLOTTER/TELE/SUPSCRIP/IT	\$10,761	\$11,300	\$6,764	\$10,500
PROFESSIONAL FEES - ZONING OVERLAY, ZONING ORDINANCE	\$750	\$165,000	\$87,254	\$150,000
EDU/TRAINING/LODGING/MEALS	\$190	\$12,500	\$580	\$6,500
TOTAL	\$11,701	\$188,800	\$94,783	\$167,000

Building Safety

The Building Safety Department is responsible for administering and enforcing the Town's adopted building codes to ensure a safe and compliant built environment. The division manages the full permitting process, including the review, approval, and issuance of building permits, and conducts inspections throughout construction to verify compliance with approved plans and applicable regulations.

The department works in coordination with the Town Engineer, Planning and Zoning Director, and Fire Marshal to ensure an efficient and comprehensive review process.

Building code administration is funded through permit-related fees, which help offset the costs associated with permitting, inspections, and enforcement activities.

Through these efforts, the Building Safety Department ensures that construction within the Town meets established safety standards and contributes to the long-term integrity of the community's built environment.

FY26 ACCOMPLISHMENTS

- Successfully helped launch the Town of Carefree Portal, a cloud-based permitting, licensing, and code enforcement system that enhances efficiency, improves accessibility, and eliminates reliance on paper-based processes.
- The Building Safety Division performed over 4,500 inspections, supporting regulatory compliance and efficient project delivery across the community.
- Oversaw 40 new single-family residential projects, totaling over \$41 million in investment within the community and averaging 5700 sq. ft.



- The Building Safety Division conducted 210 project plan reviews to ensure compliance with building codes and safety standards.
- Completed 38 commercial safety inspections, ensuring compliance for new and existing businesses and enabling the issuance of Certificates of Occupancy.

FY27 GOALS



- Further implement and enhance the digital permitting process to streamline operations and improve customer service
- Continue to partner with Fire Marshal on Commercial Building Safety Inspections.
- Evaluation, implementation and adoption 2024 I-Codes, 2023 NEC
- Effectively manage the restructured Community Development Department.

BUILDING SAFETY DEPARTMENT OPERATIONAL EXPENSES

	FY 2025	FY 2026	FY 2026	FY 2027
BUILDING SAFETY	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
OFC -OP SUP/GAS/VEH/CAP/TELE/SUBSCRIP	\$3,372	\$1,600	\$7,134	\$10,850
INFORMATION TECH PERMITTING SOFTWARE	\$36,315	\$15,000	\$38,985	\$18,000
PROFESSIONAL FEES BROWN&ASSOC	\$269,758	\$275,000	\$59,869	\$65,000
EDU/TRAINING/LODGING/MEALS	\$0	\$0	\$300	\$2,500
TOTAL	\$309,445	\$291,600	\$106,288	\$96,350

Code Compliance

The Code Compliance Department is responsible for ensuring compliance with the Town Code to maintain community standards and protect the quality of life for residents and businesses. The division works closely with Town staff and the community to investigate complaints, conduct inspections, and resolve violations in a fair and consistent manner.



In addition to enforcement activities, the department manages the issuance of business licenses and vendor certificates, including those associated with special events, ensuring compliance with local regulations.

The department also supports emergency preparedness efforts through coordination with Emergency Management personnel and first responders. Additional responsibilities include providing administrative support across departments and assisting with municipal court operations through bailiff services.

FY26 ACCOMPLISHMENTS

- Responded to citizen complaints of code violations.
- Worked with other departments that may also be engaged in code compliance tasks. (i.e., Town Administrator, Zoning Director, Building Inspector, Town Engineer, and Public Works).
- Processed 599 Business Licenses total to date, (170 in-town projected to 200).
- Processed 381 vendor certificates associated with special events.
- Processing compliance issues and new licenses/certificates associated with Short-Term and Long-Term Residential Rentals.
- 15 Short-term Rentals projected to 25-30.
- 86 compliance investigations projected to 100.
- Working on coming into compliance with state law and firearm storage at Town Hall and Council Chambers.

FY27 GOALS



- Continue to Coordinate with Maricopa County Department of Emergency Management:
- Updates to Continuity of Operations Plan
- Maricopa County Hazard Mitigation Plan
- Town of Carefree/County Emergency Operations Plan
- Update Emergency Management Notification Roster.
- Continue to Work on Evacuation Zones and Evacuation Routes.
- Work with Planning and Zoning to contribute to the comprehensive update to the Zoning Ordinance



- Continue to process all business licenses, vendors certificates, and investigate code violations
- Complete continuing education - code enforcement and court security certifications.
- Continue to Work on Processing STR Licenses & Compliance.

CODE COMPLIANCE DEPARTMENT OPERATIONAL EXPENSES

	FY 2025	FY 2026	FY 2026	FY 2027
CODE COMPLIANCE	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
EQUIP MAINT/VEH/GAS/TELE/SUBSCRIP/	\$4,334	\$5,200	\$2,645	\$6,600
INFO TECH-SOFTWARE/STR/EXPERIAN	\$3,306	\$4,500	\$4,195	\$4,100
EDU/TRAINING/LODGING/MEALS	\$569	\$2,500	\$450	\$500
TOTAL	\$8,209	\$12,200	\$7,290	\$11,200



Public Safety Department

Public safety represents the Town's largest operational expenditure, accounting for approximately 40% of General Fund expenses, or \$2.9 million. Services are provided through contractual partnerships with the Maricopa County Sheriff's Office (MCSO) for law enforcement and Rural Metro Fire for fire protection and emergency medical services.

This contractual model allows the Town to access a full range of public safety services in a cost-effective manner, avoiding the significant capital and long-term liabilities associated with municipally operated public safety departments. This approach is particularly important as public safety costs—including pensions, equipment, training, and personnel—continue to rise nationwide.

Law Enforcement Services

The Town contracts with the Maricopa County Sheriff's Office (MCSO) to provide law enforcement services. The contract operates on a cost recovery model and includes personnel, equipment, training, vehicles, and administrative support.



The Town's current service level provides 1.5 deputies (0.3 beats) for continuous patrol coverage. In response to community concerns regarding traffic safety, the Town expanded traffic enforcement to year-round service, increasing the effective coverage to approximately 0.5 beats. Through this contract, the Town also benefits from access to additional MCSO resources when needed.

The Town supplements enforcement efforts with traffic safety initiatives, including the installation of digital speed display signs to increase driver awareness and support data-driven enforcement.

Additional services include contracts with Maricopa County Animal Control and incarceration services, which are funded separately from the primary MCSO agreement.



LAW ENFORCEMENT EXPENSES

	FY 2025	FY 2026	FY 2026	FY 2027
LAW ENFORCEMENT	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
CONTRACT-MCSO SHERIFF	\$667,858	\$635,000	\$634,916	\$644,162
JAIL SERVICE MARICOPA CO JAIL	\$11,508	\$15,000	\$13,130	\$15,000
TOWN PROSECUTOR - CONTRACT	\$93,145	\$120,000	\$118,400	\$130,000
ANIMAL CONTROL - CONTRACT	\$1,324	\$2,500	\$1,524	\$2,000
TOTAL	\$773,835	\$767,500	\$767,970	\$791,162

Fire and Emergency Services

Fire protection and emergency medical services are provided through a master contract with Rural Metro Fire.



Under this model, the Town owns all fire facilities, apparatus, and equipment, while Rural Metro provides personnel and operational services.

This service model was implemented in 2007, replacing the prior individual subscription system and ensuring consistent service delivery for all residents and businesses.

The contract is partially funded through a dedicated 1% municipal sales tax allocated to the Fire Fund. Historically, this revenue has not fully covered contract costs, requiring support from the General Fund. As sales tax performance has improved, the structural subsidy has decreased significantly from prior levels.

The current contract extends through June 2027. Following the recent acquisition of Rural Metro Fire by Brindlee Fire Services, the Town is monitoring potential long-term impacts on service delivery and pricing. Discussions regarding contract extension and future terms are anticipated during the upcoming fiscal year.

Rural Metro responded to approximately 700 calls for service during the past fiscal year, the majority of which were medical in nature. Fire-related incidents represented a smaller portion of total calls. Reported response times remain consistent with industry standards, with average response times under four minutes and 90th percentile response times slightly above six minutes for priority calls.

The Town continues to invest in fire service infrastructure and equipment, including recent purchases of a fire engine and brush truck, along with ongoing upgrades to



communications equipment and station facilities. A mutual aid agreement approved in February 2025 allows for coordinated emergency response with surrounding jurisdictions while ensuring the Town's assets are protected, reimbursed, and maintained at established service levels.

FIRE REVENUES AND EXPENDITURES

	FY 2025	FY 2026	FY 2026	FY 2027
FIRE SERVICES	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
REVENUES				
LOCAL SALES TAX FIRE	\$2,359,093	\$1,772,000	\$1,576,991	\$1,772,000
FIRE INS FUND REIMBURSE	\$26,619	\$27,000	\$29,067	\$30,000
FIRE REIMB INCOME	\$0	\$0	\$0	\$0
LGIP INTEREST INCOME	\$26,531	\$10,595	\$107,482	\$107,482
FIRE FUND CONTRIB	\$0	\$0	\$0	\$240,718
TOTAL REVENUES	\$2,412,244	\$1,809,595	\$1,713,540	\$2,150,200
EXPENDITURES				
EQUIPMENT MAINTENANCE - REPLACE	\$6,874	\$125,595	\$12,445	\$45,000
GASOLINE	\$8,858	\$12,000	\$7,911	\$15,000
OFFICE EQUIP MAINTENANCE	\$485	\$0	\$6,071	\$2,000
VEHICLE MAINTENANCE - FIRE TRK	\$778	\$2,500	\$10,000	\$12,000
CAPITAL- EMERGENCY EQUIPMENT	\$198,026	\$130,000	\$42,000	\$45,000
BLD SECURITY SERVICES	\$1,522	\$0	\$955	\$1,200
WATER/UTILITIES	\$12,632	\$15,000	\$12,218	\$15,000
RURAL METRO FIRE PROTECTION- CONTRACT**	\$1,875,475	\$1,509,500	\$1,952,938	\$2,000,000
BUILDING MAINTENANCE - HVAC,ELECTRIC	\$10,168	\$15,000	\$4,000	\$15,000
TOTAL EXPENDITURES	\$2,114,818	\$1,809,595	\$2,048,538	\$2,150,200
GRAND TOTAL	\$297,426	\$0	-\$334,998	\$0

** Fire Contract Amt. paid from General Fund \$0

Summary

The Town's public safety model reflects a strategic balance of service quality, cost efficiency, and risk management. Through contractual partnerships and targeted capital investment, the Town continues to provide comprehensive public safety services while maintaining financial sustainability and flexibility.



GENERAL OPERATION EXPENDITURES BY DEPARTMENT

	FY 2025	FY 2026	FY 2026	FY 2027
GENERAL OPERATION EXPENDITURES BY DEPT.	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
MAYOR AND COUNCIL	\$22,715	\$26,800	\$19,233	\$26,600
TOWN CLERK/FINANCE/NFO TECH	\$90,232	\$143,612	\$73,938	\$113,226
MUNICIPAL COURT	\$96,198	\$134,550	\$114,763	\$135,971
TOWN ADMINISTRATION	\$255,978	\$267,700	\$188,458	\$289,361
RISK MANAGEMENT/INSURANCE	\$105,821	\$140,000	\$214,698	\$241,309
RISK MANAGEMENT/LEGAL	\$99,444	\$225,000	\$122,318	\$230,000
COMMUNICATIONS	\$118,550	\$135,600	\$53,346	\$109,950
ECONOMIC DEVELOPMENT	\$21,453	\$74,800	\$25,558	\$74,750
PLANNING & DEVELOPMENT	\$11,701	\$188,800	\$94,783	\$167,000
BUILDING AND SAFETY	\$309,445	\$291,600	\$106,288	\$96,350
CODE ENFORCEMENT	\$8,209	\$12,200	\$7,290	\$11,200
ENGINEER	\$31,407	\$71,800	\$50,858	\$161,250
PUBLIC WORKS	\$244,328	\$574,500	\$516,371	\$338,800
CAREFREE DESERT GARDENS	\$173,811	\$239,100	\$175,503	\$210,500
COUNCIL CHAMBERS (33 EASY STREET)	\$36,060	\$41,905	\$36,322	\$43,005
LAW ENFORCEMENT	\$773,835	\$767,500	\$767,970	\$791,162
FIRE & EMS	\$2,114,818	\$1,809,595	\$2,048,538	\$2,150,200
CONTINGENCY	\$38,490	\$500,000	\$0	\$500,000
TOTAL	\$4,552,495	\$5,645,062	\$4,616,235	\$5,690,634

ALTERNATIVE FUNDS

HURF, Municipal Court, CPR, Cemetery, Utility Capital
Expenditure, Water, Fire, Grant, Capital Reserve





Alternative Funds

In addition to the General Fund, which accounts for the Town's primary operating revenues and expenditures, the Town maintains several restricted funds established by state statute, Town Code, or policy. These funds are dedicated to specific purposes and ensure that revenues are used in accordance with legal and policy requirements.

Highway User Revenue Fund (HURF)

The Highway User Revenue Fund (HURF) consists of state-shared revenues derived primarily from fuel taxes and, more recently, a portion of excise taxes on adult-use marijuana sales. These funds are legally restricted for roadway-related purposes, including the construction, maintenance, and repair of streets and traffic control infrastructure.

The Town utilizes HURF revenues as a partial funding source for its long-term pavement maintenance program. This program is supported by pavement condition assessments using specialized technology to evaluate roadway conditions and identify appropriate maintenance treatments.

While HURF revenues contribute to street maintenance, they are not sufficient to fully fund the Town's roadway needs. As a result, funds are accumulated over time and supplemented with other resources to support major projects, including recent street rehabilitation efforts.

Given the advanced age of many roadway segments, particularly in areas near Town Center and on the east side of the community, the Town is implementing phased pavement rehabilitation strategies to extend asset life and avoid more costly reconstruction.

Municipal Court Funds

The Town maintains several restricted court funds, including Court Enhancement, MJCEF, and GAP funds, as required by state statute. These funds are dedicated to supporting specific judicial functions and may only be used in accordance with statutory requirements.



While these funds represent a relatively small portion of the Town's overall revenues, they provide a funding source for court-related capital and operational needs. Balances in these funds have remained stable in recent years due to limited expenditures.

CPR Fund

The CPR Fund accounts for donations and expenses associated with the Town's CPR training program. Revenues are used to offset program costs, including supplies and equipment. Planned expenditures for the upcoming fiscal year include replacement training equipment.

Cemetery Fund

The Cemetery Fund supports the maintenance and operation of the Town's cemetery. Revenues are used for general upkeep, mapping updates, and site improvements. Planned improvements include enhanced vehicle access to protect burial plots and improve site conditions.

Utility Capital Expenditure Fund

The Utility Capital Expenditure Fund was established through the Southwest Gas franchise agreement to address street maintenance impacts resulting from utility trenching.

Funds are available for reimbursement to the utility provider for qualifying improvements within a fiscal year. Any unclaimed funds revert to the Town and are used to support street maintenance projects. Revenues average approximately \$35,000 annually and are accumulated over time to support infrastructure improvements, while maintaining a reserve to cover potential reimbursement claims.



ALTERNATE FUNDS REVENUES & EXPENDITURES

ALTERNATE FUNDS	FY 2025	FY 2026	FY 2026	FY 2027
CPR EDUCATION FUND	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
REVENUES				
CPR - DONATIONS + CLASS FEES		\$0	\$220	\$220
LGIP INTEREST INCOME	\$219	\$200	\$200	\$200
CPR FUND CONTRIB		\$5,800	\$4,834	
TOTAL REVENUES	\$219	\$6,000	\$5,254	\$420
EXPENDITURES				
OFFICE SUPPLIES	\$0		\$0	\$0
CPR MANNEQUINS REPLACE	\$0	\$6,000	\$5,254	\$0
EQUIPMENT MAINTENANCE	\$0		\$0	\$0
CPR EDUCATION TRAINERS	\$0		\$0	\$0
TOTAL EXPENDITURES	\$0	\$6,000	\$5,254	\$0
GRAND TOTAL	\$219	\$0	\$0	\$420
	FY 2025	FY 2026	FY 2026	FY 2027
COURT ENHANCEMENT FUND	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
REVENUES				
FINES	\$21,046	\$12,000	\$26,563	\$27,000
LGIP INTEREST INCOME	\$2,563	\$2,600	\$2,762	\$2,800
TOTAL REVENUES	\$23,609	\$14,600	\$29,325	\$29,800
EXPENDITURES				
COURT ENHA SALARY REIMB	\$10,000	\$10,000	\$10,000	\$10,000
TOTAL EXPENDITURES	\$10,000	\$10,000	\$10,000	\$10,000
GRAND TOTAL	\$13,609	\$4,600	\$19,325	\$19,800
	FY 2025	FY 2026	FY 2026	FY 2027
MJCEF MUNICIPAL JUVENILE	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
REVENUES				
FINES	\$1,131	\$900	\$2,180	\$2,280
LGIP INTEREST INCOME	\$1,710	\$1,600	\$1,627	\$1,650
TOTAL REVENUES	\$2,841	\$2,500	\$3,807	\$3,930
EXPENDITURES				
OPERATING SUPPLIES	\$0	\$2,700	\$0	\$0
TOTAL EXPENDITURES	\$0	\$2,700	\$0	\$0
GRAND TOTAL	\$2,841	-\$200	\$3,807	\$3,930



	FY 2025	FY 2026	FY 2026	FY 2027
HURF FUND	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
REVENUES				
HIGHWAY USER REVENUE FUND	\$291,636	\$291,629	\$232,780	\$289,000
LGIP INTEREST INCOME	\$8,408	\$6,631	\$7,663	\$8,000
TOTAL REVENUES	\$300,044	\$298,260	\$240,443	\$297,000
EXPENDITURES				
STREET MAINTENANCE	\$93,877	\$298,260	\$298,260	\$0
TOTAL EXPENDITURES	\$93,877	\$298,260	\$298,260	\$0
GRAND TOTAL	\$206,167	\$0	-\$57,817	\$297,000
	FY 2025	FY 2026	FY 2026	FY 2027
CEMETARY FUND	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
REVENUES				
CEMETERY FUND-MISC. SALES	\$300	\$200	\$650	\$700
GENERAL FUND CONTRIBUTION	\$0	\$0		\$4,800
TOTAL REVENUES	\$300	\$200	\$650	\$5,500
EXPENDITURES				
SPECIAL PROJECTS - ACCESS IMPROV	\$15,900	\$10,000	\$10,000	\$5,500
TOTAL EXPENDITURES	\$15,900	\$10,000	\$10,000	\$5,500
GRAND TOTAL	-\$15,600	-\$9,800	-\$9,350	\$0
	FY 2025	FY 2026	FY 2026	FY 2027
UTILITY CAPITAL IMPROVEMENT FUND	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
REVENUES				
UTILITY CAP FUND	\$63,043	\$37,000	\$16,737	\$37,000
UTCAP FUND CONTRIBUTION	\$0	\$93,485	\$116,386	\$0
LGIP INTEREST INCOME	\$5,949	\$6,000	\$3,362	\$3,500
TOTAL REVENUES	\$68,992	\$136,485	\$136,485	\$40,500
EXPENDITURES				
STREET MAINTENANCE	\$0	\$136,485	\$136,485	\$0
UTCAP WORK RIGHT OF WAY	\$0	\$0	\$0	\$0
TRANSFER OUT TO GENERAL FUND	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$0	\$136,485	\$136,485	\$0
GRAND TOTAL	\$68,992	\$0	\$0	\$40,500



Water Fund

The Water Fund reflects the Town's financial relationship with the Carefree Water Company, acquired in 1998 through a Utility Community Facilities District to enhance water supply reliability, storage capacity, and fire protection capabilities.

A Capital Advance Loan was established to support infrastructure improvements while minimizing impacts on water rates. Over time, this investment has expanded the system's capacity and reliability. The remaining loan balance and repayment schedule are outlined in the accompanying table.

In addition, a low-interest loan from the Water Infrastructure Finance Authority (WIFA) funded construction of a one-million-gallon reservoir, significantly increasing system storage capacity. The remaining balance is scheduled to be fully repaid within the next two fiscal years.

Fire Fund

The Fire Fund is supported by a dedicated 1% municipal sales tax, representing one-third of the Town's total sales tax revenue. This fund was established to support the master contract for fire and emergency services.

Historically, revenues within the Fire Fund have not fully covered contract costs, resulting in a structural deficit that required support from the General Fund. At its peak, this deficit exceeded \$1.7 million.

Improved economic conditions and growth in local sales tax revenues have reduced the deficit to approximately \$500,000. However, future contract costs remain a key consideration, particularly with the current agreement set to expire in June 2027 and anticipated cost increases associated with market conditions and recent changes in service provider ownership.

Grant Funds

The Town actively pursues grant funding to support capital improvements and community initiatives, including public safety equipment, infrastructure, and open space preservation.

Planned efforts for the upcoming fiscal year include grant applications for fire department communications equipment, electric vehicle infrastructure, and open space initiatives, with potential funding targets totaling approximately \$1.34 million.



Capital Reserve Fund

The Capital Reserve Fund supports long-term infrastructure investment and reflects the Town's commitment to pay-as-you-go financing. The Town has historically utilized one-time revenues from development activity to build reserves, which have grown to approximately \$12 million.

As the Town approaches buildout, this revenue source is expected to decline while infrastructure maintenance needs increase. Future financial planning will focus on sustaining reserve levels through diversified revenue sources, prioritized capital planning, and continued evaluation of infrastructure needs.

Fund Purpose Summary

FUND	PURPOSE	RESTRICTION / KEY USE
General Fund	Accounts for the Town's primary operating revenues and expenditures.	Unrestricted; supports general municipal operations and services.
Highway User Revenue Fund (HURF)	Funds street and transportation-related infrastructure.	Restricted by state law for roadway construction, maintenance, and traffic control.
Utility Capital Expenditure Fund	Offsets street maintenance impacts from utility trenching.	Used for utility-related street repairs; excess funds support roadway maintenance.
Water Fund	Supports water system infrastructure and financing activities.	Restricted to water system investments, loan repayments, and related capital improvements.
Municipal Court Funds (Court Enhancement, MJCEF, GAP)	Supports court operations and judicial-related capital needs.	Restricted by state statute for specific court-related purposes.
Fire Fund	Funds fire protection and emergency services contract.	Supported by dedicated 1% sales tax; used for fire and EMS services.
CPR Fund	Supports community CPR training program.	Funded by donations; used for program supplies and equipment.
Cemetery Fund	Supports maintenance and improvements of the Town cemetery.	Restricted to cemetery operations, maintenance, and site improvements.
Grant Funds	Supports capital projects and community initiatives funded by external sources.	Restricted to grant-specific purposes and compliance requirements.
Capital Reserve Fund	Provides funding for long-term capital infrastructure investments.	Used for major capital projects and asset replacement; supports pay-as-you-go strategy.

CAPITAL IMPROVEMENT PROGRAM

Streets, Public Buildings, Town Center, Capital Projects





Capital Improvement Program

Streets

The Town's roadway network is one of its most significant and valuable assets. Due to Arizona's extreme climate, including prolonged heat and sun exposure, pavement surfaces experience oxidation, cracking, and gradual deterioration over time.

To preserve these assets, the Town implements a proactive pavement management program that includes routine condition assessments and targeted maintenance treatments. These treatments range from surface-level applications to more comprehensive rehabilitation efforts, depending on roadway condition and lifecycle stage.

Many residential streets—particularly east of Pima Road and near Desert Forest Golf Course, CIVANA, and the Town Center—are more than 50 years old, with some exceeding 60 years. While prior maintenance has extended their lifespan, more substantial rehabilitation is now required. As a result, the Town has incorporated a mill and overlay program into its five-year Capital Improvement Plan (CIP) to restore pavement surfaces and protect underlying infrastructure.

In addition to pavement maintenance, the Town continues to invest in supporting infrastructure such as signage, pedestrian crossings, and drainage improvements. As community needs evolve, requests for additional infrastructure—including sidewalks, traffic calming measures, and intersection improvements—are evaluated and prioritized within the broader capital planning framework.

To maintain financial sustainability, the Town distinguishes between funding for existing infrastructure and new improvements. Capital reserves are primarily dedicated to preserving existing assets, while new infrastructure requires identification of additional funding sources to avoid compromising long-term maintenance needs.

Drainage Facilities

The Town maintains drainage infrastructure, including culverts located within public rights-of-way, to support stormwater flow and protect roadway integrity.

Maintenance activities focus on routine inspection and removal of debris and vegetation that may restrict water flow. Sediment accumulation is monitored and



addressed as necessary, while structural components such as headwalls and wingwalls are maintained to ensure proper function.

As these assets age, targeted repairs and maintenance are incorporated into the capital program to sustain performance and reduce the risk of flooding and infrastructure damage.

Public Buildings

The Town owns and maintains several facilities that support administrative, public safety, and community functions. These facilities require ongoing investment to ensure functionality, safety, and service delivery.

Key facilities include Town Council Chambers, administrative offices, the amphitheater and multi-purpose spaces, the fire station, and Public Works facilities. Maintenance activities include building systems, equipment, and infrastructure improvements, with recent investments focused on technology upgrades, energy efficiency, and facility repairs.

The Town continues to evaluate long-term facility needs, including potential repositioning or relocation of certain administrative functions, to align with evolving community and operational priorities.

Town Center

The Town Center includes a concentration of public infrastructure and community amenities, including gardens, the amphitheater, restrooms, playgrounds, and supporting facilities. Due to high usage, these assets require ongoing maintenance and periodic reinvestment.

Recent efforts have focused on maintaining landscaping, repairing infrastructure, and enhancing durability through improvements such as surface treatments, lighting, and security measures. Additional investments include upgrades to signage, pedestrian access, and parking to improve functionality and visitor experience.

The Town continues to evaluate enhancements that balance usability, aesthetics, and long-term maintenance needs.



Fiscal Year 2026-2027 Capital Projects

The following capital projects are planned for the upcoming fiscal year:

CAPITAL IMPROVEMENT PROGRAM

	FY 2025	FY 2026	FY 2026	FY 2027
CAPITAL IMPROVEMENT PROGRAM	ACTUAL	BUDGET	EST YR END	PROPOSED BUDGET
TOWN CENTER: PARKING/LIGHTING/ GENERAL IMPROVEMENTS	\$0	\$1,000,000	\$0	\$1,000,000
CONSTR: CULVERT (IGA GRANT), TRAFFIC CALMING	\$429,814	\$465,000	\$201,394	\$450,000
TC REDEVELOPMENT -EV GRANT	\$602,628	\$400,000	\$0	\$0
TOWN CENTER SIGNAGE PLAN	\$137,000	\$400,000	\$400,000	\$0
OPEN SPACE (GRANT ACQ)	\$0	\$1,000,000	\$0	\$2,000,000
STREET MAINT/PVMT MGNT	\$2,702,400	\$2,500,000	\$1,134,850	\$2,250,000
PIMA ROAD CORRIDOR (MAG GRANT)	\$0	\$0	\$0	\$1,040,000
TOTAL	\$3,871,842	\$5,765,000	\$1,736,244	\$6,740,000

Funding Sources

Capital projects are funded through a combination of grants, restricted funds, General Fund contributions, and capital reserves. This diversified funding approach supports infrastructure investment while maintaining financial flexibility.

Budget Contingency

The Town maintains a contingency reserve to address unforeseen expenditures during the fiscal year. Use of contingency funds requires Town Council approval and provides flexibility to respond to unanticipated needs while maintaining fiscal control.

The contingency is budgeted at approximately \$500,000.



Expenditure Limitation

The Town complies with Arizona's constitutional expenditure limitation, which is calculated annually based on historical expenditures adjusted for inflation and population growth. Voter-approved adjustments have increased the Town's base limitation, allowing for additional spending capacity.

Certain expenditures are excluded from the limitation, including debt service, grants, and specific restricted revenues. Based on current estimates, the Town remains below its expenditure limitation, providing adequate spending authority for the fiscal year.

EXPENDITURE LIMITATION ANALYSIS:

Total Expenditures: \$15,070,858

<i>Exclusions from Revenues:</i>	
<i>Bond Proceeds</i>	\$0
<i>Debt Service Payments</i>	\$0
<i>Dividends, Interest, Gains</i>	\$612,962
<i>Grants (OPEN-SPACE, FIRE, MAG)</i>	\$2,340,000
<i>ALF</i>	\$10,000
<i>Contributions from private organizations</i>	\$0
<i>HURF</i>	\$297,000
<i>UTCAP</i>	\$0
<i>Refunds, Reimbursements</i>	\$0
<i>Voter-approved exemptions</i>	\$0
<i>Total Exclusions:</i>	\$3,259,962
<i>Total Expenditures Subject to Limitation:</i>	\$11,810,896
<i>Expenditure Limitation:</i>	\$13,667,740
<i>Under Limitation by:</i>	\$1,856,844



AUDITOR GENERAL SCHEDULES A-G



Town of Carefree
Summary Schedule of estimated revenues and expenditures/expenses
Fiscal year 2027

Fiscal year	S c h	Funds							Total all funds
		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	
2026	Adopted/adjusted budgeted expenditures/expenses ^a	E 1	14,041,326	465,365	0	0	0	0	14,507,291
2026	Actual expenditures/expenses ^{a,b}	E 2	8,697,259	469,399	0	0	0	0	9,167,258
2027	Beginning fund balance/(deficit) or net position/(deficit) at July 1 ^{a,c,d}	E 3	14,059,362	483,043	0	0	0	0	14,542,405
2027	Primary property tax levy	B 4	0						0
2027	Secondary property tax levy	B 5							0
2027	Estimated revenues other than property taxes	C 6	14,697,018	373,840	0	0	0	0	15,070,858
2027	Other financing sources	D 7	0	0	0	0	0	0	0
2027	Other financing (uses)	D 8	0	0	0	0	0	0	0
2027	Interfund transfers in	D 9	0	0	0	0	0	0	0
2027	Interfund Transfers (out) Line 11: Reduction for fund balance reserved for future budget year expenditures	D 10	0	0	0	0	0	0	0
2027	Maintained for future debt retirement								0
	Maintained for future capital projects	11							0
	Maintained for future financial stability								0
	Maintained for future retirement contributions								0
2027	Total financial resources available	12	29,756,380	866,883	0	0	0	0	29,613,263
2027	Budgeted expenditures/expenses	E 13	14,755,778	315,080	0	0	0	0	15,070,858

Expenditure limitation comparison			
1	Budgeted expenditures/expenses	2026	2027
2	Add/subtract: estimate net reconciling items	\$ 14,507,291	\$ 15,070,858
3	Budgeted expenditures/expenses adjusted for reconciling items	14,507,291	15,070,858
4	Less: estimated exclusions	2,465,000	3,269,962
5	Amount subject to the expenditure limitation	\$ 12,042,291	\$ 11,810,896
6	EEC expenditure limitation or voter-approved alternative expenditure limitation	\$ 13,220,229	\$ 13,667,740

----- 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 beginning fund balance/(deficit) or net position/(deficit) amounts except for nonspendable amounts (e.g., prepaids and inventories) or amounts legally or contractually required to be maintained intact (e.g., principal of a permanent fund). See the instructions tab, cell C17 for more information about the amounts that should and should not be included on this line.



Town of Carefree
Tax levy and tax rate information
Fiscal year 2027

	<u>2026</u>	<u>2027</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ _____	\$ _____
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	
3. Property tax levy amounts		
A. Primary property taxes	\$ _____	\$ _____
Property tax judgment	_____	_____
B. Secondary property taxes	_____	_____
Property tax judgment	_____	_____
C. Total property tax levy amounts	\$ _____	\$ _____
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ _____	
(2) Prior years' levies	_____	
(3) Total primary property taxes	\$ _____	
B. Secondary property taxes		
(1) Current year's levy	\$ _____	
(2) Prior years' levies	_____	
(3) Total secondary property taxes	\$ _____	
C. Total property taxes collected	\$ _____	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	_____	_____
Property tax judgment	_____	_____
(2) Secondary property tax rate	_____	_____
Property tax judgment	_____	_____
(3) Total city/town tax rate	_____	_____
B. Special assessment district tax rates		
Secondary property tax rates—As of the date the proposed budget was prepared, the city/town was operating _____ special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.



Town of Carefree
Revenues other than property taxes
Fiscal Year 2027

Source of revenues	Estimated revenues 2026	Actual revenues* 2026	Estimated revenues 2027
General Fund			
Local taxes			
Local Sales Tax	\$ 3,545,000	\$ 3,153,984	\$ 3,545,000
Sales Tax to Fire Fund	1,772,000	1,576,991	1,772,000
Licenses and permits			
Building Fees	545,000	417,910	400,000
Intergovernmental			
State Sales Tax	561,396	528,925	550,000
State Income Tax	724,689	724,689	724,000
Vehicle License (County Lieu)	197,105	195,500	197,000
County and State Grants	1,400,000		2,340,000
Charges for services			
Miscellaneous Income & Donations	21,000	43,143	21,000
Utility Franchise Tax	325,000	262,334	270,000
Special Event Revenues	75,000	57,753	60,000
Town Clerk Permits & Fees	300	60	200
Town Clerk Misc Sales	200	200	200
Rent Income	40,000	38,203	40,000
Cable TV Fees	85,000	78,555	80,000
Court Service Fees	207,200	207,200	211,344
Fines and forfeits			
Court Fines	190,000	262,810	260,000
Interest on investments			
LGIP Interest Earnings	500,000	447,710	500,000
In-lieu property taxes			
Contributions			
Miscellaneous			
Water Company Lease Payments & Interest	244,764	244,764	226,264
Water Company Rent	33,000	33,000	33,000
Cemetery	200	650	220
Fire Fund Contrib. Interest & Ins Reimb	37,595	471,346	137,482
Gen. Fund Contribution	3,489,677		3,275,808
CPR Education & Interest	5,800	5,254	5,500
Water Company Principal Payment	48,000	48,000	48,000
Total General Fund	\$ 14,047,926	\$ 8,798,981	\$ 14,697,018

* 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 2027**

Source of revenues	Estimated revenues 2026	Actual revenues* 2026	Estimated revenues 2027
Special revenue funds			
HURF	\$ 291,629	\$ 232,780	\$ 289,000
HURF Interest	6,631	7,663	8,000
HURF Contributions		57,817	
	\$ 298,260	\$ 298,260	\$ 297,000
Court Enhancement	\$ 14,600	\$ 29,325	\$ 29,800
Municipal JCEF	2,500	3,807	3,930
Fill the Gap	1,920	2,578	2,580
AZCARES - COVID-19	29	30	30
Util. CAP Imp. Fund (SW Gas) & Interest	136,485	136,485	40,500
	\$ 155,534	\$ 172,225	\$ 76,840
Total special revenue funds	\$ 453,794	\$ 470,485	\$ 373,840

* 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 2027**

Source of revenues	Estimated revenues 2026	Actual revenues* 2026	Estimated revenues 2027
Debt service funds			
	\$	\$	\$
Total debt service funds	\$	\$	\$
Capital projects funds			
	\$	\$	\$
Total capital projects funds	\$	\$	\$

* 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 2027**

Source of revenues	Estimated revenues 2026	Actual revenues* 2026	Estimated revenues 2027
Permanent funds			
	\$	\$	\$
Total permanent funds	\$	\$	\$
Enterprise funds			
	\$	\$	\$
Total enterprise funds	\$	\$	\$

* 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 2027**

Source of revenues	Estimated revenues 2026	Actual revenues* 2026	Estimated revenues 2027
Internal service funds			
	\$	\$	\$
Total internal service funds	\$	\$	\$
Total all funds	\$ 14,501,720	\$ 9,269,466	\$ 15,070,858

* 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
Other financing sources/(uses) and interfund transfers
Fiscal year 2027

Fund	Other financing 2027		Interfund transfers 2027	
	Sources	(Uses)	In	(Out)
General Fund	\$	\$	\$	\$
Total General Fund	\$	\$	\$	\$
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 Funds	\$	\$	\$	\$
Total all funds	\$	\$	\$	\$



**Town of Carefree
Expenditures/expenses by fund
Fiscal year 2027**

Fund/Department	Adopted budgeted expenditures/ expenses 2026	Expenditure/ expense adjustments approved 2026	Actual expenditures/ expenses* 2026	Budgeted expenditures/ expenses 2027
General Fund				
Mayor & Council	\$ 26,800	\$	\$ 19,233	\$ 26,600
Town Clerk	437,442		398,042	393,977
Court	425,445		374,234	396,771
Administration	619,451		535,417	609,032
Claims and Losses	10,000		10,000	10,000
Legal	225,000		122,318	230,000
Insurance	130,000		204,698	231,309
Communications	233,119		153,945	214,728
Planning and Development	494,100		388,871	466,175
Building and Safety	291,600		284,935	254,806
Law Enforcement	767,500		767,970	791,162
Code Enforcement	121,947		83,592	117,956
Engineering Services	219,722		208,588	326,178
Public Works	1,208,346		1,102,860	977,439
Capital Improvement Program	5,765,000		1,736,244	6,740,000
33 Easy St	41,905		36,322	43,005
Economic Development	271,516		221,452	276,438
Contingencies	500,000			500,000
Fire Fund	1,809,595		2,048,538	1,909,482
Fire Service Gen Fund	443,438			240,718
Total General Fund	\$ 14,041,926	\$	\$ 8,697,259	\$ 14,755,778
Special revenue funds				
HURF Streets Maintenance	\$ 298,260	\$	\$ 298,260	\$ 297,000
Cemetery	10,000		10,000	5,500
CPR Education	6,000		5,254	
Util. Cap Improvement Fund	136,485		136,485	
Court Enhancement	10,000		10,000	10,000
Muni JCEF	2,700			
Fill the Gap	1,920			2,580
AZ CARES - COVID-19				
Total special revenue funds	\$ 465,365	\$	\$ 459,999	\$ 315,080
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 funds	\$	\$	\$	\$
Total all funds	\$ 14,507,291	\$	\$ 9,157,258	\$ 15,070,858

* 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 2027

Department/Fund	Adopted budgeted expenditures/ expenses 2026	Expenditure/ expense adjustments approved 2026	Actual expenditures/ expenses* 2026	Budgeted expenditures/ expenses 2027
General Fund				
Mayor and Council	\$ 26,800	\$	\$ 19,233	\$ 26,600
Town Clerk	437,442		398,042	393,977
Town Court	425,445		374,234	396,771
Town Adminstraton	619,451		535,417	609,032
Claims and Losses	10,000		10,000	10,000
Legal	225,000		122,318	230,000
Risk Management	130,000		204,698	231,309
Communications	233,119		153,945	214,728
Planning and Development	494,100		388,871	466,175
Building and Safety	291,600		284,935	254,806
Law Enforcement	767,500		767,970	791,162
Code Enforcement	121,947		83,592	117,956
Engineering Services	219,722		208,588	326,178
Public Works Dept (General)	1,208,346		1,102,860	977,439
33 Easy St	41,905		36,322	43,005
Capital Improvement Program	5,765,000		1,736,244	6,740,000
Fire General Fund	443,438			240,718
Economic Development	271,516		221,452	276,438
Contingencies	500,000			500,000
Department total	\$ 12,232,331	\$	\$ 6,648,721	\$ 12,846,296
List department:				
Other Funds				
Court Enhancement	\$ 10,000	\$	\$ 10,000	\$ 10,000
Municipal JCEF	2,700			
Fill the GAP	1,920			2,580
HURF	298,260		298,260	297,000
Cemetery	10,000		10,000	5,500
Fire Fund	1,809,595		2,048,538	1,909,482
CPR Education	6,000		5,254	
AZCARES - COVID-19 Fund				
Util. Cap Imp Fund	136,485		136,485	
Department total	\$ 2,274,960	\$	\$ 2,508,537	\$ 2,224,562
	\$	\$	\$	\$
All Department total	\$ 14,507,291	\$	\$ 9,157,258	\$ 15,070,858

* 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.

