



Friends of Carefree, the 80's were here, then they were gone, and now they are headed back – or so says the weatherman.

Subsequent to my Newsletter Monday afternoon, the Mayor sent out a note Tuesday morning relating to the Special meeting structure/format. The gist of it was that no comments or questions from the public would be entertained during the meeting. Any comments or questions from the public should be held until the regular Council meeting on Tuesday, March 7th at 5PM.

Special Town Council 'Workshop' Meeting, February 28, 2017 at 6:00PM

The meeting room was rather small and there was limited seating. Still, I counted 26 attendees other than the Council and town staff. The presentation material was difficult to see from my seat, but it may be available on the town website. The two presentations are currently available for download from my website, [CFM Slides & Charts](#). You will need either Microsoft PowerPoint on your computer or you can download the free PowerPoint Viewer from Microsoft [here](#).

Items 1, Consent Agenda: The item was related to routine town business (meeting minutes, bills, financial reports, event permits, etc.). Approved, 7 - 0

Item 2, Short/Long Range Financial Planning & Economic Development strategy:

Mayor Peterson led this session, working his way through the various slide topics. He did a thorough job of communicating the various details in the material, but sadly the lecture format did not allow for thorough discussion of the many important issues, at least not during this meeting. 'Free' fire protection received a fair amount of coverage, appropriate considering it is the single largest town expense at \$1.4M this fiscal year. The next large expense items are town staff and the MCSO traffic enforcement contract. Rather than inundate you with verbose (and exhausting) commentary, I'll simply direct you the presentation materials I mentioned in my meeting intro above. I'll also list numerous points I quickly jotted down in my notes during the presentation, see below:

- *Carefree was incorporated in 1984, it encompasses 8½ square miles (5,440 acres)
- *Current population was stated to be 3,600 with 2,700 dwelling units
- *Buildout population would be 5,500 – 6,000, with 4,400 dwelling units
- *Carefree land area is 98% residential and 2% commercial
- *The primary responsibility of the town is to provide fire & police protection, and roads
[I'd add water to that list; the County provides police protection; the town did not provide fire protection during its first 20+ years – protection was subscription based with Rural/Metro]
- *56% of Town revenue comes from Sales Tax
- * State Shared Revenue is declining, currently at \$1.1M, about 20-25% of Carefree revenue
- *Road maintenance is financially demanding, with 105 miles of town roadways
- *The 3*legged stool slide shows a missing leg – Property Tax *[Let's keep it that way!]*
- *Carefree imposes no Property Tax; your tax bill is the County tax
- *A Carefree Property Tax would add between \$2,000 and \$3,000 to your bill
- *Construction Sales Tax rate is 4%, and it has been carrying us, but will decline
- *Fiscal Year to date Sales Tax revenue is down 15% this fiscal year
- *Sales Tax revenue depends on the success of our businesses

- *Carefree has invested more than \$8 in itself over the past 10-12 years
- *Carefree will need to add \$2.5M in revenue in the next 5 – 6 years
- *Financial problems may begin to surface 5 – 7 years out
- *Our options range from “Do Nothing Different”, “Minimize Expenses”, “Build Sales Tax Revenue”, “Minimize Expenses & Build Sales Tax Revenue” to impose a “Property Tax”
- *If town did away with ‘free’ fire protection home insurance rates could rise \$800 - \$1,000
- *Voluntary Rural/Metro subscription would cost \$800 - \$1,000
- *The possibility that Rural/Metro might go away was mentioned
- *State ordinance prohibits towns from imposing Fire fees or taxes
- *Town overhead (staff) runs \$1.4M
- *Towns/Cities are prohibited from spending public money for private use
- *Bashas’ has ideas they’d like to explore in Carefree, like a general store on the east side
- *Carefree Resort is currently in escrow, with renovation plans to come
- *Spanish Village has a new owner [*the gentleman and his wife were in attendance*]
- *Paradise Valley generates \$11M from resorts alone
- *Carefree could generate \$500K to \$1M from resort(s)
- *\$62M in Food & Beverage sales are lost to other areas every year
- *New ‘Chef driven’ restaurants are our focus for new businesses
- *PVCC and the Holland Center get 660K visitors per year on the west side, and growing
- *Look into undeveloped property rezoning
- *Other municipalities are buying land and partnering with businesses
- *There has been lots of talk about what Gilbert is doing; 7th largest population center in AZ
- *The Lewis Easy Street Condo property is in escrow with another developer
- *The NE corner of Cave Creek Road & Carefree Hwy is in escrow

Item 3, Carefree Marketing Strategy: After the rather long, but important, opening presentation by the Mayor, Gina Kaegi addressed the Carefree Marketing strategy going forward. She reviewed past events and outlined a new approach for future seasons. The slides demonstrate the concept visually. As she worked through the slides there were numerous questions and comments from Council members. Well into this section, after the final slide, questions continued and the Mayor suggested that perhaps more time could be allotted to the discussion next week.

Item 4, Adjournment: The meeting was adjourned at approximately 8:50PM.

Respectfully submitted by John Traynor

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