

TOWN OF FOUNTAIN HILLS
MINUTES OF THE REGULAR MEETING
OF THE FOUNTAIN HILLS TOWN COUNCIL
October 21, 2025

A Regular Meeting of the Fountain Hills Town Council was convened at 16705 E. Avenue of the Fountains in open and public session at 5:30 p.m.

Members Present: Mayor Gerry M. Friedel; Councilmember Gayle Earle;
Councilmember Brenda J. Kalivianakis; Councilmember Rick Watts;
Councilmember Hannah Larrabee; Vice Mayor Allen Skillicorn

Staff Present: Town Manager Rachael Goodwin; Deputy Town Clerk Angela Padgett-Espiritu; Town Attorney Jennifer Wright



Post-Production File

Town of Fountain Hills

Regular Meeting

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MAYOR FRIEDEL: I'd like to call this meeting to order. Would you please rise for the invocation, if you choose? I'm sorry. The pledge.

ALL: I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

MAYOR FRIEDEL: And then, if you choose to remain standing for the invocation, it will be given by Vicky Derksen tonight.

DERKSEN: Mayor, council, town staff and fellow residents, we gather today with a profound understanding that true strength lies not in our differences, but in our capacity for kindness. Wisdom from across cultures and time teaches us about kindness. The Tao Te Ching reminds us that we should be kind to the kind, be kind to the unkind, for -- sorry, for virtue itself is kind. The Jewish Talmud teaches that the highest wisdom is showing kindness. The ancient Greek philosopher Plato exhorts us to be kind for everyone is fighting a hard battle. And the Golden Rule itself has always taught us to do unto others as we would have them do unto us. So tonight, I beseech our mayor, council members, town staff, and my fellow residents to seek healing for our growing brokenness by demonstrating kindness. Let us treat everyone, regardless of agreement about issues or personal preference, with unwavering dignity. Let it be said that in Fountain Hills, kindness is not a weakness, but the most powerful, transformative force that we possess. May kindness guide tonight's meeting.

MAYOR FRIEDEL: Thank you.

Town clerk, can I get a roll call, please?

BENDER: Thank you.

Mayor Friedel.

MAYOR FRIEDEL: Present.

BENDER: Vice Mayor Skillicorn.

VICE MAYOR SKILLICORN: Here.

BENDER: Council member Earle.

EARLE: Here.

BENDER: Council member Kalivianakis.

KALIVIANAKIS: Here.

BENDER: Council member Watts.

WATTS: Here.

BENDER: Council member Larrabee.

LARRABEE: Here.

BENDER: Council member McMahon.

MCMAHON: Here.

BENDER: We have a quorum.

MAYOR FRIEDEL: Thank you. We'll start out now with our reports by mayor and council members. Rachel.

GOODWIN: Thank you, Mayor. Good evening, everyone. I have two quick things I'm going to share. If you can believe it, we're coming to the end of October, which means we are getting ready for Halloween in the Hills here. And our spooky blast is this Saturday. It is from 5 to 8 over at Four Peaks Park. It is usually a very, very good crowd. There's a number of activities, including a mad science show happening at 5:30 and 7, and those that want to participate in the costume contest, which I understand is highly competitive. That kicks off at 5 -- 6:15 sharp, so don't be late. It's a great activity. There's categories for both youth and adult and family costumes. It's a great activity. If you need to learn more, please jump on the town's website. The other update I want to share is that we're going to be moving -- rolling out a new concert series. This is something, and I want to thank Amanda back there for letting me steal her thunder. This is going to be rolled out probably later this week in a press release and some social things, but start reserving your third Thursdays. Third Thursday concert series is going to debut in November at Centennial Circle. We're going to start programming different types of music each Thursday starting in November all the way through April. So save the date.

Mayor, thank you.

MAYOR FRIEDEL: Councilman Earle.

EARLE: Thank you, Mayor. On Saturday, I had the pleasure of partaking in the Make a

Difference Day, and it was fun with some people up here, and my husband and we are a little sore the next day. I'm not used to pulling so many weeds. And I also want to do a shout out to our Economic Development Director, Amanda Jacobs. Sorry if I say your first name, but I want to thank her so much for taking my calls and my questions. And there's a lot that goes on behind the scenes with all the work that that town staff does and that she's doing for our town and our downtown development. And there's a beautiful new logo. If you can see those beautiful colors. It's very small, but I really like all the work that's going on and what we're doing behind the scenes, and really appreciate her and everyone else. And hopefully, we'll see a lot of this fruition. And this logo, you'll see on all our social media, they were trying to be vibrant downtown with vibrant colors and get everybody excited about our downtown. Thanks.

MAYOR FRIEDEL: Councilman.

KALIVIANAKIS: Thank you, Mr. Mayor. Hey, everybody. Welcome here tonight. Always nice seeing you. Thank you for being so involved in Fountain Hills government. We all up here appreciate it. All of you live streaming on YouTube and Fox 11. Thank you for joining us tonight. Thank you for your community involvement. Yeah. To lead off Make a Difference Day where we were helping people, the infirm, the elderly, the homebound cleaning up their homes, their landscaping inside and out. And I did have the pleasure of working with Gayle Earle, and you are a good worker. And she got so much done. We got a lot done together. It was a wonderful thing. It's always nice to see us working together.

As part of my public safety, military and courts, the committee, I'm part of the council on Foreign Relations, which is kind of a think tank. Don't really set policy, but we've been really discussing some interesting issues lately. The debate about the scope of U.S. authority and world affairs, the impact of China tariffs and that on in our trading partners, the civil military relations and the role of the National Guard being called on for both domestic and overseas contacts. Again, this isn't policy driven, but it's just a think tank to discuss these things, and I'm very grateful to be in that committee, because I did have a political science major and I studied international law. And so it's

right in my wheelhouse, and it's kind of wonky when it comes to that. And so I really appreciate that.

Coming up, we have the Arizona Muslim Police Advisory Board is having its 17th annual enforcement dinner banquet. The goal of the Arizona Muslim Police Advisory Force is to foster communications between the Muslim community and local, state, and federal governments. Although Fountain Hills, we don't have a large Muslim community, it's important to listen and address minority communities and their unique challenges, and to provide representation and effective government for everybody.

Lastly, the National League of Cities will be soon hold a call to discuss the effects of the federal shutdown on local communities. Yes, it even affects us at this level, so let's hope they get this thing settled soon.

Thank you, Mr. Mayor.

MAYOR FRIEDEL: You're welcome.

Councilman Watts.

WATTS: Thank you, Mayor. Nothing too spectacular. A couple of Zoom meetings.

Arizona League of Cities, GPAC. And I did not participate in any anything on the Avenue this year -- this week. So I'm going to mind my own business stayed under the radar.

Thank you.

MAYOR FRIEDEL: Vice mayor.

VICE MAYOR SKILLICORN: Thank you, Mr. Mayor. Well, this is the season that we enjoy here in Arizona. The weather is amazing until it gets too cold in a couple of months. But there's so many events here in town. I still want to echo going on to the Experience Fountain Hills website and taking a look at the schedule. The car show at Phil's is starting up again. So even this Sunday morning. Botanical Garden has some events coming up this weekend. And don't forget, next month in November, there's a hiking challenge. So I'd like to encourage people to check out the Experience Fountain Hills calendar and get involved in the most lovely season in the loveliest town, in the loveliest state in the country.

MAYOR FRIEDEL: Councilwoman.

MCMAHON: Thank you. Good evening, everybody. I also attended a couple meetings with the Maricopa County Association of Governments and the Valley Metro Board. They were very protective – productive, but Make a Difference Day was fantastic. It was great to get out there and participate with friends. And we were assigned the high school. So it's always good to see what a huge difference it makes for the students, and they always notice it and comment on it. But I'd also would like to take a moment to thank the staff and Kim and everybody who volunteered and helped Make a Difference Day happen. It's amazing. It's a great time for all of us to get together and touch lives and make a big difference in our neighborhoods and in our high school. Thank you.

MAYOR FRIEDEL: Hannah Larrabee.

LARRABEE: Thank you, Mayor. Not too much to report this time around that hasn't already been mentioned, but I want to encourage everyone who can to make it to Spooky Blast. Reminder that Fountain Hills Day is November 1st, and then we have all the fun holiday events coming up, so stay tuned.

MAYOR FRIEDEL: Thank you. I'd like to start out by recognizing the staff. A lot of the audience probably doesn't realize the amount of work that goes into getting an agenda done for the town council meetings, and we had a lot of additions and a lot of things that changed in this recent agenda to get noticed properly to have this meeting. So kudos to the staff. It's a lot of work behind the scenes, and I just wanted to recognize Rachel and the staff, and our town attorney, and Angela and Bev for all their hard work on getting that done.

So as has been mentioned, Make a Difference Day was a great day. We got a lot of work done. Kim, who really organizes all of that, did a phenomenal job. And you know, we picked up a lot of landscape material and other things. And behind the scenes, the people that pick all that up after we get it all out to the street, phenomenal job. So kudos to them as well.

I want to mention that we've got Coffee with the Mayor tomorrow morning, 9 o'clock at George's. Everybody's welcome. Come. Be respectful, please. We had a couple of special session meetings to discuss some projects going on in town as well. And we had

one ribbon cutting for Casa Blanca Pools. They are new to the town, and they do remodels, new builds, and a lot of stone and masonry work. And they're located down on Shea Boulevard.

Spooky Blast, which is mentioned. It's 5 to 8 on Saturday. The Chamber Foundation has got their gala on Friday night. So if you haven't registered for that, that's one of their big fundraisers for the foundation. Not the chamber, but for the foundation. The chamber has a foundation. So that's open to everybody as well. So that's at the chamber itself, so thank you on that.

Now, we'll start out with our regular agenda, and we've got the first recognition is going to be the Mayor's Business Spotlight. So I'm going to tell you a little bit about this, this business in our town. The business being recognized tonight is CrossFit Four Peaks. And today, we're proud to recognize CrossFit and Four Peaks, Fountain Hills' only certified CrossFit gym. The gym is owned by Andrew Gonzalez, whose passion for health and wellness has inspired countless people here in town. I've been there a couple of times. In fact, I did a handstand at his location one time and I won't do one tonight.

Anyway, CrossFit isn't just a workout. It's a community of people encouraging each other to push past limits and reach their goals. And I've seen their posts and their inspiration is unbelievable. Andrew and his team at CrossFit Peaks provide that supportive environment, teaching members, how to move functionally and helping them build structure to achieve their personal fitness goals.

Beyond the gym, Andrew and CrossFit Four Peaks are committed to giving back to Fountain Hills. Last October, they hosted a workout of the day for a wheelchair event to support Erica Myron, an adaptive athlete and CrossFit participant. Erica was paralyzed from the waist down after an accident in 2003, but she continues to show incredible determination through CrossFit.

The event raised funds for a specialized wheelchair designed for weightlifting, making it safer and more stable for Erica to continue her fitness journey. This effort truly represents what makes Fountain Hills special, neighbors supporting neighbors, and businesses leading with their heart. Congratulations to Andrew Gonzalez and the entire

CrossFit Four Peaks team for 11 years of success and community spirit. Thank you for your dedication to health, wellness, and making Fountain Hills a stronger and more connected place to live.

So Andrew, if you -- would you please come on up and accept this and maybe say a couple of words?

GONZALES: First off, Mayor, thank you and all town council members, thank you for this recognition. We really appreciate it. You know CrossFit Four Peaks has been here 11 years. We've been voted the best fitness facility here in town, eight years in a row. CrossFit is more than just a workout. It is a community of people that are coming together. Like Mayor said, pushing each other, encouraging each other. We have great educated coaches. So if you are serious about improving your fitness, CrossFit Four Peaks is a place for you. Our oldest member's 98. Our youngest member's 14. My oldest member came in and her biggest fear was that she was going to fall and that nobody was going to find her because she lives by herself. And so her goal was to be able to get off the ground with no chairs pretty much do a burpee off the ground. And now she can do them and she does multiple reps of burpees. So if you want to learn how to do burpees, come on down to CrossFit Four Peaks, we'll teach you.

Thank you, everybody.

MAYOR FRIEDEL: That's just a great example of some of the small businesses that we have in our town, and what a job they do for our community.

So next on the agenda is the Mayor's Veteran Recognition. So tonight, we've got Carl Krawczyk, who grew up in Michigan and joined the Army in 1967. He spent the first year of his service in Fort Knox, Kentucky. After Fort Knox, he was transferred to Cu Chi, Vietnam, where he spent a year with the 25th Infantry. He was then transferred to Fort Carson, Colorado, where he served the remainder of his time in the Army. His civilian career consisted of administration, sales and sales management, and business ownership.

After retirement, he volunteered at charity golf tournaments, helping raise money for various charities. He has been a member of the Veterans of Foreign Wars for 16 years.

With Veterans of Foreign Wars in Fountain Hills, he has served as the commander where he received the honor of All-American in 2017 for the post. He served multiple terms as quartermaster and is still active as the chair of the VFW Ralph Truax Memorial Golf Tournament, which raises money to help veterans in our -- in the community. He and his wife, Barbara, have been married for 54 years. They have two sons, four grandchildren who live in Michigan and Ohio.

Carl, would you come on up and accept this recognition and say a few things?

KRAWCZYK: Mr. Mayor, council persons and their assistants, I want to thank you for this honor. It's been really a special day for us as evidenced by the group of Veterans of Foreign Wars that have come to join us. If you all don't know the difference between the Veterans of Foreign Wars and other groups, every one of us have served our country on foreign soil during a foreign conflict. That's what makes us special. And our motto is veterans helping veterans in need. A little bit different than I'd like to point out over here. We do have a member that's not 98, not 99, not 100, not 101, but 102 years old, about to turn 103. Stand up, Gene (ph).

So with that, I'll turn the microphone back over to our Mayor. Again, thank you so much.

MAYOR FRIEDEL: Thank you for your service. And thank you all you veterans for your service. Thank you.

Okay. So now we'll move on with some proclamations. So our first proclamation tonight will be for Italian American Heritage Month. Whereas the Town of Fountain Hills honors and celebrates the rich heritage, traditions, and contributions of Italian Americans whose dedication, talent and cultural legacy have enriched our nation and local community. And recognizes that Italian American Heritage Month provides an opportunity to reflect upon and commemorate these achievements of generations, past and present, who have preserved and promoted Italian culture, social and economic heritage. Now, therefore, the month of October is hereby proclaimed as Italian American Heritage Month, and we encourage all residents to join in celebrating the significant contributions of Italian Americans to our community, during which the Great

Fountain will be illuminated in red, white, and green in their honor.

So I think, Steve, you're here, you want to come up and accept this and say a couple of words? That would be great.

BAGGIO: I'd like to thank Mayor Friedel, the town council and town staff who made this possible and for recognizing Italian Americans. Also, I would like to thank the 19 members of my Fountain Hills Italian Interest Group that came out here today to support our great culture and to those who couldn't make it, including my vice president and great friend, Billy Ristuccia. The whole reason I started the Italian American Club here with Italian Interest Group was my parents. They came here from Italy and they were proud of being Italian, and they were proud of us being Italian Americans, and instilled in me that culture of pride, heritage and most of all, community service. And that's what's huge about us. And we take care of each other. And I recommend people to join clubs. Besides being the Italian American club president, I'm also the Fountain Hill's sister city ambassador for Italy. And we're working on getting an Italian city here, so great news. I encourage anybody who's not in a group or a club to join one. And Italians are known for speaking with their hands, but I think most importantly -- as if you can't tell and but I think most importantly, we speak from our hearts. So from the bottom of my heart, I thank you all for all you've done for us.

MAYOR FRIEDEL: Thank you. And next, we'll have Rick Watts, recognize the Arizona Cities and towns week.

WATTS: Thank you, Mayor. Whereas, the citizens of Fountain Hills depend on the town to provide essential services that ensure safety and quality of life and community well-being. And whereas, Arizona cities and towns deliver vital programs such as public safety, utilities, parks, sanitation, libraries, and recreation that enrich daily life. And whereas, through participation and cooperation, citizens, community leaders, local businesses, and municipal staff can work together to ensure services provided by the Town of Fountain Hills can remain exceptional elements of the quality of life of our community. Now, therefore, be it resolved, that the Town of Fountain Hills joins with the Arizona League of Cities and Towns and fellow municipalities across Arizona and

proclaiming October 19th through the 25th, 2025 as Arizona Cities and Towns Week.

And we're going to present this to our town manager, Rachel Goodwin, who we've decided not to come down front for fear of tripping, so thank you, Rachel.

MAYOR FRIEDEL: Okay. We have one last proclamation. This is Red Ribbon Week Proclamation, and I think we have some recruits in the audience from the young Marines. Are they here? Okay. Are they here? Okay. Good. So I'll have you come up and get this after I read this. So I think we have recruits Genesis Husch, Joshua Husch, and Etan Zubia; is that right? Okay. Good.

All right. So Red Ribbon Week Proclamation. Whereas, alcohol and drug abuse continue to challenge our nation and prevent. And prevention requires a unified effort. And whereas the East Valley Young Marines inspire youth to live healthy, drug-free lives through leadership and service. And whereas, Red Ribbon Week is October 23rd through the 31st. It gives us all the opportunity to show our commitment to a drug-free lifestyle.

Now, therefore, the Mayor and town council of Fountain Hills proudly proclaim October 23rd to the 31st, 2025 as Red Ribbon Week, and we encourage everyone to participate in drug prevention activities throughout the year. So if you guys want to come on up, I'll present this to you. And if you want to say a couple of words about what you do, that'd be great.

HUSCH: We basically do discipline and learn many things like Red Ribbon Week, the Young Marine's birthday, and many other things. Live a drug-free lifestyle, and that's all.

MAYOR FRIEDEL: Good job. Thank you.

Okay. Now we'll move on with presentations. Rachel.

GOODWIN: Thank you, Mayor. Let's try that again. Thank you, Mayor. Our presentation tonight is actually going to be via Justin Weldy, as well as a guest presenter. Is that right, Justin?

WELDY: Correct.

GOODWIN: All right. What this is, is this is related to our downtown sidewalk, specifically on Parkview. You might recall that we received grant funding through MAG

to do a 15 percent concept design for sidewalk infill along Parkview. As part of the MAG requirements, they do need to do a presentation to share the design. So that is what this is tonight. Please keep in mind that this is just a portion of our downtown conversation and that this will be simply one element to the bigger downtown plan. With that, Justin, I'll turn it over to you.

WELDY: Thank you kindly for the introduction. As the town manager said, the downtown area has been under change since shortly after incorporation. Each of those changes have been beneficial to the community and the downtown, not only the residents, but the businesses alike. This is just another part of that improvement that aligns with the goals and plans set forth not only by this council, but the councils before. Tonight, the presentation is actually going to be presented by Ms. Yang. The principal of Harrington Planning and Design could not be here tonight. He's got a family matter. Ms. Yang is quite qualified. We've spent a considerable amount of time working with her over time. She will be available to answer questions. The town manager and myself will answer any questions that you may have as well.

YANG: Hello. Good evening, Mayor, council members and town staff and the residents of Fountain Hill. My name is Yang. I'm a senior registered landscape architect representing Harrington Planning and Design. We are the design team for this town of Fountain Hills MAG Downtown sidewalk improvement study project. So it's my pleasure to be here to share with you our progress and the vision of improving the pedestrian accessibility, the safety, and also the streetscape quality of this community.

So without any delay, in the next few minutes, I'm going to briefly walk you through the PowerPoint presentation of our project assessment report, which is a 15 percent. So the purpose of the study and the design goal is to improve the pedestrian connectivity, to provide amenities, shade, and lighting to support the Fountain Hill vision and strategy, and also to improve the ADA accessibility to the business district. And also placemaking by creating theme and integrating art to promote the community identity and encourage the social interactions.

The design study area is this cross area -- sorry. You should go back. Go back. What is

going on? Can I -- okay. I'm sorry. It's supposed to do this pointer. So this is a design area, which is the Parkview Avenue from the La Montana to the Saguaro, and also is the Palo Verde River from the Palisade Boulevard to Avenue of the Fountain Hill. So this is the downtown center map. And you can see our areas, right? You know, it's identified as part of the downtown center. It's also for -- in the business district and avenue district.

So our scope is only the 15 percent. So we need to prepare the project assessment report and also to deliver a 15 percent preliminary design. And in the beginning of the design process, we team up with the civil sub consultant engineer alliance to conduct a very comprehensive data collection and data analysis. So that including we walk through the site several times and to identify the opportunities and constraints and the site issues. So we produce opportunity and constraints map and also to produce some photo surveys and topographic surveys. So from this map, you can see we identified some of the missing and disconnected sidewalk, and utilities and private development encroached right of way.

And also there are some driveways or the ramps. It's not compliant with the project guidelines, which means the Public Right-of-Way guidelines. And also there's some area with the steep grade we need to address. If we add the sidewalk. And also along the pedestrian round, there's no shade for the pedestrian, and also not with the cars either. So after that, we did also review a lot of -- not just the town level, but also the state level, the regional level and the federal level, and all kinds of guidelines. So we make a summary of what kind of guidelines and set the criteria to -- as a foundation for this project.

And the next level, what we did drafts of the PA reports. So we developed three different concepts. An alternative C is the preferred one by the town staff. So some of the key elements here is like we have continued the 8-foot sidewalk. But this project -- the main thing of this concept is we keep most of the existing curb, but we also create the bump out to create the traffic calming and make it safer for the pedestrians and cars.

And we also create like a tree-graded to put more shade trees along the sidewalk and provide more amenities like trash cans, benches, and wayfinding signs, also the pedestrian lightings. And in this concept, we only have like two travel lanes. Also, we keep all the angled parking in this concept. So we produced -- we finished the draft of the report and submitted in August and alternative C was selected by the time staff. And the next level, we further developed this concept with some modifications. So in this concept, in the final level, we produced the 15 percent with a cat, which has more details developed. And also the main thing we updated is the 11 feet will be 12 feet, two travel lanes. And also we get rid of the tree grades for the high maintenance and also the higher cost. Instead, we have two-feet landscaped strips along the sidewalk. And also we create tree pits to plant the trees to shade all the existing -- to shade the sidewalk.

You can see on this plan -- I'm sorry, the -- it might be too small to see here, so this one is only showing one part of the plan. So we have five-sheet and this is only one. So this is showing the intersection. We have a landscape bump outs, which to make a shorter crossing for the pedestrian. We also create some parking spaces. You know when the people approach to this decision-making point, so we're going to have shade, have seatings, have wayfinding signs, bike racks, a lot of amenities. We have continued the affixed sidewalk. And between the sidewalk and the right of way, we have two-feet, the landscaped strip and the trees.

And so in this concept, we're actually adding more angled parking compared to existing ones. So the existing one we have 222. And now, we create to -- we increase the number of angled parking. So we create all this 45-degree angle parking along here. And also -- I'm not going to detail it. So for all the -- some of the parcels, originally, they have some problems of the pedestrian have access into -- no ADA access from the pedestrian to the business. So now we're improving that. We suggest to change some of the -- you know, adding some of the sidewalk, the ADA and compliance to. So for the handicapped people can access the business.

So this is the preferred concept sections. Again, I'm sorry, this is a little bit too small.

We have a section crossing. Along the row, we have five different sections here. So A3 is cutting here. So this is more like a typical section. So you can see, we have two travel lanes with 12 each. And then we have 19 feet angle parking and we have a two-foot landscape strips, but we have like a landscape plan pit, you know, bump out here. You know, a little bit, it's bigger. Actually, you can see here. So we have trees to shade the pedestrian.

And these two areas, one is cutting here, one is cutting here. And so you can see there's some encroaching from the private developer. Like this one, I believe, is the salon or the agent -- wise agent. So they have the stairs kind of encroaching the public right of way. So again, this area, we're going to have landscape bump out. We're going to lose a few parking lots, but that way, we have continuous shaded sidewalk. The similar thing here, this is near this antique shop here. The antique shop, they have ADA ramp up and down, up and down. It's not actually 100 percent meet the current code, but we're going to address this in a different way. But we're going to have a bump out and then we have the continuous sidewalk here.

So this is pretty much about the concept and the design. And come to the cost, you know, it's not much too exciting. So again, this is still 15 percent, very preliminary. So we just have estimate of 8 point -- about 4.8 million, which is this, in this level, is still pretty vague and we're trying to catch all the price, but it will be developed in the next level. And in terms of the project schedule, so we are 15 percent. So the next three months, we're going to do the 30 percent and then 60 percent, 90 percent will be in February and June. So we're going to finish the design package by June next year. And then about 2017, about August 2017, we're going to finish the construction. So this is the end of the PowerPoint. And thank you for your time and welcome to ask any question. Me and Justin is here.

MAYOR FRIEDEL: Thank you. And we'll move on now to our call to the public. And our statement of participation was up on the screen when everybody came in.

Town clerk, do we have any speakers?

BENDER: Yes, we do, Mayor. First up will be Susan DeGennaro, and then following her

will be Linda Somo.

DEGENNARO: I feel very honored that you pronounced my name right in Italian American Heritage Month, so I'm quite grateful for that. And yes, as an Italian American, I do -- I am grateful for the proclamation. Hi. My name is Susan DeGennaro, and I am a six-year resident of Fountain Hills. In an effort to ensure the people of our town are aware of how their tax dollars are being spent. I have a few items for everyone.

After promising \$20 billion to Argentina, the U.S. government has increased it and gave them 40 billion. DHS, Department of Homeland Security, has given the director two private jets totaling \$175 million. George Santos, who has been justly convicted of stealing money from his MAGA supporters, was pardoned fully meaning that none of his victims will receive the compensation the courts had awarded him. The east wing of the White House has been torn into, without approval from Congress, and without the consultation of the National Park Service.

There was a promise that the people's house would remain untouched during construction. That promise has been broken. There was a promise that the taxpayers would not be paying the bill, but we still don't know who is. As reported by multiple news sources today, the president is demanding \$230 million from the Justice Department because he was investigated. It is day 28 of waiting for representative elect Adelita Grijalva to be sworn in. There are over 800,000 fellow Arizonians that are not being represented in Congress.

The House of Representatives has only been at work 20 days in the past four months. They are out of office until October 26th. I would like to personally thank Captain Thomas and all of the other officers, some who are on horseback, for ensuring the safety of everyone at the rally this weekend. We are very grateful for their service. And I would like to thank you, town council, and this town in general, for things like Make a Difference Day. It makes me very proud to actually be a resident and a part of this town. Thank you.

SOMO: Thank you, Mr. Mayor, council members. My name is Linda Somo and I have

been a resident of Fountain Hills for seven years. I come before you this evening because I want to strongly object to any possibility of you considering renaming our community center for Charlie Kirk. I have several reasons for saying that he may have been a hero to some of you. I understand that. But I think that it has yet to be determined that he actually accomplished anything enduring other than recruiting lots of Young Republicans. And if you've been hearing the news lately, you know that the leaders of the Young Republicans nationwide, it was recently revealed of some 20,000 pages of emails and text messages and other communications that are obnoxious, bigoted, and anti-Semitic communications between many of the 20 to 40-year-olds of these Young Republicans. Maybe some of the same ones that Charlie Kirk recruited to be a part of his committee.

Instead of considering him for our community center, why don't we think of some other possibilities, such as Abraham Lincoln, who held our republic together during a civil war and abolished slavery. Or Martin Luther King, who showed us how to peacefully protest unjust laws, bigotry, and horrendous treatment of minorities. Some of the same type of peaceful demonstrations that we were exhibiting in our No Kings rally on Saturday, or Lyndon Baines Johnson, who signed the Civil Rights Act in the 1960s that eliminated segregation in the South and reinforced the right to vote for all Americans. There are many individuals that we could think of. If you're looking for someone who really made a difference in our society to name the community center after, I would put to you consider people like I've just mentioned and definitely do not consider Charlie Kirk.

Thank you.

BENDER: That is all we have, mayor.

MAYOR FRIEDEL: Thank you. We'll move on to the consent agenda.

KALIVIANAKIS: Motion to approve consent agenda.

MCMAHON: I'll second that.

MAYOR FRIEDEL: We have a motion and a second.

Can we get a roll call, please, Town Clerk?

BENDER: Council member Larrabee.

LARRABEE: Aye.

BENDER: Council member McMahon.

MCMAHON: Aye.

BENDER: Council member Watts.

WATTS: Aye.

BENDER: Council member Earle.

EARLE: Aye.

BENDER: Council member Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Vice Mayor Skillicorn.

VICE MAYOR SKILLICORN: Yes.

BENDER: Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: The motion passes, 7-0.

MAYOR FRIEDEL: Thank you. We'll move on to our regular agenda. And first item up, Rachel, is resolution approving Park Place development.

GOODWIN: Correct, Mayor. This is coming back for final discussion and direction and action tonight based on the negotiations that were conducted at the council's direction via our town attorney, as well as the parties associated with Park Place.

MAYOR FRIEDEL: And I just want to add one thing on this. I want to make a statement to the effect that we were very transparent. We called a special meeting to help get this done. A lot of staff time, a lot of negotiations with town attorney, staff and others who are represented here tonight as well. So there was a lot of work in this. And I think everybody knows what's going on so we can move forward with this.

Are there any speaker cards for this item, Town Clerk?

BENDER: We really did. I'll check. Cecil Yates, Robert Shea? No.

MAYOR FRIEDEL: No.

BENDER: Okay.

MAYOR FRIEDEL: Okay.

BENDER: Okay. Good. No speakers.

MAYOR FRIEDEL: Can we get a motion?

WATTS: Mr. Mayor, I'd like to make a motion to approve as drafted.

EARLE: Second.

MCMAHON: Second. Third.

MAYOR FRIEDEL: We have a motion in several seconds.

Can we get a roll call, please?

BENDER: Sure. Council member Watts.

WATTS: Aye.

BENDER: Council member Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Council member Larrabee.

LARRABEE: Aye.

BENDER: Council member McMahan.

MCMAHON: Aye.

BENDER: Council member Earle.

EARLE: Aye.

BENDER: Vice Mayor Skillicorn.

VICE MAYOR SKILLICORN: Yes.

BENDER: Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: The motion passes, 7-0.

MAYOR FRIEDEL: Thank you. Congratulations.

We'll move on to agenda item B -- 9-B, I'm sorry.

GOODWIN: Yes.

MAYOR FRIEDEL: That is the possible action relating to cooperative purchasing agreement with road safe traffic systems. And I see Justin's up ready to go?

WELDY: Correct, Mayor. Justin's going to walk us through this item. Just keeping in mind that our road safe traffic system, our contract provides barricades and road

control when we have -- not only special events, but when we have road repairs, accidents, and other emergency services.

Justin, I'll let you take it from there.

WELDY: Thank you kindly for the introduction. Mr. Mayor, council members, we're back tonight to talk about rental agreements is basically what this is for traffic control devices. Over the years, this contract has been renewed and/or amended multiple times. As a background reminder, we use an underlying agreement that the Maricopa County Department of Transportation released for solicitation and received bids. RoadSafe Traffic Systems was one of several that submitted a bid for that and they were selected. I will say this from the past multiple years, not only myself, but the town manager, they have provided barricade rentals for all of our special events, our construction, and even some unplanned events where we had to temporarily close roads at the cause of mother nature. We're here tonight to ask for a new contract that will allow us to continue to provide that type of support, not only for public works and all of the stuff that they address within the right of way, but importantly, community services and all of the special events and all of that barricading. If there are any questions, I will certainly do my best to answer them.

MAYOR FRIEDEL: Councilman Watts.

WATTS: Director Weldy, is this a new contract or is this an addition to the existing contract for another \$50,000?

WELDY: Mr. Mayor, council member, this is a new contract because the old contract had reached its expenditure limit. It's still using the underlying agreement, but this is an actual new agreement. I don't have it in front of me, but it should start with a 2026 number, the contract, that's attached.

WATTS: Okay. And as I recall, this particular contract was not necessarily a low bid, but they provided they were close enough to low bid. And based upon their service level, they provided call it above and beyond services and have bent over backwards to me. So sometimes not going the low bid is beneficial to the town as a whole. Is that a fair representation of where we're at?

WELDY: Mr. Mayor, council member that is accurate. Over the years, we had worked with RoadSafe on several different things, including special events. And in fact, there are several barricade companies listed on the county's agreement. Years ago, and we've not done it for some time, when we reached out to each of them and ask them to prepare a traffic control plan for A, B, or C and provide an estimate for that, each of them did as asked. On the very bottom of each of their submittals, there was a note that noted this was an estimated cost, and the actual cost will be billed after the fact. Having had some experience with that -- with vendors that actually hold permitted special events in the town, we were concerned about that because the estimate they got in the final billing, there was a pretty substantial difference in the price. So we began to use RoadSafe more often and more frequently. And each time they have provided a quote, the invoice has been at or below that. Not to mention, they provide additional services and guide us in regards to what they think would work best. It's not uncommon for one of them to attend one of our construction meetings, or one of our special event meetings to guide us through the process, and that is at no additional cost.

WATTS: Thank you.

WELDY: You're welcome.

MAYOR FRIEDEL: Are there any speaker cards on this?

BENDER: No, there is not.

MAYOR FRIEDEL: Can I get a motion?

KALIVIANAKIS: I move to approve as written.

EARLE: Second.

MAYOR FRIEDEL: We have a motion and a second.

Can we get a roll call, please?

BENDER: Council member McMahon.

MCMAHON: Aye.

BENDER: Council member Larrabee.

LARRABEE: Aye.

BENDER: Council member Earle.

EARLE: Aye.

BENDER: Council member Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Council member Watts.

WATTS: Aye.

BENDER: Vice Mayor Skillicorn.

VICE MAYOR SKILLICORN: Yes.

BENDER: Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: The motion passes, 7-0.

MAYOR FRIEDEL: Thank you.

WELDY: Thank you.

MAYOR FRIEDEL: Thank you, Justin.

We'll move on to our next item, 9-C, which is relating to staff recommended transfers of general fund excess reserve balances. Rachel.

GOODWIN: Correct. As Paul gets situated here, Paul is going to walk us through the end of FY 25, which was June 30. This is -- now that our audit's complete and our books are closed, this is the fund balances and our recommended transfers that Paul's going to walk us through.

SOLDINGER: Yeah. Good evening, Mayor, Vice Mayor, and council. For this item, I will be providing fiscal year 2025 year-end highlights and recommended transfers based on our fund balances. One thing to note is the amounts will be talking about tonight are based on June 30th of 2025. Our year-end that just ended four months ago or so. And the reason we do that, just like Rachel mentioned, is our books are being closed. We know the amounts that we have, and so we feel comfortable with the amounts we're discussing. So our general fund revenues ended the year at 28.4 million, which exceed our projections by about 2.6 million, and our expenses were below our adopted budget amounts by about \$3.3 million. So our general fund expenditures came in at about 22.4, or 22.5 million for the year.

This created a positive general fund variance of \$5.9 million. So think of that not only as a profit, but our revenues came in here, our expenses came in here. That's the positive variance we had based on our budget. As we know, we use that money or those excess reserves for other programs, such as our capital improvement plan and for additional street paving and things like that. Also of note, the Environmental Fund was closed out and will no longer be used, and the general fund will continue paying for the town's environmental program.

So here are our year-end fund balances on your screen. Our general fund ended at \$14.7 million. I'll talk about on the next slide, but we're required by policy to keep a certain amount in our fund balance for operations, which, for this year, is \$10 million. So there was about \$4.7 million of excess general fund reserves, kind of, I guess, up for grabs, for lack of better words tonight. Our policy does require a certain process, but we're here to make other recommended transfers tonight. Also on your screen, 11.4 million in the Streets Fund, 8.8 million in the Capital Projects Fund, 7.2 million in facilities reserve. Of that, 5.5 million has specifically been allocated or transferred by council. That includes investment earnings as well. So we're up to 5.5 million in savings for that project and another \$4.9 million across all other governmental funds, including the Economic Development Tourism Fund, Downtown Fund, impact fees, et cetera. And we also have another \$3.2 million set aside for vehicle and technology replacements and other funds. So we have about \$50.2 million total as a town in our fund balances as of June 30th of 2025.

So again, just the main point of the conversation is 14.7 million in the general fund. We have to keep \$10 million set aside. We have 4.7 million. So again, our financial policies require simply that 20 percent of the average of our past five years of general fund revenues be kept in two different kind of buckets within our general fund. A rainy-day kind of set aside. It's not a fund itself, but a rainy-day fund balance just for specific purposes. If we come across interesting situations such as huge revenue shortfalls, emergencies, things like that, we also keep the same amount in our unassigned fund balance. And that's just a fund general operations of the town. So in total, that 4.99

million is the 20 percent of the average five years. So you add those two together, it's about \$10 million that we need to keep per our policy, which is aligned with best practices. That is increasing our general fund reserves by about \$1.1 million from the prior year.

Again, this is just to keep the town safe, making sure that we can continue to operate and operate well. So with that, our leftover reserves, the excess reserves are required by policy to be transferred into the Capital Projects Fund to fund our capital improvement plan. However, we've talked at length about how we have a very strong fund balance already in that fund. We have \$8.8 million at year end.

Before considering any of these excess reserves just for some context, we do have a \$12 million capital improvement plan for this year, but a lot of that money is earmarked to be reimbursed into that fund from other funds such as the Streets Fund Development impact fee funds. And really, all we're projecting to be spent out of this fund is about \$2.9 million for the fiscal year. That's why 8.8 million; we're in a good position.

We're going to be adding more money to it as we go throughout the year with our construction sales taxes and investment earnings. So we feel comfortable enough to come here. And somewhat contrary to policy, make some other recommend transfers. And the reason that is, is because we're just trying to better align with council priorities and council discussion and what's been going on in the last year or so.

So with that, we're recommending, basically, taking a three-pronged approach, splitting up about three ways, \$1.5 million into the Capital Projects Fund, which would strengthen that fund balance over \$10 million as a starting point for this year and to plan for fiscal year 26 and future projects.

Another one-a-half-million dollars into the Streets fund. As you all know, we're spending -- we're budgeting about \$10 million for road paving this year. This additional 1.5 million will just help strengthen the fund balance to allow us to still look at the future years and see if we can do a little bit more road paving and consider that. And the last 1.7 million left over, we'd like to transfer one million of that. Well, the full amount into the facility reserve fund, but one million of that would be specifically set

aside, not touched for the lake liner project to save for that, another \$700,000 to increase the fund balance for other facility repairs, maintenance, and replacements. So with that, that's our recommended transfers, and I'd be happy to answer any questions.

MAYOR FRIEDEL: Councilwoman Earle.

EARLE: Can I make a motion to accept?

MAYOR FRIEDEL: Let me check and see if there's any speaker cards.

BENDER: The town only received one, and it was just a written comment with the position of four.

MAYOR FRIEDEL: Okay. Go ahead.

EARLE: Okay. I'd like to make a motion to approve funding transfers of 4.7 million of excess general funds reserved into the other funds as laid out here by, I want to say, Paul. Well, I thought we can say his last name.

SOLDINGER: You can say Paul.

EARLE: Director Soldinger. I know you as Paul. Thank you.

MCMAHON: I'll second it.

MAYOR FRIEDEL: Before we go on, Councilman Watts has a question.

WATTS: Paul, do you -- is there any way -- we've had these windfalls and you've said excess monies. And if there's an application form, I'd be happy to fill one out. But along those lines, is there any way we can move some money into -- or maybe it's already there, for the community center to supplement some of the fees that we have increased?

SOLDINGER: So Mayor, Councilman Watts, the community center, other than the capital projects, the capital improvements, all the community center operations, I'm pretty sure, are being paid out of the general fund. So they are being -- in that \$10 million, we're retaining there for those operations. That is going towards just the general fund operations including the community center.

WATTS: So with the excess, should we reconsider the increase in fees? Maybe that's not a question for you, but it sounds like we've got -- maybe we jumped the gun on increasing fees earlier, and maybe we can look at them a little bit differently going

forward. And the other question is the interest income that we derive off of the investment account, does that have to stay in those existing accounts or can it move to other accounts?

SOLDINGER: So a couple prongs to that question, Councilman. So Mayor, Councilman Watts, the first item. This is really how our financial framework works for the town. Every government is going to have a little bit different. For example, for us, we do this process and we keep a conservative practice with our projections. So we have that access that that increase above -- our revenues come in above our projections, and that keeps us safe. We're able to continue to operate not have to be too concerned, although things are a little bit choppy now about cutting staff and things like that. So it's almost intentional to have that excess reserve. And we do use that for capital projects, but we have been doing well in recent years. We have remained conservative with our projections.

So I wouldn't say that we need to change anything or anything. Like I think when you look at things like the community center, I think that conversation was very healthy, you know, talking about what we're spending on the community center, specifically what we're bringing in. So we're looking at one component of the general fund. But we do have some flexibility here. With our projections going forward, there still are other things coming down the line that are potential revenue shortfalls that we'll talk about in two weeks at the budget workshop. San Tan Valley being coming incorporated, that's going to eat into our state shared revenues. That's one thing we'll talk about. So it's all really -- all I'm trying to say is it's intentional and it's to protect the town and the operations of the town.

WATTS: Okay.

SOLDINGER: The second question. Now I'm forgetting the second question. I'm sorry. Could you repeat that one?

WATTS: If any of the interest income that we derive off the investments could be moved to any other account other than the account that is vested in?

SOLDINGER: Yes. So investment income is an unrestricted type of revenue. So it's

included in our fund balance in that manner. Sometimes you'll see it -- if you were actually looking at our financial statements, we might say that it's assigned because the council has assigned money to be in like the streets fund or whatever fund it is. But technically, yes, we could. If it's not a restricted, the main key is if it's restricted or not. If there's some legal requirement that doesn't allow you to spend it on other things, like a development impact fee, for example, then no, we couldn't. But investment earnings, yes, we -- for those reserves that we have in those fund balances we can make transfers between funds.

WATTS: Thank you, Paul.

SOLDINGER: Uh-huh.

MAYOR FRIEDEL: Okay. We have a motion and a second.

Can I get a roll call, please?

BENDER: Council member McMahon.

MCMAHON: Aye.

BENDER: Council member Larrabee.

LARRABEE: Aye.

BENDER: Council member Earle.

EARLE: Aye.

BENDER: Council member Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Council member Watts.

WATTS: Aye.

BENDER: Vice Mayor Skillicorn.

VICE MAYOR SKILLICORN: Yes.

BENDER: Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: Motion passes, 7-0.

MAYOR FRIEDEL: Thank you. And our last regular agenda item is the approving of the land use assumptions and infrastructure improvements plan report. And I just want to

remind the council that we've had several work studies on this and probably have beaten this quite a bit. But anyway, Rachel.

GOODWIN: Thank you, Mayor. Before I hand this over to Director Soldinger, I wanted to kind of highlight that this is a complicated subject. I certainly understand why we've talked about it so many times, and I shared a link over the weekend to see if you needed a refresher course, because it is complicated. I mean, it's not something we do all the time we do this every five years or so. So again, it's not fresh and relevant all the time. One of the unusual pieces of tonight -- of this agenda item is that there are multiple suggested motions on the page. So I want to kind of call attention to that. So as we move forward, if a motion is made being specific about which direction you want to go, essentially, Paul outlined a number of options based on potentially reducing or eliminating particular portions of the fees. So please take an opportunity to review all of those as we move forward and see where the discussion goes.

All right. With that, I'll turn it over.

SOLDINGER: Great. Thank you, Rachel. Yes. So this is where the fun begins. So for the impact fee process, it's been a long process already. We started in January. We've had several kind of intermediate discussion. Some we've provided presentations on kind of how the process will play out, and we just had a public hearing on September 16th to consider the report and tonight's consideration of approval of the draft report that we have in place. Again, I'll just say that putting together the report with TischlerBise has been an objective and somewhat long process. We've had several discussions. We've looked at growth assumptions and projected growth. We've based the report on actual estimates and expenses. So tonight, we are recommending to approve the report as is. However, because of the council providing that guidance or feedback that they would like to hear additional options, we are going to present a few alternate options to modify the report.

So if we do go down that route and I'll provide those options, what we'll have to do is just work with TischlerBise to revise the report, bring it back, hopefully at the next meeting or the following meeting for consideration again. And with that, then we'll be

able to continue the process. And there's still another prong of this process of actually considering the fees within the reports. So just real quick, we updated this timeline. It's pretty much the same as what we've presented. Tonight, you're considering the reports and if you approve it, we'll continue to move forward. We'll have a public hearing on December 2nd for the fees within the reports. One thing to note again is you are able, as council, to reduce the fees when you consider approval of the new fees, which on this timeline would be January 20th, you could say, hey, this fee seems too high.

Council majority, we want to adopt seventy-five percent of the streets fee, and then that's the actual fee that would go into effect based on the report. So just a reminder for that. In this timeline and the other timeline, I'll show you April 6th is the earliest that these fees can go into effect for the town. So how did we get here? At the last public hearing in September, some council members asked for alternate options. Again, staff recommends approving the report as is as presented tonight. Again, council could still reduce the fees on January 20th through other mechanisms, but one of the mechanisms to reduce the fees is to revise the report, which we'll present in just a second. So there it is at the bottom, alternate options will be presented.

Here's an updated timeline. If you do decide to make changes, what you would do is you would not approve the report. Well, technically, you would just direct staff to make the changes and bring it back. So that's within the motions provided. So what would happen is we bring it back, hopefully at the next meeting, and we push back the public hearing until middle of December. We'd still be able to take the next two steps and have the fees go into effect by April 6th.

Peak population. This was something that was discussed at length and there were questions about it. The basic premise is the peak population in the report is higher than the actual population of the town, and we kind of fumbled through that conversation, to be honest. And so I did talk to TischlerBise try to get a little bit more information. They do include information about why they do this, but the main thing is it's their standard practice that they do across almost every municipality, unless there's a reason that they recommend not to. There are a few that they that do not use the peak population and

just use the standard population. But the main kind of takeaway from it is if you use the peak population that they recommend, that spreads the projected growth and the fees out across more population, which lowers the fees.

So in this case, I asked how much would it increase the fees if we did make that change, and council wants us to go down that route. So on this slide, you'll see that the peak population in the report that exists today is 27,883 in the 2025 base year. If we brought it down to the census population, it would be 24,409, but that would in that second bullet, it shows you that it would increase a single-family resident fee by \$747.

Considering how the public hearing went when there were discussions about lowering the fees, this would actually increase the fees. And so I wanted to present that.

Considering all those factors, we -- the staff does not recommend going down this route and making that modification. I do have the kind of wording from the report if anyone wants to hear it, but basically, it just says they're considering the people per household figure, and it's their recommended practice for the town of Fountain Hills to consider.

And the way Ben explained it last time was that there are unused homes and there are vacation rentals, so they want to measure all the people that are coming into the town with the peak population. So that's the whole idea behind it, and I'd be happy to discuss further either now or at the end of the presentation.

So with the proposed fees, we've talked about the report at length in a few times. This is our current fee structure. Again, it goes from a low for an industrial development for every thousand square feet, \$1,290 to a high for a single-family residence of \$3,973.

Yes, construction costs have increased quite a bit. Our projected growth assumptions have probably changed a bit since our last report five or six years ago. So with our current report today, this is our new proposed fee structure that would be included in the report. It goes from a low of \$3,112 every thousand square feet for industrial development, up to \$12,314 for a single-family residence.

So alternate options. Option 1, this is the one that staff is recommending. Approve the report tonight. If you want to change the fees, do it at the January 20th meeting. But there are three other options presented. And another option would be to provide other

direction to staff. So option 1-A would be to remove the fire facilities fee. This is pretty much the easiest one to do just because we don't currently charge this fee, we would like to charge it. It would be for expanding fire facilities as needed to keep up with growth and maintain those levels of service. But if council directed us to remove that, it would be a simple kind of task to do that, and it would reduce the fee by for a single-family residence by \$1,024.

Yes, Councilwoman.

EARLE: Yes. But if we reduce that, how would it affect the fire department and their ability to improve their buildings or build or whatever, if that's how it affects it?

SOLDINGER: Yes. So Mayor, Councilwoman, thank you for the opportunity to clarify, because I know a couple council members had kind of talked to me about this. So any fees we remove or reduce from this report, this is based on the actual projected growth and the cost.

EARLE: Right.

SOLDINGER: So if we do need to expand the fire facilities in the next five to ten years, we won't have this revenue source.

EARLE: Right.

SOLDINGER: Which I think in the report it says like \$1.3 million projected over the next ten years to be collected through this portion of the fee. We wouldn't have that. We'd have to -- if we had to do it, we'd just have to either use our capital projects fund or if we needed to build a new facility, we'd have to maybe do a bond or something like that. Another alternate measure.

EARLE: Yeah. But my concern with that if this isn't -- if this is removed is -- you know, this is for future. This is for the growth. This is for protection, the health and welfare of our community in the future. It's not today. And we know we have old fire department building, et cetera. The population growth may require some expansion. So I'm really hesitant to not include this. I would like to be to remain and recognize that we do have a fire department and they should be included in some of the fees like this. Thank you.

SOLDINGER: I appreciate the feedback. Understand. Couple things on that real quick.

Just because we've had all these discussions, I just want to clarify during this moment is the report that exists tonight, it does not include projected growth with the State trust land. This is just based on the projected growth throughout the rest of the town. I know in conversations with John Wesley that if -- and Rachel, that if the State trust land did get developed, then there would likely be some of that considered in the development agreement with the developer. So that's just another thing to consider in that factor.

For option 1-B, this -- so the infrastructure improvement plan portion of the report, it talks about us widening Shea Boulevard. And I know there's been some confusion about the Shea Boulevard widening. Just want to clarify, we are trying to do or -- in our budget for this year, we're trying to do that first phase. We did a phase many, many years ago, apparently, but our first current phase of widening Shea Boulevard, it's close to one mile in lane miles. So this report considers the part that's unfunded of that for now. And the second phase of that that's coming down the pipe in the next five to ten years, that's the much larger portion of Shea Boulevard. That's about three lane miles. So about triple the cost.

And again, this fee went up quite a bit just because our engineering estimate went up quite a bit. And another thing to note about that is we are actually receiving -- we're in the procurement process right now for receiving bids for that project. So when we do consider the fees in January, we will know a lot more about how much that will cost. And that might be a consideration we could discuss. So definitely all on top of that. But basically, if we decide to do this, the simple way to explain it is the current report plans for us to collect the amount of the town's portion of that project, because remember, MAG pays for 70 percent of it. It's projecting us to bring in that revenue development impact fees over the next ten years. We could extend that period to project to bring in that money over 15 years instead, and that would lower the fee currently.

It would reduce the street's impact fee by \$2,389 for a single-family residence. And one other thing to note for this is I have been told that with development impact fees, even if we complete the project in eight or nine years, we can continue charging the fees to

reimburse the town for the cost of the town funded. So it is a challenge because the town would have to come up with the money. But if we did extend it, there is at least that qualifier that we could continue to collect and reimburse the town for that growth. So that's option 1-B.

Option 1-C is simply combining those other two options, 1-A and 1-B combined to reduce the fees using two different reductions.

MAYOR FRIEDEL: Councilwoman, you have a question?

EARLE: Oh. I thought you were done.

SOLDINGER: Almost.

EARLE: I'm sorry.

SOLDINGER: I'm pretty much done. This is the last slide that shows all the options.

EARLE: When you're done. Okay.

SOLDINGER: Okay. I was just going to say this is the slide that shows all the options combined. This is for a single-family residence. So there's other development types. So I have those tables on other slides if we want to get into those. But basically, the very bottom highlighted line is where we're at today, the 3973 as a town. The top option is the proposed report. If you approve it tonight, that's what would be included in the report. And it goes down the line. Options 1-A, 1-B, and 1-C reduces the fees downward from anywhere from 8901 to 11,290 (sic). And so that's the end of my presentation. I'd be happy to answer any questions.

MAYOR FRIEDEL: Councilwoman.

EARLE: Can I make a motion to accept option 1?

MAYOR FRIEDEL: You can. You can make the motion.

MCMAHON: Second.

MAYOR FRIEDEL: We have a second.

But Councilman Watts, do you have something to say?

WATTS: I do. I think what the -- I think the interesting part to keep in mind is that this is a plan. We have to revise this plan every five years. This isn't a directive to implement those dollar amounts at this point in time. We can stair step them in. We can come up

with some other plan as the economy, as we recognize revenues and so on. So the plan is one component, and I'm in full support of the plan knowing that we've got the opportunity to manage the fees as we go. How often can we actually change the fee structure?

SOLDINGER: Yes. So Mayor, Councilman Watts, my understanding is you can only -- when you're considering adoption of the fees, January 20th, that's when -- and that's a good point that you made, because I know that's a question you asked and I didn't even think about that. So that's another option. You could say the first year we're going to adopt 50 percent of the streets fee. The second year, we're going to adopt 75 percent. We did -- and the third year, we could adopt 100 percent of the fee. That was something we asked TischlerBise because Councilman Watts had asked, and that is something that we could do as well.

WATTS: But the point is, we need a plan.

SOLDINGER: Yes.

WATTS: And the plan doesn't matter if it was \$1 million at this point. We have the opportunity to adjust the fee structure as we go on the 20th of January 26th.

SOLDINGER: Yes.

WATTS: Okay. Thank you.

MAYOR FRIEDEL: Councilman.

VICE MAYOR SKILLICORN: Thank you, Mr. Mayor. Yeah. We have been thinking about this a lot with couple meetings and a couple meetings with staff. I know I've discussed with you recently quite a bit and been at the TischlerBise. Something for the council to consider. This would be kind of option 2. And what I'd like to suggest is that from the first time this was presented to me, I didn't like the one size fits all on just the single-family residential units. Not the rest, not the multifamily, not everything else. Right now, we're going from 39, 73 to \$13,000. If we were to scale that like they do in Tempe on square footage, then we could take a home, a 1,200-square-foot home and maybe charge them \$5,000 in development fees, and then maybe a 6,000-square-foot home in a more affluent area more to make it more proportional.

You know, if you had like a 1,200-square-foot home, maybe a \$400,000 home, you know, \$13,000 is a lot of the total cost. In fact, that might be the difference between the constructors -- the construction kitchen with construction appliances and actually putting a gourmet kitchen in there. It would be a difference that would make a difference. For the more affluent, the 6,000-square-foot home might be a \$5 million home. You know, right now would be \$13,000. Well, if they paid \$17,000, because -- what I'm suggesting is we continue to get the same revenue from the development fees, but we make it more proportional to the square footage of the house like they do in Tempe.

So it would encourage, from a public policy standpoint, middle class housing to be built here and infill lots, modestly priced housing to be encouraged. Working family because as we all know, we do need more workers here so they don't all have to come from all around the valley. And so it would be encouraging from a public policy standpoint, housing that people could afford by just reducing development fees, which could make a difference and then just spreading it out along square footage lines. And so I'd like to propose that because this one size, you know, for \$13,000, like I said, for a smaller home that's a hit, that's an increase in your mortgage payment. So I'd just like to kind of throw that by the council and see if I can get just some input on whether that makes sense to scale this on square footage, and not just one size fits all.

KALIVIANAKIS: I just wanted to take a moment to explain the vote that we'll be making momentarily. I had hoped to hear further discussion on the other options. I was very interested in option 1-C because then we have a report to point to with specific numbers when we do get to the January meeting. I understand, and I have already apologized to Director Soldinger for my support of option 1-C because I do understand that it's more work. However, it does not affect our timeline. And on top of that, again, we have numbers to specifically point to.

My main concern is that come January when we have this discussion again, I feel there is a likelihood that we might lose sight of some of the goals of lowering this amount, and we might pick a number that doesn't quite match the categories that we've listed for

these different fees. I like a plan to point to. I still like option 1-C. However, if we do go on to January, if I can just make a request that we have that beautiful graph that you had at the end of your presentation, again with the other option, so that we so that I still have a number to point to. That's all I'm asking for. Thank you, Paul.

MAYOR FRIEDEL: Councilman.

MCMAHON: I think it's important to look at the columns. We currently have a rate that we're going to double the rate as far as construction that goes directly to the town. One of the main things that's outside our control is EPCOR. The water service itself, water waste, those are outside our control. Those are budget numbers, if anything. So we don't have any room there. We do have some room in the costs that are fire, library, park policy, streets, et cetera, but those are basically going to double and we could stage those over a third, a third, a third in three-year -- in one-year increments to achieve the same thing. But I don't know what we're going to do about the \$10,000 that's allocated in there for sanitary and water, because that is outside our control. There's nothing we're going to do about that. So just looking at the grand total of 13,973 is one thing. Looking at the components in that granularity and saying, let's manage what we can manage and have to accept what we have to accept. So now we've got a plan, we've got to work within the plan. So I'm all aboard on 1/2026 to manage these dollars as best we can.

MAYOR FRIEDEL: Councilwoman.

EARLE: So if we approve this tonight, then listening to Brenda's suggestion would that be part of the discussion in January or should we give more -- is any more time to consider the fees and how they apply to residential and the size of the homes. Is that something, Paul, you seem -- I mean, I'm not questioning her about Tempe, et cetera, but have you seen that before? Is that harder to implement for the staff or can you give a little information on that, please? Thank you.

SOLDINGER: Yes. So Mayor, Councilwoman, if we were -- if the council approves the report as is tonight, we could not go down that route that the councilwoman had asked about. We had this discussion. We got a little bit of guidance from Tischler Bise today

and yesterday about that. There are a few other governments that do that. City of Tempe, City of Sedona, Flagstaff and Tucson. And so it's a bit nuanced of a conversation, but yes, like, if you look -- let me look at one of what's a good example. So this is the proposed fees based on the current report. You see all the nonresidential bottom developments. They're based on square footage. It's basically taking that same approach but for residential units. And I don't know all the reasons that those other governments chose to go down those routes. All I know is it's not the standard approach. So I'm guessing because I haven't had enough time to research and have discussions about it. I'm guessing there was some sort of push, whether it's the council or staff, to focus on having that tiered approach to make the smaller properties in that spectrum to be -- to have lower fees, whether it's to bring in more affordable housing or what the objectives are. I couldn't speak on that too much. But the main point is we can't do that if you approve the fees, the report tonight.

EARLE: Okay. But if you think about it, with Fountain Hills, we're a much smaller community than Tempe in those. And I think that there's a vast difference in the size of some homes being built to other homes from anywhere from 3,000 to 5,000 square feet, et cetera. So I can understand why that might be a consideration moving forward as far -- instead of having just like a straight line for someone that's building a 2,000 square foot house versus a 5,000 square foot house. So I want to stay with my second, but with hopefully, you know, maybe look into this further a little bit and report back into how that difficult that would be to administer if it would be difficult at all. Thank you.

MAYOR FRIEDEL: Councilwoman.

KALIVIANAKIS: Thinking about the proposed idea. And I'm trying not to discuss something that would then be in the January discussion, but I would like to voice that. I do not support that. For one, if we look at the product in Tempe, it is very different from the product in Fountain Hills when it comes to housing developments. I would like to keep it that way.

MAYOR FRIEDEL: Councilman.

WATTS: Thank you, Gerry -- Mr. Mayor. Yeah. Just to kind of just refresh my idea. You know, I know Fountain Hills is known as an affluent community and with large houses. I mean, everybody that drives down Shea Boulevard and sees all the houses on the hill. That's what they think Fountain Hills is. Oh, yeah, I've been there. They see all the houses on the hills. But you know, as I drive through this community quite a bit doing home delivered meals and all the rest of the things that I do for this community, I see there's a lot of places to the east, to north. A lot of neighborhoods that aren't very affluent at all. A matter of fact, I see a lot of homes with cars parked out front with jack stands and smaller, smaller houses, and there are still infill lots that can be developed up there. And so you know, I know a lot of the more desirable lots in Fountain Hills have already been bought and built out, but a lot of the ones that maybe the stragglers, okay, the not so great lots, the smaller lots, the ones that people don't think about moving into Fountain Hills. There are still available. And I guess all I'm saying is \$13,000 for an investment and development fees for a community, for a working-class, middle-class family that are trying to balance the budget and afford a mortgage in their town. You know, I just think we have to extend some support for them, too, because they are -- they should be represented in our community. And I hope they are, because I'd like to keep that housing more. It was, I'd say modestly priced.

SOLDINGER: I'll make a comment here too. We don't have a primary property tax, so people actually do get more home here. And I think Tempe's got what, 200,000 population? We're 24,000. And I don't know --

UNIDENTIFIED SPEAKER: (Indiscernible).

SOLDINGER: I know. I don't know of many builders that are building 1,200 square foot homes.

WATTS: Well, that wouldn't be in the wheelhouse of the major developers like we dealt with tonight. But there would be people that want to build here and just pay a mortgage and get a house built. So, yeah, I know this isn't applying to major developers. You know, these are single spec lots that people can afford, and so I understand that. And that's a good point because I don't think that major developers would be attracted

to the kind of lots that I'm referring to.

MAYOR FRIEDEL: Now, once again, Paul, you mentioned the State trust land. That's another option for down the road, but anyway Councilwoman.

KALIVIANAKIS: Just speaking as someone who does live on the dreaded north side of town. I believe that the -- I know. I believe that the product -- I stand by what I said. I live near Calle del Oro, right across from Four Peaks Park. It's certainly not considered the wealthiest part of town, and I understand that. However, I still firmly believe and stand by that my apartment is very different from a Tempe apartment. The house is next to us are very different from Tempe home. Not that we don't love Tempe. I'm a sun devil. However, I think Fountain Hills is Fountain Hills for a reason, and I would rather not incentivize the same developments that Tempe incentivizes.

MAYOR FRIEDEL: All right. So we have a motion. And do we have a second?

WATTS: Could we just have Paul refresh these other towns that have used this approach before we vote.

SOLDINGER: Yes. Mayor, Councilman, so for the other approach that we were discussing. So my understanding from Tischler Bise is they're aware of four other municipalities that take that approach based on the housing unit size, the square footage, that would be Tempe, Flagstaff, Tucson, and Sedona. Yeah.

MAYOR FRIEDEL: All right. So did we have a motion --

EARLE: Yes, and a second.

MAYOR FRIEDEL: And a second.

Can we get a roll call, please?

BENDER: Sure. One quick question, Mayor. And this motion is to approve option 1, correct?

ALL: Yes. That's correct.

BENDER: That's presented. Okay. Thank you.

Council member Earle.

EARLE: Yes. They're talking to me.

BENDER: That's okay.

Council member Larrabee.

LARRABEE: Nay.

BENDER: Council member McMahon.

MCMAHON: Aye.

BENDER: Council member Kalivianakis.

KALIVIANAKIS: Nay.

BENDER: Council member Watts.

WATTS: Aye.

BENDER: Vice Mayor Skillicorn.

VICE MAYOR SKILLICORN: Permission to explain my vote. Since I can't vote for a tax hike or a fee hike, I am a no.

BENDER: Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: The motion passes, 4-3 for option 1.

SOLDINGER: Thank you.

MAYOR FRIEDEL: Thank you, Paul. Good job. We'll move on to item 10, which is council direction to the town manager. Does anybody have anything?

Okay. Then we'll move on to future agenda items. And let me just remind council members that any future agenda items that are brought up tonight will probably not hit the agenda until after the first of the year, because we have got such a full plate right now -- a full plate plus right now. So keep that in mind if it's appropriate, so.

Vice Mayor.

VICE MAYOR SKILLICORN: Thank you, Mr. Mayor. Yeah, I'd like to actually make a motion to construct a statue honoring Charlie Kirk in town.

EARLE: Second.

KALIVIANAKIS: Third.

UNIDENTIFIED FEMALE: That's future agenda item, right?

KALIVIANAKIS: Yep. That'll be for a future agenda item and discussion.

I have a question. Can I ask a question? To ask a question?

WATTS: I'd like to ask the attorney. Is this something we can even approve? Building a statue.

MAYOR FRIEDEL: You can -- you know, they've got an agenda item so we can discuss it when --

WATTS: But we have code provisions that cover this type of statuary.

MAYOR FRIEDEL: Pardon me.

WATTS: We have code provisions that cover this statuary.

MAYOR FRIEDEL: You can bring that up. You can bring that up in -- on the agenda item.

WATTS: I certainly will.

MAYOR FRIEDEL: Anything else?

Can I get a motion to adjourn?

EARLE: So moved.

KALIVIANAKIS: Second.

MAYOR FRIEDEL: All in favor?

ALL: Aye.

MAYOR FRIEDEL: Thank you.

HAVING NO FURTHER BUSINESS, MAYOR GERRY M. FRIEDEL ADJOURNED THE REGULAR MEETING OF THE FOUNTAIN HILLS TOWN COUNCIL HELD ON OCTOBER 21, 2025, AT 7:04 P.M.

APPROVED:

GERRY FRIEDEL, MAYOR

ATTEST:

BEVELYN J. BENDER, TOWN CLERK

CERTIFICATION

I HEREBY CERTIFY THAT THE FOREGOING MINUTES ARE A TRUE AND CORRECT COPY OF THE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF THE TOWN OF FOUNTAIN HILLS, ARIZONA HELD ON OCTOBER 21, 2025. I FURTHER CERTIFY THAT THE MEETING WAS DULY CALLED AND HELD AND THAT A QUORUM WAS PRESENT.

BEVELYN J. BENDER, TOWN CLERK