NOTICE OF REGULAR MEETING
OF THE TOWN COUNCIL

Mayor Gerry M. Friedel	
Vice Mayor Gayle Earle	**Councilmember Peggy McMahon**
Councilmember Brenda J. Kalivianakis	**Councilmember Allen Skillicorn**
Councilmember Hannah Larrabee	**Councilmember Rick Watts**

TIME: **5:30 PM - REGULAR MEETING**
DOORS OPEN 15 MINUTES PRIOR TO THE START OF THE MEETING
WHEN: **TUESDAY, APRIL 7, 2026**
WHERE: **FOUNTAIN HILLS COUNCIL CHAMBERS**
16705 E. AVENUE OF THE FOUNTAINS, FOUNTAIN HILLS, ARIZONA

Councilmembers of the Town of Fountain Hills will attend either in person or by telephone conference call; a quorum of the Town's various Commission, Committee or Board members may be in attendance at the Council meeting.

Notice is hereby given that pursuant to A.R.S. §1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. If a child is present at the time a recording is made, the Town will assume that the rights afforded parents pursuant to A.R.S. §1-602.A.9 have been waived.

PARTICIPATION IN PUBLIC MEETINGS

Request to Comment Cards
To speak or submit written comments, a **Request to Comment** card is required. **Cards must be completed and submitted to the Town Clerk before the meeting begins. Late or incomplete cards will not be accepted.** A separate card is required for each agenda item.

Agenda Items (Consent or Regular)
Request to Comment cards must include the **agenda item number**, whether the speaker is **FOR** or **AGAINST** the item, and whether the individual wishes to speak or submit written comments.

Online Request to Comment cards may be submitted for regular agenda items only to either provide written comments or request to speak at the meeting. **Online submissions must be received by 12:00 PM the day before the meeting** at: https://www.fountainhillsaz.gov/publiccomment. Online comments are shared with the Town Council.

Call to the Public requests are accepted in person only. Request to Comment cards must be submitted prior to the meeting commencing. **Online submissions are not accepted for Call to the Public**.

Speaking Rules
Speakers may speak only when recognized by the Presiding Officer and are limited to **three (3) minutes**. All comments must be directed through the Presiding Officer, not to individual Councilmembers or staff.

Request to Comment cards and submitted information are public records subject to public disclosure.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the Town Council, and to the general public, that at this meeting, the Town Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the Town's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S.§38-431.03(A)(3).

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

2. INVOCATION

a. **Provided by:** Mojgan Talaei, Bahá'ís of Fountain Hills

3. ROLL CALL

4. STATEMENT OF PARTICIPATION

Anyone wishing to address the Council regarding items listed on the agenda or during Call to the Public must completely fill out a Request to Comment card located in the back of the Council Chambers and hand it to the Town Clerk prior to the start of the meeting. Once the meeting has started, late requests to speak cannot be accepted. When your name is called, please approach the podium, speak into the microphone, and state your name and if you are a resident for the public record. Comments may not exceed three minutes. It is the policy of the Mayor and Council not to comment on items brought forth under "Call to the Public." However, staff can be directed to report back to the Council at a future date or to schedule items raised for a future Council agenda. To avoid disruption of the meeting, to maintain decorum, and provide for an equal and uninterrupted presentation, applause is not permitted, except during Proclamations, Awards, and Recognitions. All meeting participants must maintain proper decorum as specified in Section 6 of the Council Rules of Procedure.

5. SUMMARY OF CURRENT EVENTS BY TOWN MANAGER

6. PRESENTATIONS

a. **PRESENTATION:** Fountain Hills Protect Our Youth Coalition

b. **PRESENTATION:** Maricopa County Sheriff's Office Quarterly Update.

7. PROCLAMATIONS, AWARDS, AND RECOGNITIONS

a. **RECOGNITION:** Fountain Hills High School Girls' Basketball Team, Boys' Basketball Team, and Wrestling Team for their achievements during the 2025–2026 athletic season.

b. **PROCLAMATION:** CASA Volunteer Week

c. **PROCLAMATION:** International Dark Sky Week

8. CONSENT AGENDA

All items listed are considered to be routine, non-controversial matters and will be enacted by one motion and vote of the Council. All motions and subsequent approvals of consent items will include all recommended staff stipulations unless otherwise stated. There will be no separate discussion of these items unless a Councilmember or member of the public so requests. If a Councilmember or member of the public wishes to discuss an item on the Consent Agenda, he/she may request so prior to the motion to accept the Consent Agenda or with notification to the Town Manager or Mayor prior to the date of the meeting for which the item was scheduled. The item will be removed from the Consent Agenda and considered as the first item on the Regular Agenda. The remaining items on the Consent Agenda will be enacted by one motion and vote of the Council.

a. **CONSIDERATION AND POSSIBLE ACTION:** Approving the meeting minutes of the Town Council Work Session of February 24, 2026, and of the Town Council Regular Session of March 3, 2026.

b. **CONSIDERATION AND POSSIBLE ACTION:** Approving Resolution 2026-06, approving Amendment Five to the Intergovernmental Agreement, with the Flood Control

District of Maricopa County for the Golden Eagle Park Dam Debris Mitigation Improvement Project

c. **CONSIDERATION AND POSSIBLE ACTION:** Approving a request for a CUT/FILL waiver for 16512 E. Trevino Dr. to allow fill in excess of 10' on a portion of the property. (CFW26-000003).

d. **CONSIDERATION AND POSSIBLE ACTION:** Approving Resolution 2026-03,an Intergovernmental Agreement (IGA) with the Flood Control District of Maricopa County (FCDMC), to accept grant funds for the completed design and construction of drainage improvements at Love Court.

e. **CONSIDERATION AND POSSIBLE ACTION:** Approving Resolution 2026-07, an Intergovernmental Agreement (IGA) with the City of Scottsdale, for use of their training facility.

9. REGULAR AGENDA

a. **CONSIDERATION AND POSSIBLE ACTION:** Relating to Amendment No. 7 to Professional Services Agreement 2019-079 with JE Fuller Hydrology & Geomorphology, Inc.

b. **CONSIDERATION AND POSSIBLE ACTION:** Relating to Job Order Contracting (JOC), Professional Services Agreements 2026–072, 2026–073 & 2026–074, for Town mechanical and plumbing services.

c. **DISCUSSION AND POSSIBLE DIRECTION:** Regarding State-Level Legal Resources and Protections Available to Public Officials

d. **CONSIDERATION AND POSSIBLE ACTION:** Related to any item included in the Arizona Cities and Town's Weekly Legislative Bulletin or relating to any action proposed or pending before the State Legislature.

10. CALL TO THE PUBLIC

Pursuant to A.R.S. §38-431.01, or as prescribed by state law.

11. COUNCIL DISCUSSION/DIRECTION TO THE TOWN MANAGER

Members of the Council may (1) request the Town Manager follow-up on matters raised at that meeting; (2) request one two-minute response to directed criticism raised any portion of the meeting; (3) a consensus of the Council may request the Town Manager to research a matter and report back to the Council.

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

Dated this 2nd day of April, 2026..

Bevelyn J. Bender

Bevelyn J. Bender, Town Clerk

The Town of Fountain Hills endeavors to make all public meetings accessible to persons with disabilities. Please call (480) 816-5100 (voice) or AZRelay 7-1-1 the Thursday prior to the meeting to request reasonable accommodation.

ABOVE THAT CLUB



WASHINGTON D.C.

CADCA YOUTH SUMMIT

FOUNTAIN HILLS PROTECT OUR YOUTH COALITION

Presented by
Henry Good
Peyton Jochens

FOUNTAIN HILLS
PROTECT OUR YOUTH COALITION



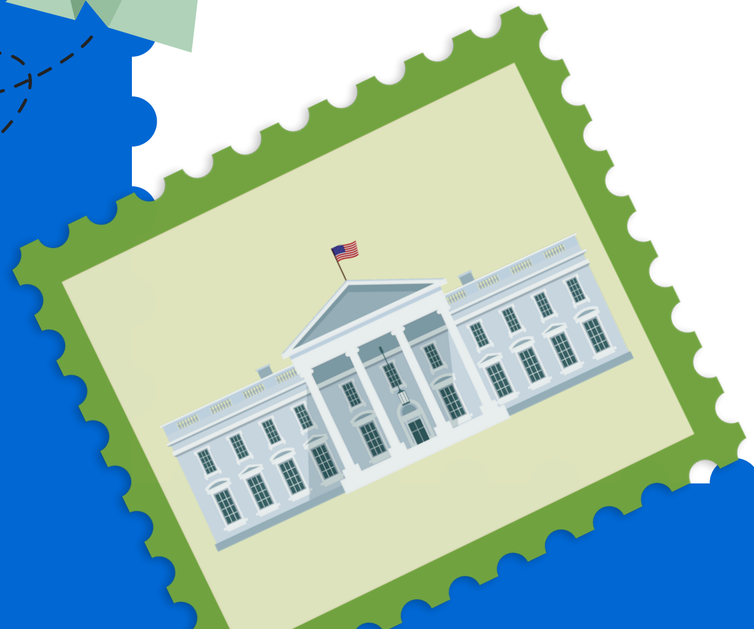




WHO ARE WE?

ABOVE THAT CLUB

YOU HAVE BEEN SELECTED!



COALITION NEWS



ON OUR WAY!











CADCA CONFERENCE

COMMUNITY ANTI-DRUG COALITIONS OF AMERICA

36th ANNUAL NATIONAL LEADERSHIP

FORUM

SAMHSA's 22nd Annual Prevention Day & Inaugural Youth Summit



FEBRUARY 2-5, 2026

GAYLORD NATIONAL | NATIONAL HARBOR, MD



GAYLORD NATIONAL HOTEL

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

SAMHSA PREVENTION DAY

Chris Jones





DEA Rep.Dan Morehouse

KEYNOTE RFK JR.



U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

YOUTH SESSIONS

DAY 1

HOW TO START A CONVERSATION











YOUTH SESSIONS

DAY 2

HOTSPOTS IN OUR COMMUNITY











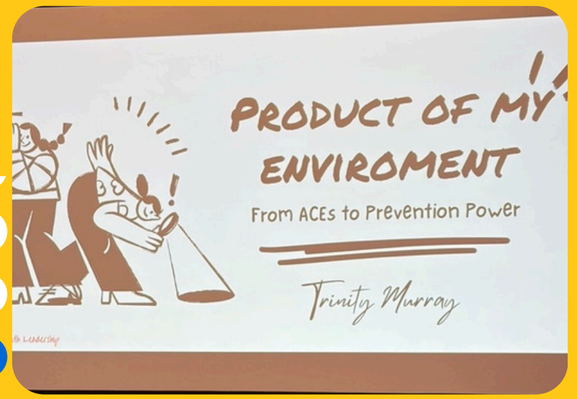
YOUTH SESSIONS DAY 3

PRODUCT OF OUR ENVIRONMENT













CADCA EXPO




JOIN THE FIGHT
WHERE EVERY CHILD CAN FEEL SAFE


CADCA
Your Partner in Building Safer, Healthier, and Stronger Communities.
Get involved at www.cadca.org
HOW WE HELP
WHAT WE OFFER
WHERE WE ARE


ESCAPE THE VAPE
SAFE in Northern Michigan

DEA MUSEUM


The Faces of Fentanyl


Fentanyl is the deadliest drug threat in the country. It is claiming the countless victims, shattering families, and bringing crime and violence into our communities.
Fentanyl is everywhere. It has found its way into every community, state, and territory of the United States. It is often hidden in fake pills and other illegal drugs, poisoning unsuspecting victims.
Just two milligrams (2mg) of fentanyl is considered a lethal dose—an amount that could fit on the tip of a pencil.
In 2021 alone, nearly 108,000 people have died of drug overdoses. Sixty-six percent of those overdose deaths involved synthetic opioids like fentanyl.
The faces you see before your represent only a fraction of the Americans who have lost their lives to fentanyl. Let their stories move us to do all we can to raise awareness and eliminate this scourge upon our nation.
Know the Facts. Spread the Word. Get information from trusted sources and have conversations with family and friends.
MUSEUM VISITOR


Share your thoughts...
MUSEUM


DEA


ROLES


WHAT DO DRUGS DO TO YOUR BRAIN?
Reward Circuit

CAPITOL HILL DAY













WHITE HOUSE TOUR











NIGHT BUS TOUR











EXPLORING D.C.

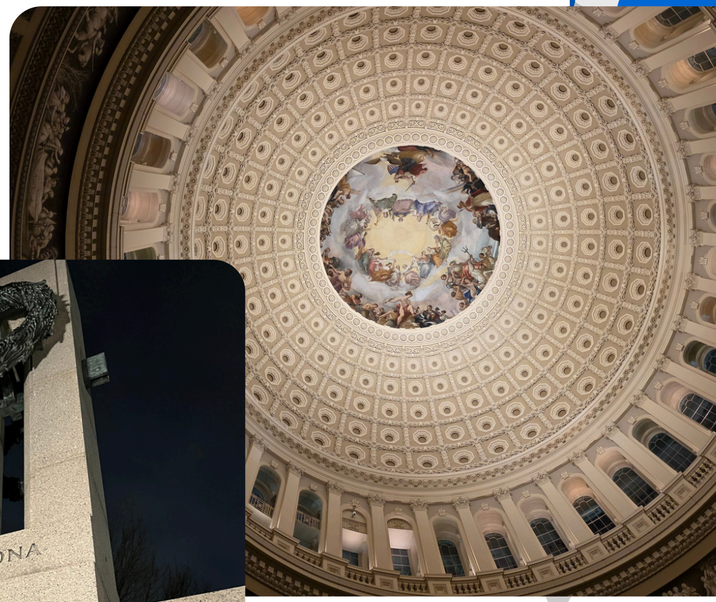

















UNITED STATES DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE
HOUSE WHERE LINCOLN DIED
HOURS: 9:30 A.M. TO 4:45 P.M.
TICKETS REQUIRED


DECLARATION
OF
INDEPENDENCE






PIETÀ




MUSEUM



THANK YOU

FOUNTAIN HILLS
PROTECT OUR YOUTH COALITION



Town of Fountain Hills



Town of Fountain Hills

Three Year Crime Report 2023-2025

Presented By: MCSO Captain Kevin Thomas

Date: February 2026

Analysis Completed by MCSO's Criminal Research Analysis Unit

Town of Fountain Hills

TOPICS

- INTRODUCTION
- LAW ENFORCEMENT ACTIVITY
- UNIFORM CRIME REPORT
- UNIFORM CRIME REPORT COMPARISONS

Town of Fountain Hills

Introduction
Captain Kevin Thomas

Town of Fountain Hills

TOPICS

- INTRODUCTION
- LAW ENFORCEMENT ACTIVITY
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Town of Fountain Hills

Definitions

Call for Service (CFS): *Calls about activity be it criminal or non-criminal to which a deputy responds.*

Public Generated (CFS): *Public initiated call for service to which a deputy responds.*

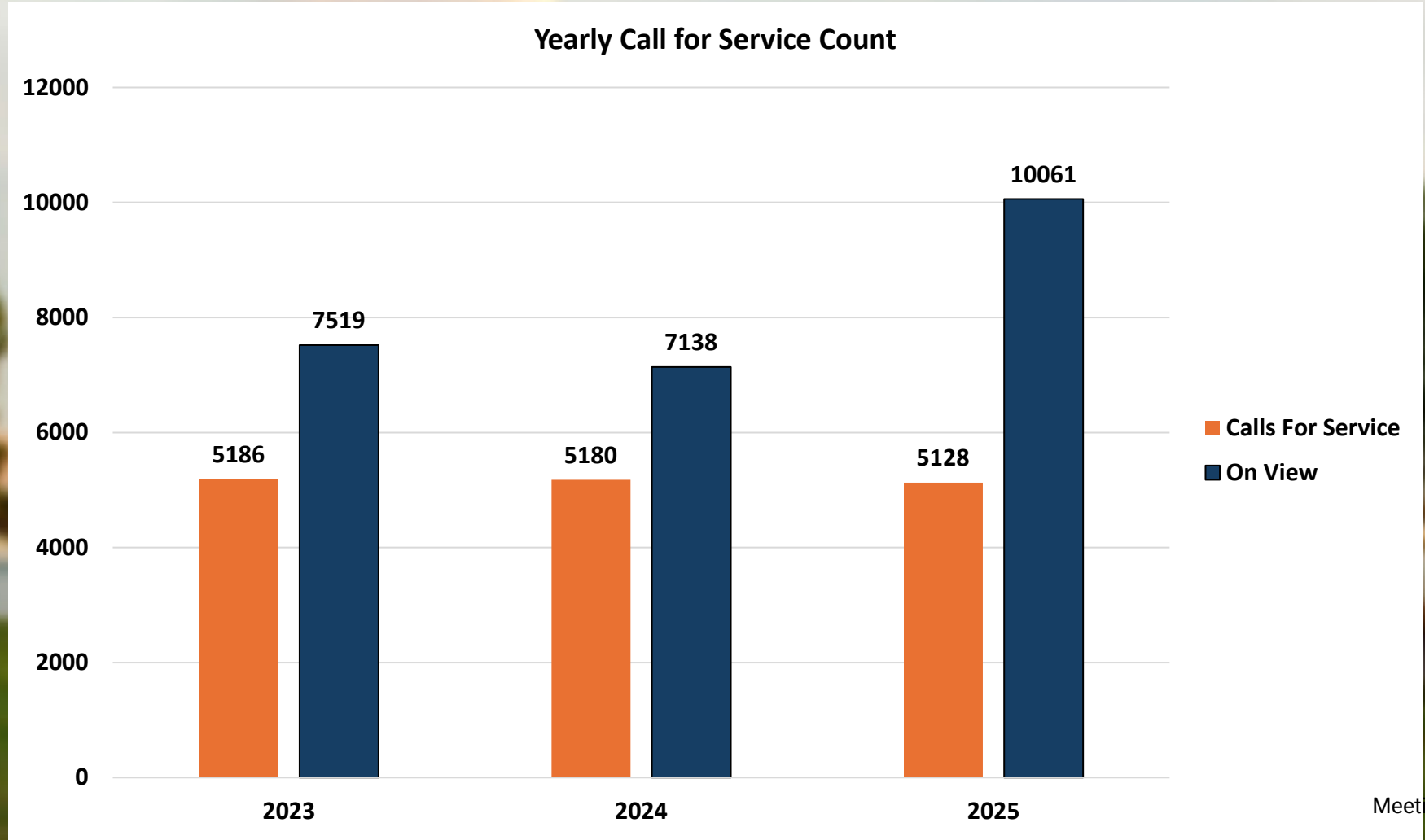
On View Activity (OV): *Deputy generated call for service such as a traffic or subject stop.*

*Data: *Information in this report was extracted from MCSO's CAD (Computer Aided Dispatch) from January 1, 2023, through December 31, 2025.*

Town of Fountain Hills

Law Enforcement Activity

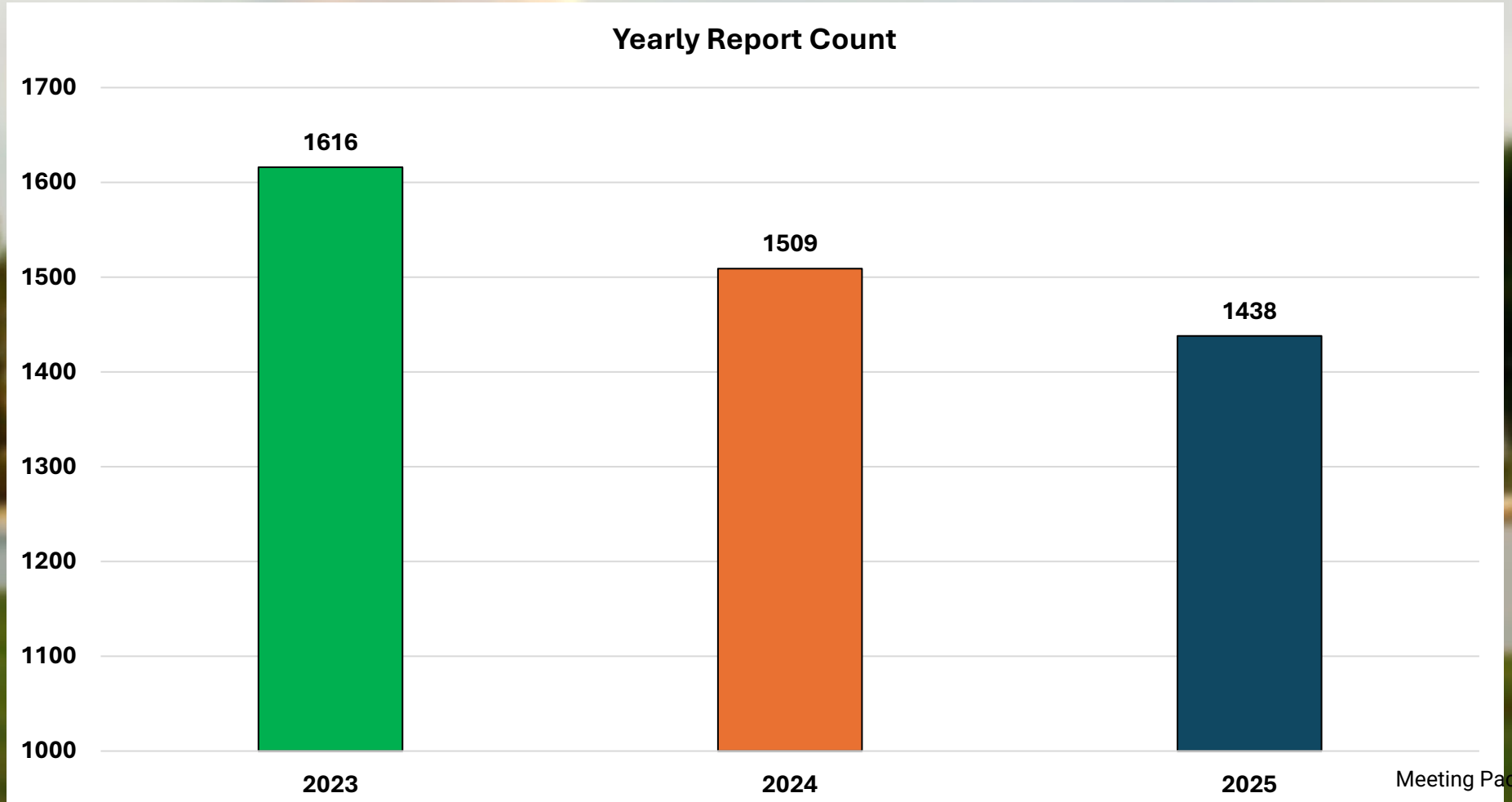
- **Deputy Initiated (On View) Calls increased 41% in 2025.**



Town of Fountain Hills

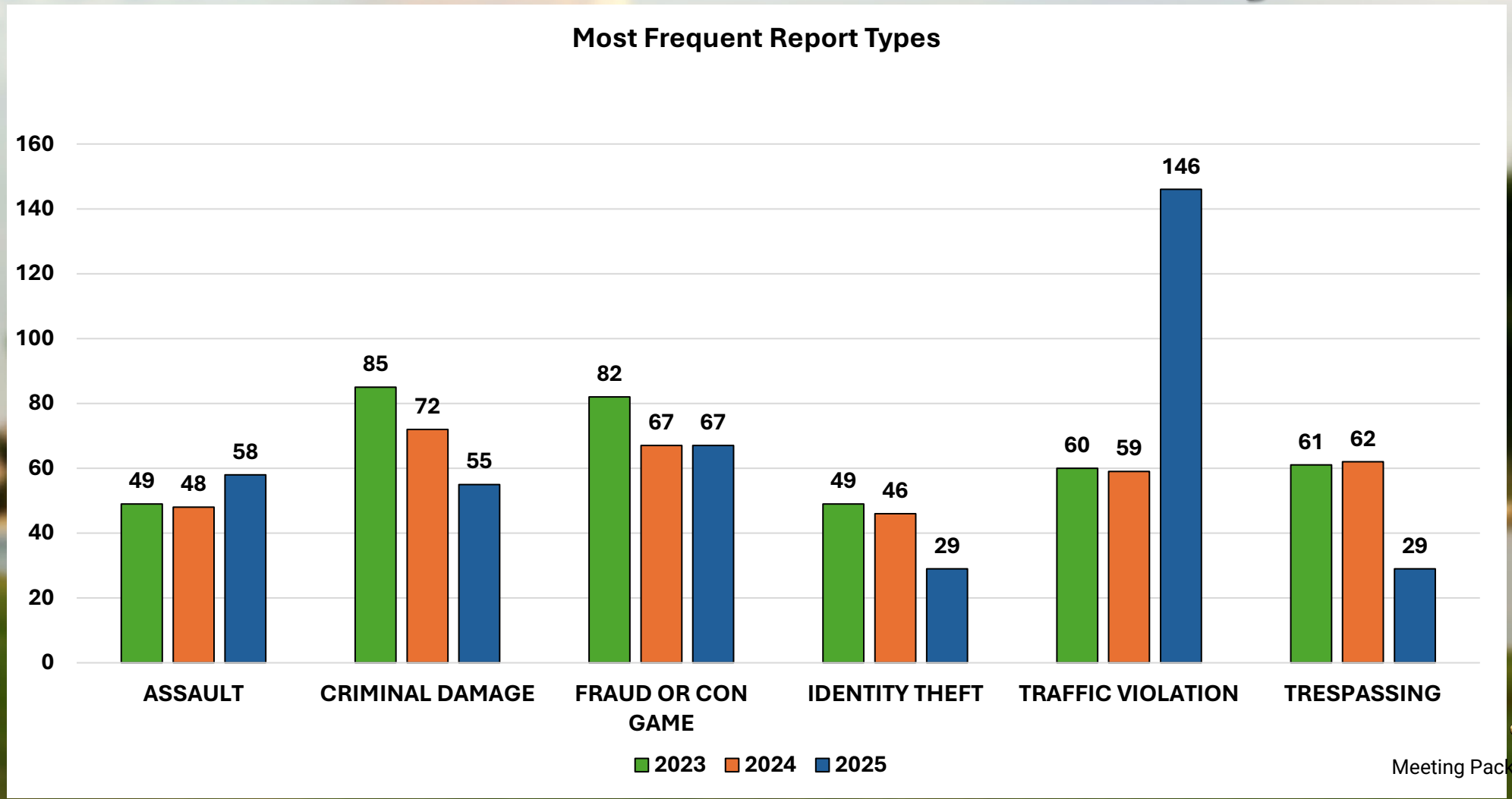
- ~5-10% decrease each year.

Law Enforcement Activity



Town of Fountain Hills

Law Enforcement Activity



Town of Fountain Hills

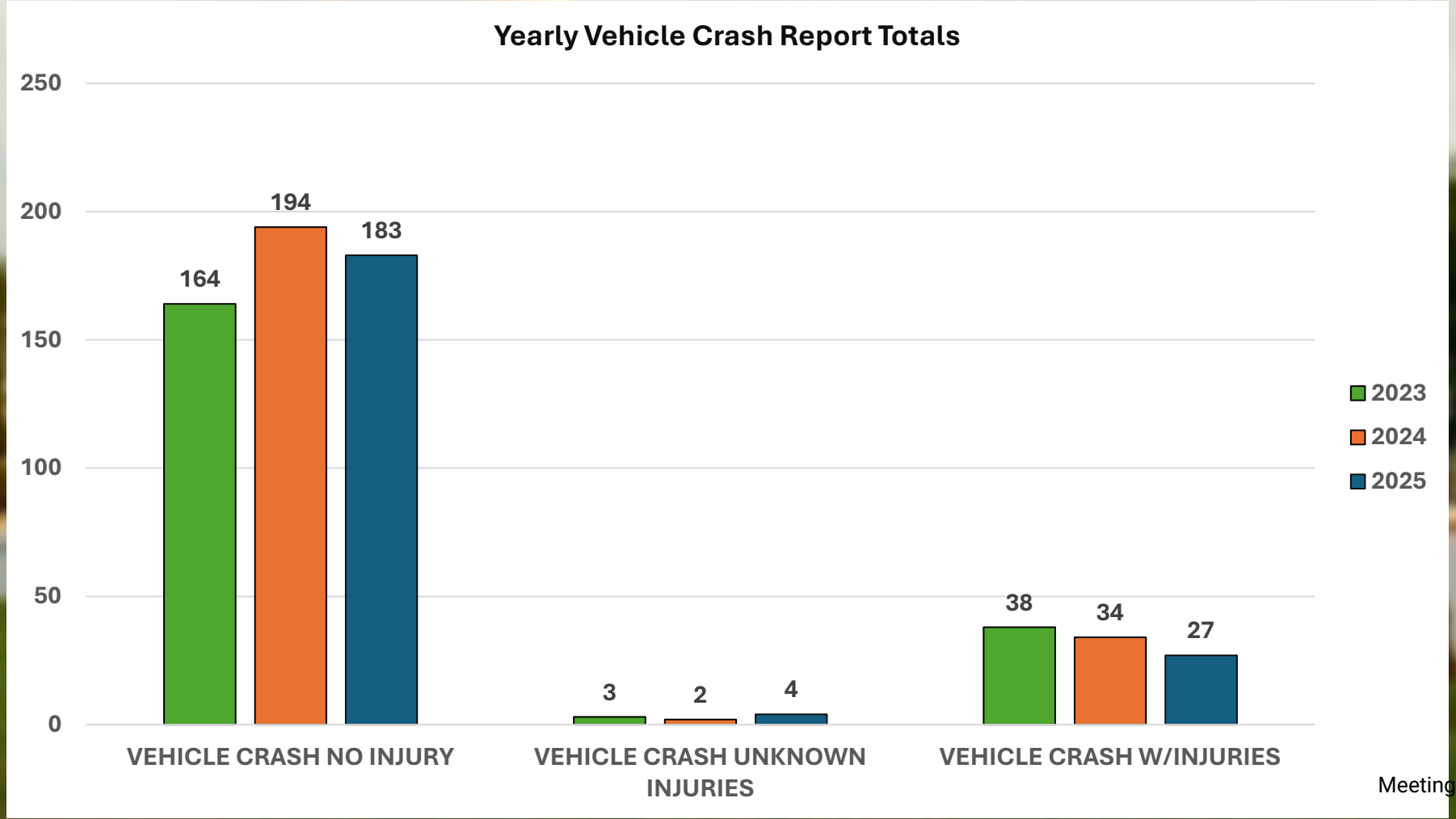
Law Enforcement Activity

Criminal Damage

Time of day /Day of Week	Mon	Tue	Wed	Thu	Fri	Sat	Sun
12am-3am			1		1		
3am-6am			1				
6am-9am	2	1	1	3		1	1
9am-12pm	3	1	3	2	1	1	2
12pm-3pm		1	2	1	4	1	1
3pm-6pm		3	2		1	1	1
9pm-12am	1	1	2			1	1
Total	6	10	12	7	7	6	7

Town of Fountain Hills

Law Enforcement Activity



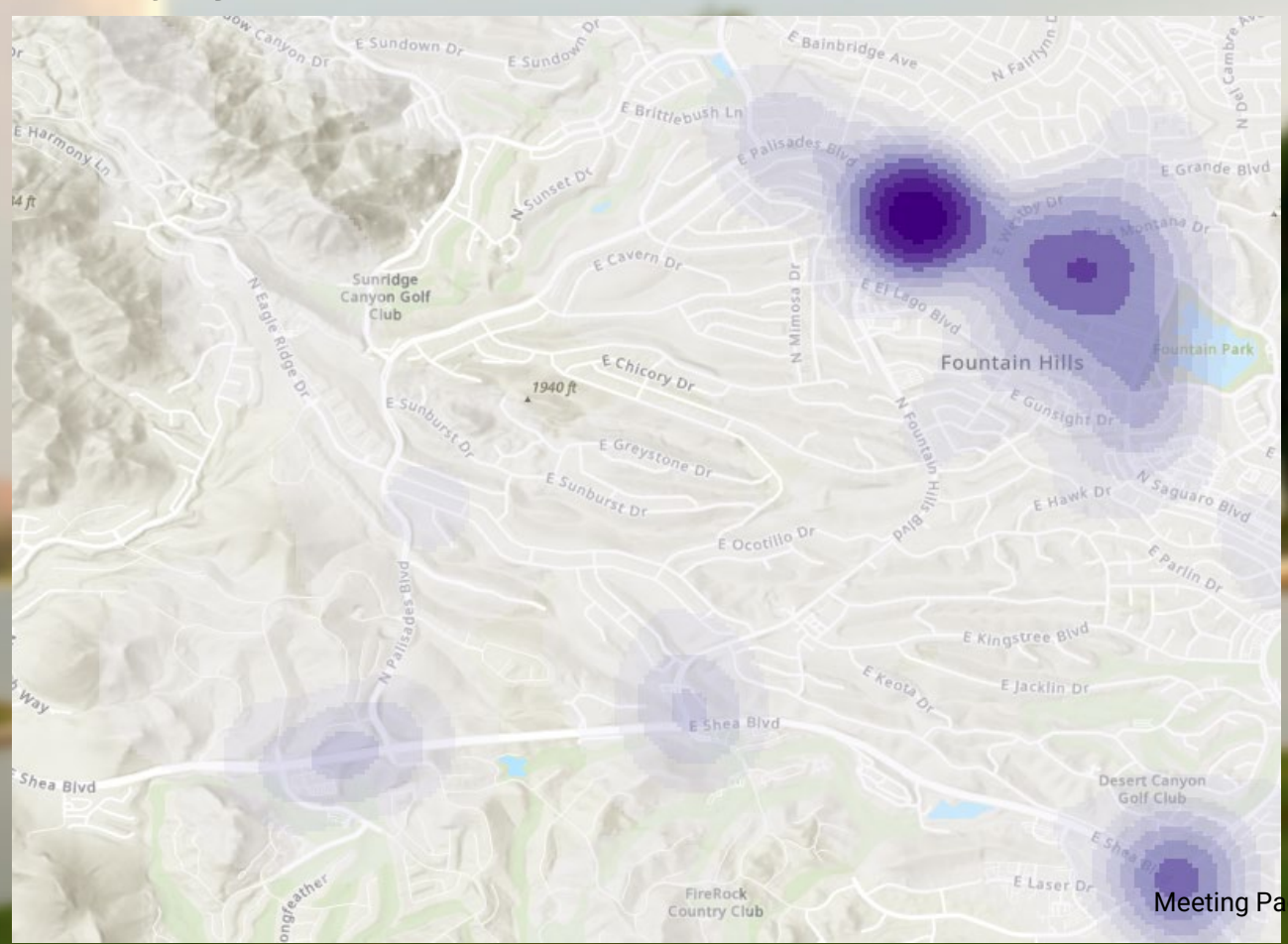
Town of Fountain Hills

Law Enforcement Activity

Top 3 Non-Injury Accident Locations:

- **N Fountain Hills Blvd/ E Palisades Blvd**
- **E Palisades/ N La Montana Dr**
- **E Shea Blvd/ N Saguaro Blvd**

Non-Injury Accidents



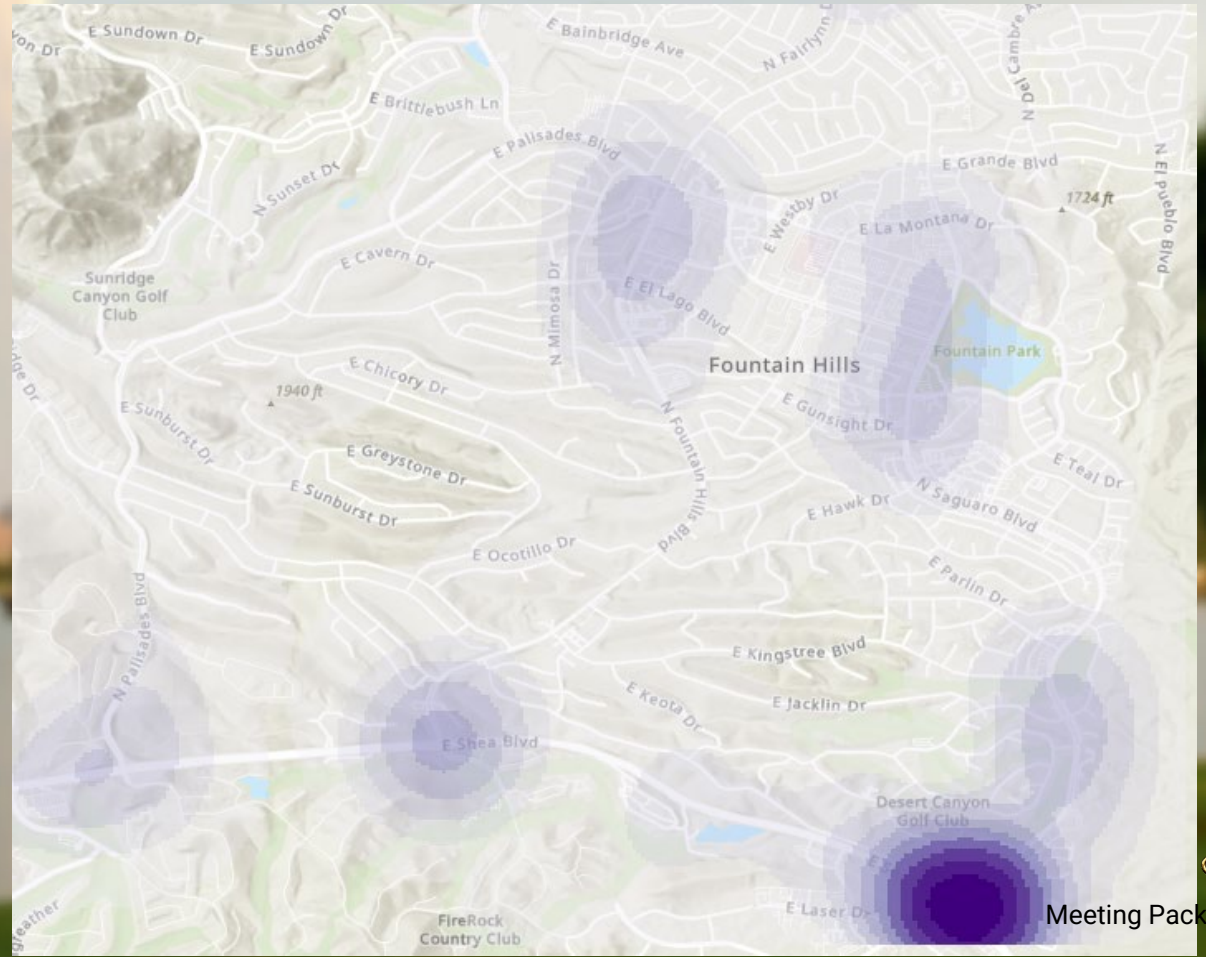
Town of Fountain Hills

Law Enforcement Activity

Top Traffic Violation Locations:

- E Shea Blvd/N Saguaro Blvd
- N Fountain Hills Blvd/E Palisades Blvd
- E Palisades Blvd/N La Montana Dr
- N Fountain Hills Blvd/Shea Blvd
- E Shea Blvd/N Palisades Blvd
- N Saguaro Blvd/E Palmer Way

Traffic Violations



Town of Fountain Hills

TOPICS

- INTRODUCTION
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Town of Fountain Hills

UCR Crime Report

Before determining the final UCR classification, investigation and analysis are required to determine factual outcomes for each event. Therefore, the information presented in this report is an estimate only and should be used cautiously when referenced by any law enforcement, private, public, or media outlets.

Town of Fountain Hills

UCR Crime Report

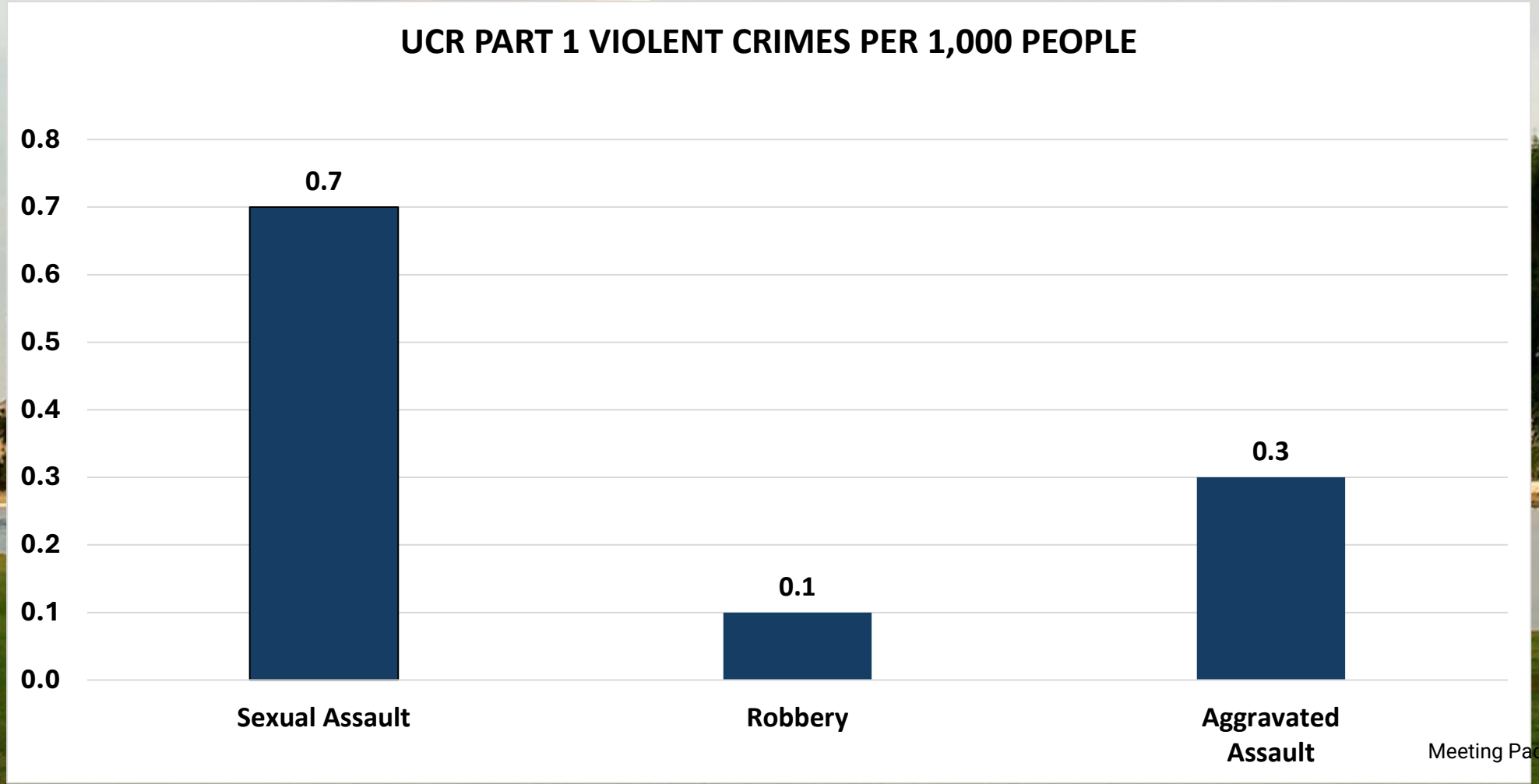
Violent Crimes

Total Crime Reports	Population	Violent Crime	Homicide	Sexual Assault	Robbery	Aggravated Assault
Fountain Hills 2023	24,400	30	0	18	2	10
Fountain Hills 2024	24,600	23	0	13	2	8
Fountain Hills 2025	24,900	27	0	18	2	7
Fountain Hills 2023-2025	**24,633**	**80**	**0**	**49**	**6**	**25**
Reports Per 1,000 People	**Population**	**Violent Crime**	**Homicide**	**Sexual Assault**	**Robbery**	**Aggravated Assault**
Fountain Hills 2023	24,400	1.2	0.0	0.7	0.1	0.4
Fountain Hills 2024	24,600	0.9	0.0	0.5	0.1	0.3
Fountain Hills 2025	24,900	1.1	0.0	0.7	0.1	0.3
Fountain Hills 2023-2025	**24,633**	**3.2**	**0.0**	**2.0**	**0.2**	**1.0**

Town of Fountain Hills

UCR Crime Report

- **UCR Part I offenses include homicide; however, Fountain Hills has reported zero homicides in the past three years.**



Town of Fountain Hills

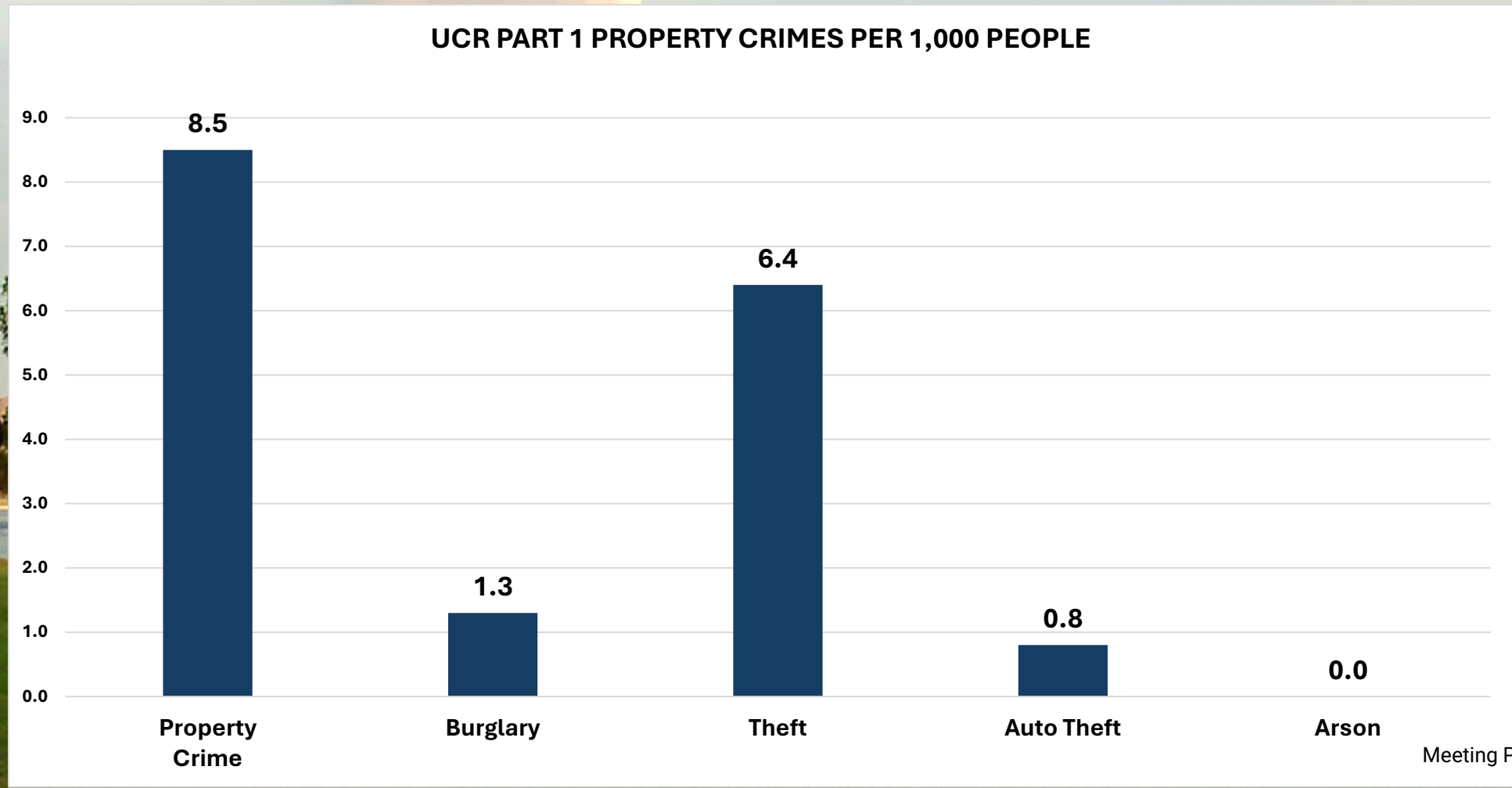
UCR Crime Report

Property Crimes

Total Crime Reports	Population	Property Crime	Burglary	Theft	Auto Theft	Arson
Fountain Hills 2023	24,400	241	48	173	19	0
Fountain Hills 2024	24,600	206	28	159	17	2
Fountain Hills 2025	24,900	185	20	144	21	0
Fountain Hills 2023-2025	**24,633**	**632**	**96**	**476**	**57**	**2**
Reports Per 1,000 People	**Population**	**Property Crime**	**Burglary**	**Theft**	**Auto Theft**	**Arson**
Fountain Hills 2023	24,400	9.8	2.0	7.1	0.8	0.0
Fountain Hills 2024	24,600	8.4	1.1	6.5	0.7	0.1
Fountain Hills 2025	24,900	7.4	0.8	5.8	0.8	0.0
Fountain Hills 2023-2025	**24,633**	**25.6**	**3.9**	**19.3**	**2.3**	**0.1**

Town of Fountain Hills

UCR Crime Report



Town of Fountain Hills

TOPICS

- INTRODUCTION
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- UNIFORM CRIME REPORT COMPARISONS

Town of Fountain Hills

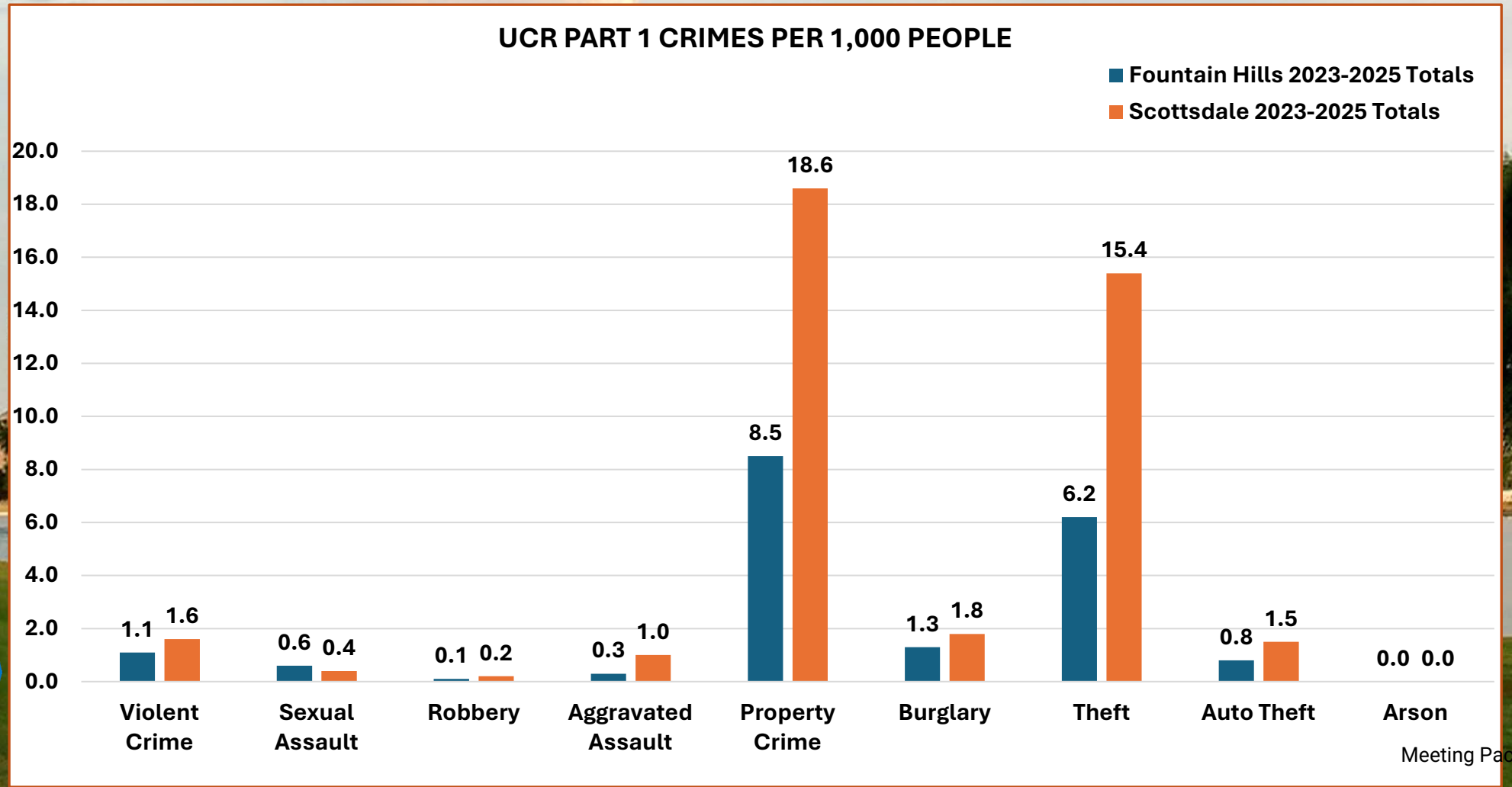
UCR Crime Report Comparison

Total Crime Reports	Population	Violent Crime	Homicide	Sexual Assault	Robbery	Aggravated Assault	Property Crime	Burglary	Theft	Auto Theft	Arson
Fountain Hills 2023	24,400	30	0	18	2	10	240	48	173	19	0
Fountain Hills 2024	24,600	23	0	13	2	8	206	28	159	17	2
Fountain Hills 2025	24,900	27	0	18	2	7	185	20	144	21	0
Fountain Hills 2023-2025	**24,633**	**80**	**0**	**49**	**6**	**25**	**631**	**96**	**476**	**57**	**2**
Scottsdale 2023	250,600	430	2	102	65	261	5,483	541	4,431	503	8
Scottsdale 2024	256,300	376	3	75	56	242	4,598	448	3,761	385	4
Scottsdale 2025	259,200	416	6	99	35	276	4,178	357	3,559	258	4
Scottsdale 2023-2025	**255,367**	**1,222**	**11**	**276**	**156**	**779**	**14,259**	**1,346**	**11,751**	**1,146**	**16**

Reports Per 1,000 People	Population	Violent Crime	Homicide	Sexual Assault	Robbery	Aggravated Assault	Property Crime	Burglary	Theft	Auto Theft	Arson
Fountain Hills 2023	24,400	1.2	0.0	0.7	0.1	0.4	9.8	2.0	7.1	0.8	0.0
Fountain Hills 2024	24,600	0.9	0.0	0.5	0.1	0.3	8.4	1.1	6.5	0.7	0.1
Fountain Hills 2025	24,900	1.1	0.0	0.7	0.1	0.3	7.4	0.8	5.8	0.8	0.0
Fountain Hills 2023-2025	**24,633**	**3.2**	**0.0**	**2.0**	**0.2**	**1.0**	**8.9**	**3.9**	**19.3**	**2.3**	**0.1**
Scottsdale 2023	250,600	1.7	0.0	0.4	0.3	1.0	21.9	2.2	17.7	2.0	0.0
Scottsdale 2024	256,300	1.5	0.0	0.3	0.2	0.9	17.9	1.7	14.7	1.5	0.0
Scottsdale 2025	259,200	1.6	0.0	0.4	0.1	1.1	16.1	1.4	13.7	1.0	0.0
Scottsdale 2023-2025	**255,367**	**4.8**	**0.0**	**1.1**	**0.6**	**3.1**	**55.8**	**5.3**	**46.0**	**4.5**	**0.1**

Town of Fountain Hills

UCR Crime Report Comparison



Town of Fountain Hills

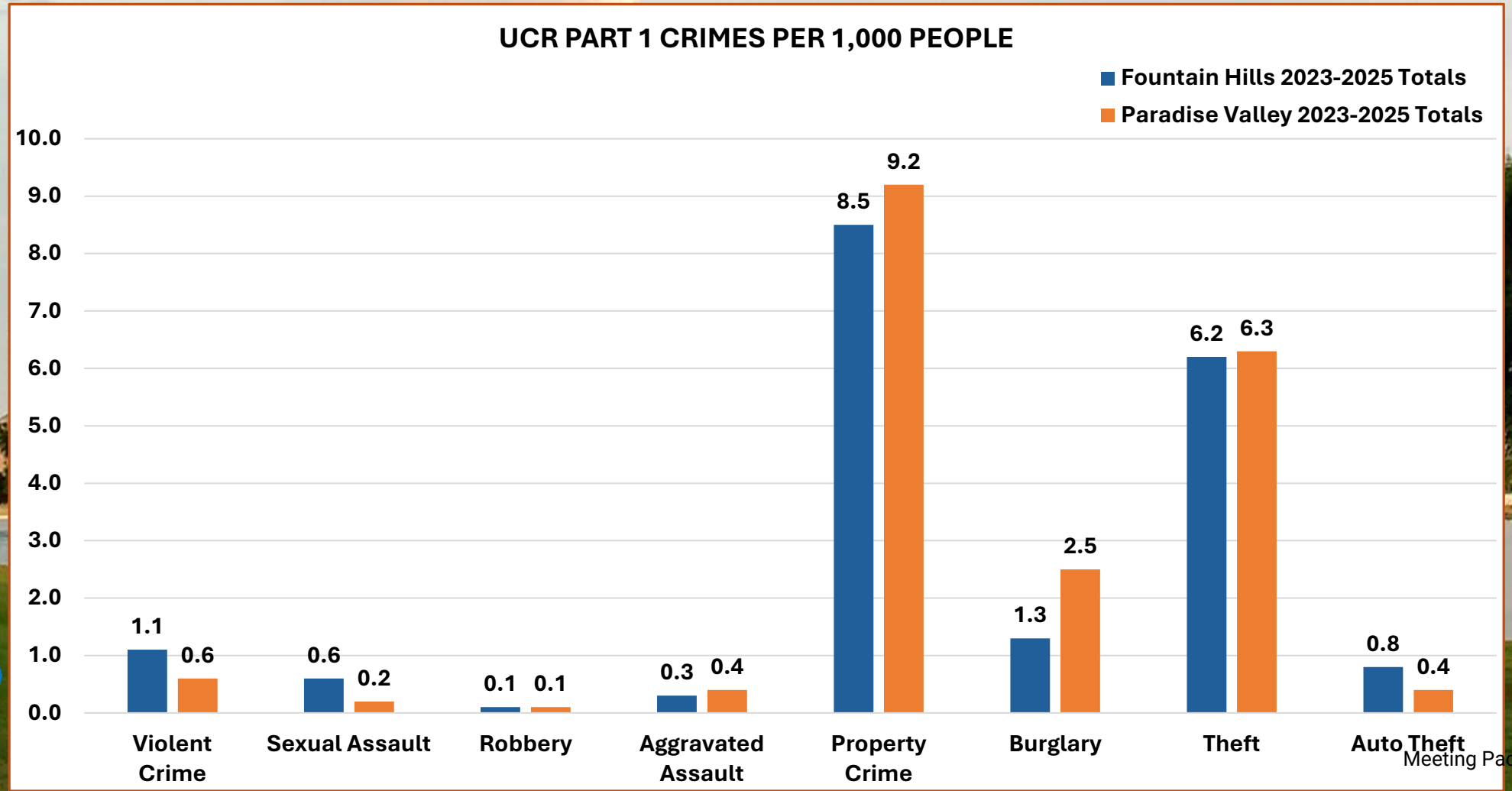
UCR Crime Report Comparison

Total Crime Reports	Population	Violent Crime	Homicide	Sexual Assault	Robbery	Aggravated Assault	Property Crime	Burglary	Theft	Auto Theft	Arson
Fountain Hills 2023	24,400	30	0	18	2	10	240	48	173	19	0
Fountain Hills 2024	24,600	23	0	13	2	8	206	28	159	17	2
Fountain Hills 2025	24,900	27	0	18	2	7	185	20	144	21	0
Fountain Hills 2023-2025	**24,633**	**80**	**0**	**49**	**6**	**25**	**631**	**96**	**476**	**57**	**2**
Paradise Valley 2023	12,800	4	0	2	0	2	167	50	111	6	0
Paradise Valley 2024	13,100	10	0	3	2	5	123	39	77	7	0
Paradise Valley 2025	13,300	8	0	2	0	6	69	9	57	3	0
Paradise Valley 2023-2025	**13,067**	**22**	**0**	**7**	**2**	**13**	**359**	**98**	**245**	**16**	**0**

Reports Per 1,000 People	Population	Violent Crime	Homicide	Sexual Assault	Robbery	Aggravated Assault	Property Crime	Burglary	Theft	Auto Theft	Arson
Fountain Hills 2023	24,400	1.2	0.0	0.7	0.1	0.4	9.8	2.0	7.1	0.8	0.0
Fountain Hills 2024	24,600	0.9	0.0	0.5	0.1	0.3	8.4	1.1	6.5	0.7	0.1
Fountain Hills 2025	24,900	1.1	0.0	0.7	0.1	0.3	7.4	0.8	5.8	0.8	0.0
Fountain Hills 2023-2025	**24,633**	**1.1**	**0.0**	**0.7**	**0.1**	**0.3**	**8.5**	**1.3**	**6.4**	**0.8**	**0.0**
Paradise Valley 2023	12,800	0.3	0.0	0.2	0.0	0.2	13.0	3.9	8.7	0.5	0.0
Paradise Valley 2024	13,100	0.8	0.0	0.2	0.2	0.4	9.4	3.0	5.9	0.5	0.0
Paradise Valley 2025	13,300	0.6	0.0	0.2	0.0	0.5	5.2	0.7	4.3	0.2	0.0
Paradise Valley 2023-2025	**13,067**	**0.6**	**0.0**	**0.2**	**0.1**	**0.3**	**9.2**	**2.5**	**6.3**	**0.4**	**0.0**

Town of Fountain Hills

UCR Crime Report Comparison



Town of Fountain Hills

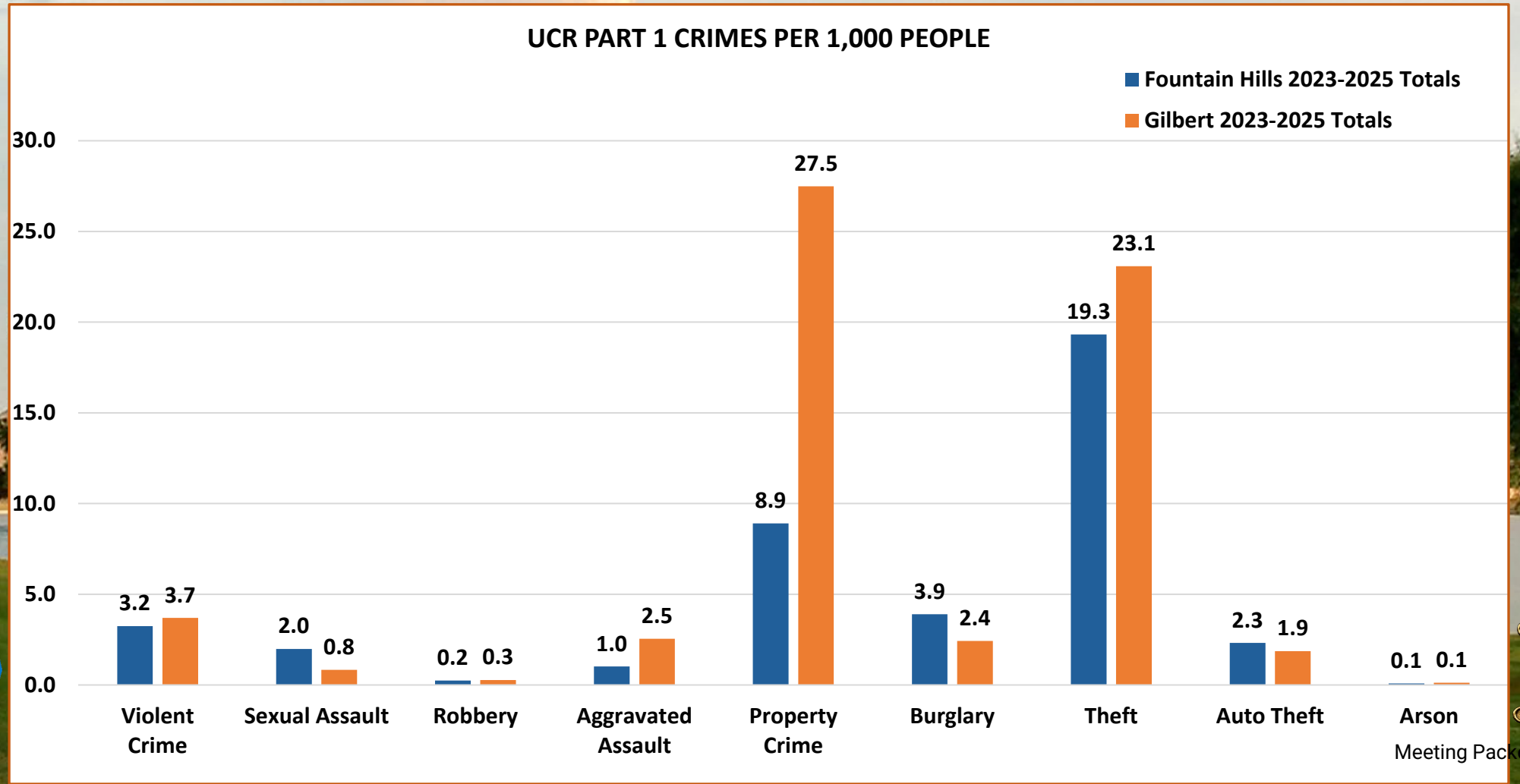
UCR Crime Report Comparison

Total Crime Reports	Population	Violent Crime	Homicide	Sexual Assault	Robbery	Aggravated Assault	Property Crime	Burglary	Theft	Auto Theft	Arson
Fountain Hills 2023	24,400	30	0	18	2	10	240	48	173	19	0
Fountain Hills 2024	24,600	23	0	13	2	8	206	28	159	17	2
Fountain Hills 2025	24,900	27	0	18	2	7	185	20	144	21	0
Fountain Hills 2023-2025	**24,633**	**80**	**0**	**49**	**6**	**25**	**631**	**96**	**476**	**57**	**2**
Gilbert 2023	283,800	342	5	87	25	225	2,635	287	2,148	191	9
Gilbert 2024	287,500	378	1	70	30	277	2,734	223	2,329	173	9
Gilbert 2025	290,300	341	7	81	23	230	2,524	186	2,152	170	16
Gilbert 2023-2025	**287,200**	**1,061**	**13**	**238**	**78**	**732**	**7,893**	**696**	**6,629**	**534**	**34**

Reports Per 1,000 People	Population	Violent Crime	Homicide	Sexual Assault	Robbery	Aggravated Assault	Property Crime	Burglary	Theft	Auto Theft	Arson
Fountain Hills 2023	24,400	1.2	0.0	0.7	0.1	0.4	9.8	2.0	7.1	0.8	0.0
Fountain Hills 2024	24,600	0.9	0.0	0.5	0.1	0.3	8.4	1.1	6.5	0.7	0.1
Fountain Hills 2025	24,900	1.1	0.0	0.7	0.1	0.3	7.4	0.8	5.8	0.8	0.0
Fountain Hills 2023-2025	**24,633**	**3.2**	**0.0**	**2.0**	**0.2**	**1.0**	**8.9**	**3.9**	**19.3**	**2.3**	**0.1**
Gilbert 2023	13,885	1.2	0.0	0.3	0.1	0.8	9.3	1.0	7.6	0.7	0.0
Gilbert 2024	13,885	1.3	0.0	0.2	0.1	1.0	9.5	0.8	8.1	0.6	0.0
Gilbert 2025	13,885	1.2	0.0	0.3	0.1	0.8	8.7	0.6	7.4	0.6	0.1
Gilbert 2023-2025	**13,885**	**3.7**	**0.0**	**0.8**	**0.3**	**2.5**	**27.5**	**2.4**	**23.1**	**1.9**	**0.1**

Town of Fountain Hills

UCR Crime Report Comparison



Town of Fountain Hills

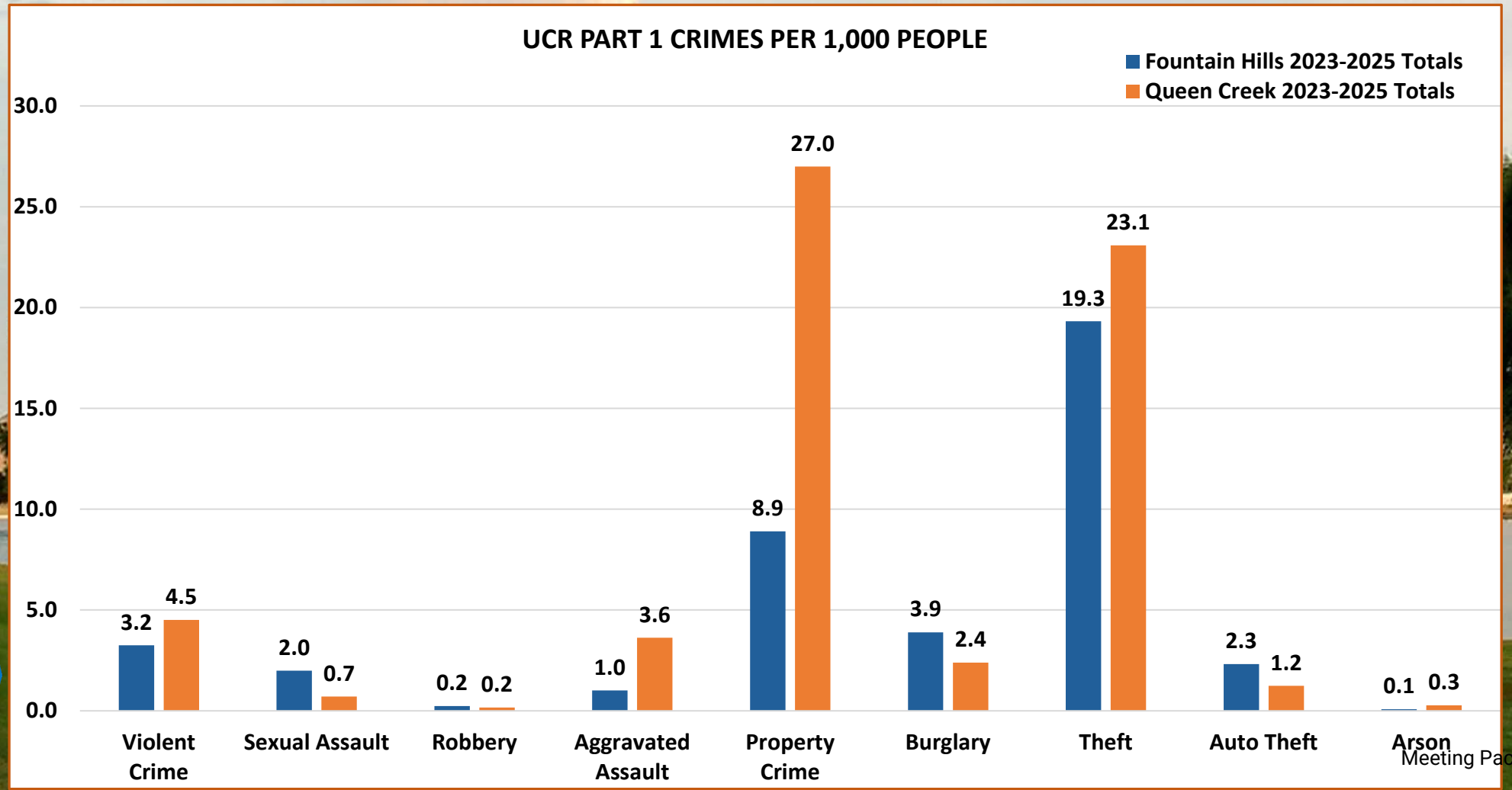
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Fountain Hills 2024	24,600	23	0	13	2	8	206	28	159	17	2
Fountain Hills 2025	24,900	27	0	18	2	7	185	20	144	21	0
Fountain Hills 2023-2025	**24,633**	**80**	**0**	**49**	**6**	**25**	**631**	**96**	**476**	**57**	**2**
Queen Creek 2023	76,200	102	1	13	6	82	676	78	549	42	7
Queen Creek 2024	76,200	102	0	12	3	87	696	47	612	30	7
Queen Creek 2025	76,200	140	0	29	4	107	685	57	598	23	7
Queen Creek 2023-2025	**76,200**	**344**	**1**	**54**	**13**	**276**	**2,057**	**182**	**1,759**	**95**	**21**

Reports Per 1,000 People	Population	Violent Crime	Homicide	Sexual Assault	Robbery	Aggravated Assault	Property Crime	Burglary	Theft	Auto Theft	Arson
Fountain Hills 2023	24,400	1.2	0.0	0.7	0.1	0.4	9.8	2.0	7.1	0.8	0.0
Fountain Hills 2024	24,600	0.9	0.0	0.5	0.1	0.3	8.4	1.1	6.5	0.7	0.1
Fountain Hills 2025	24,900	1.1	0.0	0.7	0.1	0.3	7.4	0.8	5.8	0.8	0.0
Fountain Hills 2023-2025	**24,633**	**3.2**	**0.0**	**2.0**	**0.2**	**1.0**	**8.9**	**3.9**	**19.3**	**2.3**	**0.1**
Queen Creek 2023	76,200	1.3	0.0	0.2	0.1	1.1	8.9	1.0	7.2	0.6	0.1
Queen Creek 2024	76,200	1.3	0.0	0.2	0.0	1.1	9.1	0.6	8.0	0.4	0.1
Queen Creek 2025	76,200	1.8	0.0	0.4	0.1	1.4	9.0	0.7	7.8	0.3	0.1
Queen Creek 2023-2025	**76,200**	**4.5**	**0.0**	**0.7**	**0.2**	**3.6**	**27.0**	**2.4**	**23.1**	**1.2**	**0.3**

Town of Fountain Hills

UCR Crime Report Comparison



Town of Fountain Hills

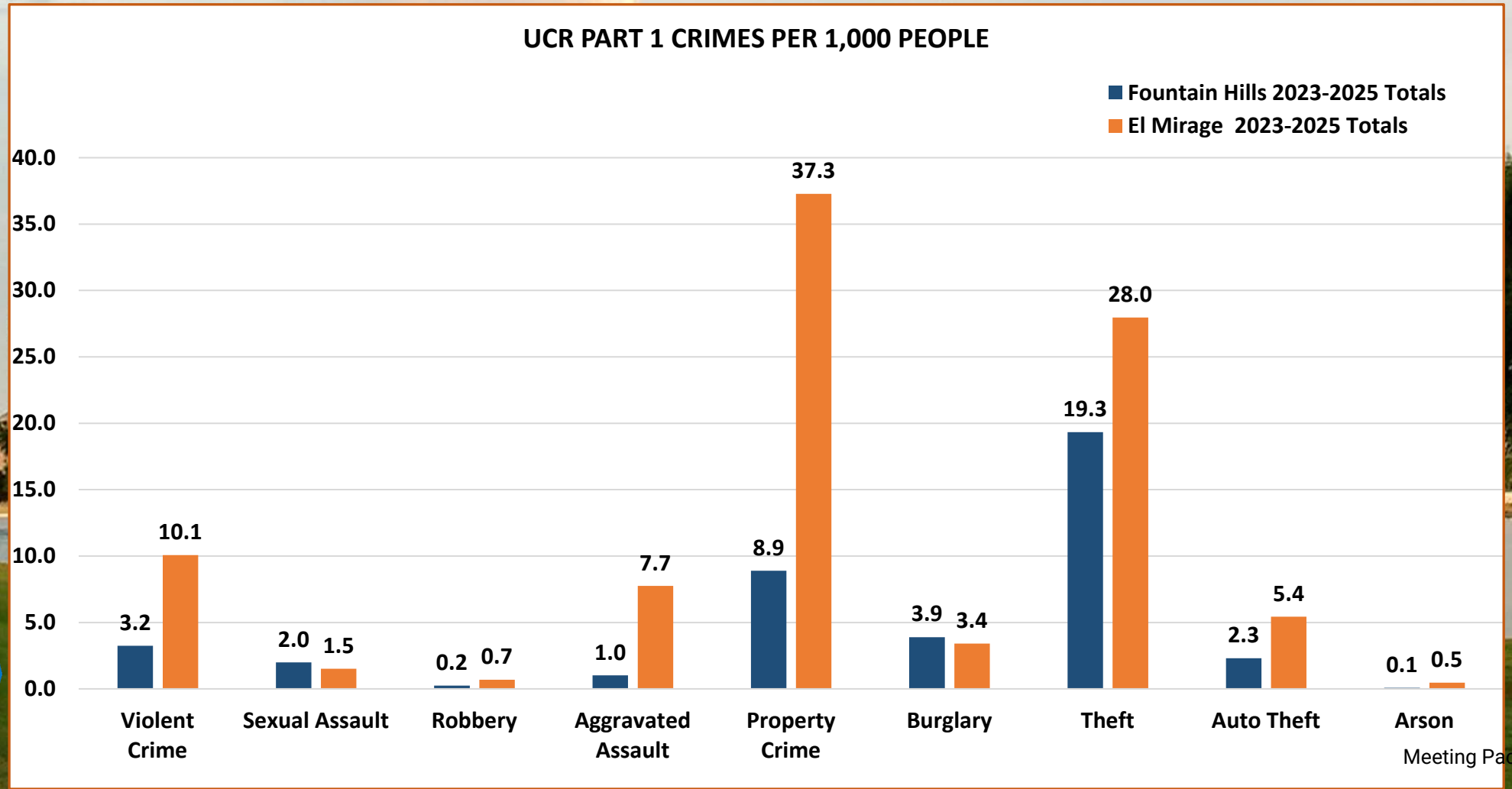
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Fountain Hills 2023-2025	**24,633**	**80**	**0**	**49**	**6**	**25**	**631**	**96**	**476**	**57**	**2**
El Mirage 2023	36,000	134	2	15	10	107	484	48	359	72	5
El Mirage 2024	36,500	139	1	23	8	107	455	48	336	66	5
El Mirage 2025	36,700	94	2	17	7	68	418	28	323	60	7
El Mirage 2023-2025	**36,400**	**367**	**5**	**55**	**25**	**282**	**1,357**	**124**	**1,018**	**198**	**17**

Reports Per 1,000 People	Population	Violent Crime	Homicide	Sexual Assault	Robbery	Aggravated Assault	Property Crime	Burglary	Theft	Auto Theft	Arson
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Fountain Hills 2023-2025	**24,633**	**3.2**	**0.0**	**2.0**	**0.2**	**1.0**	**8.9**	**3.9**	**19.3**	**2.3**	**0.1**
El Mirage 2023	36,000	134.0	0.1	0.4	0.3	3.0	13.4	1.3	10.0	2.0	0.1
El Mirage 2024	36,500	3.8	0.0	0.6	0.2	2.9	12.5	1.3	9.2	1.8	0.1
El Mirage 2025	36,700	2.6	0.1	0.5	0.2	1.9	11.4	0.8	8.8	1.6	0.2
El Mirage 2023-2025	**36,400**	**10.1**	**0.1**	**1.5**	**0.7**	**7.7**	**37.3**	**3.4**	**28.0**	**5.4**	**0.5**

Town of Fountain Hills

UCR Crime Report Comparison



Town of Fountain Hills

Closing

PROCLAMATION

CASA Volunteer Week – April 6-12, 2026

WHEREAS, our children are among our state's most precious resources, their health, safety and well-being are fundamental to our future, as are their hopes and dreams; and

WHEREAS, children who come into the child welfare system due to reports of abuse or neglect; experience uncertainty, instability, and a lack of consistent support during a challenging time in their young lives; and

WHEREAS, a Court Appointed Special Advocate (CASA) is a trained volunteer, appointed by a judge to advocate for the best interests of a child living in foster care, ensuring their voices are heard and their needs are met in court proceedings, placement decisions, and other critical areas; and

WHEREAS, CASA volunteers provide an invaluable service by building trusted relationships with their appointed youth, advocating for timely permanency and stability, promoting more positive outcomes, and helping children pursue their dreams and lead self-determined lives; and

WHEREAS, in Arizona, CASA volunteers work diligently in partnership with judges, attorneys, social workers, and community partners to ensure these children have support, resources, and opportunities, now and in the future; and

WHEREAS, the work of CASA volunteers has a profound and lasting impact on the lives of vulnerable children, providing them with a consistent, compassionate presence to help restore a more hopeful future; and

WHEREAS, CASA Volunteer Week provides an opportunity to recognize and honor the dedication of CASA volunteers, raise awareness about the urgent need for more individuals in Fountain Hills to step forward, and make a difference in the lives of these children.

NOW, THEREFORE, I, Gerry M. Friedel, Mayor, along with the Town Council of Fountain Hills, do hereby proclaim April 6 - 12, 2026, as

CASA VOLUNTEER WEEK

and I encourage all members of our community to learn more about the CASA volunteer program, applaud the extraordinary contributions of CASA volunteers and consider becoming CASA volunteers themselves.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the official seal of the Town of Fountain Hills, Maricopa County, Arizona this 7th day of April, 2026.

Gerry Friedel

Gerry M. Friedel, Mayor

ATTEST:

Bevelyn J. Bender

Bevelyn Bender, Town Clerk

PROCLAMATION

INTERNATIONAL DARK SKY WEEK

April 13 – April 20, 2026

WHEREAS, the aesthetic beauty and wonder of a natural night sky is a shared heritage of all humankind; and

WHEREAS, the experience of standing beneath a starry night sky inspires feelings of wonder and awe, and encourages a growing interest in science and nature, especially among young people and out-of-area visitors within the local communities; and

WHEREAS, light pollution has scientifically established economic and environmental consequences, which result in significant impacts on the ecology and human health of all communities; and

WHEREAS, Arizona hosts 10% of the world's largest telescopes—including the world's largest optical telescope—and many of the world's most revered observatories, including the Lowell Observatory, the Smithsonian Astrophysical Observatory/Whipple Observatory, the University of Arizona's MMT and Large Binocular Telescope Observatories, Kitt Peak National Observatory, the Vatican Observatory and in the future, the International Dark Sky Discovery Center; and

WHEREAS, optical astronomy—which is both hindered and endangered by unfettered light pollution—represents a statewide capital investment of more than $1.3 billion and an annual economic return of over $250 million, including an indirect attachment to more than 150,000 jobs through the aerospace and defense sector; and

WHEREAS, Fountain Hills Dark Sky Preservation Committee provides free education, resources, and solutions to the public to encourage the protection of and enjoyment of dark skies and responsible outdoor lighting.

NOW, THEREFORE BE IT RESOLVED that I, Mayor Gerry M. Friedel on behalf of the Town of Fountain Hills proclaim the week of April 13 – April 20, 2026, as

INTERNATIONAL DARK SKY WEEK

and ask each resident to join me not only in observing this important week but also in raising awareness and support for protecting our precious dark sky resources.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the official seal of the Town of Fountain Hills, Maricopa County, Arizona this 7th day of April, 2026.

Gerry Friedel

Gerry M. Friedel, Mayor

ATTEST:

Bevelyn J. Bender

Bevelyn J. Bender, Town Clerk

TOWN OF FOUNTAIN HILLS
MINUTES OF THE WORK SESSION
OF THE FOUNTAIN HILLS TOWN COUNCIL
FEBRUARY 24, 2026

A Work Session of the Fountain Hills Town Council was convened at 16705 E. Avenue of the Fountains in open and public session at 8:30 a.m.

Members Present: Mayor Gerry M. Friedel; Councilmember Gayle Earle; Councilmember Brenda J. Kalivianakis; Councilmember Rick Watts; Councilmember Hannah Larrabee; Councilmember Peggy McMahon

Members Absent: Vice Mayor Allen Skillicorn

Staff Present: Town Manager Rachael Goodwin; Town Clerk Bevelyn Bender, Town Attorney Jennifer Wright

Post-Production File

Town of Fountain Hills

WORK SESSION

February 24, 2026

Transcription Provided By:

eScribers, LLC

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Transcription is provided in order to facilitate communication accessibility and may not be a totally verbatim record of the proceedings.

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MAYOR FRIEDEL: I'd like to call this work session budget retreat to order.

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

BENDER: Mayor Friedel?

MAYOR FRIEDEL: Present.

BENDER: Vice Mayor Skillicorn is not here at the moment.

Councilmember Earle?

EARLE: Here.

BENDER: Councilmember Kalivianakis?

KALIVIANAKIS: Here.

BENDER: Councilmember Watts?

WATTS: Here.

BENDER: Councilmember Larrabee?

LARRABEE: Here.

BENDER: And Councilmember McMahon?

Mayor, you have a quorum.

MAYOR FRIEDEL: Before I pass it to the Town Manager, there's a couple of things I need to say.

This weekend, I saw a social -- social media post criticizing town staff for their work on research for road alternatives -- financing our road alternatives. I want to make it abundantly clear that that was at my direction. We are going to leave no stone unturned to look for alternatives to funding our road crisis in this town.

Recently, at the last town -- at the last League of Cities and Towns, Councilman Watts and I had the opportunity to meet with some gentlemen to explore alternative financing for our lake liner, and then taking that money and putting it into roads as well.

So, again, this is my call and my direction to have the staff explore every opportunity for road work in this town.

The second thing is, we all received an email from Jerry Butler, who was on the Streets Committee. He was appointed to the Streets Committee, I believe, by the last mayor of the town. And that committee did a lot of work. So if we have questions for that, we'll

gather those questions and we'll get those to Mr. Butler, if we have any questions for the Streets Committee.

So I wanted to make those two points and be sure that we're abundantly clear about the direction of where we're headed with this.

So with that, Rachel, go ahead.

GOODWIN: Thank you, Mayor. Thank you, Council. Thanks, staff, for being here. For those of us in the audience, it's late, but there's a couple people here. Thanks for coming.

Just a reminder of -- kind of our goals for today. So thanks for being here. This is our annual budget retreat. This work session represents one of the most important milestones in our budget development process. Formal adoption will occur later this spring, but today is where final direction is established. The discussions we have today will shape how we allocate resources and prioritize initiatives.

The purpose of today's retreat is threefold. First, to review the current financial outlook and ensure we have a shared understanding of revenues, expenditures, and challenges facing our long-term sustainability. Second, to provide updates on requested items that intersect with community requests and council inquiries. And third, to receive your direction on key policy decisions and strategic initiatives so we can refine and prepare a balanced budget for formal consideration.

So all said, this is important for us. This is -- helps shape the final version we bring forward to you guys as part of the proposed budget.

It's important to note that while we will touch on a few capital projects at a high level today, many of the detailed capital improvement projects will be reviewed more thoroughly at a separate upcoming work session. That meeting will allow us to dedicate the appropriate time and attention to those larger, long-term investments. So we will have a separate CIP meeting next month.

Today is intentionally structured as a working session. It is less formal than a regular council meeting and designed to foster open dialogue. With that, Bev (ph.) probably wants me to remind you that we will not be doing the timer situation today, because

this is a based on dialogue and feedback. We encourage questions, discussions, and candid feedback. Alignment at this stage allows staff to return with a budget that reflects your collective priorities and avoid surprises later in the process. So with that, I appreciate your engagement and look forward to a productive and collaborative discussion.

I'm going to hand it off to Paul. Paul is going to take most of the morning, probably, on a number of topics. Bear with us, but please, as always, ask questions. Staff is here to help.

Paul.

SOLDINGER: All right. Thank you, Rachel.

Mayor and Council, thank you for the opportunity.

Like Rachel mentioned, this is an important part of our process. It is a long day. I'll be honest, it's one of my least favorite days. It's just a long, long day of discussions. And -- it's important, don't get me wrong. But from my personal standpoint, it's a challenging day, right, to get through all of these conversations. So I'm just being honest.

So with that, we thought we'd start focusing on our revenue outlook for next year. Our proposed budget in April is where we'll talk more about our departmental expenditures, and the expenditures, and the proposed budget. But we'll be looking at revenues and -- and keep in mind, these are preliminary projections. Mainly for state shared revenues, we're preliminary in that phase because we receive updated projections from the league around the middle of March, and they give us final projections closer to the end of our -- our budget process. So today, those are more preliminary. Everything else is pretty much on par with what you'll see in the final budget. And we'll also talk about some other budget implications to consider as we go along.

So really briefly, on our milestones we've hit already. We actually started this process last year. We started having meetings. We started meeting internally. We started looking -- or we had a work session with Council as well. But for this calendar year, we worked through our initial revenue projections in January. I submitted them to the Town Manager, we had discussions about them. In January. We also met with all the

departments, and we discussed the needs for next year, where they had the opportunity to provide supplemental requests to the Town Manager, which we'll discuss more at the proposed workshop in April.

And today we have our retreat, our second retreat in this process. And it's like Rachel mentioned, it's a -- it's a big milestone for the budget process. We'll have a lot of discussions today, make decisions, and receive direction from Council on priorities in the budget. We'll also have an open house open to the public March 11th, where we'll have some similar information presented to the public. Obviously, Mayor and Council are welcome to attend.

Like Rachel mentioned, our SIP work session, that's another longer work session where we'll discuss our capital improvement plan for next year and the five-year outlook. We'll talk more about that next month. I think it is a more pivotal work session to discuss, because we are -- we will bring forth a relatively aggressive CIP plan with things that we'd like to do and there's a lot of priorities out there. So there will be some decision making that needs to be made, I think, during that work session.

Then the proposed budget, another -- the proposed budget is basically putting everything together, bringing it to Council on April 14th. This is what we've discussed as far as priorities, this is what we can do in the budget, and it's a little bit of a longer conversation, and trying to receive mostly the final direction from Council at that point. Not quite final, but pretty much.

The tentative budget on May 5th will set the maximum amount the town may budget for fiscal year 2027. And so by that point, we'll hope to have pretty much everything squared away, unless there's any very final things that need to be changed in the budget. And then the final budget will be considered on June 2nd.

So initial revenue projections for local sales taxes. Local sales taxes are 50 percent -- more than 50 percent of the town's revenues overall. So it's our biggest -- biggest revenue source. We've talked about how we're intentionally conservative to reduce risk. And especially now when our revenues are flattening, I believe that it is important to keep with that approach. So we've talked about that quite a bit. But as you can see,

we are projecting increases of three percent across all funds but 2.1 percent in the general fund.

Going down the different categories. Construction sales tax at 2.7 million, we are projecting a 14 percent increase. That's just because our revenues have been coming in strong for about three and a half years, sustained now. And so it's time to kind of get up a little bit closer to the actual revenues level. So we are -- we do feel comfortable with that approach.

Utilities at 1.5 percent. Just kind of like I've discussed, it's a pretty stable category that just slightly goes up a little bit each year and that's just along the same lines with that approach.

Retail sales taxes, 0.4 percent. We've talked about how our revenues have been kind of flat lately, stable. They haven't been going down for retail sales taxes. So that's kind of along those lines.

Restaurants and bars, we are projecting a four percent increase. We are seeing some positive momentum there.

Real estate, this -- we are projecting a seven percent decrease. But this is really just me going -- doing a deeper dive into the data and taking more of a data-based approach. Last year, there was a little bit of uncertainty with the long-term residential rental taxes going away. So we basically did a really strong, educated guess for the projection. This year was more data-driven, and that did reduce the projection a little bit.

Services, leisure, and tourism, we are projecting a six percent increase. This is another revenue source that has been much higher than projected, over $2.2 million per year for the past three years. We're still projecting 1.8, still conservative. I mean, for this category, the challenge is if there was an economic recession, that would be a category that would be heavily impacted. People would be golfing less, going to short-term rentals and vacations, staying at hotels less. So that is one category we're still trying to sustain to a more conservative level, but we are unleashing the conservatism a little bit with that projection.

So as you can see, we're projecting $535,000 of more local sales tax revenues next year,

a three percent increase.

Any questions on that before I move on?

Yes.

WATTS: I do have a question about -- it looks like we're actually the beneficiaries of inflation. None of these are an increase in spend necessarily, but by default, there's an increase in the -- the outcome due primarily to inflation. And utilities is a good example of that because they keep going up.

The one that bothers me the most is construction. What assumptions do you have in construction? Do you have anything that is tangible? Like, what's in the pipeline for building permits? What -- do you have any projects that are included in here that may or may not come to fruition? Those types of things are just curiosity questions more than anything else.

SOLDINGER: Yeah, it's a valid question, so I appreciate that, Councilmembers, Mayor. Council member, with that one, I have a discussion with development services. We've talked about doing a more robust analytical approach, looking at building permit applications and things like that. But the problem is, is when an application goes in, they don't always go to the end. They don't always make the payment and get the building permit. So really the revenue is what drives that.

So we have seen a little bit of a decrease or slowdown in building permit revenues, but what sustains this category is home building. And right now there's plenty of parcels in town that are being built on. We've just -- I don't want to say plenty, but there's enough to sustain us for the next few years at least. There's obviously discussions in the public about more home building.

There's -- excuse me -- there's also the Town. We're doing a lot more capital projects than we have in the past, and we pay construction sales tax, so that gets remitted back to the Town. That's another component. And we were actually just made aware recently of a large utility project that will likely happen in fiscal year 27 that would also likely contribute to the sales tax revenue in this category.

Yes?

MCMAHON: (Indiscernible) -- sorry.

The legislature could possibly pass bills that decrease and cap out our TPT.

SOLDINGER: Yes.

MCMAHON: When you did this analysis -- and hopefully the governor will smartly veto those if they pass -- but when you did the -- did you take all that into consideration? Because you're only deducting like 48 or 1000. I mean, and also we've also lost other revenue. So not to insult you, I just wanted to make sure.

SOLDINGER: Yeah, absolutely. Mayor, Councilwoman McMahon, so we take all these things into consideration. With the real estate, we've actually been seeing higher commercial real estate activity. So this is actually probably overly conservative, I would say.

MCMAHON: Um-hum.

SOLDINGER: But it's just me kind of fixing the way we did it this year, taking more of a data driven approach, but I did consider that.

MCMAHON: Okay.

SOLDINGER: Fiscal year 26 was the year that the -- the revenue -- so this year the revenue fully went away -- the long term residential rental taxes.

MCMAHON: Um-hum.

SOLDINGER: So the first time we considered that was in fiscal year 25. So we've kind of seen how the data looks. So we did consider that.

The other item of note is the food tax HCR 2021, which I'll talk about a little bit, would cap our food tax rate. So we'd still be able to collect the food tax that we're currently collecting.

MCMAHON: Right.

SOLDINGER: It wouldn't restrict us from that. But if the Council ever wanted to increase local sales taxes in the future, if it's -- if it's approved by the voters -- the statewide voters, then we wouldn't be able to raise that.

MCMAHON: Um-hum.

SOLDINGER: So that would restrict our future revenues.

MCMAHON: Yeah. And there's also that situation where if you purchase something in a warehouse that's not in Fountain Hills, then we don't get revenue from that. That could be pretty significant as well. It's a pretty complex year to be, you know, making projections, I think.

SOLDINGER: Yeah, you're absolutely right. We did not -- so that has been discussed at the legislature. I'll get into that slide a little bit. But no, you're right. That's an absolutely good consideration. The league is a bit concerned about it. And if it does pass we would -- I mean, we would -- it's hard to say because it's really just up in the air at this point. And the league has kind of told us that even if it did pass, these large -- even these large companies would have a very difficult time of implementing it. So you might not even see a high compliance rate.

It's almost impossible to estimate, but that revenue source is about $1.8 million to the Town's mostly general fund. So yeah -- yeah, we're considering it. But if it does happen, we probably would have to take extraordinary measures in our budget if we started seeing the data reflected. And we'll know closer to the end of the budget if that's going to happen, and we'd have to reduce this projection if --

MCMAHON: Yeah.

SOLDINGER: -- you know. So I appreciate that -- that point.

GOODWIN: I was just going to jump in and kind of echo what you just said.

It's a great question from the Councilmember, because there are a lot of things still out there in flux that you just don't know. And as Paul and I have talked about, I'm like, you can't build a budget on a maybe. We have to build a budget on what we know.

But that being said, if these things happen, if there are changes at the state legislature, if there is an economic downturn, if something happens, yes, these -- these things change. We will have to adapt, you know, on the fly in the process, pull the levers that we need to, and we'll need to talk about what those might be. But at this point, we're building the budget on what we know.

And a lot of the decisions that come out of the legislature are delayed, meaning you won't see them in that -- this upcoming fiscal year. They may take effect, you know,

somewhere down the line. But yes, we absolutely have to keep an eye on those types of things, which is part of why we take a very conservative approach so that we hopefully can weather any ups and downs and kind of stay steady.

So thank you for that question.

SOLDINGER: Yeah. I'll just add a little more. I know I don't want to talk about too long, but it's an excellent point for us to consider. Because if that did happen -- that particular bill they're saying would go into effect in fiscal year 27, and it could start impacting our revenues. We have things in our policy that would -- you know, if we start seeing our revenues coming in well below projections, we'd have to do a hiring freeze. We'd have to start looking at some budget cuts.

But because, like Rachel mentioned, we're so conservative in our projections this year, we're seven percent above local sales tax -- tax projections. That's about close to $1 million in the general fund. So it's -- we'd have to take measures, but we'd still probably be fine operating. We wouldn't have to do anything too drastic. But fiscal year 28 would be a problem. We'd have to really look at making a lot of cuts or raising revenues in other ways.

Yeah -- so. Thank you for that.

MAYOR FRIEDEL: Paul, let me make a comment, too.

I think something we're seeing in some of these projections may be the fact that we've had a record turnout at all of our events as well. So people are spending money in town as well. So I think the restaurant and bars, and also tourism that could be reflected in some of these numbers as well.

SOLDINGER: Absolutely, Mayor. Thank you.

All right. So just a quick reminder, our local sales tax revenues goes into five different funds. Most of it goes in the General Fund. Streets fund 0.2 percent of the 2.9 percent goes there. Economic development and Downtown Fund, 0.1 percent is split between those funds based on past Town Council actions. And every month we take half of the construction sales tax revenue and put it in the Capital Projects Fund. That's the ongoing revenue source for that.

Just a reminder, just to show you where that -- those projected increases of revenues are going and here are the numbers spelled out. Of the 535,000 that impacts the General Fund by 306,000 of increased revenue. Streets Fund by 37,000. CIP Fund by 173,000. Economic Development by almost 15,000. And Downtown Fund by 3,600 bucks. So just giving you an idea of where the money is -- where the moneys are going into the buckets on a on a daily basis.

This is Reiterative. It's basically -- oh, I'm sorry.

MCMAHON: I have a question.

SOLDINGER: Yes.

MCMAHON: Is this the usual split, or is this a new split?

SOLDINGER: So Mayor, Councilwoman, this is the usual split.

MCMAHON: Okay.

SOLDINGER: Most of these decisions are made by Council many, many years ago. The most recent increase to TPT was in 2019, going from 2.6 to 2.9. So that put more money mainly in the General Fund at that point.

MCMAHON: Okay. Thank you.

SOLDINGER: This is just another way to look at it as a pie chart. Most of the local sales tax revenue, 15.3 million, is projected for the General Fund. Streets Fund, 1.28, but we've been bringing in about 1.4 most years -- the last few years. And Economic Development and Downtown Fund, 640,000 projections. And Capital Projects Fund, 1.36 million.

So this is the general fund as a whole. I realized last year when we did this, I kind of made a mistake where I didn't show all the revenue sources. It just was kind of confusing. So I tried to show them all this year and showed the full projection.

So as you see, the sales tax revenue is projected at 2.1 percent increase. I will say, Rachel and I've talked about this, that's pretty conservative still. Because of our flattening revenues, this is the approach we need to take. But, you know, people have talked about, you know, Sprouts opening or local economic benefits of the IDSDC. You know, we'll see how the data looks next year. But I feel very comfortable with this

approach. I saw on the news that City of Peoria was projected at 2.5 percent increase next year. So in good times, it's more like four to five percent is what you'll see other cities doing right now. 2.1 is we're being pretty careful going into next year.

Franchise taxes. I've -- since I've been here, I've never broken this out. I've kind of blended it in the sales tax revenue, but it's actually a different category. So I thought I'd start breaking it out and kind of explain it. We have a franchise agreement with Cox Communications that -- since 2020, where they operate in the town, they have their infrastructure in our rights of way, and they pay us five percent of their revenues. And so that's typical for telecommunication providers. And we've had that -- so, like, six years now and the term ends in 2030, and they'll be up for renewal at that point. But we've been receiving -- we received 334,000 for fiscal year 25. This revenue source is slightly declining very slowly at this point. So we did reduce our projections by seven percent just to get to a more realistic number for next year.

And does anybody have any questions about that? Because that's not something we've talked about much because I just kind of blend it in the data.

No?

Okay. Great.

State shared revenues, urban revenue sharing for income taxes. We are projecting a five percent increase. This is based on league projections they provide me last year, taking account for the San Tan Valley incorporation. Remember, with the flat tax implementation at the state level, this revenue source kind of jumped up and then went started going back down. And this year, fiscal year 26, is the last year of it going down in projections. It's projected to start going back up in fiscal year 2027. So that's why we have a five percent increase there.

State shared sales tax revenues. It's been pretty slowly growing the last few years, about one percent a year or so. This revenue is actually projected to go down slightly because of the San Tan Valley incorporation. They're getting a little bit of that money that came from our part of the pie. And so it's a slight decrease here.

Fire insurance premium taxes. We talked about this a lot at the last retreat. The Fire

Department -- there's Chief Ott right here next to me. They are starting to receive a lot more money, 330,000 projected for next year. That can only be used for the Fire Department for their retirement benefits. So yes, when we talk about the Fire Department, they are a big part of our budget. They have a lot of needs and need resources, but we do have this offset that can be applied to their budget of 330,000. And just as a reminder this year for fiscal year 26, we're going to receive over $500,000 for the fiscal year 26 revenue and fiscal year 25 underpayment that the state made to us. So that will help sustain our general fund excess reserves at year end. We usually receive this in June of every year, so we'll receive it in June.

Licenses and permits. We are projecting a slight decrease. Like I mentioned, Councilman Watts, our building activity has slightly slowed down not substantially. So we are -- and most of this revenue comes from building permits. There's also some finance and licensing, business licenses, and short-term rentals in that amount. But a majority of that is from building permit activity. And so we're projecting a slight 2.5 percent decrease next year.

Leases and rents. Just a slight increase in the projections up to 387,000.

Charges for services. This might be even too conservative, but we'll see how it goes. I know we just raised the community center -- oh, I'm sorry. That's -- that's the one above.

Leases and rents. We just raised the community center rents for the ballrooms and things like that. We made those decisions earlier in the fiscal year. That might impact this revenue, but I kind of want to see how the data plays out the rest of this year before kind of adjusting that.

Going to charges for services, most of that revenue also comes from community services. So if you're -- if our residents are going to the community center and taking a class, signing up for programs, signing up for the senior membership, that all goes into that revenue source. And we are seeing a lot higher revenues for our senior memberships. We slightly increased the fee.

And then Kathleen at the community center -- shout out to Kathleen. She's done a great

job. She's bringing a lot more revenue for the Town. So I would say this revenue source is growing from our recreational programs, and it's probably even too conservative. We'll probably bring in closer to 300, 320, if I had to guess today.

Fines and forfeitures through the Municipal Court. All this revenue comes through the Court. Council also approved a new fee structure, increased fees. I believe it was in June of last year, and we are seeing much higher revenues so far through the court system. So that 210,000 projection, I think we've already met it for the fiscal year. And we're tracking to be closer to $300,000 range. So that's just kind of shows you the impact of when the council makes a decision approving an increase to fees, you'll see a reflected in the revenues actually coming to the Town. So we're probably going to bring in closer to that $300,000 range, but we'll kind of see how that goes the next few years.

Investment earnings. We take a stable approach. We talked about this a lot last year. We conservatively project two percent based on fund balance. Our general fund balance was a little bit lower at year end this last year and throughout the year. So the projection slightly went down by 15 percent. So that -- that does impact our general fund, but you know, that's the consistent approach that I'd like to take with this.

Other -- the only reason this one's going down by 15 percent is the past few years other than last year, we received a -- a rebate check from our risk pool -- insurance pool. We received -- my first year, received over $100,000 from the risk pool, but we have not last year, and we are not projected to do so this year. So that -- that affects our -- our revenue projection in the other category.

So -- but with that still pretty good news. At 2.9 percent projected increases, 750,000 --

MAYOR FRIEDEL: Paul, we have a question.

SOLDINGER: Yes?

MAYOR FRIEDEL: Councilwoman Earle?

EARLE: Can you explain why would we receive a rebate from the risk pool?

SOLDINGER: Yes. I can try to explain, but --

Just correct me if I'm wrong, Dave Trimble.

It's more of a Dave Trimble question, but basically, I think it works similar to, like, how

USAA works as a risk pool. Like, you pay your premium, they pay out the claims throughout the year, but if they have almost like a profit at year end, they redistribute the profits to the pool members.

GOODWIN: (indiscernible).

EARLE: Okay. I was just wondering if it's because we used it more this year that we --

SOLDINGER: It wouldn't only be the Town of Fountain Hills, it would be all the members of the pool.

EARLE: Okay.

SOLDINGER: And there's several municipalities in the pool. So, yes, I would say just from a logical conclusion, there were more claims being paid out for the -- at the pool level, and that's why there wasn't as much money to redistribute to the -- to the pool members.

EARLE: Okay.

UNIDENTIFIED SPEAKER: I think you covered it.

SOLDINGER: I try to understand things, but --

EARLE: Thank you.

SOLDINGER: All right.

WATTS: Paul, before you move on --

SOLDINGER: Yes?

WATTS: Can you help me understand? We've got a 14 percent plus increase in construction, which I would have thought would be reflected in license and permit fees. But you get a two -- $21,000 reduction. How do you -- how do you balance those two?

SOLDINGER: That's a valid point. That's a valid point. That could have been something I had carried forward to the operational budget here in the projection. I think the projection for construction sales tax has been too conservative over the past three years, but you know, understandably so, right? We -- after the pandemic, things were kind of topsy turvy and -- but coming out of the pandemic, when there started being increased spending, our construction sales tax revenues went pretty high. I think we brought in 3.4 million in fiscal year 24 -- or maybe 23.

And so my predecessor, he was really conservative with that approach because like, what if they start dropping off real quickly, right? You don't want to put the Town in a bad situation. So I would say the disparity is that we're just being too conservative because we've had three and a half years of sustained construction sales tax revenues around that three million or more mark that we can unlock the conservatism a little bit there. But the reality is our building permits have slowed down a little bit.

Again, it's hard to -- it's hard to even look at the applications and the data and make an informed decision, because a lot of times they get an application and it doesn't fall through, or they don't even get a building permit.

But no, it's a good point. I mean, it's something I can consider before we bring back the proposed budget.

WATTS: It just looks like there's a 300 or $400,000 increase in spending -- in construction revenues.

SOLDINGER: Um-hum.

WATTS: I would have thought that it would have been reflected in the license and permit fees going up comparably, rather than going down $21,000.

SOLDINGER: Yeah, it's absolutely a good point, and I will definitely look at that before we bring the -- the proposed budget back to council.

LARRABEE: Thank you. So just to clarify off that, this is more due to a change in how we calculate that than the actual projection of an increase or decrease in construction?

SOLDINGER: No, it's -- it's me looking at the data. And we talked about the projection -- so Mayor, Councilwoman -- sorry -- it's me taking a look at our projections, and we went through this process a little bit at our last retreat where, you know, we do the projections, we intentionally bring them down to be conservative, and then I take a look at the data and see what I see, and I can make some manual adjustments.

So this is me. Obviously, I'm putting myself out there a little bit, you know, but this is me saying I feel pretty good about where we're at, talking to Development Services, and -- and what's going on in the town. And so we'll see. It's very transparent, right? I have to come to you and tell you how it's going. So if it's not going well next year, I'll

have to bring my proverbial hat in hand, to take -- to take Justin's (ph.) quote. So --

LARRABEE: Okay.

MAYOR FRIEDEL: I'd rather have you bring a wheelbarrow.

SOLDINGER: I will do my best.

LARRABEE: Thank you. So it's not that our actual process has changed of how to calculate that. You're just -- it's your judgment. So thank you.

Really quick, I -- would you mind expanding upon what -- How our Town invests for our investment earnings? Just to clarify what we're --

SOLDINGER: Yeah, absolutely.

Mayor, Councilwoman, we have a pretty conservative approach that we've done historically. I've pretty much adopted that approach. We -- we invest about 30 percent of -- we invest almost all of the Town's money. We have money in operating accounts. And when we need money, we redeem it from our short-term investments.

So basically, what we do is about 30 percent of our investments -- and let's just put numbers on it. We have about 50, 51, $52 million as a Town today. We invest about $15 million in a long-term investment. It's not a pool. It's an account, you know, working through a brokerage with JP Morgan. And we only invest in things the state allows, which is a five term -- a five year maturity maximum. If we're investing in corporate bonds, it has to be A rated or higher by two of the rating agencies.

And -- and we also in our financial policies, we have limits to how much we can -- for example, corporate bonds are a little bit riskier because -- because corporations can go bankrupt, right? So we have limits to how much we can invest. We follow that policy. But most of our investments are in the State Treasurer's local government investment pool. It's a short-term pool, fully invested in U.S. treasuries. And so that's bringing the town about 3.6, 3.7 percent right now. And that's the short-term pool where we can -- like, every week -- I know you get the check registers when they go out every week. Every week on Wednesday when we cut the checks, we bring -- we redeem money. So we say we need a million dollars from our short-term investment pool. It's in our bank account to pay those bills by the next day.

LARRABEE: Okay. Thank you so much.

SOLDINGER: Yeah, no problem at all.

MAYOR FRIEDEL: So I'll just add that our money's always working.

SOLDINGER: Yes, absolutely.

The only thing I'll say on this, Rachel and I have been talking about a little bit -- you know, this is a kind of we're being probably over conservative in our sales tax revenue just to be careful. But we are seeing some increases, right? Our fire insurance premium, taxes going up, fines and forfeitures, urban revenue sharing, income taxes. But we know, and we'll talk about, the legislature's trying to make changes to some of these revenue sources. And for example, the fire insurance premium taxes. We're not going to see a large increase like that in fiscal year 28. That was kind of a one-time big increase to our general fund.

So if we have another year where our sales tax revenues are coming in really conservatively estimated like that, which we have been doing and we've been intentional with that, fiscal year 28 will be probably a more challenging year than fiscal year 27. So I'm just forewarning a little bit. But we're in a good place for fiscal year 27 and we feel good about where we're at. So I wouldn't be doing my job if I didn't put a little bit of hesitation out there.

The Streets Fund -- so projected three percent increase, one point -- almost 1.3 million in sales tax revenues. We've been bringing over 1.4 million in the last few years. So again, that's conservative.

HURF revenues, that is slightly impacted by the San Tan Valley Incorporation. Very small impact to that, but we're projecting a two percent increase at 1.9 million.

Vehicle license tax is 1.3 million. That is not impacted by the San Tan Valley Incorporation.

Investment earnings. We're actually spending -- we have 14 million in Streets Fund today. We're going to have about 6 million or so -- 6 to $7 million by year end. So that's why the investment earnings projections going down. We're going to have less money to invest.

And other, this is just another case of me cleaning something up in the projections. We've had this long-standing revenue projection, the Streets Fund, that really hasn't come to realization. Talked to Justin about it, so I removed it. And so we are projecting a decrease, but it's just coming down more to reality of what we've been bringing in in this category. So still a 4.7 million projection. As you see down at the bottom we're projecting about $6 million in Streets Fund at year end this year to work with next year. One thing to note about that that I think is important, because there's been a lot of talk about we're spending a lot of money on streets, you know. We are doing that. But $6 million is still historically much higher than we have had in this fund. Most years, we've had $3 million or less in the past ten years, other than the past couple of years, because the Council has approved that money to go in there. So we're still in a really good position with the streets Fund to -- to start -- you know, keep doing some of the road work that the Council has directed us to do.

CIP fund real quick, 14 percent projection --

Oh, yes?

MCMAHON: Well, I have a question, please. On the State shared revenues, given what the legislature is looking at, is that -- and I know we're just projecting for today and I know that bill was vetoed, but it looks like they're doing other things that -- would this fund be affected if it changed?

SOLDINGER: Yeah. So Mayor, Councilwoman, are you discussing income tax conformity?

Yeah. So that would impact our Urban Revenue sharing. But the league has told us it wouldn't impact us until fiscal year 28. So fiscal year 27 is sound at this point. Fiscal year 28 -- because remember this revenue is on a two year lag. So it's based on income tax collections from two years prior.

MCMAHON: Um-hum.

SOLDINGER: So when that starts being impacted then there's a two year lag to that. So we'll talk about that on one of my --

MCMAHON: Right.

SOLDINGER: -- next slides.

MCMAHON: Thank you.

SOLDINGER: The Capital Projects fund we're projecting more revenues for construction. Less revenues for grants and that just has to do with the type of projects that we're doing, right? Our main project we're doing this year that has a lot of grant money is the Prop 479 money from MAG for the Shea Boulevard widening project. So we're projected to do less projects that have grants associated with. So based on the budget today, we're projecting almost $1 million of those revenues -- excuse me -- so $2.5 million.

Don't -- don't be scared off by the 29 percent drop in projections. You'll kind of see that as the grant revenues fluctuate. It's still pretty stable. And we're seeing the main revenue source for ongoing revenues, we're seeing we're projecting that to go up.

One other thing to note, we are projecting about an $8.89 million fund balance in our CIP fund at year end. I know there's been discussions about, you know, what we can do in our CIP fund. That's also historically high compared to where we've been at. So we're still in a strong position to do capital projects for the foreseeable future.

Okay. That was a lot. Any questions before I move on to legislative impacts?

Trying to -- trying to speed through.

Okay. There have been many things discussed at the legislature. I'm focusing on the main ones. There have been other things that they're talking about restricting. I don't know if restricting the right word, but -- development impact fees, there's some legislation going on with that. We're kind of -- it's a good thing that we just approved the -- those fees, so we have some time to figure that out if that does happen.

There's also -- there's another one on my mind and now I can't remember. Oh, they're talking about freezing all fees for a certain time period. Yeah, four years. And so that would impact us. I think we bring in about 1.5 million to $2 million of total town fees per year, other than impact fees. So I mean, it would -- it would restrict that going forward.

But for this one -- for food tax, we bring in around two, $2.1 million of this revenue per

year. It's about ten percent of our local sales tax revenues, five percent of our total revenues as a town. And HCR 2021, which was introduced last legislative session, will be on the November ballot this year. And so if that is passed, it would cap our town's food tax rate at 2.9 percent. So if the Council ever wanted to approve a sales tax increase in the future, we could not increase this one and so it would restrict our future revenues.

It's kind of -- in a way it's a good thing, because also if you don't have a food tax, you wouldn't be able to -- I can't remember all the specifics, but you couldn't go above two percent. So right now at the 2.9 percent, we're kind of in a good position anyways. But yeah, we couldn't make changes in the future if that does pass.

But also introduced this session, House Bill 2839. This would make anything eligible for SNAP benefits to be nontaxable. So just some strong examples are fruit, vegetables, dairy, meats. So a majority of groceries would not be taxable if this did go through the legislature. And so if that did happen, the league doesn't seem overly concerned about it. But, you know, we'll kind of see how the legislative session goes. But if it did happen, you see on the screen a majority of our $2 million in revenues would go away, and that would be another thing we'd really have to figure out.

UNIDENTIFIED SPEAKER: (Indiscernible).

SOLDINGER: Yes, of course.

WATTS: Before you move on, just to dispel anything that's implied into that 2.9 percent being a good thing.

SOLDINGER: Um-hum.

WATTS: There's no talk about increasing the sales tax on food at this point by anybody, anywhere, at any time.

SOLDINGER: Um-hum.

WATTS: So it's a good thing from the perspective that we retain the revenues. But I don't want somebody to misinterpret that there was a discussion about increasing it. And so --

SOLDINGER: Right.

WATTS: -- it just -- it's one of those reading between the lines and sometimes -- sometimes things get twisted a bit.

SOLDINGER: Yeah. I really appreciate that, Councilman.

Yes, there's no there's no internal discussions about raising our sales tax at any time soon. We're going to work within our constraints and our budget and figure things out. And just to be clear, for fiscal year 27, we feel like we're in a really good place and we're going to be fine.

And so, thank you for clarifying that.

Remote sellers, this one is the one that we talked about a little bit and the league is a bit concerned about. We bring in about $1.8 million a year within our retail category from remote sellers. And as we've kind of discussed, this is one of our sections of our categories that's been going up quite a bit. People are buying things online a lot more. And so if this does happen, just the basic way to explain it, under current tax guidelines, if a resident orders something online in Fountain Hills and it's delivered to their home, Fountain Hills gets the tax from the company delivering the goods.

Under this possible legislation, in that same scenario, if you're in Fountain Hills, you ordered something, but it came from a distribution center in Avondale, Avondale will get the tax.

And I think the challenge here is driving around town, you don't see a lot of large distribution centers, so this could have a large, large impact to the town. So this is the one that we're really kind of focused on and trying to hear.

I believe there's a hearing yesterday. I missed the meeting -- the league meeting yesterday, but I believe there was a hearing this week on this. So I'm sure we'll get an update here soon.

WATTS: The league has offered alternate verbiage to clarify a lot of this because it is very confusing and, you know, the distribution centers being the recipient of an order from Amazon corporate goes into that Avondale facility doesn't make any sense whatsoever. So they've gotten -- they've done a pretty good job of rewording it to protect us in that area as well. So they're offering that and hopefully they'll get some

support.

SOLDINGER: Appreciate that.

Yeah, the league works hard for us. So that's helpful.

And the last one, income tax conformity. This will likely pass in some measure. I don't think it won't pass. And I know the Council directed the Town Manager send a letter of support. So SB 1106 was vetoed by the governor. There was also another bill, I believe, that was vetoed by the governor with similar provisions. But basically, the idea is to conform the state income taxes to the federal level income tax changes. And it would impact our state shared Urban Revenue sharing for income taxes, but it wouldn't be until fiscal year 28.

So whatever measure is passed, it will have an impact. I think we're in a decent place because, remember, next year we're going to start seeing this revenue source increase again. So whatever measures passed, it will basically level it out because it's increasing. It will continue to increase unless there's a big economic collapse and people's wages don't continue to go up. So it's supposed to increase again in fiscal year 28. Whatever measure that's approved, it will just flatten that out and hopefully it wouldn't go down. So we'll know more about that later in the legislative session.

MCSO, good news. Some good news today. MCSO -- we did do some background on this -- this year. We reached out to MCSO trying to get an idea of what we can expect because, you know, since I've been here, it's just kind of a challenge. You just kind of wait until MCSO provides you the cost notification in accordance with the agreement. And so they did let us know that their retirement costs continue to go down and overtime costs have. They've been doing a better job retaining their staff. So they've had less overtime. So that -- those are things that we anticipated that would decrease the cost notification. But they also did a large pay adjustment for their sworn staff. So we weren't kind of really sure. But we received the cost notification a couple of weeks ago, and our costs for patrol services are going down another $68,000 to $5.69 million. So that helps our General Fund budget.

I will say that we can't keep expecting it to go down. I'm pretty sure next year it's going

to go up or -- I don't want to make predictions, but it's very likely it'll start going up again here shortly. So this is something that we'll have to take into consideration next year's planning.

And the last slide of this presentation. Last September, we held a work session on staff pay adjustments. The annual general adjustment is what we propose, and we did receive direction to move forward with it. So it's based on two factors, peer market index, which is the Maricopa County -- primarily Maricopa County municipalities in our market based on the Arizona League Survey -- and that measure came in at 4.2 percent. And ECI, which is the nationwide measure for state and local government workers, that came in at 3.4 percent. So what we're recommending to include in the budget is 3.8 percent for staff pay adjustments in the budget. And that's what we'll move forward with for the proposed budget that you'll see in April.

So with that, any questions before we move on to the second item?

EARLE: Can I ask a question?

SOLDINGER: Yes, absolutely.

EARLE: So you're just letting us know because we already approved this, so. Okay. You're not asking us for that? Okay.

SOLDINGER: Yeah. So --

EARLE: I thought we approved it for -- was it for permanently or for five years? I don't remember.

SOLDINGER: I believe it was just moving forward, Councilwoman.

EARLE: Okay.

SOLDINGER: Yeah. So it can be changed at any time. And like we mentioned, like, next year, it'll be a -- it'll be a little bit more navigating the budget, so we'll have to see. But you know, of course we discussed with the Town Manager and see what we feel comfortable with, and what we bring forth to Council each time.

EARLE: So no voting on it? Thank you.

SOLDINGER: Yeah. All right.

Did anybody log in the Teams? Is Kaitlyn (ph.) on there? Okay. Would you mind? Can

we take a quick break? I'm expecting one more expert or advisor to come, so let's give them five, ten minutes. And that way they can be available for any questions you might have, so.

[Break in the Proceedings]

SOLDINGER: All right. Ready?

All right. Mayor and Council, we're also going to talk about road funding options, including a discussion about bonds.

So our streets -- oh, before I start, we have our municipal advisor, Jim Strickland and Caitlin Dwyer from Columbia Capital. He should be on the line, or he may join us. They can answer any questions you have today. They're the ones that are the experts in this field. We also have Zach Sakas (ph.), our bond council. So he has more of the legality and the election timelines and things like that. If you have questions they'd be free to answer those questions any time.

GOODWIN: I'm going to hop on that too, Paul, and just say they are the experts in the room. Please use them if you have questions, even -- even just to understand the details behind, you know, what a bond could look like, even if you aren't necessarily wanting to move in that direction. They are definitely your experts and are here to answer questions, so please feel free.

SOLDINGER: All right. Streets are obviously a discussion that we've been talking about quite a bit. We're spending about $10 million this year, including Palomino, Ridgewood, Thistle, and the other roads selected by the BOSS data. So historically, a very high amount compared to normal for the Town.

We still need somewhere in the range of 30 to $50 million to fix our roads based on previous presentations from RAS. When they came last year, they were talking about -- about a $40 million or so figure to get us -- to get our roads in better condition.

So we also have a new town dashboard we've been working on. It's not complete or anything like that, but it -- I'm going to pull it up just in case you want to go to the map at all. It'll take just a second. This is -- this shows a lot of the road work -- or the road work that we've done since 2019 or so. And so -- where's Palomino, since we're working

on that right now. Somewhere around here -- although I cannot zoom in. Yep, right there. So we can refer this map as needed.

EARLE: Can I just say thank you, Mike (ph.). And who helped you?

UNIDENTIFIED SPEAKER: (Indiscernible).

EARLE: Thank you for putting that on the list. It's on our website too. Thank you.

SOLDINGER: Council has continued to make decisions by providing more money to the Streets Fund with transfers and --

MAYOR FRIEDEL: Excuse me.

SOLDINGER: Yes?

MAYOR FRIEDEL: Councilwoman?

MCMAHON: Thank you.

I don't mean to interrupt you, but given what the type of the conversation that we're having, if you don't mind, I want to ask Justin --

UNIDENTIFIED SPEAKER: Sure.

MCMAHON: -- a question.

You know, we're looking at -- possibly looking at bonds here, right? And I -- I would like, you know, I'm -- I don't want to go into big detail or anything, but I'm trying to understand that if there's a bond done, how fast are we going to get the streets done? Is it going to be year-round or whatever to use those funds, or are they going to sit there, or what -- the what's the case may be?

Because I know that you've said in the past that you can only get so many people working, et cetera. So if all of a sudden we have all this money, is a miracle going to happen and all the streets get fixed, and what would that timeline look like? And I'm not being sarcastic, I'm asking.

WELDY: Councilmember, so there are a series of questions in there, and it's all really going to depend on the decision of this Mayor, and Council, and obviously from input from the staff, and then the voters.

In regards to bonds, if a municipal bond or whatever type of bond is decided to be used, only the amount of bonding and or funding necessary that we can do in a one or two

year horizon will be sold, and that work will be completed in that horizon. But it's not an all at once. It'll be spread out over a period of time.

MCMAHON: Okay. Thanks so much. I appreciate the clarification. So going in with that mindset about bonds will help. Thank you.

SOLDINGER: And just to add to that, typically with a bond, you have a three-year period to be able to spend the bond proceeds. So Justin mentioned one or two, really based on the legality of it, we could do up to three years of additional bond -- bonded road work. So one of the big benefits of I've --

UNIDENTIFIED SPEAKER: I've got one question, too, if I could.

SOLDINGER: Of course.

UNIDENTIFIED SPEAKER: At that time horizon then is two years and we have 30 to $50 million worth of backlog. Say, if money came from trees, how long would it take for us to do that kind of a backlog repair? How many -- how many years? What's the time horizon that we're looking at to get all the road work complete, if they were bond funding.

SOLDINGER: So Mayor, Councilwoman, Justin's saying five to seven. I think it kind of is a little bit more nuanced than that. It just kind of depends, right? We're going to talk about our ongoing revenues. We -- right now, we've been budgeting to spend more than we're even bringing in because we've had that money saved up. But if we don't have that money saved up, we wouldn't be able to continue doing that five million or so of road work. So that's probably thinking about that $5 million -- 5 to $6 million figure we've been doing, that would be a challenge unless Council keeps directing General Fund money into the Streets Fund.

UNIDENTIFIED SPEAKER: So since the bonding only goes out two years, then are we talking about a series of bonds every two years for maybe the next six years to get this road work done? I mean, this wouldn't be a one-time bond then. It'd be a series of bonds to -- to finish the road work, that's what I'm assuming.

SOLDINGER: It's a -- that's a very nuanced question. So I think it just depends on what -- if Council wants to do bonds, right? It depends. There's different scenarios we're

presenting today. You could do more than that. But it's -- you know, there's going to be different things to consider with that.

We have an ongoing revenue situation where we can spend a certain amount of money every year. So we could add to that bond funding. And it depends on the different bond options that you look at today as well.

UNIDENTIFIED SPEAKER: Yeah. Well, I'm just riffing off of Councilwoman McMahon's query to Director Weldy that two years out, you can do the bond, but we wouldn't do a bond for, you know, the next six or seven years or for $50 million worth of road work because the horizon, I believe, he said, was two years.

SOLDINGER: It's three years --

UNIDENTIFIED SPEAKER: Three years?

SOLDINGER: -- legally, yeah, with the bond. When you receive the bond proceeds, you typically have about three years to spend that.

UNIDENTIFIED SPEAKER: But we couldn't do $50 million worth of repairs in three years?

SOLDINGER: Well, the scenarios we're bringing up today, Councilwoman, are more the 11 to $22 million scenarios. And so it would help us catch up. We could supplement that by using our Streets Fund and continue to make headway. So if $30 million -- if $30 million is the number and we did a $22 million bond, we could get to $30 million in a three-year period. I mean --

UNIDENTIFIED SPEAKER: Okay.

SOLDINGER: -- unless we're having trouble with logistics, bringing out vendors, and things like that.

UNIDENTIFIED SPEAKER: Okay. Yeah, I'm just trying to get the logistics and the math of getting this done.

MAYOR FRIEDEL: I don't think we've determined that yet. And then, again, you've got the voters have to vote on it too, so.

UNIDENTIFIED SPEAKER: Right.

SOLDINGER: Yes. With a GO bond, it would require voter approval. Yep.

UNIDENTIFIED SPEAKER: Yep.

SOLDINGER: All right. One of the big benefits of debt is it doesn't count towards the expense or limitation. So we talk about that a lot, how we're kind of maneuvering around it. But if we took out $10 million, we could spend 10 million, but we could just budget it every year until we spend it, basically.

BENDER: Mayor, Columbia's on the line.

SOLDINGER: Oh. Hey, Caitlin, are you there?

DWYER: Hey, there.

SOLDINGER: So Caitlin's also with Columbia.

DWYER: I'm here.

SOLDINGER: Yeah, Caitlin's also with Columbia Capital. They'd be able to answer any questions you have.

So Streets Fund fiscal year '25 actual activity. We brought in 9.2 million, but a lot of that has to do with $4 million of transfers. Without that, we're talking about $5 million or so of revenue and we spent $7.3 million. That's just kind of illustrating that we're spending more than we're bringing in, unless we're supplementing that fund with transferring money into the fund that the Council's been doing.

So we spent $5.6 million on road paving work, 4.9 million on road paving directly, and $700,000 for all the additional costs related to that, which are sidewalk repairs, concrete, and striping. And other streets' needs, $1.7 million.

So what are other streets' needs? I've had this question before. We -- for all our staff out of the Streets Fund and other contractual services, that's about $1.1 million per year that comes out of this fund.

Rights of way maintenance, this has a lot to do with landscaping and repairing the medians and things like that in our streets. We spend about $500,000.

Street signs, 60,000 and 13,000 for street vehicle maintenance out of this fund.

So I've had that question what do we do other than road work? Well, this is what we do out of this fund otherwise. And so that's about 1.7 million -- 1.6, 1.7 million. But we budgeted about $2.2 million for those purposes.

So same kind of scenario. We bring in about $4.7 million of projected revenues next

year without transfers, without the council directing more money in there. And what are we going to budget for road paving next year? We've kind of talked about initially, you know, going back to the $5 million baseline. That's actually historically higher than we've done. A lot of years, we did two and a half, $3 million looking back in the 2010's. But we could go back to the five million. We could do a little bit more, but the risk with doing more is it's less sustainable. Without putting more money in by transferring money, at some point, we're not going to have any money left in the Streets or very little money. So we'd only be able to budget based on our ongoing revenue situation.

EARLE: Can I -- can I ask a question?

SOLDINGER: Yes, of course.

EARLE: So if we did put five million in, we're really only having three million to spend on the roads because of the other two million goes for salaries and other expenses?

SOLDINGER: Exactly. Yes, Councilwoman.

EARLE: Okay. Thank you.

SOLDINGER: And so that's what this is trying to illustrate. For our ongoing revenue situation, based on our projections, we have 2.2 million there at the bottom for other street's needs. If we didn't have any money in the Streets Fund at year end, this is all we could spend on road paving based on our ongoing revenues, $2.5 million. So that's closer to what we've done historically, not in recent years. But the Town has been able to budget more than that and do more road work because of Council transferring money into this fund.

And think of that when we're looking at the bond scenarios with the pledged revenue. If you pledge revenues for a bond, so restricting our future revenues, we'd have less money to do real work. Take 1.4 million off that 2.5, you're looking at about $1.1 million only for ongoing revenue road work other than paying for the bond.

So Council has approved many transfers of about $14 million over the past four years into the Streets Fund. That's about how much we have in the Streets Fund today, $14 million.

So $6 million, what we're projecting at year end after spending all that money on all

those road projects. And so that's about 15 to 20 percent of what we need to fix our backlog of roads. So this is just illustrating we don't have enough today. We can continue to take chips at it or we can consider other options like a bond.

Again, the expense limitation that's, really for us, one of the biggest benefits of a bond is it doesn't count towards that.

I'll just kind of -- we've already talked about the exponential limitation quite a bit, so I'll shoot through this. Our -- our exponential limitation for next year preliminarily is set at $38.2 million. About 1.5 million then last year -- or this year.

And some of this is also kind of just getting into repetitive information. We've already talked about HURF revenues. And investment earnings are excludable, so they don't count towards the expense limitation. That's what we've been doing, working with Michael, saving up that money in our funds so we could take bigger chops at the road work and add more to our budget, but still complying with the constitution. So HURF is about 1.9 million. Investment range is going to depend on the year and how much money we have in that fund.

Last year, we talked a lot about how we were able to do more road work for fiscal year '26 because we had that big carry forward in the Streets Fund. So on the left, that 9.5 million is how much we had. We had, like, 11.5 million in the streets fund at year end last year. 9.5 million of that was HURF and investment earnings. And when we use that money, it doesn't count towards the expense limitation. So we were able to budget more for road work this year doing that $10 million. And you'll see that our projected carryforward of those revenues are about $5 million. So it's going down is all we're trying to illustrate. There's less ability to do one time road work going forward. There is still some, but less.

Okay. Bonds -- a bond is a type of loan made by an investor to a borrower.

One second. Sorry.

EARLE: Do you mind if I had a question before you go on to the bonds?

SOLDINGER: Yep.

EARLE: Because it was new to me, I hadn't understood that salaries are paid out of the

different buckets.

So is the salary -- the salaries that are -- the expense limitation for putting money into roads, is the salary part is that deducted from that, or is it -- can the salaries be paid out of something else so more can be spent on the roads? Just help me understand that. Thank you.

SOLDINGER: Yeah. Okay. Mayor, Councilwoman, so it's really based on the revenue source that's being spent. It doesn't really -- I could be -- I'm probably wrong. Michael, would you like to explain that? Or I can kind of stumble through it. It's a complicated question, though, so I'd like a better explanation. Okay.

STELPSTRA: So Mayor, Councilmember, when it comes to the expenditure limitation, the expenditure limitation is in total for all -- all of the buckets, so Town as a whole. So we could -- if we wanted to pay those salaries out of a different fund, we could, but that doesn't help us with the expenditure limitation. It would free up additional funds in the -- the Streets Fund to -- to do on roads. But then that also takes those monies away from, say, the General Fund. And the General Fund is where we've had the excess monies to transfer into the Street Fund. So to some extent we kind of end up in a circle.

EARLE: But I thought I understood there's a limitation to what you can spend on streets specific; is that not correct?

STELPSTRA: That there's not a limit on what you can spend on streets. The sum of the revenues, like the HURF money, is restricted to streets --

EARLE: Okay.

STELPSTRA: -- so we can only spend that on streets. And that's a lot of the carryforward that we've built up in there is that HURF money. So most of that five million -- or I guess a year -- and probably -- I think it's about 3.5 of that 5 million is HURF monies. So that's money that we can only spend on streets. The other 1.5 is -- is investment earnings. So that has a little bit more flexibility. But we've put that in the Streets Fund. It's been earned on moneys in the Streets Fund intended for streets. But -- but yeah, it's the HURF money is restricted for use by streets, but there's no limit on how much we can spend on streets.

EARLE: That's interesting, because I thought I was being told before that there was a limit to what we could spend on streets.

STELPSTRA: Not -- not through the expenditure limitation or anything else I'm aware of. Yeah.

SOLDINGER: So Councilwoman, so the exponential -- let's go back to this 38.2 million. The expansion limitation is for the Town as a whole. And it's kind of like a ceiling, right, 38.2 million. And when we're putting all the buckets together in our budget, the streets is just part of that. We start with our general fund, which is most of our budget, and it's based on our ongoing revenues, and we balance it from revenues and expenditures. Anything after that, we're just kind of piecing it together like a puzzle to get under this 38.2 million. So the expense limitation just restricts the total budget, but roads is a part of that conversation. And because we've saved up that money that doesn't count towards it, when we're looking at the different buckets -- I wish I had a different slide up -- but we have the General Fund bucket that's kind of going to stay the same kind of no matter what you do. You could use -- I'm complicating it -- sorry -- you have the General Fund that's pretty much going to stay the same based on our projected revenues.

The Streets Fund, we're saying, hey, here's the ceiling. We're already here with this. We're going to put the Streets Fund here. But a lot of this bucket doesn't count towards this, so we can go over it. And so it's just the expense limitation as a whole. And it's just a navigation and like a dance to get underneath it.

UNIDENTIFIED SPEAKER: Talk loud.

UNIDENTIFIED SPEAKER: So we -- just because we have to pay so many other bills, what you're saying is that we then get the bond that goes above and beyond (indiscernible).

SOLDINGER: Yeah.

UNIDENTIFIED SPEAKER: (Indiscernible) everything?

SOLDINGER: Yeah. So -- so great question. In the illustration, I try to make General Fund -- let's just consider the two funds. Don't think of all the other funds, right?

General Fund, right now it's, like, 26 million, 27 million.

Streets Fund, let's say it gets us up to that cap, right? It's like, oh, we can't spend more money on streets. If we get a bond, we can just lump it all on top into the Streets Fund and spend it as we need to and include in the budget, because it doesn't -- this -- this ceiling, it goes through the ceiling. It doesn't count. And so that's the way I would try to explain it if that.

Does that make sense?

Okay. So bond issuers, in this case, if the Town were to issue a bond, we would be the bond issuer and we would pay principal and interest to investors of the bonds. So this is a common practice. Cities and towns across the country and Arizona issue tax exempt municipal bonds to finance capital projects. It's a -- especially with larger governments, this is a very, very common tactic or discussion.

Arizona municipal bonds are typically repaid from utility revenues, excise tax revenues, or property taxes. We don't have utility revenues. So our options are excise tax revenues, which would be the -- the street sales tax that goes in that fund. There's also maybe one or two others we could even consider. But property taxes, that would be a general obligation bond that we'll talk about today. That would create a property tax on the residents if we were to issue bonds like that.

So generally, they're tax exempt. And borrowing a tax exempt interest rates enables municipalities to get basically lower cost of issuance. So when you're issuing a bond, it's lower than other -- it'll cost you less in interest than other types of financing, such as just going to the bank and trying to get a loan, right? So -- and there are some instances which Zach and Jim could talk about what they see in the market on where you can have options to pay off the debt earlier, refinance the fees, the bonds earlier. So they could talk about those options they see. But there are options like that out there in the market.

Previous Town attempts, the Town Clerk and I look back, so we believe we have all the GO bonds for streets. I also use ChatGPT to help me search for this as well, look back in our files.

And so in 2011, the Town did try to get a GO Bond passed by the voters. And just to clarify, if you do a GO Bond, the voters need to approve it before you proceed. The Council would approve it first, go into the ballot, and then it would go to the voters. So 2011, we tried that. It was broad. It was for street and transportation related purposes for $29.6 million. And talking to the Town Clerk, the idea was to fix all the roads back in 2011. That's how much we placed on that -- that number. You'll see that it failed. 44 percent voted for the bonds and so it failed.

We tried again 2013. We made it more specific, transportation, street upgrades, including the rebuilding of Saguaro Boulevard. So what we did is, we were asking to reconstruct Saguaro Boulevard, similar to some of the other conversations we had. We asked for up to $8.2 million in that bond election, and it passed pretty easily, 67 percent for the bonds.

So all we're trying to illustrate here is if this is something the Council wants to do, it probably makes sense to be more specific in what you're asking the voters to decide on. It's up to Council if you want to proceed on something like this, but definitely I would recommend be more specific.

GOODWIN: Paul, I just wanted to point out that, so in 2011, 2.96 million is what they calculated to fix all the streets at that time. That's how much money was needed. Now we're talking about what number?

SOLDINGER: 30 to 50 million. After doing about 15 million over the last two years, though, we've done a lot of road work.

GOODWIN: So this really just illustrates again that the cost of maintenance goes up over time. There's just no denying that. And this just sort of highlights if it had passed in 2011, that's how much it would have cost us versus what it would -- what it potentially will cost us today.

Is that accurate?

SOLDINGER: Yes.

GOODWIN: Okay.

MAYOR FRIEDEL: There's one other factor. We probably have more roads now than we

did back then too. And maybe they're not as in bad a shape, but the mountain is still there.

SOLDINGER: All right. I try to get creative. This -- this is kind of a busy graphic, so I apologize.

But we were just talking internally, just giving some options, right? We looked at Palisades Boulevard, Fountain Hills Boulevard, or if the Council wanted to, you know, select a list of roads from the BOSS data. We actually got estimates from a vendor, and it's about $11 million to do either of these roads. They're two of the largest arterials in Town -- for Palisades Boulevard and Fountain Hills Boulevard.

And that would be a reconstruction project, right, Justin?

And so Justin did say, if you wanted to do --

What do you call it if you just put, like, make it look better and put some stuff over the top? I can't remember the words.

If we want to do something more simple, like, a million overlay, it'd be about 30 to 40 percent of those costs, like, $4 million is kind of the range. But $11 million is kind of a good figure for an example, right, just to consider today.

And so with a general obligation bond on your left, it would require voter approval. And if they did approve it, the Town would levy a secondary property tax each year upon the residents to pay off the debt each year until it's paid off. So it's for a limited time frame, depending on what the bond -- the bond that you'd like to proceed with is.

A pledge revenue bond, we discussed that more at length last time. That's where we restrict our future revenues. We're not implementing a property tax on the residents, but it doesn't require voter approval. And we're just saying we're going to pay the bank back with the money that we're already projected to bring in. So every year when we bring in that money, we pay the bank the debt service.

There -- there is an option to raise sales taxes to pay off the debt. Or you can -- the Council could approve that, or you could go to the voters as an option to ask them if they want to raise the sales tax to pay off that debt for a time period.

One other really important consideration -- actually there's two, but MAG includes

Palisades Boulevard between Shea and Saguaro and it's future plan Prop 479 projects. So it's 15 years out, 2041, but they would pay for 70 percent of the reconstruction costs of that road.

So that's just something -- I mean, it's a big amount of money. They have $17 million allocated to that project. Right now, today, we think it would be 11 million based on estimates to do the whole project. 15 years out, it's a long time though, but something to consider.

One thing we've recently been discussing, too, is there is a relatively large utility project that will happen on Palisades in the next year that will impact -- and part of that road will actually be repaved by the utility. So just another thing. And Justin could answer that -- those questions.

MAYOR FRIEDEL: Paul, I have a question for you.

SOLDINGER: Yes?

MAYOR FRIEDEL: So say the residents of the Town approved a five-year general obligation bond for $11 million --

SOLDINGER: Um-hum.

MAYOR FRIEDEL: -- and we have it on our tax bill every year. Can the Town make additional payments on that outside of what we're paying in order to pay that off early? Or how do you pay that off early?

SOLDINGER: Yes?

He's nodding, yes. But he'll -- he'll come up and expand on that, Mayor.

MAYOR FRIEDEL: What I'm thinking, Paul, is that if, you know, if we had increased revenues, sales tax revenue, and other things, and we were flush with money, we could -- we could retire that debt earlier and take the burden off the -- the taxpayers.

STELPSTRA: Mr. Mayor, members of the Council, it depends on who you borrow the money from and what the original duration is.

So in the $22 million example, that is more of a traditional twenty-year financing with a ten-year par call. So the majority of municipal bonds are sold twenty years with a ten-year par call. And that's an open market transaction, that's rated by one of the rating

agencies and it's sold to the public, either by competitive or negotiated sale. You have other alternatives if you're willing to do shorter debt. So a ten-year debt, you are not currently rated and you don't currently have publicly issued debt where you have to be Emma reporting. And so in that instance, you may also do a direct placement with a bank. They would loan you the money. The advantage of doing something like that is, the banks are a lot more liberal with their call features. And so you could do a five-year call, perhaps even a four-year call. And then when you have that extra money, you could use it to pay down that debt.

Now, going back to a traditional twenty year with a ten-year call, if you have extra money, you could create an invested sinking fund or an escrow and put money in to that escrow to make the payments at the ten year call date. So in year five, you could put in $1 million, and in year ten it would be a million plus interest and you would pay down some of the principal.

So there's different ways of doing it. It just depends on what you're borrowing and how you borrow it. So you make covenants with the investor. And so it depends on the type of investor. But in the case of the shorter deal, we would seriously consider doing a direct placement with a bank because you don't have to then pay for a rating. You don't have to then do an official statement. You don't -- you're not selling to the public. You will not then create annual reporting requirements on a repository, so when you do it with the direct placement with a with a bank.

SOLDINGER: Could you -- could you speak on if -- if it was a GO bond and we were levying a tax on the residents, if we decided to pay off some of the debt with excise tax revenues? I think that's kind of what the Mayor -- how would that impact the levy year to year?

STELPSTRA: Mayor, members of the Council, if you have alternative sources of revenue that are not restricted, you can use those to pay down GO bonds. Historically, there have been instances where communities would vote, for example, a utility rev and a GO with the same authorization. They would issue GO bonds, but they would repay it with utility revs and not levy the tax.

So it depends on the circumstances. And then maybe to kind of go back a little bit to the discussion about borrowing over two to five years. And oftentimes on an initial borrowing for a phased program, you do borrow two years because you don't know if you're going to spend that money yet because you're still designing it. It might take a little bit longer. After you have all the design and you're under construction, you're going to spend that money a lot faster. And so then, you know, you would be looking at, maybe, a three year.

So the legal requirement under IRS rules to be tax exempt is that you have to reasonably expect to expend the funds within three years. So if -- if you know you're going to have a five- or six-year construction period, then you're going to ultimately phase that program. And so when you do your projections on debt service and future tax impact, you would see multiple series instead of a single series.

And then -- what's the other thing I wanted to say about that? You can also, during the -- the process of getting your authorization, you can establish, you know, sort of like ceilings, you can make promises to the voters as you did on your last successful bond issue. You said, we're going to borrow the money, we're going to spend it for this and nothing else. And if there's any money left over, because we happen to be going into a great recession and construction costs were low and you came in under budget, you didn't go out and build extra sidewalks or anything else. You only did what you said you were going to do.

So, you guys, you know, from our perspective, have a lot of credibility. And then you would do that going into this one. You would say, okay, we don't want a tax rate above a certain level. And if we can't get to that, we're going to delay the sale or something. You can move things around a little bit. You don't have to borrow the money all in that six-year period. You could delay that. And once you have an authorization and yes, the voters approved it, you still have to approve the sale. So you don't -- you don't lose control after you have the authorization, and you've decided to ask the voters, the voters say, yes. You may not sell those initially. You may wait a couple of years and then borrow for three years after you spend a small amount during the design phase or

whatever. You have a lot of flexibility.

Any other questions while I'm up here?

MAYOR FRIEDEL: Paul, I have a question. So when we did the Saguaro bond, it was about $8 million. Did we pay that off early too, do you know?

SOLDINGER: So Mayor, we did not. As a five year repayment period, we paid it off in fiscal year '20. So about five years out. We took it out in fiscal year '15 and '19 or '20 is when we paid it off.

MAYOR FRIEDEL: Okay. Thank you.

SOLDINGER: All right.

MAYOR FRIEDEL: Councilwoman?

LARRABEE: Thank you. And Paul, or perhaps one of our bond experts, I think I had a misunderstanding of what a pledged revenue bond is. When I've heard that in the past, for other municipalities, it's been, like, for a toll road or a public parking garage, where the revenue from that project is what's being used to pay back the bond.

So could we clarify what exactly we're pledging if we were to get that bond? The reason I'm asking is I -- I have no interest in a general obligation bond. I don't want to put a tax on the voters, but I'm interested if this is something where we take on the responsibility of paying this back.

SOLDINGER: Sure. Absolutely, Councilwoman.

So Mayor, Councilwoman, going back to this slide, it's an easier way to illustrate it. There's two we could consider pledging. So at the top, you'll see the revenues TPT, the local sales tax, that's the main one. That's what I would recommend, considering that $1.4 million. It's an excise tax revenue for streets. We could pledge that.

We could also do the vehicle license tax. That would be an option, but I really would not recommend that because it's an unrestricted revenue. And it hasn't been -- it's been designated for streets right now by Council. But that's -- you know, talking about potential revenue issues in the future, if that does happen, that would be one of the first things we want to have a discussion with Council, like, can we put more of that back into the General Fund. So we wouldn't want to restrict it and lose that ability to do that.

So that 1.4 million is what we have that we could pledge at this point.

LARRABEE: Okay. So if we were to -- if we were to do -- try and get an 11 million bond over ten years, we would be making the assumption there's not anything -- well, I mean, I guess you have to anyway, but anything catastrophic coming down the line economically since 1.4 gives us very little wiggle room --

SOLDINGER: Okay.

LARRABEE: -- considering interest rate for paying that off. Do you know what the -- If we say we want an 11 million bond, we want to pay it off over 10 years with that TPT, what would that look like for interest?

SOLDINGER: Okay. So Mayor, Councilwoman, we'll get to that slide a little bit, but let me kind of touch on it and I might need to pull them up.

But basically, the 1.4 million is what we're actually bringing in. Remember our -- our projections are conservative, so the projection is closer to 1.3 million. So the example we'll get into for the $11 million, that's about $1.4 million of payments of debt service each year. We probably couldn't do that under our current projections. We could do something very similar, maybe do 11 million over 12 or 13 years, or whatever. Maybe just adjust the repayment period. So if we're to do something like that, that's kind of the -- kind of options we'd have to -- to discuss.

LARRABEE: All right.

SOLDINGER: Does that sound about right, Jim or Zach? Or is that if there's anything you can add. Is that okay?

Yeah, sure. Of course.

SAKAS: Mayor, Council, Zach Sakas I'm a bond attorney at Greenberg Traurig. If anybody needs to take a big drink of coffee before I respond to your question.

LARRABEE: Thank you.

SAKAS: So what we see most commonly for Arizona municipalities on a pledged revenue situation is typically your excise tax revenues, plus your -- your state shared revenues, you have the most flexibility.

LARRABEE: Okay.

SAKAS: And so most commonly what we'll do is you'll pledge your excise taxes, plus your state shared revenues. But with Paul, Council input, Jim's financial advisory services, Town Manager, Town Attorney, we structure it where the repayment schedule matches up with the -- the more limited amount that you identified and that Paul was just chatting about, that 1.4. So you get the benefit of, right, larger number, so now you're a stronger credit and more attractive to obtain potentially a lower interest rate from investors. But then you size it appropriately, so the repayment stream, you're not, you know, spending above your means or what you want to spend in that situation.
So I wanted to make sure that part on the pledged revenue structure. Very common, not a toll road. It's just a, you know, it's a contractual obligation that the Town is authorized to enter into.
LARRABEE: Okay. Thank you. And sorry, just to clarify, I didn't think we were building a toll road. I just meant that that's what I've heard that used as in the past, is for the revenue from that project comes. Anyway -- thank you. I think that's all I have.
EARLE: So may I ask a question? If we do a pledge bond, then are we taking that money away from our actual Streets Fund that we have now so we would be able to do less. But if we did the GO Bond, we would be able to do that main road, plus keep doing the monies we have for the Streets Fund right now. So it would add to it instead of, kind of, taking away from it?
SOLDINGER: Yes -- yes, Councilwoman. Exactly.
EARLE: Okay.
SOLDINGER: Exactly. You have -- your -- perfect understanding of it.
So -- so let me get back. Where were we?
Okay. So we issued the GO bonds for 7.6 million, repaid over a five year period. I did look this up, and we did sell the bonds at a bit of a premium. So we brought in a little bit more than the face value of the bonds, about $300,000. So we brought in -- we issued the bonds, we were going to pay the debt 7.6 million, but we actually received about 7.9 million of proceeds.
So that also -- that's a complicated subject. I'm sorry for bringing it up, but if you want

to talk about it more, we can. Sometimes I do that.

GO bonds, so last time we led with pledged revenue obligations. I think to Councilwoman Earle's Point, it's a good option, still the pledged revenue bond, which we'll get into a little bit. But the problem is, if we have 3 -- 30 to $50 million of backlog, we're going to be -- if we do a pledge revenue, we're restricting our future revenues. And so if we don't feel comfortable with that, we're going to take care of our backlog. It almost does -- I don't want to say it doesn't make sense, but it would make it harder for us to do more road work in the future, and that would become a challenge.

And so talking about GO bonds, I know they can be popular with some, not popular with others. I get it. But this is the option that we would bring forth first for Council, right? It does raise additional tax revenues by doing a tax levy on our residents every year to -- to raise the money to pay off the debt. So it would be required to go to an election. So Council would approve and then it would go to an election process.

The recommended election would be next year. And the only reason for that, it does cost the Town more money to do a special election. But this year it's a little bit too late in the game. We don't really have any runway to discuss it, do any public outreach. So if you -- if the Council did want to do something like this and wanted to stick with the general election, that would have a higher voter turnout and cost the Town less. You could push it to 2028, that'd be two and a half years from now. So then we could have this conversation again in a year or two and start making those decisions. But that's the reason for the recommendation. It's because it's just kind of late in the game to do it this year if you wanted to do that.

WATTS: Just a quick question. What would the cost be of that special election?

SOLDINGER: Bev and I were talking about it.

Bev, could you add to that.

BENDER: Somewhere around 53,000, because we would have to bear the brunt of the voter -- how they charge it is it's $2.12 per voter --

WATTS: Okay.

BENDER: -- if we pay for it. And then it's 50 cents a voter if we're on the ballot with

someone else. That's why you always try to pair up.

WATTS: Okay. Great. Thank you.

SOLDINGER: Yeah, of course.

And Bev and I actually looked at our -- our archives print out Excel sheet yesterday and the last two bond elections we did, were special elections. They do cost the town more money. So that is a valid concern and something to think of. And it would typically have a lower turnout than a, you know, a general election.

But typically, bonds are over a fifteen-to-twenty-five-year repayment period. More typical -- the examples we're going to go in in a second, are 10 or 20 years. And these are realistic scenarios that we're bringing to Council for -- for the Town.

Very strong bond holder security. Like I mentioned, people pay their property taxes. Almost -- almost everyone pays their property taxes. So it's a strong bond holder security. The revenue is a very strong source of income to pay off the debt. And typically, that results in lower costs of -- of the debt for the town. And again, it doesn't count towards the expenditure limitation.

So this is just a recommended timeline. We spoke about that quite a bit. Next year would be recommended or 2028 if you want to go with the general election.

I will say -- we, like I said, we still have 6, maybe $7 million of money in the Streets Fund year end. We could probably do a couple years of a little bit more roadwork. We could see if we could bring in more general fund revenue. So 2028 seems like a long time from now, but we could probably do a decent amount of road work the next couple of years. So it's not something that doesn't make sense to do. It could work logistically on -- on, you know, wanting to do more road work.

MAYOR FRIEDEL: Paul, if we did the bond, we could still do additional road work on top of that so --

SOLDINGER: Um-hum.

MAYOR FRIEDEL: -- we wouldn't have to -- and we're not sitting here talking about doing a 40 or $50 million bond. I think that's way too much. It's -- it's the whole apple instead of a bite out of the apple. But if we did a 10 or $12 million bond and we had --

we were -- we still had flush, we still had money there to do additional road work, it would be it would go a long way toward catching up on a lot of this backlog. Do you agree with that?

SOLDINGER: Yes. I believe I was following you. I agree, Mayor, doing a bond would give us a lot more resources, funding -- funding, sources to work with when to sign on road projects, absolutely.

EARLE: Maybe this isn't the right time to ask it, but how did we choose Fountain Hills Boulevard or Palisades in our which road is in worse condition? And --

SOLDINGER: Okay. I'll touch on that, then I'll ask Justin to come up.

EARLE: Okay.

SOLDINGER: Mayor, Councilwoman, it was just in conversations, trying to give good examples. These are large arterial -- let's go back to the map, if we could for a second. I've only been here two years, so I do get kind of confused sometimes where the roads are. That's something I need to get better at, but these should be pretty obvious. Fountain Hills Boulevard, right here in the middle of your screen. It's similar size as Saguaro Boulevard, which was done with the 7.6 million. Palisades, also kind of a similar size and width, as far as I understand. Both have repair issues there, as far as -- I don't know what the PCI scores are, but they have issues. They would probably be recommended for reconstruction at some point, whether it's the BOSS data or staff driven.

And so they were just kind of easy examples. They're bigger roads. We have Shea, Saguaro, Fountain Hills Boulevard, and Palisades. We did Saguaro. Shea's in good condition. These are the two other large roads in town that could really use this type of work.

EARLE: But the 11 million only does one of the roads, not both of them?

SOLDINGER: Yes, about $11 million. There's -- there's some contingency built in, so it's a little bit of a high estimate. But yes, 11 million is the estimate at this point.

EARLE: Okay. And I saw there was a suggestion to possibly use it for what the BOSS recommends. I'll just state it here. I don't think that would be a good idea, because if

we're asking the voters to vote on some other people's roads getting done. I think that should stay in -- within our regular Streets Fund being done, so it's not feeling like it's picking out certain people. Although the main roads are the ones that everybody drives on.

SOLDINGER: Yeah, and that's a good point. These are roads that people drive on daily and widely used, so appreciate that.

All right. Oh, now I'm lost.

MAYOR FRIEDEL: And let me add, I think if we're going to get help from MAG, even though it's several years out, Palisades is a good candidate for MAG to help us with at some point -- Prop 479, so.

SOLDINGER: I'll just mention Seguro(ph.) is also on the list, but it's past 2050, so.

MAYOR FRIEDEL: 2050?

SOLDINGER: I'm guessing most of us won't be here in 2050, but we'll see.

MAYOR FRIEDEL: Let's make sure we keep maintaining that road, Justin, please.

SOLDINGER: Yeah. This is just to let you know about also some constitutional requirements. There is a limit on how much debt we can take out. We don't have any debt. It's not a big consideration. But we could take out 62 million in a GO bond. There are other -- there are other categories we could look up to issuing $260 million of debt based on current assessor data.

All right. So the examples. So this is just based on the discussion, realistic examples of what you could do with a GO Bond, if that's something you consider. These were provided by Columbia Capital.

For $11.2 million bond issuance with a 10 year repayment period, assuming a 5 percent coupon rate -- hopefully through the bond issuance process, we could maybe get a little bit lower coupon rate than that -- but it's about $1.47 million of annual debt service payments. And so, it is higher in the first year, 694,000, but it goes down as you're paying off the principal. And so 70,000 last year. So you're paying 14.7 million total over the ten-year period for an $11.2 million bond. And so under a GO Bond, each year you'd be levying a property tax to pay off. So the additional revenues would be coming

in to town cafes to pay off the debt.

Another example, a $22 million bond. Say you want to do the two big roads at the same time, or $22 million of (indiscernible) roads -- whatever the Council thinks would be a good idea. This is an example. Over a 20 year repayment period, also assumes a 5 percent coupon rate, you're paying about $1.8 million a year for that debt service. 1.4 million of interest in the first year, 86,000 in the final year. So you're making $36 million of total payments on a $22 million bond.

And so what does that mean to the average taxpayer in Fountain Hills? So we looked at the 2026 tax year assessor data, and we evaluated and calculated these amounts. The average -- the average home in Fountain Hills is -- has a full cash value. This doesn't mean this is how much the house is worth. This is based on the assessor data. $681,000 is the average home in 2026. And the limited property value which the -- the tax levy would be based on, the average LPV, is $459,000 for a home in Fountain Hills.

And simply, what does that mean for our residents? If this did go forward on that $11 million scenario, it would mean about $109 per year on the average residence in Fountain Hills for about a ten-year period. It fluctuates a little bit year to year, but that's just an example for you.

For the $22 million GO bond, it would be $135 per year over a 20 year period to repay that bond.

EARLE: Can I just make a statement? If it was the 11 million -- which I kind of like the 22, if we can get both -- no, we're not going to do Palisades because that could be paid -- yeah -- that works out to $9 a month.

SOLDINGER: It does, yeah.

EARLE: And I do not want to make that decision for the voters, but I like the idea of it going to the voters, they let us know, and then after that, we vote on it again after hearing from them. Okay.

SOLDINGER: All right. The only other thing I'll say about this is, it does change the year to year. It's based on the full cash value, limited property values in the town. So the town grows, and the limited property values grow a bit. This amount will fluctuate here

and there, but that's a pretty good example of what it will be.

Pledge revenue obligations, we talked about quite a bit already, but this is the other option. And it's a good option if we feel like doing it would catch us up and we'd be in a really good place with our roads. I think it is a good option. It does not increase Town revenues. It's from the future revenues. We'd be repaying the debt based on the future revenues that we're projected to bring in.

And so the Council could ask the voters to raise sales taxes to pay it off, but not required to do that. Yeah, I know it's probably not a popular option. It's just an option.

No voter authorization required. You can -- the Council could move forward on this. And it's from what I understand, it's a relatively faster process. You can get the proceeds quicker. And similarly, typically, you do it over a 15 to 25 year period, but the examples we gave were 10 to 20 years. Again, even in this scenario, it doesn't count towards the exponential limitation. So that is for us from the finance perspective, that's the big benefit of being able to do more road work.

So this is the estimated fees on both scenarios. It's just an itemization of what the estimated fees would cost. This would roll up into the bond from the bond proceeds. We'd make those payments based on the bond proceeds. So $135,000 of total fees on an $11 million bond. $185,000 on the $22 million bond. So just some other information for you to understand.

So with that, I know Jim and Caitlin are here. They know what they see in the market, what they've seen. So some questions, if you have them, they could answer those. Zach, if you have questions about election timelines, or other timelines, or legality of bond considerations, he could answer those and they're available for your questions.

MCMAHON: Excuse me. So your option number two, is that basically encumbering the revenue?

SOLDINGER: Yes, Councilwoman. It's pledging the revenue. It's saying we're going to repay this debt from this revenue. So we couldn't just use it on road work like we've been doing. We have to pay the debt off with that revenue.

MCMAHON: So wouldn't that affect the spending capabilities of that money on other

things?

SOLDINGER: Yes, Councilwoman. So we'd be able to do less ongoing road work, other than the bond proceeds work. And so that was -- when I was talking about how it's a good option if you feel like it will catch you up and you'll -- you're going to fix all the backlog of roads, it's a good option for the town. If you don't feel that way -- and maybe Justin could add to that on -- on some of that. But --

MCMAHON: So this one is basically filling up -- is addressing the backlog?

SOLDINGER: Well, it's just doing road work, whatever, you know, the Council would decide to do with the bond proceeds. And if you feel like it would fix the backlog, that would help. Because one of the concepts that we've talked about internally is if you fix the backlog -- because a lot of these reconstruction projects that we've talked about recently, like Palomino, Thistle, Richwood, it cost a lot more to reconstruct a road than just to put preservative and maintenance. A lot -- a lot more. So if we get to a point where our roads are in a lot better condition, our maintenance program should hypothetically cost a lot less on an ongoing basis. So that's where -- that's the kind of assertion or implication I'm making. If -- if you spend money to fix the roads and get them in better shape, it will cost us less to maintain on an ongoing basis, but we'll have less money on an ongoing basis to retain --

MCMAHON: Well --

SOLDINGER: -- to keep them in good condition.

MCMAHON: -- I'm trying to understand this. So it's basically encumbering the money. It's not fixing -- really fixing the problem all over. And we also -- we are already putting a couple extra -- working hard to put a couple extra million dollars a year in the fund.

SOLDINGER: We are.

MCMAHON: So basically, we're already doing that with -- without encumbering an income source?

SOLDINGER: We're doing -- so Mayor, Councilwoman, what we're doing is giving the Council the ability to make decisions year to year --

MCMAHON: Um-hum.

SOLDINGER: -- rather than getting a lump sum of money like we could do --

MCMAHON: Um-hum.

SOLDINGER: -- and do a bunch of road work at one time. So we're doing the most we can within the constraints.

MCMAHON: Okay.

SOLDINGER: The only thing I'll say on that is our general fund revenues are flattening. So if that continues, it'll be more challenging to put more money in the Streets Fund in the coming years.

MCMAHON: Right. But weren't these going down too? I'm trying to -- it's a lot of information.

SOLDINGER: No. So for our local sales tax, it's flattened. It's flattened a bit.

MCMAHON: Yeah.

SOLDINGER: But our projections are conservative. So our revenues are coming in above our projections still.

MCMAHON: If Council wants to look at this further, would you be able to show us some cause and effect, you know, if this was encumbered on the budget?

SOLDINGER: Yes, absolutely.

MCMAHON: Thank you. Yeah.

LARRABEE: Sorry. I think he was ahead of me.

WATTS: Paul, I think a question that is going to -- we're going to be presented with is what the public is going to ask. And we have a certain amount of money to spend, like any -- any individual, any family. How did we choose to only look at bonds, whether they're GO bonds or whether they're the excise tax bond? Did we just arbitrarily say we're not going to look at any capital improvement issues, because we could take money from the general fund and move more money into the streets projects? Why did we make a decision to go down this path as opposed to alternate solutions?

SOLDINGER: So Mayor, Councilmember, we were directed by the Mayor to start looking at this again. And we've had several discussions with other Councilmembers. They're just interested in having the conversation again. It's just an additional -- it's a way to

raise money at a time when the Town's revenues are a bit flat and becoming more of a challenge.

And the two options we provide today are the most common, by far, bonding options for municipalities. So that's why we brought these. The other options are -- they would cost the town more in the long run to -- to do that.

WATTS: So is it really an issue of we have a fixed amount of money to spend on roads, regardless of where it comes from and the public has to make a decision. Do we want to add a tax, additional -- it isn't really a property tax, but an additional taxation basically or do we want to keep in one way, shape, or form, cobbling together the -- the amount of money that we did this year, whether it's from the General Fund, the HURF fund, wherever it all comes from in aggregate, to be able to accomplish what the public wants. So that's the decision they really have to make, isn't it?

SOLDINGER: Yes, absolutely, Mayor, Council -- Councilmember. If the public wanted to do this, we brought it to the voters, they would decide. But the Council has the policy making ability to just continue to do what we're doing. So it's really kind of up to you on how we move forward on this process.

WATTS: I think just important to make sure the public recognizes that we are trying to look at all options to -- that benefits them the best. That they need to be vocal about things like this and they need to express themselves, make sure that we understand what they -- what they prefer. Because if I didn't live near Fountain Hills Boulevard, or Saguaro, or Palisades, maybe I wouldn't have the same feelings about doing those roads, and I'd rather not have my -- my taxes go up. But on the other hand, if you have to look at the whole aspect of the town, think about how it affects the town as a whole, then maybe I would want to do the general obligation.

But I'm not really a fan of the excise tax, because it does limit the amount of money that we can utilize for the ongoing repairs, and I think we're -- we're cutting ourselves short. So I think we really have to look more at the general obligation bond to make sure that we continue to maintain the streets.

I don't know that the amount of money that we've got remaining after the pledge is

sufficient to maintain the streets, particularly at the rate of deterioration that we're experiencing, whether it's weather, or traffic, or whatnot. So I think if I had to go one way or the other, I'd probably go with the general obligation. But I want to make sure we explore every opportunity to continue to do what we did this year before we go down the path of a bond. Thanks.

MAYOR FRIEDEL: Before I turn it over to Hannah, I'll just make a couple of points to what you said, Rick. I think anybody that comes to the Town or drives through the town on the way out, these major arteries are something everybody uses. So the residents need to be aware of that as well. It might not be a neighborhood street, but I think the bond gives us the ability to do -- continue doing both things, get the major arteries taken care of, and continue our residential work, which helps all the residents. So I think it's something to consider, and that's why we're just talking about it.

But Hannah, go ahead.

LARRABEE: Thank you. And I do appreciate the conversation.

I wonder -- for option two, I agree with the concerns that have been brought up. I think that we need to make sure that there's enough money left over to also maintain. Which makes me kind of default back to this year by year understanding what we can transfer in. I think that our ability as a Council to make wise decisions to chip away at these things and catch up on our maintenance is the more responsible option personally, because this tax pledge, it's a great idea for getting us caught up, but then we have to deal with each year after and make sure we have the ability to maintain. So it's a good -- how do I say -- almost like instant gratification, I guess. Like, we instantly get what we want, but there's a cost to that.

Option one is putting what is a government responsibility as a burden on the taxpayer. We have this backlog because of, you know, many, many, many past councils, and it's something that we need to deal with. I do not feel right asking the voter to say, you know, some -- some things were put on the back burner years ago, and it all built up, and now we would like to you to pay for it now. I don't feel right about that.

So my -- my wonder is if there's an option three of creativity within our means. I think

there's other things that we can limit within the budget, such as maybe there's some tighter decisions that need to be made on capital improvement projects. I think that we've been doing a good job of that each year on this Council to transfer in -- I think last year you said, four million; is that right?

SOLDINGER: Yeah. Fiscal year '25, four million. This year 1.5 million.

LARRABEE: Okay. Right, so far. And that's just my two cents on it. I go for option three, which didn't have a slide, but I made it up.

SOLDINGER: Appreciate it.

Is there any Council direction at this time? I mean, is just have another conversation in the future or --

EARLE: Can -- I think we're going to hear from Justin?

SOLDINGER: Oh, Justin, yeah.

EARLE: Yeah.

SOLDINGER: Could you talk a little bit?

WELDY: Yeah, I could.

MAYOR FRIEDEL: Well, Justin's heading up, I'll just say this, if we have the voters decide, we're still giving them the vote and the voice as to what direction they want to go. So I think that's important going forward with this, you know. If they're happy with what we're doing, piecemealing this together, so be it. It'll cost us, you know, what -- $50,000 roughly, to have a special -- 60, 53 -- 53,000 to have a special election. It might be well worth it to -- to get the input from the voters and see what -- what they think. But I'm just one -- I'm just one vote up here.

WATTS: So I think I like -- I like option three. I think it's -- it's our responsibility to say we can do this. And maybe the question is how can we accomplish the goal without a bond under our current financial constraints? How can we do that? Do we eliminate all the CIP stuff? Do we -- what do we do?

But I think it's incumbent on us to -- to give the voters -- if we put this on the ballot as -- and again, my preference would be the General Obligation bond -- if we put it on the ballot, I'd make -- I would want to make sure that the voters understood, we did our due

diligence as well, saying, here is the only real way we can accomplish what you want to accomplish. And if you don't, here's the alternate, which is three, and it's going to take a longer period of time. We're going to maintain the roads that we've got, but here's how we can accomplish it. And just saying, you may lose some of the amenities that you've got today. They may be maintained but not necessarily improved.

I think that's option three Is what Councilperson Larrabee was saying, is that we haven't done completely all the work yet. We've done the work going down one avenue. We need to go down avenue three as well.

EARLE: Then my question is, can you explain to us why -- or if roads were not done, and what period of time they weren't worked on, and the reason for them not being worked on, and did that actually cause us to have a backlog now?

WELDY: Mayor, Councilmembers, so a little history trip. So as -- and I am going to go considerably deeper into this with the next presentation -- as part of incorporation, the Town absorbed the three road districts. Those three road districts simply did not have the taxing authority or funding to address the roadway network that was there. After incorporation that continued to plague the local government. So the Town has simply not had enough revenue to maintain the roads they inherited, nor build new ones. Some of the roadway network was built by new development. Some of that is gated and paid for by other revenues within those gates. The rest of it was assessed to each individual home.

The bottom line is, there's simply never been enough funding to address the roadway network because there is not a steady revenue source to do so.

EARLE: Do you foresee that we could get caught up and then get into a maintenance program where we can actually keep everything up to date like it should be, and what that process would require?

WELDY: The current scenarios or options that are being floated do not address the backlog. So the backlog is at a steady growth, even with the funding we're spending right now. In order to have adequate funding, you need to address your backlog and keep it at a manageable rate while you continue to do work.

So that the scenarios or the funding that we're looking at -- and let's look at the priorities -- arterials, collectors, local. So when we're discussing asking the folks for money or figuring out another alternative for that, our priorities are going to be on the arterials, which is Shea, Saguaro, Fountain Hills Boulevard, and Palisades.

Then we're going to be addressing the collectors, that's the Palomino, the El Largos, those types of roads.

And then lastly, and this is no offense to any homeowner in this community, are the local roads. Because they have -- they are least impacted. It's also important to note that unless you live in a gated community, all of the roads, regardless of their classification, are public streets, and public streets require funding not only right now, in the past, but forever because you have to maintain it.

So the answer to the question is the backlog is not being addressed with the bonds. We're looking at priorities and some select locations.

EARLE: But if we did get the bond, we would be able to take care of the local roads in a more timely manner; is that --

WELDY: That's a little bit of a challenge there. But we would -- it would be up to this elected body, with the guidance from the gentleman behind us, and Paul, and the Town Manager on -- on how to proceed and approach that. There are several different options there. And one of them would be if we weren't doing something in regards to a collector or an arterial, we may be able to address some of the backlog in the local area.

MCMAHON: Justin, did I hear you right -- and I'm trying to understand this -- is just the backlog would not be addressed if we had a bond?

WELDY: Mayor and Councilmember, that's correct.

So what we're looking at is a -- again, the priorities arterials and or collectors. The discussion we've had here today is focusing primarily on Fountain Hills Boulevard and Palisades. So while they are in our backlog, they're not a large enough percentage to give us a downtick. So this discussion today is not addressing the backlog.

MCMAHON: Well, if -- if we're going to -- if -- I know this is just a discussion, but if we're going to go out there, and we're going to have a bond, and maybe ask the voters to vote

on it and increase their property tax, even $100 or whatever a year, how are we going to explain to them that we're not covering all the streets? That we're not covering the backlog with that?

I mean, it's not making sense to me, because if we're going to go that far to get a bond, I would hope that it would include the backlog streets as well, because otherwise, it seems to me like we're going to have to double up. We're going to have to get option one and option two, option two to do the backlog. Or I guess, use that bond primarily for that, and whatever money is in the budget to pay for the backlog. But how are we going to pay for the bond?

So that's my concern, just having heard that, and maybe I'm misunderstanding how all the financial logistics will come together if this comes to fruition.

SOLDINGER: Rachel?

GOODWIN: Mayor, I think Paul and I are both going to try and address that.

I'll start, Paul, just to give your voice a second, but then feel free to fill in.

So I think where this conversation is going is, if we do a bond, regardless of which kind, if we do a bond, it will be for a specific road portion, potentially. And I think the examples were Palisades or Fountain Hills Boulevard, and those were just examples, that doesn't necessarily mean that's what we're going to do. But the idea being that those are primary roads used by a large majority of our community.

That being said, if we pass a bond for that purpose, the rest of our maintenance monies will then go towards other priorities, i.e., our residential roads and our backlog. So we'll have the bond to take care of, what I'll call, a main road, and our remaining annual budget to take care of the backlog.

Right now, the scenario is, we can't do both. We don't have enough money to do the maintenance on our larger roads as well as -- so right now we're piecemealing, to use the term that's been thrown around. So the -- the bond is asked for potentially to give us a head start on a big road and allow the rest of the funding to go towards back roads -- or our backlog.

MCMAHON: Well, then part of this conversation, I think, then -- and if it's in here, I --

you know, taking a look at how that's going to affect the budget and how are we going to pay, and how many years, if we get down the road more into the details and intricacy, so that we're basically might have two different bonds, and then plus have money in the kitty to go and still address other streets.

I mean, to me, this is like what we're asking to fix all the streets at once, and -- but it -- through three or four different channels, but at the same time knowing we can't do that.

GOODWIN: Well, I think that's where -- so option one or option two, but you can't do one and two.

MCMAHON: Okay.

GOODWIN: So one --

MCMAHON: Good to know.

GOODWIN: Yes.

So one is funded by the residents, right?

MCMAHON: Right.

SOLDINGER: Two is essentially --

MCMAHON: It's covering our assets.

GOODWIN: Exactly. We're just using future money.

MCMAHON: Right.

GOODWIN: Basically, it's a loan. We're getting a loan on what will -- future money. But the concern, as Paul kind of pointed out, is by doing that, we then know we don't have the money available for the backlog.

MCMAHON: I know. And if this goes and the conversation continues, if we get close to doing this, et cetera, we are really going to have to be clear with our residents about what this applies, so that there's no rumors, you know, that make it something that it isn't --

GOODWIN: Yes.

MCMAHON: -- if that happens.

GOODWIN: And I think that goes back to the timeline, is that there's not a lot of runway

right now, if we were to try to do that. It feels rushed. It feels incomplete. It feels like there's not enough information for our community to understand the full depth and breadth of the question. Which is why the -- this fall is not ideal.

One other point I wanted to make, and then I'll yield the mic to Councilman Watts or Paul, whoever wants it.

The idea of option three. And thank you for bringing that up. That one is something we've been talking about internally, and so much as if -- if we do if we do not -- if we do no bonding, if we need to find the money internally, how do we do that? And CIP is obviously one of the bigger buckets of money that is available to us.

That being said, it comes at a cost. All three of these versions come at a cost. There is no -- there's no easy answer here. Insomuch as if we were to use CIP funding or reallocate it, keep in mind that there will be other things that are backlogged, and that is how we got into -- a good example of that is our wash maintenance, right? There's not enough to go around. So we shorted -- or we didn't fund some other projects that needed it and now we're playing catch up in that area.

Doing that through the CIP will cause the same outcome, just a matter of where. And so it's a matter of what is the most tolerable delay. And that is part of that conversation because nowhere -- nowhere is there an easy option. So just understand as we talk about it from the CIP perspective, we will be delaying something. And maybe it's something that's certainly delayed or certainly, you know, tolerable by the community, but just knowing that there will be a tradeoff there at some point.

WATTS: So two things. One -- and I absolutely agree, and I think that's where we are sometimes deficient in making sure that the public knows that we did our due diligence behind the scenes, looking at option three, and here's how you could do it, and here's the impact of doing it that way.

But I also think at the same time, that maybe we didn't go far enough in option one with the general obligation bond, because if it's $135 a year for the average house, then maybe we should be able -- maybe we should double that and go to $44,000, because it's between that 30 and 50, if streets can accomplish that in the time frame.

So my question really is, are we constrained by Arizona statute that we are limited to three years, or is there a workaround to do that to stair step somehow? That -- that's what I don't know. You know, clarification on the bond. So how do we -- how do we do it, stair stepping it, staging -- staging it and is it worth considering going higher?

SOLDINGER: So Mayor, Councilman, so, like Jim mentioned, it's based on IRS regulations that you have to reasonably be able to spend the money within a three year period. So what we'd probably do is we would use the bond proceeds for all the road work we're doing until it's spent. So we want to make sure if we're -- 44 million is a large number. If we decided that's what we wanted to bring to the voters, we would have to feel pretty comfortable that we could spend $44 million over the next three years after we receive it. But what we'd be doing is just saving money up in our -- our Streets Fund, our ongoing revenues, to use that later after that three-year period ends.

And then I think, Caitlin, where are you going to jump in?

DWYER: Yeah, Paul, just one. This is Caitlin at Oakland Capital. I'm Jim Strickland's colleague here.

Just to -- just to jump in here real quick. And what to -- to solve this exact problem that other communities face. Sometimes what you see is a community might authorize $50 million at vote. So it gets the authority at election to issue over time $50 million. Then what it does is it eats up that authority every few years, a little at a time. So it might borrow 10 million and then two or three years later, borrow another 15 million, two or three years later, borrow the balance.

And the idea there is that they're not borrowing more than they need, and they have a reasonable expectation, which is the language in the -- the IRS -- the tax code there that they can spend at any point in time. When they issue bonds from that issuance date, they have a reasonable expectation within 6 months of spending 5 percent, and within 3 years spending 85 percent of the bond proceeds.

So that's kind of -- that's the genesis of the three year timeline you're hearing. It's a -- it's an IRS rule that -- because the City has the benefit of issuing tax exempt bonds, the IRS wants to make sure that they're not issuing tax exempt bonds and investing them in

taxable bonds and netting the arbitrage there for your benefit. So one of the guidelines there, is a reasonable expectation that you can spend 85 percent of the bond proceeds within the first three years. But again, you can authorize 00 you can -- you can take $50 million to the vote of the people and then separately decide to issue bonds any time after that, in smaller chunks to help you meet the spending guidelines.

Does that -- does that clarify that?

EARLE: I do have a question though. But when you issue the bonds different time periods then, does that mean the property tax increase would change? Just -- just go into effect when you've issued the bond?

SOLDINGER: Yeah. So Councilwoman, every year we look at how much we need to pay off the debt -- the debt service payments and that's what you base the tax levy off of. So if we issue a bond for 10 million, that's what the tax levy would be based on, paying off that debt. If you had another 10, there's maybe a little bit less because you paid off part of this -- say it's 18 million. You have debt service payments of two million or whatever it is, you do a tax levy. So it would increase the bonds incrementally -- or the -- the property taxes incrementally as you issue more bonds.

And Zach, did you have a couple of things to say? This conversation is going over time, just FYI.

SAKAS: I thought Caitlin's response was excellent. But just, Mayor, Councilmember, in response to your -- so very common. I have some cities -- you know, I work with cities and towns throughout Arizona. I have some that maybe they go back to the voters every ten years. And so they'll -- they'll have authorization under Arizona law. The authorization does not expire. And then, you know, as design and engineering is complete, then they, sort of, you know, bite off small portions over time.

WATTS: So if I understand, can -- could we do and -- hypothetically, a $50 million bond, get the authorization from the voters, and then utilize it in $10 million increments over five years?

SAKAS: Or a longer period.

WATTS: Or a longer period?

SAKAS: But, you know -- and then, again, as Jim mentioned earlier, right, so Council would provide policy direction to take it to the voters, but then each issuance is still approved by Council as well.

WATTS: Right. But it doesn't have to go back to the voters at that point because they gave you the preliminary authorization. And then that incremental difference in rate, whether it's coupon or whether it's the reflective rate, would be adjusted, based upon Paul's explanation about what we need to pay off the debts. As it decreased, we would add more and so on and so forth?

SAKAS: Right. When each -- when each series of bonds is sold to the market, the interest rate may be different on the bonds. But -- and then as that flows over and translates into the tax rate -- the tax rate, right -- there's -- there's several moving parts in there because you also have assessed valuation moving as well. So -- but generally long dated fixed rate bonds so that the Town can, you know, financially plan and then manage that tax rate as Paul described.

EARLE: I'll just put my input on that is, I wouldn't be comfortable with that because it would be fluctuating. The homeowners here wouldn't really know from year to year what it's going to be. It's going to go up or down. I'd like it to be more one time. You know -- you know what it is, if you're going to do either 11 or the 22 million and they know what that would be, as opposed to, okay, next year it's going up again, or is it or is it not, to be able to plan ahead. That's just me.

WATTS: Well, I think if we came to a -- an aggregate amount that we were going to utilize over a period of time, the bond rates themselves don't change a lot year over year. So I think the interest rates are fairly stable, at least in this environment. The bonds have gotten beat up pretty good. So I -- I don't think it's going to be a huge difference.

Here's what they could see. I think it's in the explanation of how the mechanism works. If you give us the authorization, here's how we intend to utilize it to achieve your goal of fixing all the streets and then maintaining them going forward.

EARLE: But the statement that we then would be putting the money that we have now

in the roads fund would just be sitting there.

WATTS: No, you would still have to utilize that.

EARLE: I would rather not do that. I would rather --

WATTS: You still utilize it.

SOLDINGER: We can still utilize on top of it --

WATTS: Right.

SOLDINGER: -- if there's enough -- the only reason I said that with the $40 million --

EARLE: I don't think we need 50 million.

SOLDINGER: Okay.

WATTS: Hypothetical number. We don't know exactly what we need.

MAYOR FRIEDEL: We don't -- so let me make two points here. You -- you know, the residents have to have an awful lot of faith in us to make that decision. So that's got to be established.

And secondly, not to pick on Chief -- Fire Chief Ott, but before your time, before my time, this Town had a fire district that got dissolved and there was no offset. So we privatized the fire department. We own the buildings, we own the equipment ahead of time, and now we're paying all that expense without a fire district to support it as well. And again, that's not any reflection on you or me, but that's just what happened in the -- in the history of the town. So. And now that's we're trying to catch up from all that as well. So there's a lot of moving parts.

SOLDINGER: Absolutely.

Anything else? Any direction?

GOODWIN: (Indiscernible). What we're asking for now is do you want to continue this conversation? If so, how and, you know, what version of this, if there's any path forward that you'd like to see?

MCMAHON: You mean today or in the future?

GOODWIN: Future -- both.

MCMAHON: You know, I would like to -- to be honest with you, because I don't want to shut this off because our streets need to be repaired. This might not be the resolution,

but I'd like to see how it will affect the budget in depending on which one that we pick and the different amounts, if you don't mind. Because I think we need that information before we can make a decision on it. Thank you.

WATTS: Yeah, I agree the same thing. I think we -- we need to look at the option three. I need -- I think we need a couple more data points before we can give you a specific direction on how to move forward.

GOODWIN: Would it make sense to potentially do a work session just on this topic later this spring, so that we have some more information?

MAYOR FRIEDEL: I think that would be good.

GOODWIN: Okay.

WATTS: Another eight hours.

MAYOR FRIEDEL: No.

GOODWIN: Whatever you want.

SOLDINGER: The only thing I'll add to that is, it depends on the timeline you want to go with too. If we're talking about 2027, then maybe the spring is even too soon. We could start talking about the fall again because we have runway to do it. You would need to authorize that by about April to May of next year. But if you want to start having the conversation sooner, we can. It's just up to you on what you want to do as a Council.

MAYOR FRIEDEL: I think this Council also has to realize if we slash our CIP budget, there's going to be some sacrifices to the residents in the town. And how much pain do people want with -- with a reduction in some of the things we're doing around our parks, sidewalks, and other things that we're -- that we've done a lot of work on. So -- and the downtown -- and the downtown plan as well.

Sorry, Amanda (ph.). Yeah. No tomatoes.

But anyway, so that's all -- that's all stuff that we have to consider as well with this. So -- so -- so I think -- yeah, I think we should definitely continue talking about it.

EARLE: My input is to continue talking about it. But as I -- I was 110 percent against any bond before, until doing all this research. The only type I would support is a GO bond,

but very conservative GO Bond. I wouldn't feel comfortable getting everybody to authorize 40 or 50 million ahead of time. I would want it to be the 11 million and be very specific to that it's going to be Fountain Hills Boulevard.

And going to the voters, I think I am willing to listen to and have the voters have a chance to let us know how they feel about it. If they don't want us to do that, then they don't. But we definitely -- I think we're doing number three already and continue to do number three as best as we can. But I understand -- myself, my -- my house is old and I'm looking into remodeling and sometimes you got to borrow a little bit of money and then as I can pay it back because I don't have a big chunk to get it all done, but it's cheaper to get it all done at once. You don't want to piecemeal here and there. At some point you got to redo certain parts and then -- which is how I've done it and I've been very fiscally responsible within my own family. We don't have debt either. And I kind of see sometimes debt is not a bad thing. And if we all come together on roads that we all drive on.

I live in a gated community, so I'm willing to spend a little bit extra to help the main roads, even though I'm -- it wouldn't benefit me to where I live. But I'm thinking we bring that to the voters and let them decide.

SOLDINGER: Thank you. All right.

MCMAHON: I -- I thought that doing these, looking at this and looking at this funding, one of the reasons we were looking at it is so that we don't have to cut -- make severe cuts or whatever to other projects.

SOLDINGER: Yes.

MCMAHON: So --

SOLDINGER: That's what a GO bond would allow us to not --

MCMAHON: Right.

SOLDINGER: -- make cutes to other projects.

MCMAHON: Okay. Thank you.

SOLDINGER: Um-hum.

WATTS: And I, too, think that we need to condense this a little bit so we have more data

points, and then we put it out in the public, maybe even do a survey and say, here's option A, B, C, which one would you support? It gives a little bit of direction as to how to move forward.

SOLDINGER: Okay.

WATTS: And see how it goes. And then if we get direction and it's unequivocal that they want to spend the maximum amount and get it done once and for all -- assuming that Justin can get it all accomplished in the time frame that we end up deciding on, that'll give us more clarity on it. And I think that's what I'd like to look for.

SOLDINGER: Okay.

LARRABEE: Thanks. Okay. Yeah, I'm -- I'm fine with continuing the discussion. I want to look at all three options.

I -- I fully understand that all options have a cost, and I want to make it clear that my suggestion for CIP isn't to just, like, get rid of the CIP budget. There's obviously things that we want to keep and weigh our options. But I want to make sure that we're looking at all options and -- and not accidentally putting ourselves in a false dichotomy, even before we go to the public, if we were to do a survey or something. Which I see a lot of excitement in the audience about the idea of a survey.

But I do. I want to hear more public input and -- and honestly go through each possibility before we say to taxpayers, hey, we would like a check.

SOLDINGER: Okay.

UNIDENTIFIED SPEAKER: Thank you. Thank you, Mr. Mayor.

Yeah, just -- just my two cents, Rachel, just to give you what my opinion of is. I think that this is probably something that we should consider discussing. I -- I'm not for a special election. You know, this is a huge backlog, and, you know, we can't be in a hurry. This isn't a sprint. It's a marathon. So I wouldn't I think this election cycle is we're done. The 2028 election cycle looks -- looks pretty good right now. We're doing a good job right now of fixing a lot of roads and doing the band aid approach.

I, too, don't want to see other funding sources, capital improvement sources cut. I wouldn't be for taking from other sources in our Town to give it to the streets.

And the other thing I'd like -- the reason I'd like to bring this back, maybe not in the spring, but the fall is that, you know, I think part of this conversation is seriously got to be the backlog. And Councilmember McMahon brought that up. If we're not talking about the backlog on this Council to fix all the streets, or at least some planning and fixing all the streets, including the locals, and I just don't think we're having the complete conversation. I think if we left here with a bond and, hey, we're going to do Fountain Hills Boulevard and Palisades, people are going to say, really? That's all?
So, you know, I think that we have to bring the backlog into this conversation that's going to be up to our competent staff to come up with a plan that we can address all three tertiary layers of road -- streets.
SOLDINGER: Okay. All right. Thank you very much.
GOODWIN: Okay. If this streets conversation wasn't enough for you, we're going to talk a little bit more about them.
Justin, so one of the questions we've been having is more about our immediate needs for what people often refer to as potholes, even though that's not what they technically are. It's the delamination that we're having on a lot of different roads and what we're doing to address that. And unfortunately, we do not have internal resources to address those types of instances.
So it was asked of us as to, well, what if we did? Could we buy that equipment? What would that look like? And if we can't, what can we do? So Justin's going to walk us through that conversation and share some details about that.
WELDY: Thank you for the opportunity. This presentation is only four hours.
So we're going to take a little trip back down into history again, just so we can kind of understand a little bit better where we are at and why.
As part of incorporation -- and I noted this earlier -- the three road districts became part of the new government. That -- the road districts had a single BOSS at that time. And their approach in regards to road maintenance and or repair was zoned, and they were zones 1 through 7, and they addressed each of those zones as they had funding. When they were working in zone 1 through 7, if they ran out of money that year, they stopped

at wherever they were at. When they went to the next zone or the next year, they didn't complete a zone. The end result of that is really where we're at right now. We have some roads that are in poor condition.

Please note during that time frame, they had a small crew that would go out and do a little bit of paving repair. They had a full crew that went out and did crack filling the majority of the year, weather permitting, and funding available. They also had pavement marking equipment and some other miscellaneous road maintenance gear. Through time, it was discovered that the cost to maintain that equipment and keep those supplies, it was just not reasonable because the Town was beginning to struggle more and more with funding to not only maintain staff, but the roads.

It was just before 2015 that the balance of that outdated -- and in this case, antiquated -- equipment was sold. The primary reason is it was simply less expensive to hire a contractor when possible, or practical, to do that work. Associated with that was also a number of injuries. And we're not going to get real deep into that, only to say that when you have a couple of hundred gallons of 300-degree tar, things can be a little bit tricky.

As part of a discussion with the Mayor, and Council, and the Town Manager, this is what we looked at. This is a hot box -- and it's a technical term -- this would slip into the back of our existing dump truck. We would utilize this piece of equipment to go to the nearest plant that was making a material -- a asphalt material that was suitable for that day's activities. More often than not, that is a much smaller aggregate. And the Town Manager touched on this and the introduction.

Most of what we had is -- we have is delaminating. That's where the multiple coats of slurry seal and or a type of polymer are coming off, and they're on average from an eighth of an inch to sometimes a half inch thick. You simply cannot fill those with a traditional asphalt, which usually starts at a 3/8 aggregate, or the smallest rock, and it is 3/8. You have to use a sand mix. There are only a couple of plants in the valley that produce that type of material, and they don't produce it every day because there's not a big call for it.

Having said that, we would go and pick up, up to three tons of material in this truck when we needed it. You don't want to really exceed three tons for a shift, which would normally be 7 a.m. until just before lunch, because the material, even kept in a hot box is barely going to -- I say, barely -- it'll be kept in the 270 to 310 range, depending on the weather conditions, but it's a lot of work to drive around town and do repairs on that. This is the cost for just that machine utilizing multiple agency cooperative agreements where negotiations have already taken place for the unit cost.

This is the next one that we looked at. This would be the -- a relatively small roller, but adequate for the type of repair that we are discussing. Once again, this $63,000 piece of equipment is -- the number is derived from cooperative use agreements and or multiple government agency agreements. This would be a must in order to get the material into the voids to the best ability possible.

This one right here is actually a tact trailer, and this is a little bit larger than what we would use, but they didn't have a picture of the smaller one that cost just under $37,000. This is for more of a wider road, a single lane pass. The one that we would be using is a 5 or 600 gallon, and it would be applied by hand wand. But the cost for that is about 37,000.

This is a picture of a skid steer previously approved by the Mayor and Council -- different name brand that we own. What we are attempting to show you is the planer that is on the front. This is the grinder that, if we decided to do some areas in an intersection or where we have heavy truck traffic turning, we would go in and use the profiler, very similar, but a much, much smaller scale than what they're using right now on Palomino. Just the planer, it doesn't include the skid steer -- we already have the water tank for the planer -- would be just under $30,000.

Lastly, this is the one that keeps tar -- well, once you get it up and running, it takes about two hours to get it to temperature. This is what keeps the crack filling material and there are really only about three different types. And the type of material you use is based on your -- primarily your weather conditions and your traffic. Since we don't have the thaw free cycles here, there's only a couple of different ones that we would

use. To purchase this piece of equipment is right at $33,000. They are a little bit of a challenge to keep clean and operating, because the -- the hose that you dispense it with, if you have a flat or something happens and you got to run off, it takes a little while to get that material cleaned out. So the next morning they're usually spending a -- first part of the day cleaning out the hose so the applicator works.

You can see each and every one of these pieces of equipment that we are showing you today on our asphalt repair jobs or our pavement management jobs, Council has approved. The different types of treatment that we're describing here that will be taking place between now and June 30th. As we get underway on those, if any one of you would like to go out on that day, please contact myself, Jeff Pierce, or the Town Engineer, and we will make sure that you can get out and actually see how they function. That's the equipment -- the basic equipment that we would need.

Obviously -- and the staff report I wrote, you would see that it's going to require some additional staff and some planning.

My recommendation, just based on my knowledge and my background from just this community and my overall knowledge, is that we continue to utilize contractors. In this case, it's a local contractor -- two of them -- that do this work. It's much less expensive and more practical for the type of work that we're doing.

WATTS: Have you had the opportunity to annualize our costs versus a contractor's cost?

WELDY: Yes, Councilmember, we have looked. We know what their unit rates are --

WATTS: I know you got --

WELDY: -- based on their cooperative unit rates.

WATTS: -- units, but annualize -- if you said, you've got a crew that goes out for X amount of hours a day, they use this equipment, and you annualize those costs, have you compared that to what the contractor's cost is? Not on a unit cost, but on an overall annual cost?

WELDY: I did not do that for this presentation, no, sir.

WATTS: I think the information you gave us was good to tell us that there's an investment that we have to make, but if we can -- if the annualized cost for us is half of

what a contractor's cost is, and maybe it is worth the investment. I can't tell that based upon unit costing. But if it's equal to or greater than with the labor costs that you've projected that are necessary to do this, then it would be beneficial to go to a contractor. But I'd like to see something that analyzes all of this, to tell me what the investment would be and what that return on investment would be if we went forward with it.

WELDY: We'll pull together a spreadsheet and do an analysis on the staff and equipment cost, and kind of break them out there and share it with the entire Council.

WATTS: Yeah. Do the same thing with the contract -- those same numbers, the number of hours, the type of equipment, and material that are utilized, and apply the same thing to the contractors. And so you get an annual cost if you utilize the contractor versus utilizing internal staff. Thank you.

WELDY: Understood.

UNIDENTIFIED SPEAKER: And again, I heard you mentioned that would require retaining more staff. How many extra staffers would be required?

WELDY: Mayor, Councilmember, approximately five. So we need a supervisor that just oversees those crews, and then at least one operator, and three to four crew members, so.

UNIDENTIFIED SPEAKER: Would this be seasonal or year round?

WELDY: The employees?

UNIDENTIFIED SPEAKER: Yeah.

WELDY: That's a little bit of a tricky -- I don't know that we could secure and continue to have seasonal. So they would be year-round.

UNIDENTIFIED SPEAKER: Okay. Okay. Thank you.

WELDY: You're welcome.

UNIDENTIFIED SPEAKER: (Indiscernible)?

WELDY: Correct.

MCMAHON: Would you -- if this were selected, would it give you more ability to repair the potholes a lot faster? I don't think it would be year-round because of the heat in the summer, but could it be closer to that?

WELDY: We could certainly get closer than we are right now to keeping up with it.

MCMAHON: Um-hum.

WELDY: But we would have to find other things for those folks to do during, obviously, incumbent weather, or if it's just too hot to work in that type of environment.

MCMAHON: I'm sure you could think of things for them to do.

WELDY: Well, we're kind of balanced right now, so we would -- we would -- we would have to work through that.

MCMAHON: Okay. Thank you.

WELDY: You're welcome.

GOODWIN: Justin, to follow up on two items.

I want to be clear, based on Justin and Mike's conversation, this is not the direction we would recommend to move in. Short of -- to your point, breaking it out and analyzing it and really understanding the dollar for dollar, the time investment that Justin mentioned about going and picking up the materials, and prepping the sites, and cleaning the sites, it's a -- it's a large time investment.

In lieu of that, Justin, we did talk about what could we be doing better so that we are addressing this more proactively. Justin, can you share where that landed and what we're doing with that?

MAYOR FRIEDEL: And would that include a different product possibly to -- is there -- have we looked at every different product? I don't like the idea of adding five additional employees, and the liability for me is a concern, too.

GOODWIN: Yes, the liability is quite high, especially working with that type of material.

MAYOR FRIEDEL: Because you've got to have insurance and -- and just I think the cost just escalates. But if there's another product that we can look at too.

Go ahead. I'm sorry.

WELDY: Apology unnecessary, Mayor.

So I've been working with the Town Manager, with a local contractor, and trying to determine if we could do a biweekly. We have arrived that we have some funding set aside for that -- or unspent funding is how we'll refer to it for this conversation. We are

currently working through that now, and he sent us an estimate for that. And it's based on three to five tons a day, one day a week, twice a month, that we would come out and address -- we would already identify the locations. We're going to give that a try until the end of June here and see if we can't catch up on some of the backlog for the concerns.

And please note, regardless of where you go in this Town to do crack filling or do laminate repairing, people are going to be upset because, in their opinion, their road is in poorer condition than the one you're currently working on. So that becomes a challenge. The contractor can simply refer them back to me. When it comes to the staff out there working, it can be a little bit different. Some of the staff might be a local resident and might want to lean towards helping that location or that individual. So we got to race those challenges to the finish line as well.

MAYOR FRIEDEL: I like that idea. It's proactive and, you know, at least we're attempting to get some of this delaminating caught up.

WELDY: That's it.

GOODWIN: All right. We're going to shift gears. We're going to give roads a break for a little while. We're going to bring up both Paul and Chief Ott -- I believe, after Paul gets his snack.

SOLDINGER: Michael's doing it.

GOODWIN: Oh, Michael's going to do it. Where's Michael?

SOLDINGER: He'll be right back in a minute. I'll go -- let me pull up his presentation.

GOODWIN: Based on timeline and where we're at, Mary, you can let us know if you'd like to do a working lunch, i.e., when lunch gets here, we can take a pause, and go, and then just keep -- keep moving forward; if everybody's okay with that?

SOLDINGER: All right. Let me just go let Michael know, and we'll get started.

GOODWIN: We're. It's pizza -- pizza and salads.

So we'll give Michael just a second. He is our sort of expert in this field. But I know he'll be able to hopefully explain what's going on and where we need to go with the Fire Department.

Oh, there he is, the man of the hour.

STELPSTRA: Sorry, Councilmember, I thought I had more time.

GOODWIN: That's okay. Good try. Good try. Welcome back.

WINTERS: All right. Mayor and Council, I'm here to discuss the -- some fire department overtime issues. As we move into this presentation, I'm going to start giving you -- by giving you a bunch of quantitative data. And then I'm going to turn it over to Chief Ott to give you more of the qualitative aspect of this.

So before I jump into the charts, I want to start by giving you a bit of a primer on Fire Department overtime, because it is a different animal from just the regular overtime we have with any other town staff.

So let me grab my water a moment.

SOLDINGER: I have plenty of water if you need it. All the drinks.

WINTERS: Okay. So first of all, Fire Department overtime. We ought to talk about the way our Fire Department is scheduled.

So we have three shifts, ten guys per shift, and they work two days on, four days off. So that's six-day rotating cycle. Going through a 14-day pay period means that two of the shifts are working five days. Each one of those shifts is working four days, and that four-day shift rotates between the different shifts from pay period to pay period. Those are 2 hour days. So you've got two shifts, total of 20 guys that are normally scheduled for 120 hours per pay period and the other 10 guys that are scheduled for 96.

Now under the Fair Labor Standards Act, the overtime threshold for firefighters is 106 hours. So that means that we -- for those 20 guys that are scheduled for 120 hours, there each, as part of their normal regular schedule, are going to have 14 hours of overtime. So as we move into the slides, you'll see that I'm talking about regularly scheduled overtime. So that's the overtime that I'm talking about there. That is just the normal way that our Fire Department is scheduled. We do expect a minimum level of overtime, because that's just normal.

What we're experiencing now is even more than that. And part of that is because of absences. Either they're taking their regular vacation personal days, or it's a sick day, or

extended time out, but that also increases the number of overtime -- or the amount of overtime. Because unlike with, say, an office worker upstairs, they take vacation time. Nobody's coming in and working in their place. Fire Department in order to maintain the minimum staffing, somebody else has to work in that place.

Well, we've already got, you know, two thirds of our guys are already in overtime. So anybody that comes in from those shifts, that's all overtime. Anybody that's coming in for -- that is just on the 96 hour schedule, they've got about ten hours -- first ten hours there that's regular time, but everything else is overtime. So you can see the overtime can very quickly add up there. And so that's what we're experiencing.

So let me jump into the slides here. So what I've shown here, this is the amount of overtime hours that we are experiencing over the last year and a half on a per pay period basis. So that bottom red line that goes all the way across, that's what I was talking about, the regularly scheduled overtime. So we would expect, just on the basic schedule, that each pay period, there would be 280 hours of overtime, that's just regularly scheduled. When we did the budget for 2025, that's what we used because that's what we expected. So that's why you see that line is both the 2025 budget and our regularly scheduled.

This time last year, we realized -- you can see where the numbers were at, you know, about a year ago -- that's that big peak before it starts coming down -- that 280 hour was just not adequate. So as part of our 2026 budget, we increased that to 454 hours so that we had additional room in there. And that's really to take into account those instances, like when somebody is off, somebody else has to come in and work for them. So -- but so that -- so that short red line that's starting with 2026 and our 454, our budget. You can see we're well above even that. And that's because this year, unlike last year, beyond just having people out for regular vacation, or personal leave, or an occasional sick leave, we've had some folks out for extended periods of time, either for military leave or for medical reasons.

So what we're talking about today is looking at, is there a way to possibly add staff to help reduce some of that overtime? Now, even with that high overtime, this next chart I

want to show you is, this is the average number of personnel we've had per pay period through this time period. So, as I said, we have ten guys per shift. So fully staffed would be to have ten people, and that's that red line there. So if we had all ten people there, all 14 days of the pay period, we would be at that red line.

You can see that we're not making that. So we are bouncing somewhere between the nine and ten range. So having nine guys is, I believe, adequate, maybe not ideal. Chief Ott can address that. But you can see even with that higher overtime, we're still just maintaining that kind of central range there of the nine to ten staff.

So that's the data I wanted to present to you. If you've got any questions on that, I can answer that. Otherwise, I'm going to turn it over to Chief Ott.

MAYOR FRIEDEL: I have a question -- I have a question for you.

WINTERS: Yeah?

MAYOR FRIEDEL: So fully staffed is ten. And I see the -- I see the graph. Did you run a scenario if we added a part time person in there or anything like that?

WINTERS: We have not done a projection of the scenario of where that would add. I'm just giving you, based on the actual data here.

MAYOR FRIEDEL: All right. Thank you.

MCMAHON: Would it be less expensive just to -- or can you hire another employee to fill in? And -- because that's a lot of overtime. And my question, too, is, do they get double time and a half for that, if it's not the regular overtime?

WINTERS: All overtime is at time and a half.

MCMAHON: Okay.

WINTERS: And I'll let Chief Ott address the rest of that question.

OTT: Good morning. And thank you for that segue, that works quite well into where we were going here.

But I just have one point of clarification for you, I was around during the Fire District. I appreciate you thinking that I'm younger than I am, but I was part of those painful days with the Fire District, not directly working in Fountain Hills all the time, but I did work up here under the Fire District, so. And it was a little bit of a challenge, and it did leave us

in a position where we were kind of backpedaling, lost our funding source, and as it is now, we're -- we're kind of in the pool with everybody else with the same sales tax revenue, looking at the General Fund to try to keep things rolling.

But thanks, Michael, you did an excellent job on explaining that.

As Dave Trimble can attest, as we were going into the transition phase of the Fire Department and coming up with what would work best for pay period, of work periods, and how that affected the FLSA overtime exemption for Fire Departments, it was quite -- there were probably two weeks' worth of classes that we took so that we were all on the same page, that we knew where we were going with it, and what we were looking at. The 14 day pay cycle worked well with the town. We didn't have to integrate anything else differently schedule wise or change payroll processes to that. Really, the overtime for the Fire Services, anything over 53 hours in those kind of blocks. So we pick the two weeks, that's 106 hours, that's our overtime threshold, and that's where we're at.

So kind of one of the things that we were looking at was in working with -- with Paul, and Michael, and -- and finance, it's hard to schedule that unscheduled overtime, if you will. So that high peak that corresponds to the low peaks on the fully staffed side, that's where our overtime comes into it.

And one of the things that it does, too, is that it's --it's kind of overly taxing some of our -- our members. Our schedules are usually set up. We've got the two days on, four days off so that you have significant downtime so that you can recoup physically and mentally. You kind of need that break in there. Once we start working our -- our people, we -- we came up that we would only work them four days in a row. There's a possibility that we could work them five days if they had a slow shift. And conversely, if they're wanting to -- or willing to -- work that fourth day, if they've had a busy shift before that, we're discouraging them from working because that doesn't give them the time that they need to recoup, and mentally and physically keep our -- our -- our composure and our time together.

So our staffing level we kind of worked at nine. Ten is ideal. Just as conversely, when

we had the rural contract, they only contracted for eight people a day as part of the contract. So we've increased what our staff is to be able to up what our service level is. And part of the automatic aid, mutual aid, conversation is typical staffing in the region is four person trucks. And as part of the auto aid or mutual aid, you got to give what you get. So if we got a four person engine from Scottsdale, when they turn around and ask us, either under auto or mutual aid, for an engine, they expect a four person truck. That's pretty much the way it is in the region. National standards through NFPA are four person staffing on the trucks.

In the region, we also kind of modified that a little bit to you've got a captain on every truck, two paramedics, and then another firefighter, whether that be a paramedic or a BLS firefighters. That, statistically, is -- has been proven to be the safest model for not only our people but also the residents that we serve.

So at nine person staffing, that gives us one battalion chief, and two, four person engines. We have dipped, I think, a couple times down below nine. Not ideal, but we didn't have anybody to work through that.

And as Michael said this year, maybe average for us, it may be an anomaly where we've got one member that got deployed for a year. Under (indiscernible) Title 3, there's not really anything that we can do to change that. He is safe and in a safe spot. So that's a good part of that.

We also had a number of people that had some extended injuries that are out. That also adds to that overtime piece.

What ideally would work for us would be -- kind of taking the proactive approach -- is if we could add one person per shift, but looking at the impact of that, if we added three -- three members to the Department, we're looking at about $270,000 a year. What would help us out in this aspect would be that if we broke that up and hired one person over the next three years.

It's really hard to get a part time firefighter. It would -- it gets kind of convoluted in that most of them would be full time somewhere else than working part time for us. It just makes it kind of difficult to be able to schedule that person when they've got another

job. It's -- ideally for us, with training and everything, it's better to have a full time employee than a than a part time employee. If we were able to reduce that impact of the 250, $270,000 for the three employees at one time and broke that up into increments of $90,000 a year, we're -- we're relatively sure that that will bring down our overtime costs at that other line above the 454 and get us closer to that 280, and also be better all around for the physical and mental health of the members of the Fire Department, so.

SOLDINGER: Mind if I add to that, Chief, real quick? The calculations that we did, the 90,000 didn't include all the benefits and overtime. So when we redid the calculations, it's about $127,000 per full time -- bringing on full time firefighter. So if it was to be three, it'd be three times that amount, closer to 400,000.

And there was another -- there was something else, but I forgot, so I'll probably chime in later. Sorry.

OTT: No, that's quite all right. I like my numbers better, but I'll go -- with I'll go with Paul's number. And I'd just like to take that opportunity to point out that this year we're getting about $500,000 from the fire insurance tax. But just to throw that out there, that we're not always the money suck, that sometimes we -- we do bring some things in. But that's kind of what we're looking at.

Again, the -- the overall goal would be that adding that person is going to drop that overtime down to where we're closer to the normal level. And it's a little -- if you take a look at Phoenix, it has about 300 -- 3,000 members. They're struggling to be fully staffed, but they have a much larger pool to be able to pull people in for their overtime and get their added needs.

Some of the other things that add to the overtime would be if we've got training issues that might require people to come in, because the training is only offered on -- on so many days. That has a slight impact to it, but really the majority of it is because we've had to pay overtime for people to come in to fill the positions at that point, so.

WATTS: So Paul, that 40 percent, approximately, labor burden is that because of insurance?

SOLDINGER: So Mayor, Council, just all the benefits included with the full time position, as well as the overtime. So the initial calculation, we have -- we have forms that calculate some of these things for the budget. And the initial calculation was based on a part time. It probably included some of the overtime calculations but not all the benefits. So yes, to your point, mainly all the benefits associated with -- with the position.

WATTS: So it looked like three was the magic number, but we really don't have, necessarily the budget, regardless of the $500,000 that we've got coming in?

SOLDINGER: Yes. So -- I'm sorry.

WATTS: My question is, if you -- do you still have that worksheet that you can show us what the impact is of the -- the overage and the overtime? And I realize that the FLSA is slightly different from what we normally understand as overtime, over 40 versus how firefighters are measured. Because we could usually provide some sort of data set that would say productivity is, X, and here's what we're getting for that, and we can measure that. We can't do that same thing here.

So we have to -- we, literally, have to do it based on body count. And I hate to be that cold about it, but it really is. What do we have to do to reduce the overtime? And does the overtime reduction offset the cost of one, two, or three additional firefighters?

SOLDINGER: Yeah. Excellent question. Lots of parts to my answer, so I'll try to keep it all squared away.

This is not an uncommon issue. You can read about this in other municipalities. I know in the news last year when in Gilbert where they went way over their overtime budget. And so this is an issue that we're encountering that's not uncommon.

But because we're small, we've been implementing more monitoring and discussions -- finances, monitoring overtime, working with Chief Ott. So we are trying to handle it to the best of our ability.

And we've had several discussions, like, what can we do to make it work within the current staffing structure? It's been a challenge. Like, Chief Ott mentioned, it's been a bit of a disproportionate year with three guys being out pretty consistently. Is that the

norm, is that not? It's hard to tell at this point. But to your point, can we calculate or estimate, the impact to the overtime if we brought another person? We can't. It's really kind of unpredictable. We just think it will. It will -- it should. But can we quantify it? Not at this point. We don't have enough data. They've only been a fire department for a year and a half. We just kind of think it will offset some of the costs. And to the point of overtime discussion is, you see the data. There's a lot of overtime, and it's above our budget. The fire department's not going to go over budget as a whole this year. But they're going to most likely go over their overtime budget. So we're trying to reel that in a little bit, is probably a priority. And also the strain on the staff working all that overtime.

So there have been several conversations to this point to get us here, where, you know, we've kind of worked through the scenarios and what we could do. And this seems like the best viable option. And just before -- the other thing I wanted to add is, you know, Chief Ott would like three people, like he said. But that would be really challenging in our budget this year. So that's where we kind of had this discussion about coming with one, and seeing where that takes us. If that really alleviates this issue or not. And if so, looking at next year, seeing what we can fund the budget or not. Going back to council again. So it's more of a staggered approach. So all I'm trying to say is, there's been a negotiation and several conversations about this to get us to this point.

WATTS: But I understand that not all of the time that the firefighters are absent, or not on call, is PTO, is it? Is it -- some is uncompensated? It's at their discretion? Or is it all PTO?

OTT: Well, some of it -- an example of our guy that's deployed. He's not getting paid. He's paying -- well, he's a single employee, so his insurance and some of his benefits are covered. But if not, if he were off, he would be without pay. He would be paying those benefits towards them. But he exhausted what he would have had for PTO. We've got another one of our people that's out kind of long term, who is now on long-term disability. Again, he's being compensated, but not fully compensated -- but that's coming out of a different pool there. And we also changed a little bit of what our policy

was for allowing people off. Where previously we would let two people off per day. That really dropped us down to eight people, and then having to fill that position back with overtime. So now we're only allowing one person to be off on vacation per day. That still doesn't account if somebody calls in sick, we might have to bring somebody back, but that would put us back to the nine people. More people can be off, but they have to find their own relief, which is not a cost factor for us. They can switch days off, and that's just an internal thing for us. That doesn't give a guy off on vacation. It lets a guy be off, and somebody else works for him. He works for that guy at a later date, and that all evens out in the long run. That's fairly standard in the fire service as well. Was covered in one of the many days of our Curt Varone FLSA training. So we're well within the standards of what's right, and legal, and just kind of the right thing to do at that point.

WATTS: Right. But if you got to the 170 hours of overtime, you can calculate what the value of that is, and you can use that to support the number of additional firefighters that you may or may not need. You're not going to get perfect down to zero overtime, but it would be able to help substantiate whether we do one, two, or three, and fit it within our current budgets as well. So you could get there from a from a math standpoint, couldn't you, Paul?

SOLDINGER: We could try. I would think that the number we gave you would be a really rough estimate still. And we haven't done that calculation. We could. it will offset some of the overtime. We 100 percent believe that. If you bring on a firefighter for $127,000, it's not going to reduce your overtime by 127,000. If I was just guessing, maybe 25 to 40,000, maybe 20,000?

WATTS: Right.

SOLDINGER: Somewhere in that lower range, there will be an offset. But it also depends on how many guys are out. If everyone's healthy, there's no issues, you know, then there shouldn't be a lot less overtime. Just going back closer to that 280 budget for the scheduled overtime. So it's complicated is all I'm trying to say. And we're not there yet. Maybe if after --

WATTS: If it was easy, I could do it.

SOLDINGER: Yeah.

OTT: We'd like to have you join in.

WATTS: I'd be happy to participate.

SOLDINGER: I should add, too, just to make it clear, council did approve the change to the command structure last year. And so that's carrying forward, adding to our budget already this year. And that's why we asked Chief Ott to take this more staggered approach for his request. We've already started implementing that in our budget. And the 240 was the amount that was being thrown around. We were able to reduce some of the benefits budget because we have a better understanding of the fire department now. So that amount is increasing the budget by -- it's like 150 or 160,000 rather than the 240. But that's already increasing the budget. So this is on top of that. So I just want to make that clear for council's understanding.

OTT: And we're --

MAYOR FRIEDEL: I --

OTT: -- oh, go ahead, sir.

MAYOR FRIEDEL: Oh, I'm sorry.

OTT: No, I --

MAYOR FRIEDEL: Peggy's got a question. Did you want to add something else? Go ahead.

OTT: No, I was going to say. By all means, chime in whenever you want.

MAYOR FRIEDEL: Go ahead.

MCMAHON: Chief Ott, thank you very much. Listening to this, it sounds like you might need an employee that would help out. Instead of just looking at the overtime cost, look at your staff. You don't want them burn out like you said. You don't want them strained, et cetera. If this is happening as constant as it is, you know, is the workload increasing? Does it seem like? I mean, is it going to be -- and I'm trying to think of the best way to use the money, the limited resources. And perhaps it might be better to hire an employee?

OTT: Mayor and Council members, that's really what we're kind of here looking at.

MCMAHON: Right.

OTT: And will one employee, opposed to three? And I think what we kind of kicked around is, is if we can do it incrementally and see what one employee does. Even though that wouldn't be adding --

MCMAHON: Right.

OTT: -- one employee to each shift, having one extra employee in there in the interim --

MCMAHON: Um-hum.

OTT: -- might also alleviate some of that added stress. It's one more person out of the pool of people --

MCMAHON: Um-hum.

OTT: -- that that aren't working, to be able to come in and work. So we think that, with the workload increasing as it does -- our population is getting a little bit older, and that tends to lead to more calls, higher volume. We do bigger events. I think we're looking forward to the 4th of July celebration being probably the biggest event that the --

MCMAHON: Right.

OTT: -- town's had. Those all kind of, in little ways, all add to the added workload for us. So one other thing I'll add about the FS LA and the overtime for firefighters. Try to get something refinanced and take your pay stubs in there. And they look at it, and they say, we can't count this income --

MCMAHON: Right.

OTT: -- because it's all overtime. So it's always been a challenge. And the overtime portion for firefighters has always been hard to understand, but --

MCMAHON: And you said -- I heard you mention that one of the firefighters has been off with a disability for a while. So you really haven't replaced that person. You're asking a lot of other people to do overtime to do that job. So I guess what I'm saying is, to me, this looks like you need at least one or two other employees. And somehow, you know, we're paying this overtime. And if you hire at least one or so, then it's going to offset that -- hopefully -- to a degree. Hopefully, it would erase all of it. But let's be

honest, you know, it wouldn't. But I think that if you need another staff person, another firefighter, then that's what we need to be looking at.

OTT: Correct. And I know Paul has a hard time believing this sometimes, but I am cognizant of our budget and what the overall budget impact is. And I don't want to take things away from Kevin or Justin by trying to do what we're doing. As Paul mentioned, we're a year and a half old. We've got some growing pains.

MCMAHON: Um-hum.

OTT: There are a lot of differences, and a lot of great improvements that we made in making the decision to move forward to the municipal department. A side note there -- that's why the increase from the fire insurance tax came up. Because now the town is fully responsible for the retirement portion of that. So that's what that was based on. We ended up getting the bigger increase because they did not pick up the difference between when we went from a private fire service to the municipal fire service. So that's all come in there. And that's really what we're looking at, is some direction to whether or not we can add an employee to kind of help offset this?

MCMAHON: Um-hum.

OTT: And a lot of conversations with Michael, who is way smarter than I am on almost everything. It's hard to quantify that and say, yes, that employee is really going to take that peak down. Because you're one injury, or one deployment, away from being short one person again. So -- but that's --

MAYOR FRIEDEL: Michael's ready to suit up, I think. And I think, Gayle, you have a question?

EARLE: Yes. Thank you, Mayor. Hopefully I'm using the right terminology, but is there such a thing as a per diem firefighter that you could use when needed?

OTT: It --

EARLE: That just like, I don't know -- I want to say, a subcontractor or something? And then if this works out, that someone comes back next year, we wouldn't need the extra employee.

OTT: Mayor and Council Member, there are some things -- sometimes you get into, like

a combination department, which is a paid, on call type situation. As we move forward -- and I'll update you when I'm done on our auto aid application. In the region, the auto aid application doesn't really account for per diem firefighters. They look at full-time firefighters, and how that supplements the system. Because the hard thing with the per diem guy, or a part-time, or a paid on call person, is being able to maintain that level of training that they need to keep the regional consistency for everything that we're doing. So to get back to kind of, give what you get. If we sent a truck to Phoenix, we sent a truck to Scottsdale, or Mesa, they would like to see four full-time firefighters on there, and not three full-time firefighters and maybe a part-time guy, or a per diem guy in there. So it makes it a little bit hard when we're trying to meet regional consistencies. But the other 27 fire departments in the valley all operate that same way as well. So --

EARLE: And then my other question was, you were saying before, there was eight firefighters per shift?

OTT: Per day.

EARLE: What did you call it?

OTT: Per day.

EARLE: Oh per day, not per shift. And you now have ten, but you want us to go to 11. But you wanted to hire three more?

OTT: Well, three would give us --

EARLE: But could you do --

OTT: Okay, so to back up a minute. At rural per shift, which would be three shifts, they supplied eight firefighters as part of the contract.

EARLE: Okay.

OTT: So there were 24 firefighters as part of that contract. When we did the municipal model, we went to 30 total --

EARLE: Um-hum.

OTT: -- which is ten per day. So ideally, we would add one person per shift, which would bring us up to 33 field firefighters. So that would give us 11 people per day.

Makes it a little bit easier to try to maintain that nine minimum staffing, without having to use the overtime. So that's where we think that we'll be able to make a little bit of a dent in that, that peak above the 454.

EARLE: Would you be able to manage -- we wait some time and see if this levels out? If this was just an anomaly this year?

OTT: I think that what we're seeing with what our staffing is that -- and if you took a look at some of the other departments -- some of the bigger departments -- that you have a little bit of -- and I say fluff -- but you have a little bit of extra manpower already factored in there. So that that takes up when somebody is off. Somebody might be a rover, or a floater, in a larger department. That would then be an extra guy at one station until he's needed at another station to fill that position up. I think that just the odds of somebody being off at one point -- and we'd have that conversation to -- that we don't think any department in the town is ever fully staffed. There's always somebody off. It's just we don't really have the ability to not fill the seat on the fire truck. So that's the challenge that we have.

MAYOR FRIEDEL: Hannah?

LARRABEE: Thank you. And thank you, Chief, for laying out the situation here. I think my main concern is that, if we're talking about one additional per shift, which is really three new employees with benefits, and we can't quite define how much this would actually offset the overtime. This is a pretty significant financial ask without kind of the background information of where this evens out for the overtime that we're currently seeing. But at the same time, I do want to solve your problem because you're right. We need to fill that seat. So I'm wondering, I know some other municipalities do like a volunteer firefighter program. Is that something that we could look at as you know, so that there's still somebody in the firehouse, if we need to send our guys for automatic aid? If we have ten per shift, but so and so needs to take a vacation, so and so is getting married, so and so just had a baby. We could lean on a volunteer program, and that way we're not paying a salary for someone that we don't necessarily know if there's consistent workload for? If we're using them to make up for when we're understaffed,

when we are fully staffed, what is that person going to do, I guess, is kind of my question?

OTT: Mayor, council member, there is no shortage of work to go around --

LARRABEE: Sure.

OTT: -- if we had an extra person.

LARRABEE: Sure, of course.

OTT: The days that we're going to have them, that just helps out with staffing. Maybe that's a person that mans the snake truck that day. And the snake truck doesn't have to -- we don't have to drop the engine to man the snake truck to go out and do those other service calls that we do. Fire alarm, battery changes, those things. That gives us the ability to have -- if we're in a position where we had the extra person there -- that would be able to fill some of those things, and not take the whole engine company at some point to do that. Or drop the staffing on that engine to be able to do those customer service, community service, and community relations type things. So that would -- and breaking it up and looking at hiring one person to start with, to see how that impacts it? And that might be enough to be able to offset that. Where it allows additional people to -- there's one more person in that pool to work another day. Right? But as far as the -- we would not let somebody sit idle. There is plenty --

LARRABEE: Of course.

OTT: -- plenty to do.

LARRABEE: Of course. And trust me, I do have full faith in that. I just wonder if for those community projects, for those in the firehouse type jobs, I wonder if we could lean on a volunteer program? I know there's quite a few municipalities in Arizona that do have, like a volunteer firefighter. You're looking at me like it's a no. I'll let you answer.

OTT: I would say none in the valley.

LARRABEE: None in the valley.

OTT: We have, and utilize, our volunteers quite well. We have about 30 people on the crisis response team. And to my knowledge, frontline firefighters in the Valley -- all of

them are paid.

LARRABEE: Okay.

OTT: But there are other areas. We're a large state. As an example, over 80 percent of the fire departments in the United States are still volunteer. But if you look at what the areas are, they're mostly rural areas. It would be hard, from a volunteer side, to have somebody drop their job here to come --

LARRABEE: Sure.

OTT: -- be that extra person at the station. So --

LARRABEE: Sure.

OTT: We have looked at those kind of options early on. It was, how can we augment the staffing? And really the way that the valley is and what the standards are for the auto aid system, it doesn't really allow for nonpaid --

LARRABEE: Okay.

OTT: -- firefighters.

LARRABEE: Thank you. And I see Town Manager Rachel's light is on, but really quick. I think my direction would be to split it up, and start with the one, and see how -- see what that offset looks like, so that we can make a mathematical decision. In the future, if we're wanting to do one per shift, or if we end up needing more than that. Thank you.

OTT: Thank you.

GOODWIN: Good lead in. That's exactly what I was going to say, is that that's sort of the model we're recommending is exactly that. Is one as part of next year's budget. So when you see that in the budget, you'll know where that came from and why. And understanding, that will give us some time to see what impacts it has on our overtime. It'll hopefully give us another year of data to see again whether this is going to be a standard practice, or if this is an anomaly year. Again, it'll buy us a little bit of time, while still working to alleviate the impacts on the department overall.

And frankly, we ran the scenario with three. It is a large budget strain. So if we find we need to continue down that discussion, it gives us more time to kind of address how to do that. So one is the recommendation, and I think Chief Ott, and Paul, and

Michael, have had these conversations sort of in the background to make sure that that, again, is moving us in the right direction. It may not be a complete solution, but it gets us down that path. So that is the recommendation that we're giving as well. So it sounds like we're on the same page.

WATTS: And finally, just to be clear, the one that you're looking for -- which I am a supporter of -- is not an admin, not an efficiency expert. It's a full on firefighter, certified and everything, correct?

OTT: Absolutely.

WATTS: Okay. And the second thing is, for Paul's benefit, I'll get him a new abacus so that he can have a starting point to be able to do this in the future. Thank you.

OTT: And one other thing I would add to that is that if we find out that this position is not needed in the future, we can adjust back through attrition, and just not fill that position in the future, as they become available. Because I know in maybe 18 months to two years, there may be somebody that's not going to be working here. So -- but so that would be a good opportunity to come back in two years. This all works out. We may have an open spot and not have to hire for that. So. But any other questions? Is lunch here yet?

GOODWIN: Lunch is here. I think --

OTT: Because I had my back to --

GOODWIN: -- there's a pizza for everyone. Do we want to pause and do that? And then we'll -- once everybody's kind of got their -- everybody up here, we'll resume and move forward with the next discussion, which is about the lake liner replacement project. Okay?

(Recess from 11:51 a.m. until 12:12 p.m.)

GOODWIN: All right. With the Mayor's direction, we're going to go ahead and resume our discussion. Everybody can keep eating. Totally fine. We'll consider it a working lunch. Except for Kevin. Kevin doesn't get to keep eating. He's going to come -- he's going to present about our lake liner. We'll save an extra cookie in the back for you, Kevin, for when you're done.

The lake liner is a conversation that has obviously been a long term conversation. A lot of this council is not familiar with the study that was done, and some of the assessments that were done a number of years ago. So Kevin's going to share a little background on that. And then also where we're going to go -- or where we're recommending that we go and why. All right. With that, I'll turn it over to you.
KEVIN: Excuse me. Thank you. All right. So we talked a little bit earlier about the lake liner replacement, and wanting to get a playbook in hand so that when we do have the issue, we're not scrambling for decision making and figuring out how to actually do the lake liner replacement. We want to have that done ahead of time.

As we know in 2000 the lake liner was replaced last. Here's a couple of images of that. As you can see, it was no small task at that time. And it will be that again, this time. Only even more difficult because we have a lot more population involved. One of the things that we always pride ourselves on is getting out ahead of projects and problems, and coming up with solutions to where that we don't have as many issues. Doesn't mean we don't have any, but hopefully, we've thought through a vast majority of those issues ahead of time. Especially knowing that last time we had several issues that came up during the process. And I would attribute a lot of that to being when the town took the lake over, it was already having many lake liner issues. And so they had to come up with a plan quickly to make the changes that needed to be made.

So where we at today? This flow chart kind of gives us an idea of what the recommendation was from Black and Veatch. When we went through and looked at the -- did a really thorough look at all of the lake, the lake liner, irrigation system. And this is their recommendation. Right now, we're at a spot where we're still doing periodic evaporation tests, there at the top. We did one last year, and found there to be no leaking, which we talked to this council about when that happened. Which is a great thing. That means we still got time. We'll do another lake liner test four years from now and get us another data point of where we're at, at that point. One thing that's critical in this is understand that the odds of the lake liner just falling apart in an instant, is not realistic. It's why we were suggested to do lake liner test every five years. And if

we start noticing any difference, then at that point we would do it once a year to where that we can track it to see how quickly it is failing. So their plan is, after -- not starting the planning phase until you hit 110 percent of the measured water difference between the evaporation test plot and the lake. And but I think we should get out ahead of that. Just to where -- because of the complications that are here, and the difficulty that redoing the lake liner is going to cause. So as of right now, we have zero issues with the lake liner. We're not concerned about it. It's one of the reasons why we're kind of rethinking how we want to go through the budgeting process of it, which we'll be talking about after I get done with this conversation. We'll kind of talk a little bit more about different ways that we can fund the lake liner replacement, and other things along with that.

So when we do the lake water test, this is how we do it. It's very scientific, very fancy. It's as simple as measuring the water in the lake. and measuring the water in a tank at the same time. Which gives us a very accurate synopsis of where we're at -- over a two week span, where we're not pumping any water into the lake, and we're not irrigating at all to take any water out of the lake. And we don't run the fountain, correct. To where we don't have that evaporation either. So as I was saying once we hit 110 percent, then that's when we'll be ready to move forward with getting things ready. We'll still have some time, even when that occurs. So don't think of this as, we're jumping off a cliff and we don't know where we're going. The whole idea is we want to know exactly what's happening as we move through this process.

So we've talked about several different ways that we could accomplish the lake liner replacement. And what we'd like to do with this plan is have a playbook that says, we've now narrowed it down to one, maybe two. And the only reason I say maybe two is because we could look at how far out we think it's going to be, and there could be different ways to do it. But one of the ideas was to do a coffer dam, which would allow us to basically cut the Fountain Lake into a pizza pie, and cut little pieces out of it, and fix each piece as we go. And then let the water go back into that space, and then move on to the next space. It does prove to be a little bit more challenging, and it takes longer

than it would if you just had a dry basin to work out of. And so it is more difficult to get a good quality liner that way. But they keep making advancements in that every year as well. So I'll be curious to see how that's changed over the last six years.

Another option is to do an aquifer recharge. In this situation, with the quality that that our lakes at -- and that's what makes everything more difficult, is that our lake is a dead-end lake. Which means all the water goes into the lake. And the only water that comes out of the lake is for irrigation. Having a 100 million gallons in the lake and we're only using 600,000 gallons a night, makes that extremely difficult to keep up with. We end up turning the lake over about once every year and a half. To give you a comparison, the lake that we use for Golden Eagle, we turn it over several times a week so you're always getting fresh water. Where our water sits, and it evaporates, and leaves all the salts and the total dissolved solids, behind because those don't evaporate. And so each year the lake continues to get worse. So with that, to do an aquifer recharge, we'll have to pre-filter the water that's coming out of the lake, disinfect it before we could ever pump it out. And then we would put it into a storage well -- or a recovery -- into a storage tank or recovery well, to then return it back to the lake. That has significant challenges as well, which is why I want to get into where we can look at what it would take and how we could pull it off.

Another option that we talked about was doing a direct reuse. Where we would take the lake water that's there, clean it to a certain degree to get it down to a more acceptable margin, and then we'll run it with other reclaimed water that's of higher quality, to blend the two together to where that we can still have an okay water that's coming out. It may not be quite as good, but be a lot closer. So that's another option. So when I started here, we were in the 900 parts per million ten years ago in the lake water quality. And in -- that was in 2016. And in 2020, when we did this reading, it was at 1180 parts per million. So it had gone up a fair amount over that short span. And we're in the process of doing another water test right now, just to see where the lake water quality is at -- both for us using it as irrigation water, and for having the knowledge for doing this part of the project as well.

Another thing that's going to be a huge factor that we really got to look into, is working with Game and Fish to figure out what we do with the wildlife -- both the aquatic wildlife as well as the surrounding wildlife that we have. And so we need to make sure that we follow all the codes that we need to, as well as making sure that Game and Fish is happy with the decisions that we're making, and how we can either move wildlife, find different places that are interested in having it, and/or the least favorable option is euthanization of the wildlife that's in the lake. And we did a lot of that last time. So yeah, lots of fish, turtles. Yeah. So, it's definitely something that's thousands of them. Yeah.

The next thing that that we'll have to figure out what to do with is the sludge, which is certainly at the bottom of the lake. Last time the lake was drained, they brought the sludge out and laid it out on the turf areas, as you can see in that picture. Which proved to have a whole lot of issues. One was, there was a considerable amount of odor that came off of the piles that was not favorable for our residents. And the other was, there was a huge infestation of midge flies. And in 2000, they spent $10,000 just on midge fly mitigation that they didn't expect to spend when they started the project. So that's you know, this is definitely not -- the least favorable way to do it is this option here?

Another way of de-watering is to filter it and then return it to the lake. That can be done as well. And then that'll help to where we have a drier sludge when we're getting ready to haul it off. And this is another option that we've looked into. Another issue that's going to come up when we're redoing the lake is the vegetation that's already at the lake. All around in the turf, the plants. And what do we do to try and salvage as much as we can? We'll certainly lose some things. The odds of being able to keep everything alive throughout this process is slim, but we can do the best we can to come up with plans ahead of time to minimize the loss. And one is to do a coffer dam. This was a suggestion -- there was a dam discussion when I first started, that they were going to dam off this area and use it just for irrigating the park. So we could re-implement that plan. The biggest problem with that plan is it only holds 200,000 gallons

of water. And as we discussed earlier, we in the summer use on average 600,000 gallons every night that we water. Doesn't mean that we couldn't do it a different way to minimize the effects that that would have on our plants. But it's certainly something that would make it more difficult.

Another option is to put in a dedicated storage tank that holds 500,000. And that would be something that would be sufficient for us to use for irrigation. This was just a preliminary spot that they picked out when we were doing the discussion last time. And since that time, I certainly have some differences of opinion of the best location for that and would want to look into that further as well.

So in review you know, we always say failing to plan is planning to fail. Well, this would be on a grand scale. And the last thing that we want to do is look like we had zero plans in place when we started this project, and it got worse from there. So what we'd like to do is make sure that we're planning for the replacement and hoping that we don't have to have an emergency replacement. But at the same time, next year, someone could get into an accident, and drive into the lake, tear the lake liner, and now this whole scale moves forward. And that's the last thing that we want to do, is not be ready for it when -- if that were to happen. Knowing where we're at now, like I said, we have some time. We're not in a rush on this. As of today, we know of zero reason to think that we would need to be doing this anytime soon. That could all change in four years when we do another test. And then we'll start dealing with that when that happens. But it's again, this is not a light switch scenario where it's either working or it's not. This is a pinhole leak that leads to a bigger hole leak. And then you start seeing the failure over time. So what we're looking to do is come up with a design plan that will help us know exactly what to do when the time comes, and how to deal with the aquatic wildlife removal, removal of the lake water, the sludge disposal, park vegetation maintenance, liner replacement, and then finally refilling and stocking the lake again.

None of this will come at a cheap price. It'll certainly have a sticker that will be associated with it. So we want to plan as far ahead as we can, which I'm very proud for how much that we've put into it already to help make this process easier. The good

news is, we have more time than we originally were thinking we might have. So with that gives us a lot more time to plan, both financially and methodically.

MAYOR FRIEDEL: It gives us more time to save, too.

KEVIN: Um-hum.

MAYOR FRIEDEL: The question on the tank, that would be potable water versus reclaimed water. Is that what you're thinking?

KEVIN: We could literally do it either way. So if we were pumping into -- the biggest advantage of if we had a tank, and we started pumping out a tank, is we would turn it over every day. So therefore, you wouldn't have the evaporation issue of leaving more and more, and the water would be the same every night of the week. And it wouldn't be getting worse every day of the week, the way that our lake does now.

MAYOR FRIEDEL: And are you also thinking about doing that at the same time, and also replacing irrigation down there, too?

KEVIN: Correct. So you know, we would -- that's all going to be part of the planning of figuring out exactly what we can do, and can't do with the system. We just went in and replaced the pumps and motors. So we have a good heartbeat, for lack of a better term. So that's all there. But everything that's out in the field is 26 years old now, so it's certainly at a point where it's going to need replaced, and by the time we get to this, I'm hopeful that it'll be far enough down the road that doing both at the same time would be ideal.

MCMAHON: Thank you, Kevin. Thanks very much. I appreciate your presentation. If you don't mind, I do have a couple questions. We've been talking about the lake liner for years, and it's our iconic fountain. So in my opinion, we're always going to find the money for it somewhere. You're talking about a project that there isn't any damage or anything done right now. So my first question is, when the lake liner starts leaking, is it going to be like the same design to replace it, no matter what the issue is or --

KEVIN: Yeah, if we go in to do any replacement in the lake, it wouldn't make sense to not go ahead and do it all at this stage of life of the liner.

MCMAHON: But could you piecemeal it like a pizza pie, like you were saying --

KEVIN: Yep.

MCMAHON: -- if we couldn't afford to do the whole thing. But I know that would not be the preference.

KEVIN: Yeah.

MCMAHON: But I'm just asking because I think that's the first time I've heard this.

KEVIN: Yeah, I guess you could. But once you get all of the pieces moving.

MCMAHON: You might as well do it.

KEVIN: You may as well rip the band-aid off and have it all be new, and trying to seam a new piece to an old piece, and it be different materials.

MCMAHON: So this is a project. I don't see the cost to it, and I don't see how long it's going to take --

KEVIN: For the design of it or --

MCMAHON: -- to come up with a plan. And you know, you're talking about engineers and the whole design and everything. So I'm wondering how long -- what's the cost of it? How long is it going to take? And then my concern is, will it -- and I don't mean this as an insult because we've done studies, traffic studies to put in traffic lights. I know this is different, but -- and then it just sits there on the shelf. So I have a somewhat of a concern, you know, like as an just an example that I wouldn't want to see that happen. And I know we're testing it, and I forget what the cost is to test it. And as we move towards this aging process, do we need to test it every other year versus every fourth year? I don't know, I'm asking all these questions. That's a lot of questions. I can go back and repeat them, hopefully, but --

KEVIN: I'll start with your last question. So we'll do a test every five years until we notice that we have a difference in the evap versus the lake evap. So once we have a difference then we'll move it to every year. And then that way we can see how quickly it's going or if it's stabilized, and we have a single point of leak, then we may be able to hold on to that for a longer period.

MCMAHON: I know, but that's assuming -- that's a big assumption, no offense, that it's going to be a small leak.

KEVIN: It will be unless we have an accident -- an incident where something happens.

MCMAHON: Right.

KEVIN: The odds of there being a catastrophic failure of the lake liner tomorrow is almost zero.

MCMAHON: Okay.

KEVIN: The odds are that it will start to seep through the seams. That's where they 99.9% of the time they fail in the seams where the weld is. And so you start to see seepage, and you'll see that through the evaporation test.

MCMAHON: Okay. So again how long would this project take? How much would it cost? How effective is it going to be? You know, is there a lifespan of it that it'll expire or anything like that?

KEVIN: So yeah. So we put in for a million to do the design and have the plan so that we can suss out all of the things that we can't do and get them into all the things that we can do. And so to me, getting all the legwork in the process, even if there's a step along the way that gets changed --

MCMAHON: Yes?

KEVIN: -- because it's 20 years later, it'll still be worth having that knowledge in our back pocket today, so that if it happens in half that time, odds are we're going to follow the exact book.

MCMAHON: Well, 20 years out is kind of far. And I'd be surprised.

KEVIN: It's a very realistic number. I mean, it lasting through 2050 would not be a surprise.

MCMAHON: Well, then if that's the case, then maybe this is premature.

KEVIN: It could be. And I guess that I would rather have that information in hand, knowing that the warranty ran out in 20 years. They've lasted as long as 50. So there's a huge window, but it could also fail in 30. So to me, having a plan in place is way better than waiting and going in let's say it's three years from now, we find out that we have it leaking, or there's an accident tomorrow, and someone drives into the lake, and we don't have a plan, now we're scraping.

MCMAHON: But when I thought that we've exceeded the life of the lake liner, I think by five years now or something.

KEVIN: The warranty. Uh huh.

MCMAHON: Okay.

KEVIN: Just the warranty. That's not the life expectancy. That's the warranty.

MCMAHON: So if we have 20, we could have 20 more years on this, I mean, you know, people, architects come in and do designs and stuff. Time goes on. They relook at it, it changes. So if we're looking 20 years out, I'm feeling that's premature. Sorry, I just am because technology and everything else changes constantly right now. And if this is in a $1 million expenditure, I would be concerned that we're going to have to or the town will have to spend it another million in five years from now if something comes up. I appreciate the thoughtfulness. I appreciate what's going into this, but it might be a little bit premature right now, given we have 20 more years on the lake liner.

KEVIN: Could. Like I said, there's no guarantees in a lake liner. So it could be that in five years we notice that we're at 108 percent, and then we're pulling the trigger. So --

MCMAHON: I know, but is there something that happened that brought this up?

KEVIN: Just trying to plan for it because it's going to be the biggest thing that we do when we do it.

MAYOR FRIEDEL: It's being proactive. Let's hear from the town manager. Rachael, do you have something you want to add?

GOODWIN: I just wanted to sort of echo some of what Kevin shared. And maybe if to give the -- a little bit more background to to sort of give a little more context to what you were asking Peggy. The idea is that we know the lake liner is going to fail at some point, and we are on the downhill of that some point. Right? If -- if it's going to last 50 years, it's 26 years old. We're past the midway point. And 50, of course, is just a round number. It could be more or less than that. But we want to make sure that we have a plan. And I respect what you said about sometimes we do studies, and they go on a shelf never to be seen again, which is partly why I nudged Kevin. I was like, this isn't a plan, it's a playbook. It is something we will be needing to have so that we can address

the lake liner when it happens, because it's not a matter of if, it's a matter of when. Secondly, the idea that we keep getting asked how much money is it going to take? And the answer is we don't know because we don't have any answers to any of those questions that Kevin brought forward. So going through this process will hopefully give us a better sense of cost. Hopefully, it will give us a better sense of timeline when we do the project, how long will it really take?

MCMAHON: I'm talking about the cost of the design -- the (indiscernible)

GOODWIN: Well, and that's why they mentioned there's $1 million in the CIP as a CIP project. The idea, hopefully, is that we'll need to go out and do a specialty RFP process to find the right contractor and the right vendor to work with engineering firm to work with this, because this is not your standard typical bridge or roadway or whatnot. This is a very specialty project that has a lot of different unusual elements to it. So we'll want to find the right person to work with. So it might take us a while to find that person, get them on board, and work through this process. So really that $1 million is a placeholder to get us there, so we can find the right vendor to work with.

KEVIN: The other thing, too, is the last time that we did it, we literally had pipes running down the -- down Saguaro to run it to other lakes to get rid of the water, and that will not be an option this time. And so we have to think about getting rid of one hundred million gallons of water by itself. That's a monumental task. And that's just the first step of the process.

UNIDENTIFIED SPEAKER: And it's not going to evaporate away.

KEVIN: No, we -- we did actually we looked into that too. And I think it was five years, if I remember right, that it would take for it to evaporate off if we went that route.

MCMAHON: And this $1 million is going to come out of the fund we have now for the lake liner saving up?

KEVIN: Yeah. The CIP. Oh, yeah. Yeah. Yep. Yep. No.

UNIDENTIFIED SPEAKER: I just don't want us to bring something to you at the CIP work session. That's different than what we're discussing today. Right now, what I've included in the budget, and just briefly talking to the town manager, is to spend the

money we've saved up for the lake liner for the design. That's what it's there for. We don't necessarily need to do that. We could continue to keep that money set aside, but that's what I would propose for this project for the design. Sorry.

MCMAHON: Yeah. Again, my concern is that if we have 15 or 20 more years on it given technology. I mean, correct me, when it happens, a lot of us won't even be here. You know, so they might want to just discard it and do another one. And that's a concern, too.

KEVIN: And it's part of the reason why I would like to do it now is because I have the knowledge that I have after being here for ten years, and if I leave tomorrow, there's very few years of experience. And if someone were to come in new and try and figure out all the nuances of it, it would take a long time to catch up to that learning curve. Yes. I would like to think that.

MCMAHON: Are you documenting your knowledge and like putting it in a notebook or something like that so it will be passed on?

KEVIN: We've done studies over -- the information that we've gathered over the years is in files --

MCMAHON: Okay.

KEVIN: -- but you still have to go through and figure all that out.

MCMAHON: Thank you.

MAYOR FRIEDEL: Councilman Rick?

WATTS: Tough day. I think the thing that's hard to get your arms around is the logistical and mobilization aspect of this. The amount of time that it's going to take to coordinate with all of the design plan components, EPA permitting, and so on, that aren't even really listed here are quite a task. And I also subscribed to the philosophy similar to your failing to plan is planning to fail is proper planning prevents poor performance. So I'm an advocate of moving forward with this, getting that playbook in place. Then we've got a game plan, no matter if we have minor changes to it, because 20 years from now, the permitting process changes a bit. But we've got a fundamental playbook, and we can bob and weave to make it all work. And we know the timeline because in the playbook,

there'll be a timeline of what each of these will take to execute and complete. So I'm a supporter.

KEVIN: Okay. Thanks.

LARRABEE: Thank you. Well, I do want to give credit to the concerns regarding if a study ends up sitting on a shelf for some time, that's something that I talked about a lot when I first joined the council of having consideration toward what studies are worth it. This is a study that's absolutely worth it. This is a project that we talk about every year. We have no idea if it's going to happen next month or 20 years from now, and that's information that we need to have in case it's not 20 years from now. And then, even if it is, there's certain things that we'll keep and certain things that we won't.

Something that I'm really interested in and a little bit excited about is getting more information on that inflatable cofferdam. Okay. That's a new word to me, so I didn't -- inflatable cofferdam. I think that's a really interesting concept, and it would help us save the turtles. I think it's a really interesting concept. I understand that it's more difficult, but there's also technological advancements with each year, and it would be really beneficial, I think, for our town as well, to not have the empty lake for the time that we're replacing that liner.

So if I can make the recommendation that I would really like to see some more information on where -- how that technology has progressed, what that might look like. I would assume, though, even in using that, we wouldn't be able to run the fountain because the water. Yeah. But at least, you know, the lake would still look pretty, and we can salvage that. That's my two cents.

MAYOR FRIEDEL: Councilmember Earle?

EARLE: Thank you. Mayor. Thank you for doing all the research you have so far and putting the time into this. I do think it's a good idea to have a playbook. It is not a study because a study is just do we need it, do we not need it if you're doing a study for streetlights or not, you're not getting what process are we going to do that and learn something you don't know. So this, I see, is much more of a playbook than a study. And obviously, you get a starting point, and as technology changes, you do have an idea

what you would need here, and you just add to it. And I do think that we make decisions up here, not for us, or we do make decisions for us in the future if we're not going to be here anymore. Hopefully, Councilmember McMahon, I hope I'll be here in 20 years. Not on this council, though, but I want to plan for Councilmember Larrabee and her little one so that we'll have that that fountain here for the kids. So I do support this, and I think it's a really good idea. Thank you.

KEVIN: All right. And with that, I will hand it over to do some discussions on the financial side of things. All right. It's your turn.

SOLDINGER: Oh, man. Which of these presentations is it? Oh, do we not have it up? Sorry. One second. I'm just introducing it real quick. Michael's going to come up and talk about we just want to talk about the expense limitation standpoint. We did talk about this a little bit, I think, at the last retreat with the home rule recommendation, but that was more centered on there being a defined period that we would plan to do the construction.

With this approach, where it's more indefinite, the permanent base adjustment would make more sense to give us more flexibility, but there are some challenges with that as well. So Michael's just going to touch on the expenditure limitation and options for the Town to consider raising the expense limitation for something like this and a large scale project. So with that, I will turn it over to Michael.

MICHAEL: All right. Good afternoon, Mayor and Council, just to reiterate or go back to the last presentation where Paul said, we talked about the home rule. One of the reasons we were bringing -- or the primary reason we were bringing this up, is because we are saving money for the lake liner project. Obviously, if we have longer before this happens, the more money we can save up. Where that becomes a challenge for us though, is that money that we're saving is all subject to the expenditure limitation. So we talked this morning about bonds and how they're not subject to the expenditure limitation. That's a great thing with debt that it's not subject to the expenditure limitation. There are some downsides to that we discussed this morning.

While saving for that means we don't have interest costs all that, and we've got the

money available to do it, but that's why we need to figure out a way to then spend it under the expenditure limitation, because that money is not excludable. So we talked about the home rule option. We talked a little bit about permanent base adjustment at that time, but we didn't really focus on it. So I'm going to -- some of this will be repeat since we did touch on it a little bit. But I'm trying to go into a little bit more depth here with the permanent base adjustment option.

So first of all this -- the permanent base adjustment option is something that's authorized by the Arizona Constitution, Article 9, Section 6. It allows municipalities to go to the voters of their of the town and ask them to increase the base limit or the base amount by a certain amount. So it is a specific amount that we would present to the voters. And I'm going to give you an example of that in on the next slide. And this increased base amount would be used to calculate all future expenditure limitations. So that goes into that base. And then the Economic Estimates Commission who calculates our expenditure limitation each year, would use that revised base. We have gone out for expenditure limit or permanent base adjustment before. That was in the May 2002 election. That proposal failed.

As mentioned in the last time we discussed this, also on that ballot was a question of implementing a primary property tax. Both failed by a similar large margin. So here's the example. So the top table you see there. That is our preliminary calculation. As Paul mentioned this morning, our preliminary expenditure limitation for 2027 is about 38.2 million. And so this is the calculation that the EEC has done to come up with that preliminary. They've calculated a population factor, inflation factor, and our base limit of 4.1 million. So when we talk about permanent base adjustment, it's that 4.1 million is the element of the calculation that we're really talking about.

So if we were to take that May 2002 election as say it had passed, so the amount that was put specifically before the voters was to authorize a $1 million increase in that base amount. So this is how that would work through the calculation. If we had a $1 million base limit adjustment. Population and inflation factors stay the same, but now our base limit would be 1.5 million. And that then equals an expenditure limitation of 47, almost

47.5 million there. So a difference of 9.3 million. So there is a multiplication effect in what we asked for the voters. So when we go to the voters and ask them for this, the specific amount would be the amount to that we'd ask them for is the base amount. But under state law, we would also be presenting in there an example called a summary analysis that shows them, okay, here's what we're asking for $1 million. This is what it really translates to. So voters would have all that information. But when we are considering an expenditure limitation or an increase to the base limit, we would kind of back into it. Look at what kind of room are we looking for under the expenditure limitation and back to that base limit amount. But this is to give you an example of just kind of how that adjustment would actually equate through to our expenditure limitation.

MAYOR FRIEDEL: Michael, I have a quick question, and I think Councilwoman Larrabee does too. Are there any provisions -- say we had the money to replace the lake liner and we found a leak or rupture, whatever? Are there any provisions for an emergency situation like that?

MICHAEL: The only provisions under the Constitution that might apply would be if it's a natural or man-made disaster. There are provisions in the Constitution that allow expenditures above the expenditure limitation if it's a natural or man-made disaster. There are nuances to that. So basically three categories. If it was a disaster declared by the governor, that's the best option. None of those expenditures are subject to the limitation. But we only have the year of the disaster and the following year to make all those expenditures. The other option would be to take it to the voters, if the governor were to -- to declare an emergency. That, too, if the voters approved, would have it all outside the expenditure limitation. But again, it has to be done in the year of the expenditure limitation, or sorry, the year of the disaster or the following year. So you know, kind of shrinks the timeline if we're going to try and get it all done. The other option is if we don't have a declaration by the governor, if we don't have approval by the voters, we can still make those expenditures outside the expenditure limitation within the year of the disaster, but that then reduces our expenditure limitation in the

following year. So it gives us it just allows us to shift that expenditure limitation from the future year to the current year, which, depending on what happens if it happens late in the year, okay, we could shift some of that, but now we've reduced the expenditure limitation in that next year when we still got to continue the project.

So that -- that last option is really not ideal because we're just shifting around the existing capacity. If it was, you know, like one of, I say one of those natural or man-made disasters that the governor declares or is approved by the voters, that's ideal. But that's really the only provision under the Constitution for us to go above the expenditure limitation without penalty.

LARRABEE: Thank you. First and foremost, just to get it, like on the record in super clear language, the PBA, it's just permission to spend more money. We're not asking for a tax increase or anything like that.

MICHAEL: Correct. Yes. And I was going to cover that in a later slide. But yes, this is only dealing with the expenditure side of it. This is not a revenue measure. It does not raise any money. It does not prohibit you as a counsel from using your existing options to raise funds. But it has nothing to do with the revenue side. This is all just on the expenditure side, and giving us the room within the expenditure limitation to spend the money we already have.

LARRABEE: Thank you. I just wanted to make sure we got that on the mic for you know, our -- our thousands of fans at home -- our four people who are watching the live stream. Anyway, with the PBA, I think the word permanent is where a little red flag is going off in my brain. Because if we're doing it for the lake liner, but then we say it's a permanent increase, then it does allow for some, you know, maybe a sales tax increase later on or something to increase the amount of money we're bringing in so that we can meet that expenditure limit. I think I'm not necessarily concerned for the year that we fix the lake liner. I'm concerned for five or ten years after when we have the expenditure limit that high. So are there any ways to establish boundaries, I guess, on that to say, okay, we want the expenditure limitation increased, but it expires in three years. Or is that a possibility?

MICHAEL: Not with a permanent base adjustment.

LARRABEE: Okay.

MICHAEL: It is, as you point out, it is permanent. So I think that's my next slide here.

LARRABEE: I'm sorry, I'm ahead of you.

MICHAEL: Maybe so. But yes, as you say, it is permanent. So once the voters approve it, this goes into the calculation, and it is in that calculation forever forward. It doesn't prohibit a later permanent base adjustment. Some municipalities, counties have done multiple. But yeah, once it's in there, it's in there. To contrast it with the home rule, like we discussed last time, home rule, we were talking about putting in a specific exception. And that's where we can put boundaries when we're putting an exclusion in there. But with a permanent base adjustment, we're just putting a specific dollar amount before the voters. There's no way to restrict that under the Constitution. It's just we're asking them to increase our base limit by X dollar amount. And that's what's going to go into the calculation. And that additional expenditure authority can be used by future councils for whatever they want to.

So yeah, there are no boundaries. There's no expiration on that. That is a benefit of the home rule because we can put boundaries on there. And it is good for only four years with the home rule. Okay.

LARRABEE: Thank you so much. And it sounds like I'm asking ahead of your slide. So I'll shut up for now. Okay. Thank you.

MICHAEL: Okay. So --

MCMAHON: So that's -- Maybe I was having a side conversation, but I thought we were talking about just the lake liner, but is this another subject that you just want to raise the base limit across the board? Then we would there'd be more money to spend on roads and other things as well. Correct?

MICHAEL: Correct. But yeah, maybe I missed a part in the intro there. So this is about the lake liner. So as Paul said, when we came to you last time, we were thinking this was on a definite schedule, and so we could get the permit, get the home rule in there in time based on the schedule. But now that we're we don't have a specific schedule

based on this new information, we'll do it when it happens. Well, depending on when it happens, when the elections are it, the timing may not work out there for us to get a home rule in there. So we're thinking if we get a permanent base adjustment in there, we've got the room whenever this happens. So that's the reason we've kind of switched gears to the permanent base adjustment. But also to your point. Yeah. Once we have that authority in there in the interim afterwards, if we have the money, that also gives us room under the expenditure limitation, because like Paul talked about this morning, when we're talking about bonds, you know, we only have a set amount of expenditure authority in there. So you know, we've got to balance all of the different priorities. If we have more room, then we can do more on other priorities, such as streets. Then we could otherwise without it. So it is something that we could use for other things, but the primary intent in bringing this forward is related to the lake liner.

LARRABEE: So then my next question is do we have the revenue for this base expenditure. And if we do, where is that excess money going?

KEVIN: At this point I don't believe we have the --

LARRABEE: Okay.

KEVIN: -- revenue to fund a higher a higher amount. And like we discussed earlier, this isn't a revenue measures. This isn't going to raise any new money here. But it could if we see revenue increases over the years, that should happen to increase at a rate faster than inflation and population. That could be a situation that we eventually have more revenues than we can spend. But really right now is we're -- the reason for the lake liners are doing this for the lake liners, because we're saving up money to be able to do that in the future, and that is subject to the expenditure limitation. So if we were --

MCMAHON: Savings?

MICHAEL: What we've saving, yeah.

MCMAHON: Oh, okay.

MICHAEL: So that's why when it comes time to do this, we may, you know, ideal world, we've got all the money sitting there to do it. But if we don't have an expenditure limitation option, that means that we have to cut our spending everywhere else in order

to make room in the expenditure limitation, to spend the money we've already saved up.

SOLDINGER: Can I add to that, Michael? So just think of it here. I'll stand up because Kevin gave me a hard time earlier.

Well, Kevin, you know him. Think about it. Today, if we did have the $17 million. $17 million is the number we've thrown out as what we think it would cost. We're going to get a better idea this next year, right? But let's say we did have $17 million saved up today. And we're planning for next year's budget to do the lake liner. Well, pretty much we have some wiggle room because of the carry-forward we've been saving up. We could make some things work. But think of it as an easy way we'd be able to do our general fund spending, the lake liner, and almost nothing else, basically, is how it would work out. We wouldn't be able to do roads, we wouldn't be able to do CIPs because we'd be using all of our expenditure authority on the lake liner project and operating our general fund. So that's how I work under our current expansion limitation. The permanent base adjustment, while the concerns and discussion is completely valid and understood, it would give us more ability to do more work if we have the savings.

And so without something like that, if we still want to do roads, we still want to do CIPs this year because we have money in those funds, the only way we could do the lake liner this year is by taking out a bond, even if we had the money saved up. So that's kind of the reason for bringing it up. The home rule, going back to that, with it being indefinite, it would just be hard logistically. We'd have to come to the voters every four years to ask them to approve it for a four-year period until we do the work. And so that's why it's not as ideal in this type of situation, but it is possible.

MCMAHON: Along those lines, the if we take out a bond for the roads and we do the Geo bond, will that affect our ability to if we had to take out a bond for the lake liner, the limit us with what we could take out a bond for that.

MICHAEL: Yes. So Mayor, Councilwoman, it probably wouldn't -- it just depends on the dollar amount. Right now we're under that there is a Constitutional limit. And right now that limit is 62 million for the broad municipal purposes. So if we took out a $50

million bond, the most we could take out is another twelve million right under that limit. Okay. So but it changes every year based on the full cash value. So it will tend to go up year to year.

MCMAHON: But if we raise the base -- the base limit, we could so do more of a bond or no, we'd have to have the money. If we didn't have the money.

MICHAEL: Then we would have to probably issue a bond or find money from other funds. The CIP fund right now right now we have 6.7 million saved up for the lake liner and a facilities reserve fund. We have another 1.8 million in that fund for other repairs and maintenance around town. So right there yeah, 8.5 million. If we need to do $17 million today, council, and it's an emergency, we just need to do it. You could approve us to transfer all the CIP funds into that fund and do it all. But we'd have no money for CIPs. We'd have to start saving up again.

So we could actually do it today. Well, technically not, because we don't have it within our budgetary capacity. We'd have to figure that out and hopefully plan for next year. But we could make it work. We just have almost no money for other things.

MCMAHON: So don't we have. Am I correct to say we have like 45 million in a rainy day fund? And can you explain to everyone how that works? Why we can have that sitting there and not use it or.

MICHAEL: So it's our we keep a rainy day fund in our general fund. It's just a best practice actually I think adopted from the state. It's in our financial policies. It's $4.9 million. And so we keep that. We also retain another $4.9 million. It's just based on the average revenues of the general fund for the. Yeah. So we keep that just to make sure we can keep paying our firefighters, paying our staff to continue operations and the rainy day fund. We can only take money out of that if there's like some extraordinary. If the lake liner collapsed tomorrow, we could take money from that. We'd have to come to counsel.

MCMAHON: And now you said it's 4.9.

MICHAEL: 4.9 today.

MCMAHON: Where did I get that 45? I don't know. Where did I get that 45. I don't

know.

MICHAEL: 45 is closer to the total money of the Town. We have like 52 million.

MCMAHON: Okay.

MAYOR FRIEDEL: Do you guys have enough runway to get this on the ballot for November?

MICHAEL: No, not for this, this November. We were if I can hold that and continue to do the slides, I'll get to that. So okay, so let's go back to the impact here. It would -- the Town's expenditure limitation would continue to be calculated by the EEC. So they're determining our expenditure limitation just with that higher base amount. All the existing Constitutional exclusions would apply. So if we issue debt, if we've got other grants or stuff that's excludable that continues to be excludable. And as we address this is not a revenue measure, does not authorize or prohibit any new or increased revenues.

In order to adopt it, it requires a two-thirds vote of the council, and then it can be on either the primary or general election ballot. We are recommending this for the 2028 general election ballot, which would be effective for fiscal year 2030. And that is simply because the in order to get that on the ballot, there's just not that educational runway to really get the information out there for people to truly understand what we're asking for here. So by giving us that extra couple of years there that would allow us to -- to get that information out and make sure voters understand what we're asking them to approve, especially since expenditure limitations is kind of a complicated topic.

MCMAHON: I have some questions, please.

MICHAEL: Yes.

MCMAHON: I'm concerned about this. I'm concerned about it coming up right now, especially for '28. There's going to be a different council. Using the lake liner to increase expenditures when the lake liner -- we're not spending money on the lake liner right now. It's not an emergency. It doesn't need to be fixed. Is there something going on behind this that -- that we want this expenditure raised for other reasons besides just a lake liner that's not really at issue right now, and we're not fixing, and also to have no

parameters on it, just give it unfettered discretion to limit, et cetera, within different other confines. We haven't needed this in prior councils. As far as I know, this hasn't come up, and I don't know why it's coming up now. I'm concerned about it. And I don't think based upon what I've heard so far today, I don't think it's necessary. I haven't been sold on it.

MICHAEL: Mayor and Councilwoman, your comments are valid, so I'll try to address them. The lake liner is the example of why we would need this. Because we're trying to save up money. We're trying to self-fund something, and we're trying to talk about the difficulties of being able to spend money. We wouldn't be able to spend that money today if we had the money saved up because of the expense limitation.

MCMAHON: I understand, but we don't.

SOLDINGER: Yeah, I'm trying to get to it. So we have had a string of strong revenues where our revenues start outpacing our expenditure capacity. So in prior years, we weren't getting close to our expenditure limitation nearly as much. Before 2020, we were probably five or $6 million under expenditure limitation year after year. Now, we did have a time period, part of that was the pandemic recovery funds. Part of that is the Wayfair laws that went into place, where we start getting more remote sales. We also had some really strong construction sales tax revenues for a three to four year period. Our revenue started shooting up. They're starting to plateau like we've talked about, but we are getting closer to our expenditure limitation. It may not be a huge issue today, and part of that is because Michael's on staff, helping us navigate with all his 30 years of experience. And so we're being really creative with carryforwards, but the things like we're trying to do today, or give the council options for like additional road spending, it's becoming a little more challenging. It's not a this is an absolutely necessary thing today. It's something that would be great. It would make things easier. But if we had to do the lake liner, it would be almost imperative unless we want to take out a bond or just do no road work or CIPs for a year or two.

MCMAHON: No, I understand that --

SOLDINGER: So --

MCCMAHON: -- but you know, the conversation around the lake liner, the lake liner, and we could have 20 more years and stuff on it is I'm just wondering why that's being used as an example. I mean, the streets, I can understand a little bit more, but again, if it's a lake liner or if this has to go to a vote and it's going to be for '28, well, how much time do we need in order to start this happening so that it can be on the '28 ballot? I'd rather have it be more condensed in time, because if we explain it right now, by the time '28 comes around, the voters aren't going to understand why we're doing it.

SOLDINGER: And those are good points to look at.

MCMAHON: Again, I think it's premature. That's my personal opinion on it.

SOLDINGER: Yeah. Understood. I think just to add to that, Councilwoman, number one, if the council wanted to do a Geo Bond, going back to the earlier conversation, I don't know that I'd recommend putting both on the 2028 general election if that was the determination, maybe we stagger it to 2030. It would be effective in 2032, but we are getting to a little bit of an inflection point where it's becoming more challenging to do our budget every year and do additional road work and things that the counsel have asked us to do. The state trust land, you never know what's going to happen with the state trust, the Arizona Trust Department, whatever they're called, they just received an application to develop that. That's very early stages, obviously. But if the state trust land starts getting developed, there's going to be a lag in our expenditure limitation where it under current days, it would restrict our spending, and we may not be able to keep up with some of the infrastructure needed.

MCMAHON: I understand that, but there's nothing about the state trust fund now mentioned, and that's a long process.

SOLDINGER: Absolutely.

MCMAHON: It's not just something that happens overnight. In fact, I understand it takes up to ten years to get it processed and start development, et cetera. So while I appreciate and I'm not yelling at you or anything, I'm just a little frustrated that we're talking about something that I don't think is really applicable right now. I think that, you know, we're looking at this budget. We have enough in the budget to spend for what

we want to spend it, and then maybe look at it next year.

SOLDINGER: Oh, absolutely. We're just trying to give runway and giving council information. Understood. You have very completely valid points. This is a complicated subject. And the public -- we've heard the public with considerations about debt and things like this. We just want to give information when we can. And this is a really good example, because if you think about today, our expenditure limitation for next year is going to be 38 million. If we had to do $17 million for one project in one year, we'd be hamstrung. We'd have very few other things we could do as a town.

MAYOR FRIEDEL: So I think it's good to be prepared and to be looking at the future for this town going forward. There's nothing nefarious here, and it's a good example to use the lake liner because, like you just said, if we had a $17 million lake liner project, we couldn't do it. We wouldn't do anything else. So I appreciate all the effort in that. Brenda.

KALIVIANAKIS: Thank you, Mr. Mayor. And yeah, I think the thing that's worrisome is that if we had a crystal ball and knew when the lake liner was going to fail, this would be pretty easy. Then we'd just do a not a permanent, but a short-term waiver because we know in '33 it's going to fail. And so you're -- we're hearing this permanent like it's forever. But on the other hand, we don't want to save all the money through prudence and care and then have it constitutionally, we can't spend the money to fix the lake liner that we need to fix. So this has got to kind of have to be done in order to -- in those future years, so our budget and our financing isn't for the year that we need to spend the money just a disaster. But can we, when we put this on the ballot in '28, designate it exclusively for single use of the lake liner that we anticipate to fail, so there's no mischief that we get the waiver, and then we spend money on other things.

SOLDINGER: Mayor, Councilmember, under the Constitution, there's no provision for restricting it. It's just we give a dollar amount, that's all that's on the ballot.

KALIVIANAKIS: So it can't be a single use. Okay. That was my question. Thank you.

GOODWIN: Brenda, if I can chime in on that, because I think one where you're going with this is exactly what our concerns are, too, right, is that it feels like it's unchecked. It

feels like it's again, that word permanent feels, you know, uncomfortable. Yeah, it feels uncomfortable, I get that. I think so. There's a couple of things that you, the council, could potentially do. Well, one is you guys could pass your own policy. Now, granted, it's not Constitutional, it would be a policy that says we are going to budget to the expenditure limit, the standard issued expenditure limit, and not go above unless it is approved by the council, so we wouldn't necessarily always budget to what the new number is unless you guys gave us that direction to do so. We would maintain, as we currently are, under the annually issued limitation. So you could put some parameters in it on yourselves, so to speak. Those aren't foolproof. Obviously, different councils could unwind it. They could change that policy, but it would at least give some measure to the public that says, hey, we want to keep some guardrails on this.

Secondly, that's part of why we need the runway is to have these conversations so that, yes, it says permanent. It's scary. Here's what we're trying to do to mitigate and make sure that we're doing right by our residents and by our community to make sure that we're doing the best things we can which is why we need some time if this is where we're going to go to accurately communicate that answer questions, field the hard questions, and make sure that we're all on the same path. So there's some options, but they're not foolproof by any means.

KALIVIANAKIS: Yeah. Thank you very much for understanding my point and for elaborating on it. And yeah, I think if we would just wouldn't have the authority of the law or the Constitution, but just said when we did try to go for it and a budgetary item on the 2028 ballot, but it is a policy of the council that these monies will be expended towards the lake liner, not by law, but that's why we're doing it. And then if in the future the councils, they want to undo the mischief, at least they can point back to, well, hey, this is why it was passed. And why are we not doing that? So I think that's an excellent solution. Thank you.

MAYOR FRIEDEL: Also, any money that's spent comes back to the council anyway, so it's not like we're giving anybody a blank check to do anything.

SOLDINGER: And that's what I was going to reiterate. And the town manager was

always going there. This is giving us expenditure authority under the expenditure limitation. It doesn't give us, as staff, the ability to use it. What we can do as far as staff and what we can spend is all dependent on the annual budget that council approves.

MAYOR FRIEDEL: Correct.

SOLDINGER: So just because this goes into effect and the expenditure limitation goes up, doesn't mean we can spend it. It's going to be up to whoever's on the dais --

MAYOR FRIEDEL: You've got to have the approval and the budget to do it.

SOLDINGER: Yes, yes.

MAYOR FRIEDEL: Councilwoman Larrabee?

LARRABEE: Thank you. And just to kind of piggyback off where the conversation has turned toward Manager Goodwin's suggestion, I would be most comfortable with this if it was paired with a pretty stringent policy on -- and looking beyond the lake liner as well. Not just saying, hey, this was what it was intended for, but to specify our -- I don't know if we want to be creative with it and say our -- as a policy say for emergency situations, our internal expenditure limit is based off of such and such formula. If we want to say something like that, that we have the legal expenditure limit that is higher and voter-approved, but then we say, hey, internally we're actually operating at this expenditure limit that's based off of, I don't know, our previous revenues.

Paul, you sound like you're kind of -- you look like you're kind of getting my train of thought here. So I will let the expert handle it. But that's just kind of where my mind goes. And because, again, my concern isn't the year that we do the lake liner or even the years in between where those of us here all remember why this passed, right? My concern is five to ten years after. And when that council sees well our expenditure limit's here, and we already fixed the lake liner, so why don't we just spend the money? Who cares? That's what I want to try and protect against. And I understand that council can also just get rid of the policy. I'm fully aware that it's not a foolproof thing, but just something to fully express our intention for those years after the project is completed.

MAYOR FRIEDEL: Councilwoman, before I address Councilman Watts, if you're concerned about the five to ten years down the road, remember that we've got the

state trust land that might be developed by then. We're going to need infrastructure things done out there as well. So we'll probably still need that -- that space to be flexible and to get things done. Councilman Watts?

WATTS: Two questions. Does anybody know why it failed the election last time?

SOLDINGER: I would guess --

MAYOR FRIEDEL: It was on the property tax.

SOLDINGER: -- it was on the ballot with the property tax. And like I said, they both failed by a similar I think it was a 70/30 margin.

WATTS: And if it was passed, can you lower it at some future date. Can you reverse it effectively?

SOLDINGER: I've not seen that done in my experience. I believe the Constitutional wording just refers to adjustment. So perhaps that's some flexibility in there because adjustment, I guess, generally could be up or down, but I've never seen anyone attempt to decrease their expenditure limitation.

WATTS: I think this is another example of that proper planning prevents poor performance. We ask staff to look to the future to use your crystal ball, polish it up as best you can, and say how can we address issues that we don't know for sure are going to happen, but today we don't have the capacity to address them. And so I think in that light, I'd be a supporter of moving forward with it, so.

LARRABEE: I was just going to make a joke that the day the government asked the taxpayers to give them less money is the day I dye my hair purple.

GOODWIN: All right. We are shifting gears again. We are moving into kind of a three-part conversation. These next three items sort of intersect, but they also operate independently. Amanda is going to be presenting regarding the River of Time Museum. I think a lot of us have been engaged in this conversation for the last couple of weeks, understanding that there is a lease that is expiring in August, looking for some direction as to how to move forward with that agreement, as well as the building and facility, and the community input that we've received on all of this. So with that, Amanda.

AMANDA: Thank you, Manager Goodwin. Mayor and Council, before we dive deep, just

a couple of things. One, this is a delicate topic. There's a lot to cover. We're going to be talking legalities with the gift clause. I would recommend allowing me to get through the entire presentation and jotting down your questions. But this is a council retreat, so let me know if that is acceptable to you, so I can make sure to look to see if I see a red light. Does that sound good?

And then also just to remind the council, and this is the first time the public will hear this, but the council and staff have talked about this in executive session. So this is the first time, remember the first time, we are speaking about this publicly.

With that so some background and this was also attached to the public document. 25 years ago, the Town and the River of Time. So the Town does not manage or own the museum. The River of Time is a tenant, but they entered into a lease agreement, which is set to expire on August 15th of 2026. They are occupying approximately 5,000 square feet and rent back in 2001, when this agreement was established was for a $1 per year, so the Town collected $25. In addition to that very reduced rent, the Town also provided $210,000. So you'll see for displays, exhibits, lighting, et cetera, and the Town also pays for maintenance, janitorial services, and utilities. So again, the Town pays for all of that.

The manager and I began having conversations with museum representatives in the fall, so around October, November to start gathering information. This information was provided by a representative of the museum. So as you'll see, if you go to the bottom 2023 and work yourselves up to 2025, you can see that membership has declined. You'll also see so we asked if they were able to share the membership demographics. Are they local? Are they out of state? Are they regional? What helps with that analysis from an economic development and tourism standpoint is you can see majority is Fountain Hills. So that means we're not collecting new revenue from either regional membership or out of state. And so that means when we're looking at that regionally again, statewide as well as nationally, internationally is someone could perhaps come to the museum, then go dine, or a big tourism impact is generating those heads in beds. So again, just based off of this, a very local museum.

We also requested a profit and loss statement. If you look at the net income on the right, and for accounting, we put things in red when there is a loss. So you can see in 2022, '23, and then 2025, based off of the results back in October and November, it is operating at a loss. Please note we received this information in November so why it's just January to October. And then also the museum was closed during the summer months.

So again, as Manager Goodwin shared, right now, what we're looking at and what we have talked with council about is we have a lease that is set to expire this August. It is our obligation and duty to look at these two requirements. Not a suggestion, but it's a requirement. Number one, we must comply with state law. Number two, is it the highest and best use of a Town facility? So when we talk about state law, and we get this has been complicated is we have to look at the Arizona Constitution. Within the Constitution there is the Arizona gift clause. And then sometimes with economic development directors, when we're working with attorneys, there's two common questions or we call it two-part test. Is there public purpose? Is it clear? And there's not an or, and is the Town receiving fair market value. There have been questions, well, you did this in 2001. What has changed in 2026? So we'll take you back to 2010. I was not here, but got to experience this with another municipality.

But some people are familiar with a case called Turken versus Gordon or City North, where this was challenged. So basically a taxpayer challenged the City of Phoenix of are we actually getting fair market value? And then based off of that case law in 2010, basically it was sent a message to cities and towns all across the state of Arizona is you better dot your I's. You better cross your T's to ensure that you are complying with the Arizona Constitution and the gift clause.

So that is what has changed. It's my job. It's Manager Goodwin's job, as well as Attorney Wright's job, to make sure we are complying. So option one, we're now starting to get into options is do we renew? You'll see that there was a document also shared where the board president of the museum is requesting one year, which is gracious. It's conservative, but I would also say just from a professional standpoint,

when we look at some of that data, is how can you turn something around within a year? So is that really realistic.

Fair market value. So what the town did is currently the museum is within our downtown, within our civic district. We look just across the way to the Avenue district of other museums, art galleries, et cetera, and roughly the rent is 15 to $17 per square foot. So taking the lowest range, 15, and then multiplying it by the 5,000 is how we received 75,000. We have shared two times verbally with the museum, as well as in a formal letter, that if they have something different, they can back it up with data, the Town certainly would entertain it.

You'll see two subbullets. This is again taking directly from a letter from the board president is the museum is requesting a short-term funding plan. I have asked on two occasions, February 11th and February 23rd, can you please help me understand what that looks like? I have not received a response.

The second bullet, the museum is conducting a community fund drive. I asked again on February 11th and February 23rd if they could let me know did they self-impose on the board of hey, we're trying to get 75,000, let's just say within 60 days. Can you share a little bit more information? To date, we haven't received anything.

Of course, with these options, we would define terms. And so this may be complicated. Is again when we're looking at these options, we want to keep it high level. We have to do our best to be transparent, but also, you don't negotiate from the dais and a podium. And then when another partner is not here. So again, just inviting you to stay top level.

Option two. So as again, as staff, as we assessed just again, highest and best use and, of course, complying with state law, we started to evaluate other options for the space if we were not to renew. But was there ways to sort of get the best of both worlds, is to keep components of the museum. So one suggestion was do you relocate economic development and tourism? When you think of museum, although right now the data is showing it's more local, but usually with museum it, it can draw heads in beds, it can draw those regional visitors.

Retain a component of the museum. So let's unpack that a little bit. So for example,

there's 5,000 square feet. Say we narrowed the museum space to 1,000 square feet. And again, this is hypothetical. You're now looking at 15,000 versus 75,000 that can you digest that?

A second thing. And again, we have to be delicate is -- is there a possibility now that we have lowered the fair market value of 1,000 square feet, that it's now just 15,000, does the museum have the capability of providing or extending some of the services where they may? This is a may -- not have to pay rent because we enter into some type of service agreement. As you enter into the museum, hopefully you've all visited there. There is sort of a welcome center, a gift shop. We thought of, too, having a training and workforce hub tying into economic development. We have shared some of our retention visits when we're going out to businesses, the minimum time we spend could be an hour. The max could be two, two and a half hours. That, again, is this is a way to gain efficiencies. And the activating our -- and Centennial Pavilion. So this year, Economic Development has joined forces with the Community Services Department to launch our third Thursday concert series. And so is there are ways to activate our civic center in that area. And then storage. Some people laugh, but obviously to being thoughtful of if this was the approach, the museum has storage space, and economic development has storage space. So think of our visitor guides. Event guides. People need storage. These are just some examples using AI. These are not official concepts. It's just again to imagine the space. So next steps. So again, what staff is looking for today from council is direction on what option you want to proceed. So again, previously we received direction to move forward with option two, we get right. All of us can change our mind.

So with option one, what we would need from counsel is direction to proceed with option one asking staff and an attorney. And I look at Attorney Wright. I've experienced this before. And when I go to attorneys, not just Attorney Wright, they're like, you want us to be creative? I'm like, yes, we received direction. We need to be creative. And then at the direction be that we need to comply with state law. There's a bullet point here too, is staff is also looking to get this accomplished if that is the direction we

receive by May, June. Why such a short time frame, do you ask? Is because this body usually takes a summer recess in July and August, and under my watch, because this project was given to me, I don't like agreements to -- to lapse. Unless you guys allow it or give direction to option two.

So again, staff previously received direction, and we've been moving forward with option two. We notified the museum in person on January 26th. They requested another meeting on February 3rd. And then at that time they requested a formal letter which was sent on February 9th, basically stating we would not renew and requesting how we derive to 75,000. Again, if we continue along this path, we would need to work in partnership with the museum on a transition letter. How does this need to be transitioned? And then the museum shared with me on February 3rd that they need three months for deaccession.

So what that is in museum terms, is to take exhibits and artifacts either offline, if you will, in the archives, their documentation, or to sell the exhibits and artifacts. And then, of course, we're still in preliminary stages. We would come back to this body on some of the budget impacts. So staff is recommending to continue to proceed with option two. I'll tell you, I have spent significant hours as how, as our attorney has, of just looking at creative ways, trying to find some apples-to-apples comparisons regarding this, and it's been a -- it's been a bit of a struggle, but again, it's -- it's up to this body. Mr. Mayor, Council, we are here for discussion and questions.

MCMAHON: I have some questions, if you don't mind. Look, if -- if you do step one and review, you're saying here that they want a year. Do you know why they're only asking for a year?

AMANDA: Mr. Mayor, Councilmember McMahon again, I think that was their way of -- of being gracious, and then just allowing a little bit more time to evaluate and work with in collaboration with the town to just get a little bit more time. So basically, like an extension but really looking to the town to -- to dive deep into their strategic plan and documents to see if there's a way to make this work.

MCMAHON: Right. And also, too, maybe they're looking because they know that Dark

Sky Discovery Center is going to open and they might see, you know, additional traffic in a way to support themselves. I don't know. I think in looking at some of these plans as far as the photos, you know, to have a workspace, et cetera, and to me that looks like it would more than dominate the -- the museum, it might detract from it.

AMANDA: And Mr. Mayor, Councilmember McMahon, again, that's just it's just an idea using AI, because I don't have money to pay an architect. I'm not an architect. So.

MCMAHON: I think there's also a really question that has been presented to me a couple of times is there are other people, we have it in our packet that are receiving $10 a month rent or whatever the case may be, right? And so I've been asked, I can't answer that question is what -- what's different between those leases, and the -- the value they give the town versus the museum, and the value they give or not give to the town?

AMANDA: Mr. Mayor, Councilmember McMahon. Great question. One, I'm not going to steal Paul's thunder with some of the other ones, but I did give a couple of the board members of the -- the Dark Sky a heads up. So that has been asked by members of this body as well as constituents have reached out to us. First and foremost, what's before us is the River of Time. But we get it's, it's sort of natural. Well, what about the other guy or what about the other gal? So with the International Dark Sky Discovery Center, one, they are not a tenant. So this isn't a lease agreement, but a land lease agreement. Number two, with them, what we look at when it's talking about, again, about the test and then fair market value is once they complete their building, that will be a almost 28 to $30 million capital investment in this town. Second, we asked about their employment. So over ten years their employment could be six employees, is what they were estimating. And we're not talking like a service employee that they're paying them 20 or $30,000. The third thing is we did let the International Dark Sky Discovery Center know that when they approached us that we would like a third-party fiscal impact analysis done, which the Greater Phoenix Economic Council. So GPEC did that just as part of our agreement.

It was something a bit unique, but we asked them to look at that, and it's going to, again

within ten years, could generate over several million dollars. So that is the difference is we're getting fair market value. And then Mayor, I'm going to look to Attorney Wright. If there was anything else you wanted to add specifically related to -- to tourism, the Constitution?

WRIGHT: Yes. So when it comes to expense -- what a town is allowed to spend money on is kind of listed in Title 9. So what you have spending authority over there are traditional government things like roads and things like that that we all know that governments pay for. There are non-traditional things that are then provided for statutorily, like libraries, open space for growing food and -- and then tourism. So there is no right to have a museum. So in Title 9, there's no like, you can run a museum. What you can do is have money go towards projects that bring in economic development, who bring in tourism.

And so that's where Dark Skies fits in is they did a -- you know, an economic analysis that said that it's going to bring in tourism dollars. And so we can then have a -- we're getting basically the -- the -- in the case itself, it says you have to -- your give has to be what you're getting. So if you're giving something, you have to be getting about the same amount in return, based off of the economic analysis, what we're giving them for the land lease in for Dark Skies is at least equivalent to what we're getting back in return from the tourism dollars.

MCMAHON: Can you say that of every single person that we have a government contract with? I mean, not just using Dark Skies as an example, because they're -- they we're not even going to get revenue off Dark Skies, is my understanding, from their gift shop and stuff. So I'm -- I'm just trying to compare apples-to-apples and understand it, and understand that, you know, fair -- fair value in return. And as for a right to have a museum, that's not at issue right now. We're not talking about a right to have a museum. We're talking about a lease -- a lease continuing to lease or not with our museum that's been around for 20 years. And does add value because it contains all of our history as part of the town.

AMANDA: And Mr. Mayor, Councilmember McMahon.

MCMAHON: Yes.

AMANDA: I'm going to stay on the museum. We use the Dark Sky as an example. And then there's a separate agenda topic that will allow Paul and our attorney to address. So sorry.

MCMAHON: Just trying to understand that the reasoning behind it, because it's become a big -- the gift shop has become a big issue, and I think it really needs to be addressed.

AMANDA: They're fair questions, and we recognize, too. It's coming from the constituents as well. Thank you.

MAYOR FRIEDEL: I think we'll hear from Councilman Watts.

WATTS: Amanda, thank you for the recap, especially the dates. And you -- and I have chatted a lot. I think what we're looking for is the give, what we're giving them, or getting back. And I could even support something along the lines of, well, we're not getting the full 75,000 back, but we may be getting 15,000. So your rent's only 60 or 37.5 something along the -- you could -- you could somewhat rationalize that. But the problem I've got is that the financial statements that they provided initially were flawed, and that's being gentle about it. What we've asked them to do is give us a business model. Tell us what you're going to do to correct what you knew 25 years ago was going to be the case today. How are you going to do it?

So they put together a list of bullet points that are word salad as far as I'm concerned, because they have no substance, no data behind them. I'm happy to support them. But they got to give us a business model that says, here's how we're going to accomplish this in that year, two years, three years, whatever that duration is with data. How are you going to increase your membership? How are you going to increase participation and events going there. How are you going to do these things? And by what amount, and what are the charges? All the things that any normal CFO, CEO understands that they have to do when they go to actually ask for a loan. And that's what they're asking us for. We have to be able to substantiate what we're going to give them. And without that, I can't be a supporter. Option two is what I would favor. Thank you.

UNIDENTIFIED SPEAKER: I hate that mine squeaks.

[LAUGHTER]

EARLE: Is that it? Okay.

UNIDENTIFIED SPEAKER: We know you're coming, though. Some. Somebody's coming.

EARLE: Thank you. So not to be judgmental or anything in this, but I know you can't answer this, but if they're listening, which I know they are just what are they spending their money on? If they don't, they're not paying rent. They're not paying utilities. That they can't -- obviously, they're not taking in guests enough. There. So what do they need the money for? The other thing is, their membership dropped tremendously by 50 percent less, I believe, or half of their membership from '23 to '25. That's not a real good. They don't seem like a good company to invest or -- sorry, to invest money in. And piggybacking off of what Rick or Councilmember Watts said, and then my other question was not that we know, but how much of their 5,000 square feet is being used for storage. So maybe the option of them, you know, coming back to us with something else, maybe going down to 1,000 square feet or whatever, or sharing with us. But I still stick with option two, which was how it was before. Thank you.

AMANDA: Mr. Mayor, Councilmember Earle, you are correct. I cannot answer some of those questions. There's been some attempts, but I brought my notebook. So can follow up if we're needing those questions answered.

KALIVIANAKAS: Thank you, Mr. Mayor. It seems to me that there's a fundamental -- fundamental misunderstanding of the gift clause on both sides of the equation. You know, and I don't want to throw any of the people that are the beneficiary of it under the bus. And I want to just keep it directed to the River of Time Museum, because some of the arguments that you used today about economic return on value also apply to data centers, and the courts are ruling them. Sorry, you don't get the gift clause applies to data centers, even though they expected a bunch of revenue coming into those communities. Data centers, we're giving the gift clause and other municipalities around Arizona. Yeah. And so anyway, so that's what I'm saying, that the gift clause has not been understood statewide, I think.

Regarding specifically, though, the River of Time Museum when this did come up in our

executive session a couple of months ago it seemed like it happened pretty quickly, like, okay, you know, we're going to have this executive session, we're going to talk about this. And now it's on our retreat, and now we're talking about sending a termination letter. You know, my head kind of snapped. I wish we didn't have to do this so quickly. Specifically with the timing of the dark Sky Discovery Center opening up within the next year and having the River of Time Museum piggyback off their success and giving their staff and their crew time to maybe regear the River of time Museum, maybe update it a little bit And what I think would be really fair because, you know, I respond to constituent letters and what people tell me, and everything on the constituent letters has been trying to keep this place open. We don't care what you got to do. They've really this -- this would be a loss for our community. That would be fundamental because we're -- we're giving up on our past. If you don't know your past, how are you going to know your future? This is our past and one 5,000 square foot center. And I really think that the council should consider giving them every opportunity to make it work, even though they maybe are unsophisticated, and didn't keep good books, and that kind of a thing.

What I'd like to see is give them a three-year extension on their original 25-year contract, giving them enough time to re-up the operation, double down on their fundraising, which they've already done. Make improvements and try to piggyback off the success, and maybe keep this part of our community intact. I'm just asking for a three-year extension of the original contract. If -- if there is some violation of the gift clause, if somebody files suit, then we might have to rethink that. But you know, we do we do have an attorney, and we do have the ability to defend ourselves. And I don't think anybody's going to sue us over a three-year extension to a contract. That's something that should be preserved. And so what I'm asking this counsel is, let's give them a little bit of time to square their books and time, and then to agree on where we can go forward, because this happened awfully fast.

LARRABEE: Thank you. I -- I was expecting a lot more agreement on this. It's interesting to me how talking points change when we're talking to the paper or in a public meeting

than versus maybe the executive session. But when it comes to this situation, I'm going to keep a consistent opinion. The same thing I would say to anyone in the museum, if I really wish they were here to work with us on this issue. Because there are a lot of questions that need to be answered. Something that I'm -- I am -- and I understand if you don't have the answers to these, but if it's okay, I'd still like to ask the questions. Do we know if the museum is planning to close over the summer again this year? Considering it resulted in it looks like a $40,000 loss?

AMANDA: Mr. Mayor, Councilmember Larrabee, I'm going to say right now I'm unsure. In the fall, Manager Goodwin and I met with their current executive director. I'm going to be here almost four years. That was the second executive director I worked with, and she said they were going to stay open. We've now been informed, she unfortunately had to resign. There's now a new executive director as a week or two ago, so I've not had the opportunity to speak with her.

LARRABEE: Thank you. And -- and understanding that -- that there's a new executive director, so there's likely going to be some policy changes. I hope that we are able to have further discussion with them regarding their plan, and that speaking of which, our -- we were provided with their one year, three year, and five year business plan. So a page and a half. And notably has no data in it and no action items. I -- Amanda, have we ever been on -- on top of giving them quite a lot of leniency as far as the building use? Have we ever been asked for additional funding from the museum? Has that ever occurred.

AMANDA: Mr. Mayor, Councilmember Larrabee. So approximately two years ago, not the lease, but the River of Time had requested through some previous council members $300,000, and then backed that into $1,000 from the town. Excuse me? What did I say?

LARRABEE: Hundred thousand.

AMANDA: Oh, I'm sorry, 100,000. $100,000. Yes. So 300,000. And then it was $100,000. And so at that time, we were in a retreat like setting. There was a consensus to pursue it, get a little bit more information. When I got more information, the request

was to pay the salary of the executive director. And then I had started to again, so the lease wasn't assigned to me, but wanted to -- to get data. That's how I operate with the second page in of just seeing everything that the town already offers. And then also, you can't use public funds to pay for a private individual salary. I went to our attorney at that time, Manager Goodwin, the mayor at that time, and said, this is a clear violation of the gift clause. I cannot bring this back to council. And so that particular council received my assessment via -- via email, requested what they wanted to -- to do, but was pretty firm in my professional opinion. And then, so we did not proceed it with that. But yes, there has been request.

And when Manager Goodwin and I met with the museum in the fall, there was a request of, again, what could the town do? Could the town pay for signage?

LARRABEE: Thank you.

AMANDA: You're welcome.

LARRABEE: And if it's okay with you, I did have some more questions that --

UNIDENTIFIED SPEAKER: Keep going.

LARRABEE: -- again, really, I wish I was asking someone from the museum, so. I'm sorry, but I still want to get them on the record. What percent of their annual budget goes towards staff salary?

AMANDA: Mr. Mayor, Councilmember Larrabee, I will have to get back to you on that. And then just to in fairness, because this is a workshop setting and again, it's nice to ask questions. They were not invited. So just again, for the -- for the -- for the public behind me watching the thousand or four people to just be -- to be fair, that this is just a -- a work session between this body as well as -- as staff. And again, you don't usually negotiate in public, right?

LARRABEE: Would there be, though, a public meeting where they're able to answer some questions? Because it -- it sounded to me from your presentation that there's several things that you haven't been receiving responses on that has me very concerned. If -- if we're asking for a pretty big favor, I would expect someone to be here to -- to listen to the conversation. And please know I'm not -- this isn't you that I'm

frustrated with, right? But I am frustrated that there has been a lot of efforts in getting the community riled up. And there's no one from the museum here to hear the concerns, and they don't appear to be answering your requests for their budget or information.

And you know, I -- I so appreciate your efforts at researching for an apples-to-apples comparison, but you know, it's -- it's really not at all surprising to me that we're struggling to find someone who has given a dollar a year, all maintenance and utilities included, leased to someone for 25 years. I would be surprised if we were to find someone else who did an agreement quite like that for an organization that -- and I can appreciate that they want a year to figure out what Dark Skies will do, if that will help them stay afloat. But the entire idea of an agreement like this is that that's what's helping you stay afloat, so that you can bring tourism, not so that you can benefit off of someone else bringing in tourism, and also benefit off of paying a dollar a year for a building. I -- I -- I find it very hard to be, how do I say this, sympathetic toward this situation, because they have had four years of pretty significant revenue loss. They had in 2024, between 2024 and 2025, they lost $103,000 in revenue. They don't appear to be bringing in any tourism. And they want to pay us a dollar a year for a 5,000 square foot place that we pay the maintenance for, that we pay the power for, that we pay the water for. And is a significant amount of that's being used for storage. And from my understanding, not being treated well, I -- I'll say it now, I'll say it tomorrow. I'll say it to the paper if they want. I'll say it to the museum. I am not in support of resigning anything until I see significant improvement in their future planning and their accountability, and in their, frankly, skin in the game.

If they want to be a part of -- if they want to be a part of the success of this town, I'm all for it if they want to be a partner with us. But so far, they're really not working with us.

MAYOR FRIEDEL: Before I get to Councilman Watts, I would probably -- hearing everything you've said, there's a lot of facts there. I would probably be in support of a one-year extension to give them time to get their house in order, and maybe have that as an agenda item, so we can have some public discussion with them here, and they can

answer some questions. Councilman Watts.

WATTS: Can you tell me what would they pay annually for -- what we pay annually for their utilities?

AMANDA: Mr. Mayor, Councilmember Watts, I'm going to have to phone a friend. And that will either be Paul or Justin.

WATTS: Yeah.

UNIDENTIFIED SPEAKER: Mr. Mayor, Councilmember, the electrical meter for this campus is one. So all of our buildings run off of one. And in order to do a load summary for a single building, we would have to pay an electrical engineer. We're not at that stage in regards to the water. It's one -- it's a meter that services that area, and for sewer, we don't pay any fees. So the rest of it is basic maintenance. HVAC, paint, those kind of things, which we painted that structure not long ago on the exterior.

WATTS: And those three things, what would they total?

UNIDENTIFIED SPEAKER: Which three?

WATTS: The ones you just listed HVAC, painting, general maintenance.

UNIDENTIFIED SPEAKER: We don't have a number for that, because it's part of our regular staff.

WATTS: Could you back into the -- based on square footage, the utility costs for our campus, and then apply that cost per square footage to the River of Time?

UNIDENTIFIED SPEAKER: It's too challenging because of the opening doors of the town center and the community center. It would just be very, very time consuming and inaccurate.

WATTS: Okay. So Amanda. Can you help me understand why the owner has to find a solution for the River of Time falls on us, when they knew three years ago. Why would we give them three years? Why would -- why is the onus on us to come up with a solution for them when they haven't provided the information that you have asked for repeatedly.

AMANDA: Mr. Mayor, Councilmember Watts. That's -- that's a fair question. It's because two, there's a lease, right, between two parties, the town as well as the River of

Time Museum. And then based on we will not regurgitate my presentation what you have shared, what Councilmember Earle said, what Councilmember Larrabee said, is why staff is recommending option two, which is. Which is hard, delicate. But that's why we're leaning towards option two. If again, we were just received direction on option one. So we've heard from Councilmember Kalivianakas, the Mayor, Councilmember Larrabee. It sounded okay. Okay, too. Okay. It seemed like maybe there was a little bit of an opening. We're going to take that back.

WATTS: But even with the one year, they have been remiss in providing any substantial information of how they were going to turn things around in that year. Nothing.

AMANDA: And Mr. Mayor, Councilmember Watts, again, you're -- you're absolutely right. And what I shared earlier again, it's -- it's very, I guess generous of -- of a one year instead of requesting a 25 year on behalf of, of the tenant. But again, professionally speaking, seeing their strategic plan and several of the objectives saying objective, determine, objective, implement, identify a plan. And again, Councilmember Larrabee showing the one, three, five year plan. When I received a message over the weekend that this was going to be delivered to me, I was expecting fifty like 200 pages, not a page and a half. So within a year, just professionally speaking, you're not going to see results. We're essentially kicking the can down the road for a future council, and there will be a future council because a couple of you on the dais are not running again for them to deal with.

WATTS: Even if they had taken those objectives and put pen to paper and said, we're going to get this many new members, we're going to -- this is the value that's going to be and come up with a quantifiable number. It's a goal. We don't say you have to achieve it, but they haven't put any of that to paper yet to give us anything substantial to be able to identify and give us reason to help them through something that they should have known not only 25 years ago, but as recently as three years ago. So it to me, I can't help you, not you, but them if you don't help me, is really what it comes down to. So I don't think I could support the one year either. Thanks.

MAYOR FRIEDEL: So I do have a couple of other questions. Maybe we can get a

quarterly update from them if we -- if we decide to give them one more year and find out exactly how they're advancing a plan for us. But do you know how many board meetings they have?

AMANDA: Mr. Mayor, I do not know. I know they've been meeting a little bit more frequently. I don't know if that's by design or if they meet --

MAYOR FRIEDEL: Because when I went to their website, there's people on this board or members or whatever that are listed here that are out of state, and I'm not sure how they could participate and what they bring to the museum at this point.

AMANDA: So Mr. Mayor, it has been confirmed that the board of directors listed on the website is inaccurate. It is outdated.

MAYOR FRIEDEL: Okay.

WATTS: I got a new one of those.

MAYOR FRIEDEL: Councilwoman Earle.

EARLE: Thank you, Mayor, I just have a quick question. And I guess to our attorney, now that we have -- have established that we're not following the gift clause, and that's why we're making this change, how is it that we can legally give them another year or three years? It seems to me like we couldn't.

WRIGHT: That's a hard question to answer. Again, the gap needs to be match the give. So you know, if we were to extend one year, which I would presume that means a dollar based off of the current contract. I think that would be hard to justify under the gift clause. And you know, is -- is of concern. Thank you.

MAYOR FRIEDEL: Does the match -- does the get and give have to match, or do you just have to give and get something. So could we do some sort of proration of court of sorts if they could provide something and say, we're not going to be able to do the whole thing, but maybe we're going to get ten percent of it.

WRIGHT: It has to be justifiable.

MAYOR FRIEDEL: Okay.

WRIGHT: So whatever it is, we have to be able to justify it. If we were, you know, if we were to be sued or if there were any litigations issue that came to play, we'd have to say

that, you know, we believe that -- that we're getting, you know, heads in beds or whatever it is. And they're -- you know, in return they're getting reduced. You know, rate for the -- the fair market value. But the Constitution is pretty clear that you're supposed to get fair market value for services.

So and again, you can offset that. I mean, I think we saw some contract out of Tucson, the Children's Museum of Tucson, where they only pay 25 percent of the fair market value. But if you look at the extensive amount of programming, I think it was over 200,000 kids served, and they're serving -- you know, I mean, the amount of the communities getting in -- in regards to school programs, and in educational programs were significant. So we'd have to see an entire program developed that doesn't currently exist. Thanks.

MAYOR FRIEDEL: Councilwoman McMahon.

MCMAHON: Thank you very much. Is the gift clause specified that it has to be money? It has to be value in return.

WRIGHT: Correct.

MCMAHON: Right.

WRIGHT: And that's what I just said. So I said in Tucson it's they're getting twenty-five percent of fair market value. Then the other 75 percent is based off of the programing that they're receiving in the community.

MCMAHON: So you know, the value could be that people see that it's our history, you know, the whole story and the -- that we've heard before, that it holds our history, et cetera, is value to them. I think due to the turnaround or -- you know, in the board, et cetera, things are getting lost in translation and to respond to Councilwoman Larrabee as far as I know, every single business in our town relies on tourism, and other businesses to support one another, so that it's not unique to the -- the -- the museum. Museums do rely on donations and people visiting them when -- tourists in order to support them and keep them going. So that's not a negative in this situation.

We wish it was more. I do think them closing in the summer hurt them pretty badly. You know, it looks -- you know, based on the numbers provided, this one is really

difficult. It's -- it's -- it's difficult to not renew the lease, but you know -- you have to again, you have to look at the value, and you know, who's measuring that value as to what they're providing or not providing. So it's a hard -- it's a -- it's a difficult decision to make. I don't know if we want to give them more time, you know, to come back, provide more information or not, because I know we're not really technically deciding this today, I don't think. So you know, it's -- it's a hard decision to make.

LARRABEE: Mr. Mayor.

MAYOR FRIEDEL: Councilwoman Larrabee.

LARRABEE: Thank you. I would, I guess it's informal, so maybe I don't have to ask through the mayor, but I'd like to ask my fellow council member how many of those businesses are paying us a dollar a year for a 5,000 square foot building?

MCMAHON: I think you're being ridiculous.

LARRABEE: Okay. So when we talk about the gift clause and that being, I mean, frankly, $25 rent over 25 years for an organization that has been operating at a loss for some time and is losing membership consistently, is of a lot of concern. I am not an attorney. But I find it fascinating that those who are -- or claim to be are suddenly not concerned about a lawsuit. When we have this conversation, I think every council meeting that we're going to get sued over something that doesn't make any sense. And now this is something that's really black and white. We probably won't get sued over it. But you're still talking about breaking the law. And I don't think it's fair for the museum to say, could you just break the law for a year? I don't love that.

MAYOR FRIEDEL: Councilman.

WATTS: I'm curious if I could get support for a 30-day window. Thirty-day window is a full-blown, highly detailed business plan. Understanding who the -- who the River of Time is, who their board members are. This is a this is a 25-page document. Probably when all is said and done That has how they're going to achieve the goals, how they're going to value they're going to provide. It's not only a narrative, but it's supported by data. That's what I would expect to provide to a lender. We effectively are the lenders. No lender will lend you money without support and security behind it. I'd be -- I'd be so

inclined to go out on a limb and say, if they did that and it -- and we looked at it, and could validate it, that I could support a year or two or three years if their plan supported it. But I'm more frustrated by the lack of information they knew. And yes, this is not an open meeting and open discussion, but that's somewhat irrelevant, because we gave them -- how many months have we been asking for this same information? But one last time, I'd say 30 days. You do this 20-plus page business plan, and maybe we could reconsider.

MAYOR FRIEDEL: Brenda, you are moaning down there. Did you have something you wanted to say?

KALIVIANAKAS: There's a lot I'd like to say. Especially about the privilege of executive sessions being violated in this meeting.

MAYOR FRIEDEL: I don't remember anything specific being mentioned.

KALIVIANAKAS: But I do think that the 30-day demand letter is a little bit rough. You know, they're just nice people. I think at a minimum, we should give them the year. The maximum we should give them three years to get straightened out. And just -- just honor what we did for the past twenty-five years. You know, we've all been the leadership academy goes. We've all visited that museum. It's something worth preserving. And you know, like I said, just because they're not good accountants and they don't know how to draw up a business plan, I don't think we should be throwing them out on the street.

MAYOR FRIEDEL: I don't think we want to throw them on the street either, but maybe we give them -- they got a brand new executive director as of when. Do you know?

AMANDA: Mr. Mayor, it's been a week or two.

MAYOR FRIEDEL: Okay.

AMANDA: I haven't had the opportunity to meet her.

MAYOR FRIEDEL: Rick, would you be willing to go 60 or 90 days? You got a brand new executive director. Give him 60 or 90 days to come up with a plan.

WATTS: I was trying to back into it because of the May time frame that we were trying to achieve originally. So 30 days would put them, call it the 1st of April. We've got to

have a council meeting to have the discussion in April. So we got to get it on the agenda. We just barely squeak under. If I said 45 days, that might get us under the wire. But it's an olive branch to say, look, I think everybody on the counsel really wants to save the River of Time. They're not saving themselves, and we're trying to give them that opportunity. But it isn't going to be by blank sheets of paper or ignoring our requests for information. That's not how you get a loan. So whatever we can maximize 45 days, 60 days, as long as we can get it done before summer break, because the expiration of the lease, I think that's what we have to achieve.

We're not taking any votes.

UNIDENTIFIED SPEAKER: No, Mr. Mayor.

MAYOR FRIEDEL: No, there's no vote. We're just giving direction.

AMANDA: Yes. And it's been. So there's six of you, not seven. So you guys have hopefully heard each other. It's -- it's pretty mixed. Almost a three -- three -- option two, option one. Or we'll take Councilmember Larrabee in an earlier discussion, and an option three or a hybrid. What I would recommend, Mr. Mayor, Council, because it's been very split is to let staff get back to you. Let me talk with Manager Goodwin, our attorney, on some of these options you've thrown out, I think. Manager Goodwin, I thought I saw a light.

GOODWIN: Yes, I was going to say the same. I think we'll -- we'll come back with a plan of next steps. If I imagine if you haven't checked your email today, I believe the new executive director actually reached out earlier today, offering an invitation to meet, et cetera. So perhaps we want to follow up on that. But to the point that Councilman Watts said this is time sensitive. So whatever we do, we've got to get a move on, and make some final decisions and final direction. So we'll either need to bring this back either -- either as a separate work session, so that we can have conversations. If we need any session, we can certainly do that. No, you cannot have one with them. That has to be public. So whether it's a work session where we invite them, and we -- we have this type of dialog with them, and/or a public meeting to make final direction to staff. So we'll work through that and then come back with a plan for that.

AMANDA: And Mr. Mayor, Council, I know that several of them were going to be listening in again with their one-year, three-year, five-year. You saw that note where it said it was -- they were going to be meeting tomorrow, and actually getting that approved. So again, that document, the one and a half page is not officially approved. So I'm hoping they'll sense the -- the urgency. So I've been jotting down several pages of notes. So reach out to them. Anything else? Mr. Mayor? Council?

MAYOR FRIEDEL: Thank you.

AMANDA: You're welcome.

GOODWIN: Thanks, Amanda. This conversation sort of dovetails onto the next, which is our community contracts. There's been a number of questions about our community contracts. So this sort of dovetails, actually, we're going to go out of order. We're going to go down to the properties and leases. Is that right? Yep. Yep. Sorry. This is where Mayor we talked about reordering. I hope that's okay with everybody. We're going to flip flop G and H, because this again this now -- this conversation is extending to other properties that the town owns, not just the museum, but other leases for town-owned properties. This is going to be kind of a shared, I think, Paul, you're going to take the lead, but I think Justin's here to support since he handles a lot of this as well.

SOLDINGER: Yeah. So Mayor and Council, finance, we compiled this information. Most of these are not high revenue generators. Most of them have a slight financial impact to the town. So we compiled the information. But Justin's probably going to be the one answering any questions about background or facilities.

So Ammar at the fire department well, Chief Ott's is walking away, but the fire department does generate additional revenue through this lease. They pay us $33,000 a year with a three percent annual increase to rent one of our ambulance bays. It's current through 2028, and options to renew through 2032. They don't pay any of the additional utility or other expenses. Any questions for Chief Ott while we're on this one? No.

Golden Eagle Park concession building. The Elks Lodge rents it for 1350 a year through 2026, of this year with automatic renewals through 2030. They don't pay any -- any

other additional costs that's been out in the news quite a bit. Right. They use their proceeds to help community organizations, and that's a newer lease that we've had. I actually don't really know what this is. So Chief Ott air quality monitor site. Could you expand on what that might be? But they pay us $400 a year to rent a small space at the fire department. It's current through 2028 and county options to renew through 2038. And they do pay whatever utilities are associated with that small site. Do you want to -- Oh, oh.

UNIDENTIFIED SPEAKER: Justin's here.

UNIDENTIFIED SPEAKER: I see it every day, though.

JUSTIN: The aforementioned building, if you're entering the lower driveway of the fire station, is on the left-hand side. A couple of small structures where they literally just do air monitoring. They provide all of their own maintenance, and they don't have any additional utilities. They have a little bit of a backup generator if they need one.

SOLDINGER: All right. Thanks, Justin. You might want to stick around. The ISDC this lease agreement came on last year for the land. It's $10 annually for a 50-year period. They do pay an annual parking lot maintenance basically shared costs for the parking lot over there. And the landscaping associated with it of for this current year would be $9,835. That is, that $9,000 amount will increase with inflation annually, but the $10 remains the same. There's an option to renew for another 50 years, and they pay for all their own expenses, their own utilities, and they pay for those shared costs as well. And again, this is a land lease rather than a facilities lease. We didn't contribute to the capital improvement of building the building. The community garden for that land right next door. They pay a dollar annually to us with no increases. This is current through June of this year, and the town and FHCA may agree to annual renewals, and they pay their own water and trash. The Sunset Kiwanis.

Justin, I will ask you to talk about this building because I understand there's quite a bit of background on it, but the Sunset is not to be confused with the Noon Kiwanis. The Noon Kiwanis is the organization that recently came to contribute to a bike park project. The Sunset Kiwanis is actually a different organization. As I understand it. I could be

wrong, and we do own their building. They pay us $1 annually with no increases to that annual rent. It's current through 2029. We may agree to renew, and they pay for their utilities, but we do pay for a lot of the maintenance. Although I understand there hasn't been a ton of maintenance costs recently. But we would pay for the exterior of the main building, the roof, the parking lot, and the HVAC system. Justin, would you mind giving us some background on that one? I think is kind of interesting.

UNIDENTIFIED SPEAKER: Sorry to pull you up.

JUSTIN: Well, good afternoon. This -- this -- this is one of those -- we'll give it to you if you give it back to us for a dollar. So it was a -- a town facility, for lack of a better description, that was gifted to the town, and then leased back to them again. And Paul noted this correctly. We don't have a lot of time or money invested in maintenance. Our last big investment was in the parking lot, which was less than $10,000 about eight or nine years ago. And the next portion of that will be to crack, fill it, and reseal it. So probably about 3 to $5,000. The building itself, it's mature and it's -- it's reached the end of its life, for lack of a better description. Eventually, there's going to have to be some tough decisions made in regards to what will become of the building. It's simply too old, outdated for it to be remodeled.

SOLDINGER: The River of Time, we just discussed pretty much at length. They -- they don't pay operating and maintenance expenses, and the term is through August of this year. We did look at the electricity costs while to Councilman Watts question. You know, Justin's right. We have the one meter. But we do allocate based on the buildings. So a very, very rough estimate of what the museum probably cost the town for electricity is around $15,000 a year, rough estimate. Just want to clarify, very rough. But that's about what it costs us. The library district, the main building in the library. The term for that IGA is through August of this year as well. So that will come back to counsel at some point soon for a five-year renewal. The library does not pay any operating or maintenance expenses, including utilities. They do operate the library out of the building. And so that's one of the things to -- to the town attorney's point, that's one of the things that especially specifically stated that the town can spend money on.

And that's part of the consideration of this -- this agreement with the library district friends of the library.

So Justin surprised me with this one. If you walk into the library, you see on the right where they sell books, donated books, they are an organization that sells books, but there's no lease agreement. They're just granted the use of the building. No annual rent, no terms, no paid expenses to the town. And that's the extent of our leases of town facilities and land.

MCMAHON: Paul, do you know if the. Maybe I'm going to direct this to the town manager? There are a couple contracts that look like they're coming up for expiration in '26. Are we going to be taking another look at those? having a longer, larger conversation about whether or not to extend them, charge them, rent, full rent, et cetera. Do you know?

GOODWIN: Yes, ma'am. So all of these are on our horizon, specifically the library one is the one we've been talking about the most because it is such a functional element to our community. And it serves, you know, tens of thousands of people. So that is a -- an agreement we will be working towards the community garden will be one that will need to get some direction from this body as well. So yes. So all of these are on our horizons, which is part of why we wanted to bring them up today. So that -- this was you guys were introduced to this idea and familiar with it. Thank you.

KALIVIANAKAS: And just briefly on the community garden. That's a dollar lease. What -- what do they get for that? And then as a community, what do we get back from having that here?

SOLDINGER: So great question, Councilwoman. So they get the land, and they do pay their share of utilities with the water and trash.

KALIVIANAKAS: You know how much land that is?

SOLDINGER: Justin, could you provide? About two and a half acres is, what.

KALIVIANAKAS: Two and a half acres middle of town? Okay.

SOLDINGER: So I guess it would be nice to know, you know, with a renewal coming up for this one, how you know, if there's any counsel direction or feedback on something

like that?

KALIVIANAKAS: What benefit does the community at large get from having that?

UNIDENTIFIED SPEAKER: I can answer that.

KALIVIANAKAS: Sure.

UNIDENTIFIED SPEAKER: There's a big educational component. There's also a gathering place for people to learn how to garden and grow -- grow vegetables, and they also donate -- they have several beds in there where they donate to the food bank in town as well.

KALIVIANAKAS: I think those similar considerations are from the River of Time Museum that education and providing a benefit service to the town.

LARRABEE: If I might, Mayor, there's a specific statutory provision that allows the town to spend money on open spaces for the production of food. So this falls right in line with the what Title 9 allows us to spend money on. And so you know, there are -- there is a noted a benefit to having open spaces and that's why it's in -- in the -- in Title 9. So that's kind of a difference. There is no allocation for museums or even historical, because I did look through to try to find something that would enable us to spend money on those things. And there's no -- mostly historical societies that you see in other towns and communities, those are still privately, you know, organized. And they -- they manage the history which is, which is a great, you know, great thing to have. But it's also not something that the town is supposed to be expending that is authorized statutorily to spend money on, whereas open spaces is something is specifically provided for and specifically open spaces to make food, which is what this is doing.

SOLDINGER: Any other discussion on any of these or any direction? No. Okay. That was easy. All right. So I'll just get into community contracts. This is really brief. It's just an update from the previous conversation. We do budget for community contracts and -- and most of these contracts we've been funding for a long time as a town. So they're in our general fund, our general government department, which when I bring we bring the proposed budget to you. You'll see the General Government department, the amounts, all the specific dollar amounts within it won't be spelled out other than by

category. But within those categories, we have budgeted about $120,000 for this purpose for really many years, and 73,000 of that has been allocated and paid out this fiscal year. One thing that was brought up, we received some council direction to try to renegotiate our unsheltered individual contract with Central Arizona Shelter Services, which we did. It was relatively straightforward because, as you all know, we haven't really utilized that contract. They reserve beds for us, but none of our unsheltered residents would go there, and they haven't utilized any beds. So the cast is willing to do the contract again next year. The only changes in terms that they would do it for 5,000 rather than 15,000, but they would only reserve one bed rather than three beds, which because none of the beds are being used. That's logical, right? The only other provision we kind of negotiated was if it ever did go above 5,000 or anything above 30 days of unsheltered residents using beds, we would pay them a $55 per day bed fee. And I'm sure we could limit that to 10,000 or something just in case.

So that's the -- the terms of that arrangement here. Here are the numbers again. The only other thing I'll add is that 50,000 in the budget, we've already made the adjustment down to 10,000 to give us more wiggle room in the budget, just to allocate for that contract if the council does direct us to keep it. If not, we could make changes. And the other organizations that are receiving money this year? Well, number one, we have a budget line item for emergency vouchers for hotel stays for victims of domestic violence hasn't been used much, but it's been the budget. And so that's one of them, the Boys and Girls Club. We've been paying them about 24,500 per year for many years now, and Extended Hands Food Bank. 24,200 again for many, many years. And the Sister Cities, which is a little bit more relatively new. About six years now, we've been paying them about $10,000 a year to run that program. And so any direction from council?

MCMAHON: I'm just questioning if those can be adjusted. Boys and Girls Club or Sister Cities, or I see Extended Hands food bank. I wouldn't want to reduce that. But tell me how the Boys and Girls Club uses that money. Or if that's.

UNIDENTIFIED SPEAKER: I can share a little bit. They have a lot of after school programs for youth in our in our community. And they also have like flag football, baseball, all

kinds of stuff to keep the pickleball to, I think, don't they?

MCMAHON: Do they get monies other places as well?

UNIDENTIFIED SPEAKER: I'm sure they do, but they're right here in our community.

MCMAHON: And then on the Sister Cities, that's new something. And how do they benefit from or how is -- how does it benefit the town to pay them?

UNIDENTIFIED SPEAKER: So there's a cultural exchange between the sister cities and the Town of Fountain Hills. The various cities they send, we send students over there, and they send students back here as well. So there's a student exchange as well.

EARLE: So what is the money -- the money spent on the 10,000 then?

GOODWIN: So and I don't know that we have it in the packet, but when they presented a couple of council meetings ago, they gave an accounting of their -- of what they've done and where the money has gone. So it's something I can certainly forward to you. I'm sure it's in the packet, but I don't remember. It's not in today's packet.

UNIDENTIFIED SPEAKER: Not in today's packet. No.

GOODWIN: But essentially, that 10,000 goes to offset their expenses for the program. Just like Boys and Girls Club, you know, 20 -- I'm sure 24,500 isn't a specific line item. It goes to offset their cost of operations to provide after-school care and the different recreational outlets. I know they're really big -- the flag football and the basketball programs are what they are most popular that I'm aware of.

MCMAHON: So I, I understand how if we needed a domestic violence, someone needed a place to stay or if we need a place for someone to stay, you know, through the Homeless Boys and Girls Club, if you're helping after school kids that need a place to be. I get that. I understand the food needs for food. I just I don't understand the Sister Cities part, the 10,000 to that exchange. How is that helping? I mean, the other ones are like in a completely different category than Sister Cities to me.

EARLE: I think that this jury, this has been going on a long time with Sister Cities. This isn't this has been really consistent. There's exchange students there. I think they also probably donate some of this money to scholarships, I think for some of the high schoolers so that they can do the exchange. So they do provide value for it we can ask

them. I mean, I'm sure that she'll be more than happy. I mean, she just presented and I'm sure she'd be more than happy to provide the presentation that she did. But I do think they provide community value.

SOLDINGER: And just to add to that, my understanding, Councilwoman Earle and Councilwoman McMahon is we've been funding this contract for about six years, but before that, it was a town commission. And so when at the time, whenever it that we took away that commission, the Sister Cities organization took that over. And so at that time, whatever determination was made to help fund that program. So that's the background I understand. And the only other thing I'll add is the Sister Cities has started to provide me their monthly meeting minutes. So that could provide additional information. I could include it in a packet again, or I could send that to -- to you to get a better understanding. And that's all I have for that.

GOODWIN: And just a reminder for this body, these numbers are set by you guys. This is what we -- and we've consistently just held them from year to year. Which is we've just held steady so that there's predictability for our budget as well as for the budgets of each of the recipients. But these are set by council direction.

UNIDENTIFIED SPEAKER: Absolutely.

MAYOR FRIEDEL: All right. Thank you. Paul.

GOODWIN: All right. I think we're down to our last staff item, which is a presentation, an update of the downtown.

AMANDA: We're switching gears. Are you guys hanging in there? Well, that was very exciting. Way to pump me up. All right. Well, so this presentation, mayor and council, will be a little bit different where there's about four different items within the PowerPoint where I will be seeking your feedback and direction. So just to remind the council again, folks who are viewing in from their home last year around this time, the council directed staff to work on a five year versus eight year capital improvement project specifically for the downtown. And then originally, we were proposing for this fiscal year to just do the design of Verde River. And then because of your excitement, you're like, if we can do the design of Verde River and Parkview, can you guys do that?

So here's again without the numbers. As Manager Goodwin shared in our CFO, we'll be talking about the CIP later next month. So there's no numbers.

But again, there was lots of excitement last year, and then there were some conversations about potentially removing the avenue from the five-year plan. Since then, staff has met with Tamar(ph.), which represents a small group on the avenue, where we just asked them to be patient, to watch the process that is occurring this year and next year in regards to design and construction. And then also in the fall, we asked the council to attend an evening tour with us to just show our vision. And so those who are interested attended that meeting, and part of it was to share the vision and then to talk about a vibrant downtown. And some folks say, well, what do you mean by that? I would say right now our downtown. So again, it's not just the Avenue Park View Verde River is not your typical downtown. And I've been honest my four years since I've been here. But if you look at Verde River and Park View, one may ask themselves, what has happened here? It is very dark. And then, as several of you walked with staff in the fall along the avenue, you may have noticed again too, it's pretty dark. And I think we met at between 5:00 and 6:00. There were a lot of businesses closed, and so we're trying to change that.

I'll share just a small bit. Usually, I don't like to -- to call out businesses, but Snowbird ice cream has been gracious. But last month, Betsy Lavoie, Councilmember Kalivianakas, and I conducted a site visit, and we asked them, okay, it's been four months. How are you doing with this? This 10:00 p.m. and things are going wonderful. And then they also shared that Oka Sushi had typically been closed on Sunday evenings and are now opened. And so they're getting customers from there. So again, they've -- they've had their sushi, and then they go and -- and get ice cream. So what we're trying to do is, again, position ourselves from an economic development standpoint to continue to proceed with this project. And staff continues to recommend that we include the avenue as part of that. And so this is just a check in with council of are we including the avenue as part of the -- the five-year plan? Don't all speak at once.

UNIDENTIFIED SPEAKER: Yes.

GOODWIN: I'll chime in, because we had an earlier conversation about streets and about tradeoffs and about finding revenue sources. So the Mayor jokingly but not jokingly, kind of said, Amanda, sorry. They went, you know, that's your downtown fund. So this is one of those situations where, if this is the priority. Awesome. Let us know, and we will keep moving forward on that. But it comes at that the next conversation we have about finding money for roads, if we're going to take money from CIP or other resources, this is the give. So this is that that -- that trade off that we kind of talked about. Not that this -- not this specific project, but this is one of several CIPs that were trying to fit in in this big jigsaw puzzle of how do we get everything done?
UNIDENTIFIED SPEAKER: So yeah, and that's a good point, Manager Goodwin and I would say, not just because I'm economic development and I'm the one advocating for this, as this started fifteen years ago. And then to Councilmember Larrabee and Councilmember McMahon's point of it sat on a shelf, and I received direction from all of the bodies that I've worked for over the last four years, because there's been several changing faces that we need this as part of our community economic development strategy. And we did a separate downtown strategy. And I have shared with several of you, maybe behind the scenes or publicly, with Manager Goodwin and the CFO. We don't have a local property tax. And so how are we paying for roads and parks and recreation and quality of life? It is based off of economic development. It is -- it is tourism. It is getting more restaurants that have sales tax. So again, we're trying to position ourselves and as the CFO mentioned earlier, where we're seeing things when it comes to our financials, when we're doing the -- the quarterly reports that again, we need to be mindful of these, of these give and takes. Councilmember Larrabee.
LARRABEE: What Amanda said, but to expand on that, just like I said earlier in the day, I think there's a false dichotomy being put here that's like, not straight up said, but being implied when I say cutting CIP. I did not say all of it, and I did not say downtown. So yes, I am not contradicting myself by saying I want to continue with this plan that I advocated very hard for when we passed it, and I want to be creative in how we approach our streets. And CIP was just an example of something to cut from there's

other ways that we have been able to do that in the past. And I stand by what I said earlier, that we can transfer more money into streets without also kicking something down the road again for another 15 years.

AMANDA: Mr. Mayor, I've only heard, and again, we're not voting. I've seen nods, but people at home can't -- can't see it. And then sometimes a couple of months goes by, and then it's like, well, I didn't say that. So Mr. Mayor, if we can have a little bit more dialogue besides just from Councilmember Earle and Larrabee, which we appreciate the -- the support of, do you want us to continue along this path and bring it forth in a five year with everything, including the avenue, when it comes to March.

EARLE: Yes, I do. I think that we've had some detailed conversations about this off and on. I think that it's reinvesting in our community and our businesses. I think you know, having been discussed with our business and stuff, they kind of expect it. I think we're talking about a restroom downtown and other things. That's all part of developing our town. The facade program that just happened, improvements, and things like that. I think it's all part and package, and I think it's something that we have to do in order to improve our business atmosphere and support our businesses.

AMANDA: Thank you.

MAYOR FRIEDEL: Councilman.

WATTS: I did nod my head because I there's more slides that I thought were following that were the monument signs and that sort of thing that are in the package. So I'm jumping ahead of you.

WATTS: You can't do that.

MAYOR FRIEDEL: We're just pausing. I told you, there she comes. I mean, no. But fundamentally, yeah, I'm still in support of the -- the five-year program, but I would like to know what the monument signs and those other signs are, even though they don't have a title page, so to speak.

AMANDA: Okay. Thank you very much, Mr. Mayor. Thank you for the additional feedback. All right. Next. So as we became before counsel regarding the America 250 we didn't just talk about banners, but there were other asks. But during that discussion,

councilmember had shared, could we increase the banners and staff had respectfully requested because we were talking about money for America 250 to maybe pause and bring this forth at the counsel retreat. So you can see. So thanks to our PIO, Mike Pelton(ph.), our public works department, there's a laser focus using drone footage to show the current banners and placement, so staff is wanting feedback from this body as we're planning the downtown streetscapes. Do you want us to look at increasing the banners right now? Again, you can see how it's structurally done. You're seeing the -- the poles how they're laid out. We can't do that in its current state, but this would be valuable information as we're planning Verde River and Parkview, because right now, those streets do not have poles. They don't have banners. Please also note that the larger the banner may be, there could be an increase in cost. So looking for some feedback, Mr. Mayor? I'm looking for feedback.

MAYOR FRIEDEL: I'm saying I'm saying go for it.

AMANDA: Oh, okay. Thank you.

EARLE: Do we just speak in order that. Okay.

AMANDA: Know I saw Councilmember Larrabee and then Councilmember Earle.

LARRABEE: Councilwoman Earl is first.

EARLE: My -- I was -- going to be my question. What's the increase in? The second question was they're beautiful. I want to see them, but I don't want them to restrict seeing other things to be so large that they kind of block your view of things. Okay.

LARRABEE: As you know, I'm a huge proponent of the -- of the downtown updates. I think our money can be spent wiser in new areas. And the reason that I hesitate on this is because those polls don't look like they're adjustable to me. Yeah. So it would be replacing the poll in order to allow for a larger banner. Is that correct?

AMANDA: That's correct, Mr. Mayor. Councilmember Larrabee, we're our recommendation is. Well, we can't exactly. To your point, we can't do anything with this. We would either do it one when we got to the avenue improvement in the five year, and then also plan for Verde River and Park View.

LARRABEE: Thank you. I -- I know that we've had big discussions about more lights on,

like Verde River and Park View and other things that I believe will take up that money. I'd rather stay consistent with our current method of putting the banners and then not have to put that money toward updating the avenue ones than to then to do that and possibly take away from another project that could improve either Verde River, Park View or the Avenue.

MAYOR FRIEDEL: Councilman.

WATTS: The slide on the right. It just looks like the signage is too close to one another. And I'm not talking about the perspective of the sign on the left and the sign on the right, but the one that you can see between the between the first two signs and the one behind it. I wonder if it isn't maybe over saturating at some point with the same message and retaining some of our existing signage, because you're not going to replace it all, I assume you're going to you're going to install new on Parkview and Verde River, but not on the avenue. So is there some economics there that we can increase the spacing a little bit for these new 250 signs, as opposed to replacing the ones that are on the avenue currently if they're in good shape. I just ask you to consider that.

UNIDENTIFIED SPEAKER: Okay. And Mr. Mayor, again, we'll get back to you. We wanted to hear this information, and then we'll work with the public works team, who's the project manager of the Downtown Streetscapes, to consult with Kimley-horn(ph.), who was the selected bidder for that process. So this is -- this is helpful. So more -- more to come.

AMANDA: Okay. Yeah. Thank you, Mr. Mayor. And yeah, last time when I was asking for the larger banners, you said, Brenda, we were rolling this out now, and you rolled it out quickly. They went up right away, and they look. They look really good. I still think they're a little small. And I spent a lot of time downtown, and they're just kind of. They go unnoticed. I'm still would be an advocate since we're redoing that whole downtown block anyway. And these poles, I think they're going to have to be removed, right. Because we're extending the sidewalks out ten feet so we can't leave the poles where they are now. They're going to have to be everything's -- everything's going to be moved and rearranged. And so I would still advocate for when we do all this work, it's

like $13 million worth of work. You know, we -- I think we can afford to get larger signs that don't just check the box that, hey, we put banners up there, but it's more substantial banners. And I still think if we worked with the veterans' groups, the high schools, and other groups to put pictures of, you know, the high -- the high school football team, veterans, all that kind of thing. It'd be wonderful. And so you know, I just look at this as a small part of a big project that I'm for. And so I just want to let you know that, and then just to go back to your to the five-year plan, you know, the -- my one ask would be, this isn't a lot of money. And I just wish that if we're going to put bathrooms downtown, that we still consider rethinking that, because, you know, I went to the proposed area in that breezeway next to the gift shop and talked to the gift shop owner. And again, that just it seems like it's just a check in the box. Oh, we put restrooms in there, but there's going to be two restrooms. And is it going to really fit the need? I mean, you know, to me, you know, there should be, you know, four men's rooms, four ladies rooms. I mean, something that's substantial enough to take the traffic of all the downtown things that we do that we don't have waiting lines to get into, you know, one, one stall. And so you know, if we're going to spend all this money, I just -- I just hope you just place hold. You know, if we're going to put a restroom in there, let's -- let's -- let's go all the way. Let's put something nice in there that we can be proud of. Like at the park that we did. You know, they put the big blue, and that looks great. It looks professional. And you know, I think our downtown deserves that kind of a nice, polished professional restrooms. If we're going to do it, let's do it right.
AMANDA: And Mr. Mayor, Councilmember, we will get to that a little later, the restrooms. So but we have sufficient feedback. All right. Last year, we had requested from counsel downtown entryway and monument signs. We then were told by this body, Amanda, can we actually remove that? And can we see what happens with the wayfinding project first? So we are back again to ask, is this something you want us to consider in the CIP, and will bring it forth in March? And so again, these are just ideas of different types of signs. So think to you are at the intersection of La Montana and Palisades. You're not really sure as you're heading towards the fountain that you're in

downtown. So there would be some type of monument sign is the proposal. And then why we're asking this is again as -- as next year as we begin construction on Verde River. You don't typically want to then do the signage afterwards. It would be nice to do it all together. So just again, opening up to feedback, is there interest in moving this forward in the CIP or no? Can you verbalize your shaking your head?

KALIVIANAKAS: Well, I think when we talked about this last time, you proposed all new signage, and I thought we said too expensive, but let's refurbish the ones we have. I kind of thought that's where we're going. I'm surprised this is on the -- the menu today.

AMANDA: So Mr. Mayor, Councilmember Kalivianakas, the question that was for you in the fall was three town-wide entryway signs. So off of Shay. Two of them are off of Shay. Another ones at Fountain Hills Boulevard. So total separate project. This is something different. This is specifically for the downtown. And then to -- to still some thunder. We met last week with the manager, the CFO, some of the directors, and we will not be moving forward with the three entryway signs. Okay. We're not bringing that back. So this is specifically for downtown.

KALIVIANAKAS: And what would they do? I -- it's a lot of money, and it's just -- what would it say? Just welcome to downtown?

AMANDA: It could say it -- it could say downtown. It could be Avenue district, Ave district. So think of it as a signature mark of just kind of introducing you into the various districts.

KALIVIANAKAS: Okay. Yeah.

AMANDA: So some of it is for -- for branding. And then to just again identify you're in the downtown.

KALIVIANAKAS: Yeah. No, I think would be a no.

MAYOR FRIEDEL: Put the money into your downtown improvements. Who's next here, Councilman Watts.

WATTS: So to verbalize my head going left to right. I think the money could be used better elsewhere. I'd like to see the impact of the wayfinding signs. Any other signage that we've got going on? I don't think this is the year to do it. I don't necessarily think

we got to completely discount it going forward, but right now, I don't think it's appropriate with everything else we've got going on. And there's Paul has instilled enough scare about the future of economics

AMANDA: Yeah. Good going, CFO.

WATTS: Yeah, that $600,000 over the next few years could be impactful. So I'd hold on that.

AMANDA: We appreciate it. That's why we're checking in before we bring it live in March.

EARLE: Thank you. I think that the painting is boxes are significant signage right now downtown. I think they're so unique. I wouldn't want anything to. Like I've said before, take away from it. I think right now, this is a lot of money to spend or anticipate spending on signage. Maybe it's best to wait until we get the downtown completed and then match it up with what the, you know, the new downtown, so to speak. You know, new design, maybe, you know, there might be a different logo then or whatever. Who knows? So I don't think that right now is an appropriate time to add signage.

UNIDENTIFIED SPEAKER: Mr. mayor, I'm hearing a consensus to -- to remove. Is there anyone else that --

LARRABEE: I -- I was going to say the same to kind of echo what Councilman Watts was saying, I -- I would I don't want to be a red light on this. I don't want to be a never. I want to be a not this year. Because some of these signs that I have seen in downtowns are really lovely, and they're a photo opportunity, which is a big deal for social media. As we're starting to get attention from some of these social media accounts, which I assume we have Mike to thank for that, for some of the like, wanderers and all that. Those are really good photo opportunities that I would love to have. It's just not money that I feel is quite responsible to do for this current moment.

AMANDA: We received clear direction. We will remove this from the city. Manager Goodwin.

GOODWIN: I was just going to say I actually appreciate that thought because while it may not be a this year project to -- to the point, if there is interest in seeing something,

just not today, but later, that's a good thing for us to know too, because we've been working with Paul to better build out our CIP vision of five to ten years, so that we have a better sense of what is coming. Obviously, nothing is guaranteed. It all still comes back for review and approval at this body, but it helps us better understand when we're trying to get things done and how it all fits together. So that's a key takeaway to know, okay. It's not a it's not a yes. It's a let's wait and see and build it in -- in the future. That helps a lot.

MCMAHON: And I agree with that. And I like the idea of waiting until we get the downtown developed a little more. And you might have an idea, a little more of what you want it to look like. Thanks. Great.

AMANDA: All right. One more topic. Are you guys still hanging in? All right. So we want to provide an update on plot two eight. So as a reminder, we daylighted this but did not have a lot of discussion back in November. So again, the town and members of the Plat 208(ph.) board had met because again, we continue to hear that there's a lack of restrooms. So we were proposing the E slot near Sofritas for the restrooms. And then on the west lot was place making. So that was so the Plat 208 board did approve moving forward with the condition that they were going to start reaching out to property owners. They have heard from property owners. And so they are now requesting officially from their board president that they swap where the restrooms are. So the restrooms would be here on the west lot. While we appreciate that staff's recommendation would be not to move forward with that. And because you'll see directly across near Park Place. There's a little star there. The town actually owns that property. So why would we build a restroom on a private piece of land when we have land available? And so.

GOODWIN: Sorry, the original. And this is the original site we talked about. We've come full circle back to town-owned property. Is that right?

AMANDA: Yes. I'm trying to be careful of just what's been public and behind the scenes.

GOODWIN: Nope. That was definitely a public conversation.

AMANDA: Okay. Okay. Okay.

MCMAHON: But wait a minute. Are you saying to move it? From where? From down near Sofritas. To move it up near Town Hall.

AMANDA: So their request is then to switch. So instead of Sofritas near Sati. So you see the star by Plat 208 directly across where you see Park Place and Civic Center. So directly across that is town owned property. So which is adjacent to Park Place, specifically Georgie's, our parking lot. The sheriff's department? Yes. So -- so the -- the question is why one why would we build a restroom on private property? We appreciate that they -- they still want to -- to work with us. But why place it there? Furthermore, for the public's benefit a couple years ago, because again, it's probably been two years that your development director has been talking about restrooms. Just sharing the message on behalf of the -- the business community is, you'll see again. So Park Place Civic Center, why I'm bringing up the Civic Center is there are plenty of although sometimes there's arguments restrooms Monday through Thursday. There are restrooms here at Town Hall, Monday through Friday. Monday through Saturday. The library, museum that building is open. The community center is opened. So yes, you have to walk a bit further, but there are public restrooms. So I get an appreciate what we're hearing from the business community, from event organizers that we need closer -- closer restrooms. I understand that, but is -- is this the best use of town dollars? And so looking for feedback on how you want to proceed related to restrooms.

EARLE: So are they saying no to the one by Sofritas?

AMANDA: Correct. Based off of a property owner feedback, they're asking to move it to Zab Thai. However, they're still interested if the council wanted to proceed with the area by Sofritas, then being the placemaking.

EARLE: Placemaking was just an area to sit.

AMANDA: Yes.

EARLE: So that does nothing for those who need a toilet. I'd say nix it. And then I mean, we tried. But this was -- I remember when I was sitting in the audience, they were talking about that same spot where they're telling you to put it. Right. You go a

few more steps, and you're at Town Hall. So it's kind of a waste of money.

AMANDA: And then Councilmember Earle, if I may, to I think you said nix it if I heard correctly.

EARLE: I did.

AMANDA: Is it just the restrooms or also the placemaking?

EARLE: It's the location. And I don't think. Why would we spend money? I mean, the placemaking, I don't. Do we need a place to sit there, I don't know.

AMANDA: Okay. Fair. More discussion. Councilmember Larrabee.

LARRABEE: I just think it's worth noting. And I want to take a moment to recognize that the amount of work that you have poured into trying to make this work, finding a restaurant, a restroom on the avenue. And thank you for that. Now that we're able to have a public discussion about some of these options, it's exciting. But with that location change is just unfortunately, it's just not worth the money. I don't think it would be responsible to place a restroom there. Because it's not that much of a difference for those that were advocating for this. So I would be someone that says, unfortunately, we got to cut our losses on this staff, especially you, Amanda, have spent so many hours trying to make this work. And thank you so much. I don't feel right asking you to pursue it any further when we just keep getting brick walls.

WATTS: I don't feel bad about you asking, going back at all, and saying it's not going to work because the proximity between Town Hall, community center, library, all of the sites that you said, it doesn't make any sense to put it up by Zab Thai. But down by Sofritas, it does -- it balances it better. It gives better access. So if they don't want to do it there, then I would scrap it. But I would go back to them one more time and say, nope, we're not going to do it. We're not going to fund that. It's there or nowhere. I hate to draw a line in the sand, but that's really what it amounts to. It doesn't -- the balance just doesn't work.

AMANDA: Thank you.

MCMAHON: Amanda, is there any other place on plot 208 POA? Not necessarily on Avenue of the Fountains that might be interested in allowing, you know, a restroom to

be placed. I mean, does it have to be on Avenue of the Fountains?

AMANDA: Mr. Mayor, Councilmember McMahon, that has been sort of the what we've received as far as -- as direction. And then to I appreciate the kind words, Councilmember Larrabee, of just of looking at this again, for the public. We can't get into it too much, but we looked at, you know, public-private partnerships. We've sort of tried everything. So we're in support, and we had sort of the two representatives from Plat 208 of just some of the rationale of why this most likely won't work. And appreciate that too. They have to look out for their property owners. So a gallery there's some undeveloped land of -- of not wanting a restroom right in front of their retail shop. Totally, totally get it.

AMANDA: Councilmember Kalivianakas?

KALIVIANAKAS: No, I agree.

AMANDA: Okay.

EARLE: I just wanted to say I forgot to say thank you. Thank you, everything that Hannah said. I really do appreciate everything all the time you spent on this.

AMANDA: You're welcome. It's been it's been a team effort. But glad -- glad to work on something else. All right. I think that's all I had. Manager Goodwin. Mayor, back to you. Thank you.

GOODWIN: We made it. It is now just about 3:00. The last item is really open for any other priorities or discussion items. Anything we didn't talk about today that you want to talk about, that you want to see in the budget, that you don't want to see in the budget? Anything that we need to take away sort of last wrap up items.

LARRABEE: This is more of a direction or an ask it. I don't think it costs us any money, But when we were talking a moment ago about our different community contracts, and one of them was the hotel vouchers for victims of domestic violence.

GOODWIN: Yes.

LARRABEE: Could I request that we get a social media post out about that? Because it's something that I feel our community really doesn't know that we offer. And I would -- I would like to ensure that that gets spread out. But again, not a budget ad, just an idea.

I don't want to forget.

GOODWIN: Sure. We can talk more about that. Absolutely. So just a reminder. We'll have a CIP meeting at the end of March. We'll bring that back. So we'll talk more about the different CIPs, and then the proposed budget will be brought before you guys in April. So we're moving along with that, Mayor. I think that's everything for my end.

MAYOR FRIEDEL: Then I need a motion to adjourn.

LARRABEE: So moved.

MAYOR FRIEDEL: And a second. All in favor?

ALL: AYE.

MAYOR FRIEDEL: Thank you all.

HAVING NO FURTHER BUSINESS, MAYOR GERRY FRIEDEL ADJOURNED THE WORK SESSION OF THE FOUNTAIN HILLS TOWN COUNCIL HELD ON FEBRUARY 24, 2026, AT 3:04 P.M.

APPROVED:

_____

GERRY FRIEDEL, MAYOR

ATTEST:

_____

BEVELYN BENDER, TOWN CLERK

CERTIFICATION

I HEREBY CERTIFY THAT THE FOREGOING MINUTES ARE A TRUE AND CORRECT COPY OF THE MINUTES OF THE WORK SESSION COUNCIL MEETING OF THE TOWN COUNCIL, TOWN OF FOUNTAIN HILLS, HELD ON FEBRUARY 24, 2026. I FURTHER CERTIFY THAT THE MEETING WAS DULY CALLED AND HELD AND THAT A QUORUM WAS PRESENT.

_____

BEVELYN BENDER, TOWN CLERK

TOWN OF FOUNTAIN HILLS
MINUTES OF THE REGULAR SESSION
OF THE FOUNTAIN HILLS TOWN COUNCIL
MARCH 3, 2026

A Regular Session 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; Vice Mayor Gayle Earle; Councilmember Brenda J. Kalivianakis; Councilmember Rick Watts; Councilmember Hannah Larrabee; Councilmember Peggy McMahon, Councilmember Allen Skillicorn

Staff Present: Town Manager Rachael Goodwin; Town Clerk Bevelyn Bender; Town Attorney Jennifer Wright

Post-Production File

Town of Fountain Hills

Town of Fountain Hills Council Regular Meeting

March 3, 2026

Transcription Provided By:

eScribers, LLC

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Transcription is provided in order to facilitate communication accessibility and may not be a totally verbatim record of the proceedings.

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MAYOR FRIEDEL: I'd like to call this meeting to order. Would you please rise for the Pledge of Allegiance.

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 if you choose to remain standing, we have Pastor Clayton Wilfer from Joy Church in Fountain Hills to do our invocation.

WILFER: Dear God, gracious and Heavenly Father, we thank you so much for the day that you have given us. We thank you for blessing us with this town. I pray for the council and all who are here tonight that they are guided by your wisdom, your discernment, making decisions that ultimately honor you. And we pray this in the name of Jesus. Amen.

ALL: Amen.

MAYOR FRIEDEL: Thank you. Town Clerk, can we get roll call, please?

BENDER: Mayor Friedel.

MAYOR FRIEDEL: Present.

BENDER: Vice Mayor Earle.

EARLE: Present.

BENDER: Councilmember Skillicorn.

SKILLICORN: Present.

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Here.

BENDER: Councilmember Watts.

WATTS: Here.

BENDER: Councilmember Larrabee.

LARRABEE: Here.

BENDER: Councilmember McMahon.

MCMAHON: Here.

BENDER: Mayor, you have a quorum.

MAYOR FRIEDEL: Thank you. We will now move on to our summary of events. Town

manager, Rachael Goodwin.

GOODWIN: Thank you, Mayor. Good evening, Mayor, Council, members of the community. I'd like to share a few brief updates before we begin tonight's meeting. I'm pleased to share that the next steps in the Palomino Boulevard reconstruction project is underway. Paving has officially started. Yay. We appreciate everyone's patience in this important infrastructure work, and we recognize that there may be continued traffic adjustments in this area as the project continues. On a lighter note, Nessie, the Loch Ness Monster's Irish cousin, has reportedly been spotted around town, and you may begin seeing mysterious footprints appearing later this week as we prepare for our St. Patrick's Day festivities. With that in mind, Irish Fest takes place next Saturday, March 14th, and will feature great food, a variety of beers, and festive entertainment. The greening of the fountain will occur at both noon and 4 p.m. that day. If you miss it on the 14th, the fountain will once again be shamrock green on at noon on St. Patrick's Day, March 17th. We invite the community to come out and enjoy these fun and unique Fountain Hills traditions. More details can be found on our website, on the Experience Fountain Hills website.

In other news, we had our team takeover. It was a great success this past weekend with strong attendance and positive feedback. Thank you to our Community Services team and our Mayor's Youth Council for creating such an engaging opportunity for our youth. This Saturday is our Dementia Caregiver Summit. Registration has reached a record breaking 260 participants and is now at capacity. The strong response underscores the need for programs like this and the value they provide to individuals, families, and caregivers navigating dementia related challenges. Finally, I'm pleased to share. Sorry, Mayor. I'm going to steal your thunder. I'm pleased to share that sprouts has officially been issued its building permit, a significant milestone in this highly anticipated project. We look forward to seeing construction move forward. Thank you. And we can now proceed with tonight's agenda.

MAYOR FRIEDEL: Thank you.

We'll move on right now with awards and recognitions. I'd like to recognize the

outgoing Vice Mayor Allen. Thank you for your eight months of service to the town, and introduce our new Vice Mayor, Gayle Earle. Gayle, we look forward to a busy season. I'm going to leave now and let you finish running the meeting. No. Just kidding. But anyway, congratulations in your role as vice mayor of the town. Thank you.

And are we going to exchange the nameplates, then? Oh, they're already up. Perfect. All right. Good. You're way ahead of me. All right. Good. So that's done.

All right. So now, I'm going to do a recognition of Cassie Hansen. Cassie Hansen. Tonight, we pause to remember Cassie Hansen and recognize her extraordinary contributions to the Town of Fountain Hills. When Fountain Hills was incorporated in 1989, the town had no municipal staff, no permanent offices, and no established systems of governance. So in January 1990, Cassie became the first -- the town's first employee and the first town clerk. From those earliest days, she helped build the administrative foundation of our local government, organizing our records, preparing council agendas, overseeing elections, and ensuring that the business of the town was conducted with order, transparency, and care.

As Fountain Hills grew, Cassie's responsibilities expanded. In addition to serving as the town clerk, she held the role of Director of Administrative Services for more than a decade. She provided coordination and leadership support for major civic milestones, including the development of the library, community center, museum, and the relocation of the senior center. Institutions that continue to serve the residents today and strengthen the community as we -- as we move forward. Her commitment to public service later extended to elected office, where she served on the town council. Few individuals have carried such a deep institutional knowledge of our town's beginnings. She brought perspective, steadiness, and a genuine love for this community to every role that she held here.

Cassie Hansen was truly a cornerstone of the Fountain Hills early government, the structure she helped build and the example she set for those that followed remain part of the town's foundation to this day. She will be remembered with a lasting gratitude and respect, and the vital role that she played in shaping our community today. So we

honor Cassie Hansen today. Thank you.

So next, I have a recognition, it's called the Mayor's Citizens Award. And today's recognition is going to be to Peter Volny. Some may ask why and who is he? Let me tell you a little bit about it. It's truly an honor to recognize an individual whose passion, generosity, and vision have made a long-lasting impact on our community. That's Mr. Peter Volny. Peter is a proud resident of Fountain Hills and the founder of The Concourse in the Hills, an event that has grown into one of the most celebrated automotive showcases in the southwest. I always say it's the greatest show on grass. Car show on grass. What began as a passion for cars became something much greater under Peter's leadership. Concourse in the Hills has brought hundreds of thousands of visitors to our town over the years, highlighting the beauty of Fountain Hills and strengthening our sense of community. More importantly, the event has raised over $1 million in support for Phoenix Children's Hospital, helping provide critical care and hope to children and families across Arizona. Peter's dedication to this cause is deeply personal and has -- and he has transformed that personal journey into a powerful force for good. Through his vision, generosity, and tireless effort, he has shown us what a true community leadership looks like.

Peter, your commitment to giving back, your ability to unite people around a shared purpose, and your love for this town exemplify the very spirit of civic pride and service to our community. On behalf of the Town Council and the residents of Fountain Hills, it's my great privilege to present you with a Citizen's Award. Peter, thank you for all you've done and continue to do for our community. Would you please step forward?

VOLNY: Thank you. I'm running for mayor. Just a quick correction. You know, you get an award, and then you complain about it. It's not exactly a complaint, but we've actually raised about 3.5 million, not one million, so -- and I think 2.5 came from you, didn't it? In all honesty, the reason this show is so successful is because the park, the park is so beautiful, and that's what's made the show really successful. And we've lived -- I'm not originally American. You probably can't tell, but we moved to the United States 21 years ago. And we moved into Fountain Hills, and we've been here ever since,

and we love it. This is heaven on earth. So thank you very much for this award.

MAYOR FRIEDEL: You're welcome. And you know, I'll add one other thing, too. If you saw the number of people that were in town for the last show, it was estimated to be 50,000 people. The restaurants, hotel, everything was packed. So it brings a lot of sales tax revenue to the town, which we love because we can work on our roads and other things as well. So again --

VOLNY: And lower property taxes.

MAYOR FRIEDEL: Yes, exactly. Exactly. So again, thank you, Peter. We appreciate it.

VOLNY: Thank you.

MAYOR FRIEDEL: Okay. Next up is our presentations, Rachael.

GOODWIN: I believe we're going to have a second quarter update from director Amanda Jacobs on our economic development progress.

JACOBS: Yes. Thanks. Thank you, Mr. Mayor, members of Council, Manager Goodwin. So we'll be providing an economic development update from October through December. And of course, if there's some news, maybe the manager already brought up will also provide that. So in the staff report, it said in the coming months, that was a test to just see if you were paying attention, but the building permit was issued today for Sprouts. You probably saw -- maybe it looked like construction was beginning. There was fencing. And so that was allowed last week under their demolition permit, but now, it is official. You're going to start to see activity. And the hope is that they'll be able to open later this year, so fingers crossed. You guys won't have to travel down to Shea. We'll keep those sales tax dollars here.

Continuing on with business attraction, you'll see Acupuncture Water, the Print Shop, Happy Healing Home Care, Kolibri Aesthetics and Lenea Corporation if I'm pronouncing that correct, received businesses business licenses last quarter. And then again, coming soon, we've announced the names in black, but want to give a public update regarding Trilogy at Eagle Mountain. The former Vu Restaurant. So you'll recall the last couple of years, Director Wesley and I had been working with the property owner. They decided to sell the property. We then were told it was going to be turned into an office. And

whenever I spoke to the rotary or other the Kiwanis Club, they would boo me. And I'm like, I am just the messenger. We're still wanting a restaurant. So maybe we manifested that or applying that pressure, but the Vu Restaurant will once again be a restaurant. Our economic development specialist spoke to the owners, and they're hoping to open in May of this year. So again, are you hearing that, Mr. CFO? Sales tax coming to town of Fountain Hills.

All right. Next, just want to provide an update on our downtown placemaking. So again the Council has been extremely supportive of this project with 25,000 in our downtown fund. And so each year, we're painting our utility boxes. And so wanted to highlight again in the quarter, we actually put out a call to artists process that was national. We received a couple people from out of state, but we awarded four artists from the region, and some community members think we have only one artist in town, and we don't. So you'll see AnnMarie Perry is new to painting murals, so she did several boxes, all the theme of the dark sky. And it's to the entrance of the Dark Sky Discovery Center, the museum, and the library.

Eli Farias was also new. It was quite cute. I went out the first or second day, and he was like, usually people from the city don't come out here. And he's like, do you -- do you see my view? I have a view of the of the fountain. I'm like, yes, I see it. But again, he's not from here. And he's like, like, I didn't know about this. Like I want to come here more. I want to recreate and run. So that's sometimes why it's nice to bring people from the outside. The other part of economic development, the attraction part. And so that's at Saguaro and Paul Nordin.

Then as you're entering into Plaza Fountainside, another new artist, Cheri Reckers, so you can see again, the natural environment, there's flowers, there's a bumblebee, if you look closely, and she added a little quote just buzzing in the Hills. And then Jesse Perry has actually been selected during all three. And so this is adjacent to Fountain View Coffee. And then a fun story. The streets of New York was under construction, and he decided to peek in to see what was going on. And somebody stepped out and said, you know, can I -- can I help you? And he's like, what's going on here? They're like, it's the

streets of New York. So Jesse used to work for the streets of New York. But then as you can see, he's got a good game. He painted three murals, and they're planning another mural with inside the building, so I love that other people are being inspired regarding the art.

And this example is not here in Fountain Hills, but again, is to just draw home the point of that sometimes you want to go outside of Fountain Hills because this is someone that received recognition from LEGO. Have you heard of LEGOs? Do you have kids grandkids that play LEGOs? So he got a shout out. So just wanted to point that out. And then this year, Economic Development and Community Services partnered to activate the Centennial Pavilion with our third Thursday concert series. I invite council, anyone in the public that has not attended to please join us. We have one coming up in March. So this month, in April, and then, I think, in May, and then we'll be concluding the series. But in January, we actually had almost 250 people. Last month, it was a little chilly, so we had probably 150 to 175.

Our apartment occupancy, you'll see in blue, that we're now adding Boardwalk Apartments at Fountain Hills. And you'll continue to see we have a supply demand problem because we're in the high percentiles of the 90's. So again, if someone's looking for an apartment, it's hard to come by. And then our apartment pipeline. Again, if you're new in the audience or new watching from home, two years ago, the council asked that we have this part of the economic development update just to see what is in the pipeline. So I'm just going to highlight what is in red. So the Redrock Center, the units, originally, was 17. It's been lowered to 15. And they're under construction. You'll see Park Place, Fountain Hills Boulevard & Glenbrook have expired. So that means, you got to start the process over. You'll see the two under construction. Again, Boardwalk is complete. And so that will be removed next quarter. And then you saw we already reported in the previous slide.

And then advertising. Just wanted to highlight a couple of our ads promoting golf, tourism, the dark skies. Sometimes our community members are like, Amanda, why aren't you doing any advertising? I am, but silly. I'm not trying to get you to come here.

You're already here. You're a local. So we're pushing this out to the region. So we are doing advertising. Here, of course, is our partnerships. Tourism. Our hotel occupancy remains in the 66. This is up a little bit from the last quarter. You'll see our social media views from October of 2004 and then until last quarter, the large increase. So appreciating just the work that the team is doing. Our fountain life feed, also known as the EarthCam, had over 60,000 views and there was over 42,000 new visitors to the Experience Fountain Hills website.

I want to give a shout out to our community center folks, Jennifer Lyons. They attracted a two-day conference with the Phoenix Bible students. And then so we've been trying to work very closely, that if there's a multi-day conference that people are staying in our hotels, and so 18 rooms were booked at Fountain Park Hotel. That information is proprietary, so some hotels may be willing to share with economic development what that generated, but most do not. And so again, just to remind the public and the council, even I don't get to see that information. And then tourism. So again, Manager Goodwin alluded to some of these things about a Nessie. So we're actually working with The Inspiration Academy to build Nessie. So we may be activating a kids zone on March 14th.

And then I've been holding some of this news hostage. And some of our commission members have been frustrated with me, and I'm like, that's okay, you can be frustrated. But last year, we actually received grant funding from the Arizona Office of Tourism to do some historical videos on our arts and then of the greening of the fountain. And it literally took place the day before our Irish Fest and the greening of the fountain. So I said, we're going to hold them hostage until this year. And so those are now uploaded onto the Experience Fountain Hills website. So we partnered with Clason Communications, Debbie Clason, who is a local resident and business owner, and some of this idea, I have to give some kudos to Councilmember Skillicorn and Councilmember Larrabee of just wanting to bring back some of our traditions to these events. So with the videos, it highlighted the original Shamrock Society. It talked about Nessie and, of course, the greening of the fountain. And so we'll be pushing that out more. And if you

are following us on Experience Fountain Hills, we're doing some throwback photos, which are very fun.

And then International Dark Sky Discovery Center in international news. So last month, somebody reached out. And so actually, a year and a half to 2 years ago, the Arizona Office of Tourism was working with a group from Mexico, who came here to visit the State of Arizona to see our dark skies. And so Pedro had followed up with me and said, hey, I'm doing a newsletter. And then the national newspaper in Mexico, Repubblica, they're wanting to highlight the International Dark Sky Discovery Center. So they're like, do you have assets? So we can do a story? And so here is a snippet. And I've been trying to practice saying Centro de -- and I'm just going to I'm just going to stop. So but again it is highlighting our dark sky. And we talk about international, so it is getting international attention.

Tourism continued again our top five Arizona in the left column, the top five national. These are the cities and the states that are looking at Fountain Hills, our viewership.

And with that, do you have any questions, comments?

MAYOR FRIEDEL: I'll make a comment. Well done. Thank you --

JACOBS: Thank you.

MAYOR FRIEDEL: -- for all your hard work.

JACOBS: Thank you.

MAYOR FRIEDEL: Okay. We'll move on to our consent agenda.

KALIVIANAKIS: Motion to approve consent agenda.

EARLE: I second that.

MAYOR FRIEDEL: We have a motion and a second. Can we get a roll call, please?

BENDER: Councilmember Larrabee.

LARRABEE: Aye.

BENDER: Councilmember McMahon.

MCMAHON: Aye.

BENDER: Councilmember Watts.

WATTS: Aye.

BENDER: Councilmember Skillicorn.

SKILLICORN: Yes.

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Vice Mayor Earle.

EARLE: Aye.

BENDER: And Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: Mayor, 7-0.

MAYOR FRIEDEL: Thank you. We'll move on to our regular agenda items. We've got item A, which is consideration possible action relating to cooperative Purchasing agreement (2026-058). Rachael.

GOODWIN: Thank you, Mayor. As many of you guys know, we worked to replace one of our chillers earlier this year. It was a big project, a necessary project. This item tonight is really related to that and the next steps in our efficiency project for the cooling of our buildings on this campus. Justin will get into a few more details, but this is sort of the next step in our efforts to be proactive in our efficiencies in our systems throughout the campus. So with that, Justin, I'll turn it to you.

WELDY: Thank you. Let me start by saying that our new facility supervisor really wanted to present this to you and demonstrate the efficiency and the benefit of this, not only for right now, but for the future. He's away on a family matter. He'll be here for other meetings later on.

We have some of the planning brothers and sisters, if you would. One of them mentioned here tonight in regards to the Town Hall campus buildings. As part of the planning for the community center, library and town hall, they also included two other buildings, one of them, just to our east in the shared parking lot with Park Place, was identified as a senior center. The other location is currently occupied by the not quite finished Dark Sky Discovery Center and the Community Garden. That one was a theater. As part of that early planning, they put in a third chiller that was originally intended just

for the larger building, which would have been the theater. As part of that, they did some isolating of the different valves and components.

Fortunate for us, we had a facility supervisor that recently retired, and his staff and one of them, stepped up and was selected through the process, identified that if we made these changes to this system, it would be beneficial and allow for redundancy that is currently not available. Having said that, this isn't a one or two or three week. We've been on this since prior to asking the Mayor and Council to approve funding for the chiller. As part of the due diligence process for this, the retired facility supervisor and the current facility supervisor looked at lots of different options. They looked at lots of different cooperative use agreements and job order contract agreements. We settled on cooperative use agreement.

As part of that, they solicited with a clear scope of work from three of the top vendors that were part of that cooperative use agreement. Over the next several months, they worked through those submittals. The one we bring you tonight not only saves the town and money in regards to the solicitation because of the underlying agreement, but it also benefits the community for the long run. There's a lot of technical information in here, I will be honest with you, with the exception of my name and a couple of other dollar figures, our facilities supervisor, Marc, wrote all this, but I will certainly do my best to answer the questions that I can related to this matter.

MAYOR FRIEDEL: Council.

WATTS: Oh, so since it lights up on me, that's good to know.

So Justin, have we ever had a catastrophic failure where we have not been able to cool the campus?

WELDY: Mr. Mayor, Councilmember, I'm not aware of a catastrophic failure, but we have had some mechanical issues that have created downtime and uncomfortable conditions.

WATTS: Does it take all three chillers to manage temperatures?

WELDY: Not typically. We're usually operating at about one and a half or two. During the most extreme times in the winter, there is -- or in the summer. Excuse me. There is

a different configuration where they bring on the third one, but not all of them together. A series of switches, if you would.

WATTS: So the control system most likely does that, and I am a proponent of doing lead lag and run time. Making sure that they all have an equal amount of run time. Is all that programming already included in this price?

WELDY: Yes, sir. That was part of the chiller replacement, and there are just some minor adjustments that are necessary after this work if it's approved.

WATTS: Yeah. I saw one or two Belimo controls, and those are electronic controls that are driven by the control system to open and close, but we don't have to manually go in and make any changeovers when the time comes to switch from lead to lag or balance runtimes; is that correct?

WELDY: That is correct.

WATTS: Okay. Two things that I had a concern about was one, do the cooling towers have the capacity singularly to handle all three chillers?

WELDY: Yes, the design capacity was for that.

WATTS: For the three chillers, originally?

WELDY: Yes.

WATTS: Okay. And do we have included which I didn't see were some take offs with blind flanges on them. So if we have to pull up a chiller or we have to pull up a new tower, there's an easy point of connection for both the chilled water loop system, as well as the condenser water. Are those included, or can we get those added so that we have a point of connection?

WELDY: I don't have an answer for that, Councilmember. What I will do is get an answer either by the end of tonight's meeting or send an email tomorrow morning with that from our facility supervisor.

WATTS: Yeah. Just a suggestion because we're doing a lot of modifications with the new drives and the new pumps. So couple of flanges are not going to be that much more money to make sure that we've got points of connection, should we have a catastrophic failure of sorts.

WELDY: Understood.

WATTS: Thank you.

KALIVIANAKIS: Thank you, Mr. Mayor. Yeah. Thank you for your presentation and for the staff report. It was comprehensive, well written. You know, there's the old saying a failure to plan is planning to fail. And I talked about this with Rachael, and you know, we already hit 90 degrees in February this year, so I think we have to be prepared for hot summer, you know, for these facilities are used for cooling stations. You know, we'd hate to shut down services just because we didn't prepare for a catastrophic failure and the redundancies of the system. I hate to spend this kind of money, but to have the redundancy and to know that in case we had a problem, we have the backup and we took care of it in advance. I think that's good planning, and I'm going to be a yes on this. I hope we agree and approve this tonight.

LARRABEE: I'm sorry.

MAYOR FRIEDEL: Council.

LARRABEE: Okay. I'm still learning the left button. We usually press the right. I'd like to move to approve cooperative purchasing agreement (2026-058) with B2B Direct Sales, Inc.

WATTS: Second.

MAYOR FRIEDEL: So we have a motion and a second, however, are there any comment cards?

BENDER: No, Mayor. No comment cards.

MAYOR FRIEDEL: Thank you. Motion and a second.

Can we get a roll call, please?

BENDER: Councilmember Skillicorn.

SKILLICORN: Yes.

BENDER: Councilmember Larrabee.

LARRABEE: Aye.

BENDER: Councilmember McMahon.

MCMAHON: Aye.

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Councilmember Watts.

WATTS: Aye.

BENDER: Vice Mayor Earle.

EARLE: Aye.

BENDER: And Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: Mayor, 7-0.

MAYOR FRIEDEL: Thank you.

Your lights on. Moving on to the next, item B, consideration possible action regarding the possible sale of town-owned land on the 16500 block of East Ashbrook. Rachael.

GOODWIN: Mayor, this is a continuation of an item we heard earlier this year. I want to say back in January where direction or actually was before the holiday break. The council suggested that we take parcels individually that are town owned to review them to see if they are of interest for potential use or sale. The property at 16500 East Brook Drive was the first one -- excuse me, Ashbrook Drive, that was the first to be evaluated. That's back tonight for your consideration and action. John's going to give us an update on that property.

WESLEY: Thank you. Mayor, Council, I'll go through this review of this property and as Town Manager has stated, this is a result of some discussion back in December 2nd, where council considered kind of broadly, do we want to sell any of the town owned property or not, ultimately, decided to have us come back kind of one at a time with some of the ones we thought had the best potential. And so that's where we are this evening, looking for further direction. Back in 1989, the town acquired a number of properties from MCO as the town transitioned from -- to a town. So the one we're looking at this evening is along Ashbrook. Here, just north of the downtown area, east of Fountain Hills Boulevard. Some of the background and history on this, the original preliminary platting that occurred through this area, actually did propose lots in this

area. And so it was not it's not foreign to think that there could be lots there. It was part of the original plan.

The area to the north of Ashbrook was platted first, and then the area south of Ashbrook Drive was platted. When that plat was done, and they were looking at how wide they wanted to actually make the tract for the floodplain, they made it wider than they anticipated with the preliminary plat, and in doing so, didn't leave enough lot depth. So that's why those lots were not ultimately platted back in the 70's when this area was platted. Also, in terms of the original planning for this area, this entire area was then planned for and has been zoned R-2, which is basically a two-family zoning district, to the south of the wash is R-3.

As far as the area itself as it's developed and looking at the area along Ashbrook, 31 lots going east and west of this area, you can see the average lot sizes that we have in the area. We see that it's mostly two-family homes, but also a number of single-family homes, just about all entirely single-story homes, but there are some two-story homes. So if we're from Fountain Hills Boulevard going towards the site, you'd be going east on Ashbrook, towards the parcel, which is down here at the end of the curve. And then here is what the parcel looks like today. So just covered with just some native brush of one kind or another, not being particularly maintained, and then as you go further east on Ashbrook from the site.

So again, you can see the primarily single-family homes, the two-family homes in this area. So Ashbrook itself is a local street. Average traffic counts. We did some traffic counts a couple of weeks ago to verify what it's like. Approximately 500 vehicles a day on this street as this -- way it's platted and developed, it has capacity for about 2,000 vehicles per day. The speeds of the vehicles were consistent with the posted speed limit. Homes typically average around ten vehicle trips a day. So adding another five to ten homes in this area, depending upon single-family versus two-family, would not make a significant impact on the current traffic.

So in summary, as we acquired this property for MCO, there are no restrictions to the future use of it, no specific plans for the use of this property. The town has not

identified any opportunity for use -- to use this. It's too small really for any kind of park. We don't have any other facilities that need this particular location. There are some maintenance costs, so they're fairly minimal at this point. Again, it was originally planned to have lots as we look at this area, and the size is compared to the existing lots in the area. We can certainly get three and probably four lots platted on here, that would be consistent in the width and depth of the surrounding lots. And as you can see from the street views, putting particularly single-story homes on this property would not really block anybody's views of any of the surrounding properties.

So again, this evening, we're looking for further direction. Do you want staff to continue to pursue development of this property? I get it ready for sale or determine not to sell it at this time, and/or direct us to look at other properties. If you do think you'd like for us to take that next step forward in preparing this property, we could either sell it as is, one large lot and leave it open for future developer, then to plat it and develop it, or we could plat it first so that we're in control then of the number of lots to make sure they are consistent with the surrounding lots, because given the zoning, they could be made smaller than what some of the surrounding lots are. And you may also want to think about and direct us to include any restrictions, such as single family only duplexes, single stories, or those types of things. You give us that direction as we move forward.

So next steps, if you do decide for to direct us to take those next steps, is that we, again, staff's preference, we think the better choice is to go ahead and plat the lot. So we're control of those sizes. We think would also bring a better return on that that sale. Then we would complete the appraisal, publish it for bids, receive those bids, and then we can move forward with the sale to the most responsive bidders that meet the appraisal. That's the report, and that's the -- this particular location. Any questions you have?

LARRABEE: Thank you, Mayor. I know I had expressed some hesitation the last time that we spoke about this as an overall project, but this particular lot seems pretty straightforward to me. And thank you, John, for your work on this. I personally would lean toward us platting it out ourselves so that we have that control. I would lean toward three only because it looks like it's --

MAYOR FRIEDEL: Councilmember.

LARRABEE: Yes.

MAYOR FRIEDEL: I don't mean to interrupt you. This is for questions right now. Discussion will come afterwards.

LARRABEE: Oh, I apologize. I was going to make a motion after this, but.

MAYOR FRIEDEL: All right.

LARRABEE: Okay.

MAYOR FRIEDEL: Thank you.

Councilmember Watts.

WATTS: John, what's the zoning in the surrounding neighborhood? Is it -- will it allow for two-story or is it all single-story? Does it include duplexes or not?

WESLEY: Mayor, Councilmember, so here's back to the zoning map. So this entire area along Ashbrook is zoned R-2, which is a duplex zone to the south side of the wash is zoned R-3, which gets into multifamily. So all these lots up here are available for duplex development on them. They allow 30-foot-tall buildings so they can be two-story. We just don't see a lot of them along this section. Anyway, there may be more in other sections, but you can have a duplex unit for every -- hopefully, I'll remember my numbers correctly every 4,000 square feet of lot area. So this is about close to an acre in size. We'll say it's a 40,000 square foot area just for some round numbers. So at 4,000 per lot per unit, you could get ten units if you just had it as a lot on here. But again, as we're looking at it subdivided into three or four lots, each lot then could have a duplex on it, and so that will bring the numbers down just a little bit.

WATTS: But if there are no duplexes in the area --

WESLEY: Oh.

WATTS: -- could we strike the duplex component and say it's all single-family?

WESLEY: Yes, Mayor, Councilmember, we could. Again, back to that slide, I went over a little bit quickly, but currently, the 31 homes immediately around this area, there are 11 single families and 20 duplexes.

WATTS: Thank you.

WESLEY: So it's a primarily duplex area.

WATTS: Thanks.

EARLE: Thank you. Thank you, Mayor. Anyway, do you have a rough idea of what we would sell the property for?

WESLEY: Mayor, Vice Mayor, I really don't. I'm not in that area. I'm not sure if Justin from any of the work he's done with selling properties have an idea, but I don't. I don't believe he does either.

EARLE: Typically, we would get an appraisal before --

WESLEY: Right. That's what we'll do first, right.

EARLE: -- is that right?

WESLEY: Right.

EARLE: Okay.

MAYOR FRIEDEL: Yes.

KALIVIANAKIS: Thank you, Mr. Mayor. And this might be a duplication of what was already stated, but I just wanted to, for the record, if we did replat, this made it conducive to the rest of the homes in the area, it seems like it'd fit in pretty naturally with what is there already. And are there any sightline problems with any of the neighbors that you would anticipate?

WESLEY: Mayor, Councilmember, so again, here's the street view of these lots. And so here's what neighbors on the north side of the street are looking at today. There's no real mountain views or anything here, so a single-story home in particular is not going to block anything except views of these apartments across the street, and a two-story probably won't block much of a view either.

KALIVIANAKIS: Right. So yeah, it doesn't look like you'd anticipate any problems there. Okay. Thank you.

MAYOR FRIEDEL: Do we have any speaker cards?

BENDER: Yes, Mayor. We received one online. They do not wish to speak. They wanted the council to know they were for this, but we do have one person here, Larry Myers.

MYERS: Mayor, Council, Larry Myers, 44-year resident. The last time you guys spoke on this, there was a big discussion of assets and asset value. I think the market has told everybody exactly what an asset's worth. Yesterday, it was worth one thing. Today, it's worth something else. So an asset really isn't an asset until you actually cash it in. So I think for the town, as long as you guys maintain control over the zoning and the platting, and blend it in for the rest of the neighbors, take the money, spend it wisely, and be done with it, because I don't see what the town would use this piece of land for. It's too small, and It's not even a park. So thank you. I appreciate it.

MAYOR FRIEDEL: Councilmember.

SKILLICORN: Thank you, Mr. Mayor. So I do like the idea of having more open space in town, but it sounds to me that the consensus up here is that we do want to sell. I think Councilwoman Larrabee had a very good idea about platting it ourselves.

MAYOR FRIEDEL: Do you -- do you have a question because we're still in the question phase.

SKILLICORN: Well, I was going to move on to. --

MAYOR FRIEDEL: We did do speaker cards. That's true. Go ahead.

SKILLICORN: Thank you, Mr. Mayor. And then also, Councilman Watts' question about single-family homes versus duplexes. So it would be very -- I don't think it'd be desirable for the people to live in that neighborhood for this to go to R-3. I don't think it would be desirable for high density there, especially when this land has been vacant for years and effectively has been open space. So as a proponent for open space, I would not be in favor of that. So I'm happy to run -- and actually make a motion kind of mirror after Councilwoman Larrabee. But I do want to make the requirement of single-family homes instead of duplexes.

LARRABEE: If that was a motion, I'll second it.

MAYOR FRIEDEL: Councilmember Watts.

WATTS: I got one last question. How many more pieces of property do we have?

WESLEY: That, again, would be Mr. Weldy question. There are a few others, three or four, kind of in this similar type of situation, we believe that we'll be bringing back over

the next few months, but as -- do you have a better number count than that of. Yes. So again, there'll be a few that we'll be bringing you back.

WATTS: I think when it comes back, if you could give us that list of other properties that may come up for sale --

WESLEY: Sure.

WATTS: -- give us some idea.

WESLEY: Okay.

WATTS: Thank you.

MAYOR FRIEDEL: I'll add something really quick. I think we have a lot of slivers of property here and there, too, which would not be as conducive to something like this -- like these parcels are.

Go ahead. Councilwoman.

KALIVIANAKIS: Yeah. Thank you, Mr. Mayor. I would just like to agree with my other councilmembers' thoughts on this. When this first came up, before I was against selling off parcels of land for the open space argument and for, you know, we -- I'd like to develop parks and this and that. But this staff report convinced me that this property, we're on the right track to literally read this property is no productive use for this town. It's too small for a park, and it costs to maintain. So you guys manage to just hit the perfect property to, I think, convince everybody, including myself, who was originally not for this, but definitely for it. And I think you guys did just a great job. And if we are going to continue doing this, I hope you continue finding these type of lots that we can put out there for sale that wouldn't affect the parks, open spaces, and things that the other councilmembers mentioned. So thank you.

MAYOR FRIEDEL: Can I ask this council a question? Are we all in favor of having the town platted first? I believe I think -- the head nods.

SKILLICORN: That's the motion.

MAYOR FRIEDEL: Yeah. That's the motion. Okay. So we have a motion and a second. Town Clerk, can we get a roll call, please?

BENDER: Councilmember McMahon.

MCMAHON: Aye.

BENDER: Councilmember Watts.

WATTS: Aye.

BENDER: Councilmember Skillicorn.

SKILLICORN: Yes.

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Councilmember Larrabee.

LARRABEE: Aye.

BENDER: Vice Mayor Earle.

EARLE: Aye.

BENDER: And Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: Mayor, 7-0.

MAYOR FRIEDEL: Thank you. Okay. Now, we'll move on to item C, which is consideration and possible action regarding ratification of the contract for consultant to assist with drafting updates to the town's ordinance and associated documents for wireless communications. Rachael.

GOODWIN: Thank you, Mayor. Just for a little bit of background on this item. On January 20th, council gave direction with a vote of 5-2 to proceed with retaining a legal consultant to assist with the redeveloping our small-cell wireless ordinance. Council then provided additional direction regarding the preferred consultant and executive session on February 3rd, and directed staff to proceed with this engagement. Staff complied with this direction and contact -- and a contract was executed the week of February 9th. Because executive session discussions are confidential and no formal action can be taken in that setting, any direction given must later be ratified in open session to ensure transparency and proper documentation in the public record. Ratification does not open -- reopen the prior discussion. Rather, it formally confirms the council's earlier direction and authorizes the agreement in a manner that complies

with open meeting law and our procurement requirements. This step ensures both legal compliance and clarity for the public record. If you have any questions about the ratification, Jen and I are both here to answer any questions you might have.

MCMAHON: Could you -- are you saying that -- I didn't hear you right. And hopefully, I didn't, that this is all predetermined and preconceived.

GOODWIN: To review, the council discussed it on January 20th, and a direction was given by the majority to proceed.

MCMAHON: I know.

GOODWIN: And then we met again on February 3rd --

MCMAHON: Um-hum.

GOODWIN: -- to review contracts, and a vendor was selected, and direction was given to authorize the contract, which we did.

MCMAHON: Did we go through this contract specifically, because I don't remember going through it line by line or anything like that.

GOODWIN: It was reviewed by our town attorney, just like all other contracts are.

MCMAHON: I don't know that it was thoroughly reviewed at that time.

KALIVIANAKIS: Okay. Thanks, Mr. Mayor. Just to -- I guess, I'm a little confused too. Was that contract a part of the executive session? Was it drafted at that point, or was it reviewed after the executive session?

GOODWIN: It was reviewed after. Three vendors were presented. Direction was given to engage and execute a contract.

KALIVIANAKIS: So in the package, that's the first time we actually -- the council saw the agreement?

GOODWIN: No, I've sent it out previously, that you guys have been involved. In fact, we've already received work product from the vendor.

KALIVIANAKIS: Right. I know about them.

GOODWIN: So tonight's ratification includes a copy of it as well.

KALIVIANAKIS: Right. Okay.

MAYOR FRIEDEL: Seeing no more questions, do we have any comment cards, Town

Clerk?

BENDER: Mayor, we received five online that issued -- said they were against. And then we also have for speaker cards for to come up. So it's going to be Shelby Blecker, followed by Crystal Cavanaugh, followed by Larry Myers, and then Laurie Troller.

MCMAHON: I have a question of John Wesley.

MAYOR FRIEDEL: I think we have to wait until the speakers are done.

MCMAHON: Thank you.

MAYOR FRIEDEL: You bet.

BLECKER: Good evening, Mr. Mayor, Vice Mayor, councilmembers, staff. Shelby Blecker, a resident of Fountain Hills. I just want to say thank you to Councilmember Watts for being accessible to answer questions to the years of work that he put in, to understanding what's going on with this project and this contract. And I don't think he gets enough credit for the work that he did, so I just wanted to make that publicly known. Also, my preference is going to always be to bury the cable if it ever comes to that. Thank you.

MAYOR FRIEDEL: Next speaker, please.

CAVANAUGH: Crystal Cavanaugh, resident, Fountain Hills. I do appreciate the transparency by bringing this before the community tonight and at the council. And there should be no question tonight that this is going to be ratified. It's been an ongoing process. It's always been a complicated manner -- matter. We've all heard you and the community say we need expert help on this. This council directed the town to find the expert help, the town found the expert help, and we're here tonight. So great. Let's get this going and get some help with the ordinance and the documents. Thank you.

MAYOR FRIEDEL: Thank you. Next speaker, please.

MYERS: Mayor, Council, Larry Myers, 44-year resident. I want to thank you for the vote to hire the third-party expert. I'd like to say, please ratify the contract. I will say that in the past, there have been contracts that have not been public events and not been put -- ratified in public by town -- former town managers and also our former attorney, so let's let that be known. This is a change. It's long overdue. Next in April, it's the

fourth anniversary of citizens and Councilman Watts working on this particular endeavor. I don't think it's the end. I think it might be the beginning of the end of taking a totally outdated and insufficient ordinance and making it sufficient to protect the residents of the town and the town itself from possible wrecking of the beauty of the town and the property values of the residents.

I think that it's also long overdue -- really long overdue, because we're talking about a utility, and all the way to the beginning of the town, it says all of our utilities go underground. I hope you've all read that because it's been there a really long time. And so in that spirit, I'd encourage you to ratify it. And also, in the spirit of transparency, I would encourage people to send comment cards in -- in anonymity for either for or against to summon the courage to come up to this microphone and articulate a thought rather than maybe generating an AI perspective, which anyone can do these days, and so I like the transparency. I think we're better off than we were before, and I hope you ratify it. And thanks a lot. Appreciate it.

MAYOR FRIEDEL: Thank you. Next speaker, please.

TROLLER: Good evening. Laurie Troller, resident. Thanks. This is a big thank you, but now, I'm going to try and lighten this up a little bit. Let's set a number. How many days is it going to take us to finish? So if we go out to 1,500 days to finish this ordinance, it'll put us somewhere in May, which is close to our break. Let's shoot for the 1,500 and try and get it done. Anyway, thanks.

EARLE: I'd like to make a motion to ratify this.

LARRABEE: Second.

MCMAHON: I have questions, I said.

MAYOR FRIEDEL: Peggy, what's your question?

MCMAHON: I would like to ask John Wesley a couple questions, please, and probably the town attorney. Because I don't recall going into great detail with this particular contract, and I don't recall certain really questionable provisions of it --

MAYOR FRIEDEL: So.

MCMAHON: -- that I've never seen in a legal agreement before like this.

MAYOR FRIEDEL: So this is just a ratification of the contract.

MCMAHON: No, it's not.

MAYOR FRIEDEL: I'm sorry.

MCMAHON: I don't -- it isn't. I don't feel like this has been fully discussed, and I don't recall its fully -- that being fully discussed in this session.

MAYOR FRIEDEL: This is a ratification of the contract. We're not going to be opening up the contract here right now.

MCMAHON: I object to that completely because, again, this contract has not been thoroughly discussed. The procurement wasn't fully disclosed, and this is not a legal contract in -- for what we're hiring this firm for.

MAYOR FRIEDEL: Okay. Your objection is noted. We have a town attorney that did review this contract.

MCMAHON: Yes. And I pose questions to her that she didn't particularly answer.

MAYOR FRIEDEL: So we're ratifying this contract tonight. That's -- there's a motion and a second for that.

MCMAHON: I don't think it's a good idea to ratify this contract because it has controversial political requirements in it that the neutral town government contract cannot enter into, and I spoke with the town attorney about that.

MAYOR FRIEDEL: We're here just to ratify the contract. We're not going to --

MCMAHON: You can keep saying that all you want, but it doesn't erase the fact --

MAYOR FRIEDEL: Okay. Thank you.

MCMAHON: -- that there are controversial political provisions in it that we should not be agreeing to.

MAYOR FRIEDEL: Thank you.

MCMAHON: In fact, we can.

MAYOR FRIEDEL: Councilwoman.

KALIVIANAKIS: Thank you. Yeah, that aside. Yeah, it is part of the packet. It seems like it would be subject to debate, but you've made a ruling in -- honor of that ruling. You know, the statement I prepared was as we prepare to authorize funds for yet another

outside attorney. I urge us to pause and reflect. It was stated 1,500 days. This has been going on for years. The previous town attorney, the current town attorney, Mr. Campanelli, the town staff, Planning and Zoning, this council, and we're still -- it's almost like we're at the very beginning of the process. We've wrestled with this for years, but the reality is, is that federal and state law severely limit what we can do.

And also, this has been taken up by the Congress and the president, and the president's initiative to streamline these telecommunications. And so the last time we discussed this, I thought that we should put this off until we get guidance from the federal government, which we've done before, when the State's about to make a decision on something, we put it off. We could hire this person, spend $15,000 that could have been spent on roads. And then six months from now, the federal government will preempt what we're doing right now, and we'll be right back to -- we hired somebody, wrote an ordinance, and we can't enforce it. I thought, you know, when the Campanelli draft was written, that was going to be the end of it, because that's what they said. The Campanelli is an expert. He's going to give us this draft. We're going to use that draft, put it to Planning and Zoning, and we're going to come up with something. That's what I thought we decided to do. The Campanelli draft was going to be the model for the town. Suddenly, the Campanelli draft was in the end, it became just the beginning of yet another salvo of specialists and consultants, and attorneys. I didn't think it was a starting point. I thought that was an end point. We were throwing taxpayer dollars at another consultant who can't give us meaningful flexibility. That's foolish. Just ten more seconds.

MAYOR FRIEDEL: Your time is up.

KALIVIANAKIS: Thank you. Just 10 seconds, if you will.

MAYOR FRIEDEL: Go ahead.

KALIVIANAKIS: Thank you, Gerry. Let us recognize the limits that we face. Exercise fiscal restraint, avoid spending additional public funds on a problem that is preempted by a higher law. Thank you.

MAYOR FRIEDEL: Councilwoman.

MCMAHON: Thank you. I think that there's a lot of problems with this, and we're basically hiring this firm to review and draft updates to our 5G telecommunications, but this contract, it goes far beyond that.

EARLE: I have a question.

MCMAHON: I think it's premature --

EARLE: Can I ask a question?

MCMAHON: -- because of the federal government rules --

EARLE: Don't we each get a turn first?

MCMAHON: -- being revising. And I think the fee structure; there's no guarantee of the outcome. It's open. It's not flat.

EARLE: Point of order.

MCMAHON: It's --

EARLE: I believe we each get to ask a question or speak first before someone gets a second turn.

MAYOR FRIEDEL: I went by the --

MCMAHON: I was asking questions, and now, it sounds like we get to make comments, so that's what I'm doing.

MAYOR FRIEDEL: That was a point of order. It wasn't a comment.

And Vice Mayor, I plugged in whoever was next. Sorry.

MCMAHON: So again, there's a provision in here where I feel that the agreement is biased in favor of the firm's controversial client, Children's Health Defense, funded by JFK anti-vaxxer, which opposes wireless infrastructure solely based on health grounds and urges others to politically push back against wireless takeover. That doesn't sound like it's drafting legal things as part of our contractual agreement, and federal law prevents us from regulating wireless facilities based on health concerns. It's also entangles our fees with their relationship with the Child Health Defense Fund, and these provisions far exceed standard attorney fee agreements, and they are not necessary. And they impose conditions effectively that mandate the town get involved again in this controversial, politically CHD organization. So I'm very, very concerned about that, that

that seems to be more important than hoping than drafting our legal -- a new legal or revising our 5G ordinance. So my concern is I'd like to stop the waste and partisan politics to further personal, political, and 5G agendas that are not in the public's best interest and adverse to our town. I think we need to reject this agreement to protect the town from blatant conflicts of interest --

MAYOR FRIEDEL: Time.

MCMAHON: -- misuse of taxpayer manual, and for legal exposure under Texas laws that we are not I'm interested in being (indiscernible).

MAYOR FRIEDEL: Councilman.

WATTS: Thank you, Mr. Mayor. I'm mystified. Why are we arguing about something that the town staff --

MCMAHON: I'm not arguing about it. I'm stating my thoughts about it.

WATTS: That has asked for help, acknowledged that they have -- do not have the technical or legal expertise. We've gone to two of the preeminent attorneys in the country who understand the ins and outs of 5G. We've gotten information from the National Association of Realtors that unequivocally says you put a small wireless facility in front of a residence, and you'll lose 4 to 20 percent of the value of your house. We're here to protect the town residents, to protect the town as a whole. We hired the best we could find, regardless of their political leanings. We've had lots of conversations with them about their objectivity, that the direction was clear on making sure that is compliant with State and federal regulation. The notice of proposed rulemaking that has been referenced a couple of times prior to tonight is something that is in the offing that has been presented numerous times to no avail. It has to get through Congress to be codified, and then the president has to sign it. It's failed innumerable times. I'm lost. We're here to protect the town residents to the best of our ability, make the most aggressive, non-prohibitive 5G ordinance relative to small wireless facilities, not cellular facilities. Small wireless. I don't understand the resistance. I don't understand the objection. I can't imagine why you can't defend the town residents and ratify this, and where the argument comes from. Thank you, Mayor.

MCMAHON: He asked me. He basically asked me why I'm not defending the town residents. I am defending the town residents.

MAYOR FRIEDEL: He did not identify --

MCMAHON: Well, yes, he did.

MAYOR FRIEDEL: He did not identify anybody. This is not an argument right now.

MCMAHON: I'm not arguing. I was just -- I don't appreciate that comment because I do defend the town residents and represent them.

MAYOR FRIEDEL: Councilwoman.

LARRABEE: With that, I'd like to call the question.

MAYOR FRIEDEL: The question's been called. Do you have a second for that?

LARRABEE: Do I have a second?

WATTS: Second.

MAYOR FRIEDEL: So the question has been called to end discussion. Can we get a roll call vote, please?

BENDER: Councilmember McMahon.

MCMAHON: Nay.

BENDER: Councilmember Watts.

WATTS: Aye.

BENDER: Councilmember Skillicorn.

SKILLICORN: Yes.

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Nay.

BENDER: Councilmember Larrabee.

LARRABEE: Aye.

BENDER: Vice Mayor Earle.

EARLE: Aye.

BENDER: And Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: Mayor, 5-2.

MAYOR FRIEDEL: And I think we have a motion on the motion and a second on the floor. Can we get a roll call vote, please?

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Nay.

BENDER: Councilmember Watts.

WATTS: Aye.

BENDER: Councilmember Skillicorn.

SKILLICORN: Yes.

BENDER: Councilmember McMahon.

MCMAHON: Nay.

BENDER: Councilmember Larrabee.

LARRABEE: Aye.

BENDER: Vice Mayor Earle.

EARLE: Aye.

BENDER: And Mayor Friedel.

MAYOR FRIEDEL: I'm going to take a second and explain my vote. I've been on this town council four years prior to being elected mayor of this town. We've been dealing with this for four years. The level of disrespect shown this process towards our staff, councilmembers, Planning and Zoning Commission, our town attorney, and the town manager has been inappropriate. This has been a four-year process to get to this point, to get this ordinance done, so we can protect our residents. We need to finish this process for our town and our residents. I'm a yes.

MCMAHON: That wasn't inappropriate.

BENDER: Mayor, 5-2.

MAYOR FRIEDEL: Thank you. And now, we'll move on to the legislative bulletin if anybody has anything. Oh. No, that's next. Nobody has anything, then we'll move on to the call to the public.

Town Clerk, do we have any speakers?

BENDER: Yes, Mayor. We do. We have three cards. Shelby Blecker, Mathew Corrigan,

followed by Steve Baggio.

BLECKER: Good evening, Mr. Mayor, Vice Mayor, Councilmembers, Staff. Shelby Blecker, town resident. I have come up here before and spoke about wanting to see the Town of Fountain Hills, being the shining town on the hill, and to take the lead on certain national issues. And some of you may have seen 60 Minutes on Sunday, where they were talking about federal judges being targeted for murder and for harassment. And I don't know what the town can do other than maybe write a letter to the district attorney requesting tougher laws, or write a letter to our congressman asking for tougher laws. But I'd like to see the town do something because our federal judges, whether you agree with them or not, should not be targeted to be killed. Our people in our nation that speak out in public should not be targeted to be killed. Our president should not be targeted to be killed, and I'd like to see the town take some type of action towards letting it be known that our town stands for justice, and would like to see tougher laws to be enforced against those that threaten our judges, our president, and other members of the public. Thank you.

CORRIGAN: Mr. Mayor, Councilmembers, Mathew Corrigan, Fountain Hills. Just to thank you for moving this 5G issue forward. It's been five years. I'm not going to speak to the specific agenda, but I will speak to the fact of history. I've seen what happened with the Campanelli letter. I've seen what's happened with former counsel, former council members. And I just want to thank you again for the progress that's been accomplished tonight. We all know the history of how the Campanelli letter was prohibited from being viewed by Planning and Zoning. That's unfortunate. Tonight is a great night because we're moving ahead with 5G. We're getting it done. And thank you very much. That's all I have to say.

BAGGIO: Technical difficulties. Mayor, town council, Steve Baggio, resident of Fountain Hills for eight years. I'm here to discuss issues that affect every resident and business of Fountain Hills. To begin with, our legal procedures and lawsuits against the Town of Fountain Hills. As a taxpayer, I feel it behooves the residents of Fountain Hills, if perhaps once a month or so, the town would include lawsuits, legal actions against the

Town of Fountain Hills. Who is doing it? Also, if it's repeat people who have been doing it repeatedly, how much it is costing the Town of Fountain Hills, and if legal action to countersue these individuals can be taken in Fountain Hills.

The reason I do that is this money could go towards helping our streets, funding our parks, helping with the lake liner. Now, I'm not discouraging people from doing legal actions whatsoever, but I feel I've never sued anybody. And I love the Town of Fountain Hills. The last thing I would ever do is sue the Town of Fountain Hills. I feel if we have a strong reaction against people who perhaps are abusing this or doing it, it would help every residents and business. The other issue I want to talk about is, unfortunately, the Colorado River and the water shortage that is affecting every Arizonan. There will be a huge major cut in the water flowing from Arizona from the Colorado River. And I feel as Fountain Hills, we got the name Fountain Hills and the lake, we should do precautionary action against this.

The town of Gilbert is already having a tax increase on water usage, as Scottsdale will in May. As the foundation of Fountain Hills, I feel that perhaps we should look in ways of doing this ahead of time, perhaps putting a moratorium on pools, new pools, permits perhaps having a moratorium on apartments and condominiums until this water crisis is taken care of. Also, perhaps having a tax on new business, new -- not business -- new condos and apartments, water tax. We have to be proactive. And perhaps we can also think about having a symposium here in Fountain Hills, where we invite mayors from other towns, EPCOR, people in the Colorado River to discuss how we can conserve water and to give it back to the community, so that way, we don't end up with terrible water situation.

I feel that every individual here could do that. I personally have a low water bill. I try to recycle water as much as possible, and I feel if we become the stewards because we have Teddy Roosevelt out there as the great conservative, that great conservationist, I feel as Fountain Hills, we could be the town that is a great conservationist of Arizona to lead the way in water and water savage. Thank you.

MAYOR FRIEDEL: Council, discussion for the town manager. Anybody have anything

they want to bring up?

LARRABEE: Thank you. Regarding the item brought up with call to the public, I would like to pursue maybe writing a letter to the Attorney General, maybe Kris Mayes, just to encourage enforcement of laws that we already have on the books regarding political threats or threats on people's lives. I know that it's not just the federal judges. It's a lot over the nation and the State, so.

SKILLICORN: (Indiscernible).

LARRABEE: Oh. I thought this was direction to the town manager.

SKILLICORN: No, it's not (indiscernible). We can't talk about the (indiscernible). Well, we can make a motion. I would second.

GOODWIN: So what I'd like to is there a consensus that you'd like to have a letter drafted?

SKILLICORN: Can we discuss it at a meeting?

GOODWIN: Yeah, we can agendize it, if that's what you'd like to do.

SKILLICORN: Only a third can do that.

EARLE: I'll third it.

LARRABEE: I think that would be the next agenda item, though.

GOODWIN: Yeah. That's going to be the next.

LARRABEE: Okay.

GOODWIN: That's going to be the next.

LARRABEE: I'll repeat it later.

MAYOR FRIEDEL: Councilman Watts.

WATTS: Thank you. I think I just got my answer by reading the instructions. There was a comment about call to the public and how the complexity of submitting a comment card online, and I just read the clarification that comment cards are available online, but you have to submit them before 12 o'clock the prior day, so.

Pardon.

GOODWIN: Those are for agendized items, not for call to the public.

WATTS: Okay. So that I'd like to see it for call to the public as well, because there are

people that -- well, I got heads going every which way except my way.

GOODWIN: Perhaps we can talk a little more offline about that one, about why it's that way and what the rules of procedure currently say, because that is how it is in the adopted rules of procedure.

WATTS: I know it is. That's why --

GOODWIN: Um-hum.

WATTS: -- I wanted to bring it back up, so I'm willing to talk about it.

GOODWIN: Okay.

WATTS: You know, that's fine. But there's been a number of comments about it and the complexity, so. All right. I'm done. Thanks.

MAYOR FRIEDEL: Now, we'll move on to future agenda items.

Go ahead.

LARRABEE: Just repeating what I said earlier. If we could discuss on a future agenda, possibly writing a letter regarding enforcement. I think I still need a second and third, do I?

SKILLICORN: I think that's still a yes.

LARRABEE: Okay.

GOODWIN: If I recall, I believe Councilman Skillicorn and our Vice Mayor second and thirded. Noted. Thank you.

MAYOR FRIEDEL: If that's it, can I get a motion to adjourn?

WATTS: So moved.

EARLE: Second.

MAYOR FRIEDEL: All in favor?

ALL: Aye.

HAVING NO FURTHER BUSINESS, MAYOR GERRY M. FRIEDEL ADJOURNED THE REGULAR SESSION OF THE FOUNTAIN HILLS TOWN COUNCIL HELD ON MARCH 3, 2026, AT 6:46 P.M.

APPROVED:

_____

GERRY FRIEDEL, MAYOR

ATTEST:

_____

BEVELYN BENDER, TOWN CLERK

CERTIFICATION

I HEREBY CERTIFY THAT THE FOREGOING MINUTES ARE A TRUE AND CORRECT COPY OF THE MINUTES OF THE REGULAR TOWN OF FOUNTAIN HILLS COUNCIL MEETING OF THE TOWN OF FOUNTAIN HILLS, ARIZONA HELD ON MARCH 3, 2026. I FURTHER CERTIFY THAT THE MEETING WAS DULY CALLED AND HELD AND THAT A QUORUM WAS PRESENT.

_____

BEVELYN BENDER, TOWN CLERK

TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date:	4/7/2026
Meeting Type:	Town Council Regular Meeting
Submitting Department:	Public Works / Engineering
Prepared by:	David Janover, Town Engineer
Staff Contact Information:	Phone: 480-816-5112 Email: djanover@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

CONSIDERATION AND POSSIBLE ACTION: Approving Resolution 2026-06, approving Amendment Five to the Intergovernmental Agreement, with the Flood Control District of Maricopa County for the Golden Eagle Park Dam Debris Mitigation Improvement Project

Staff Summary (background)

Golden Eagle Park lies in the flood impoundment area of Golden Eagle Park Dam. Previous flooding at the Park (particularly during storm events of Oct. 2, 2018 and Sept. 23, 2019) has demonstrated the need for drainage improvements within the Park. J.E. Fuller prepared the Golden Eagle Park Drainage Improvements Study, Technical Report and presented its findings to the Town Council on January 21, 2020 (Item 4.0 on that agenda). A contract with J.E. Fuller for the design of the recommended Phase 1 Drainage Improvements (primarily accumulated sediment removal and grading of enlarged drainage channels through the Park) was approved by the Town Council on March 3, 2020, and amended on January 4, 2022. Construction of Phase 1 improvements began in January 2025 and was completed in December 2025.

Town staff submitted a proposal to the Flood Control District of Maricopa County (FCDMC) under its Small Projects Assistance Program in October 2019 for the portion of the drainage improvements project that will improve the protection of the dam and downstream residences (Phase II), including:

Removal of accumulated sediment from the drainage channels near the dam;
Removal of the inlet (Park side) steel access barrier at the Auxiliary Principal Outlet Structure (a 10' x 4' reinforced concrete box culvert through the dam);
Removal of the drop inlet approach to that structure;
Regrading (lowering) the drainage channels near the dam (possible due to removal of the drop inlet approach);
Placement of debris-catching features, such as bollards, upstream from the outlet structures; and
Construction of a sediment drop basin near the dam.

FCDMC approved the Town's funding application in October 2019. On April 7, 2020, Town Council approved Resolution 2020-14, adopting an IGA, which provided the legal basis for FCDMC participation in the project work. The IGA provides that FCDMC will fund 75% of the eligible project costs, with the Town responsible for the remaining 25%, as well as all non-fundable costs (including right-of-way acquisition, permitting, construction management,

operations and maintenance, landscaping, aesthetic features, and utilities).

The original estimated project cost of approximately $121,000, with FCDMC participation estimated at $90,750, is reflected in the approved IGA. Since that time, the project scope has been refined and costs have increased. The current estimated total project cost is $325,000, with FCDMC funding 75% ($243,750) and the Town responsible for a 25% match ($81,250), in addition to any non-fundable project costs. These updated cost estimates are consistent with the proposed FY27 budget which Council will consider on April 14, 2026.

During the project design phase, Town staff changes and scope modifications resulted in schedule delays. The Town requested additional time from the Flood Control District to allow completion of construction within the funding period. The Flood Control District agreed to extend the construction funding period by one year, from June 30, 2022 to June 30, 2023. On May 3, 2022, Council adopted Amendment One to the IGA, which extended the deadline and represented the only modification to the IGA at that time.

On May 15, 2023, Council adopted Amendment Two to the IGA, extending the deadline from June 30, 2023 to June 30, 2024 due to delays associated with extensive review comments from the Arizona Department of Water Resources (ADWR).

During 2023–2024, ADWR continued its review and provided comments on the plans, which were addressed by the design consultant. This review cycle extended longer than anticipated and delayed design completion. Although the 100% construction plans were completed, construction could not be completed by June 30, 2024. On May 21, 2024, Council adopted Amendment Three to the IGA, extending the deadline from June 30, 2024 to June 30, 2025.

In June 2025, ADWR was continuing its review of the plans for the Phase II (dam-related) improvements. The Flood Control District agreed to extend the construction deadline by an additional year, from June 30, 2025 to June 30, 2026. Amendment Four to the IGA was approved by Town Council on June 3, 2025, establishing that extension.

At this time, ADWR is in the final stage of its review, and the Town is seeking to extend the deadline once more, from June 30, 2026 to June 30, 2027. The Flood Control District has agreed to this extension, and Amendment Five to the IGA establishes the revised timeline. Upon completion of the ADWR review, construction is anticipated to commence and is currently scheduled for FY27.

Related Ordinance, Policy or Guiding Principle

Town of Fountain Hills Ordinance 16-02 amended Fountain Hills Town Code Chapter 14, which addresses flood damage prevention relating to floodplain management.

Risk Analysis

Not approving this IGA would result in the Town missing the deadline for construction completion, and the Town would then have to fund the FCDMD portion of the project costs for the "Golden Eagle Park Dam - Debris Mitigation Improvements", currently estimated to be $243,750, in addition to all of its other proposed costs for upgrading the drainage facilities at Golden Eagle Park.

Recommendation(s) by Board(s) or Commission(s)

N/A

Staff Recommendation(s)

Staff recommends approval of Resolution 2026-06.

Suggested Motion

MOVE to approve Resolution 2026-06.

FISCAL IMPACT

Fiscal Impact: $81,250 - Town Share of Capital Improvement Costs
Budget Reference: N/A
Funding Source: Capital Projects Fund

ATTACHMENTS

1. Resolution 2026-06
2. IGA Amendment 5- Golden Eagle

RESOLUTION NO. 2026-06

A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF FOUNTAIN HILLS, MARICOPA COUNTY, ARIZONA, ADOPTING AMENDMENT FIVE TO AN INTERGOVERNMENTAL AGREEMENT WITH THE FLOOD CONTROL DISTRICT OF MARICOPA COUNTY RELATING TO THE DESIGN, RIGHTS-OF-WAY, ACQUISITION, UTILITY RELOCATIONS, CONSTRUCTION, CONSTRUCTION MANAGEMENT AND OPERATION AND MAINTENANCE OF THE GOLDEN EAGLE PARK DAM-DEBRIS MITIGATION IMPROVEMENT

RECITALS:

WHEREAS, by Resolution 2020-014 the Mayor and Town Council of the Town of Fountain Hills (the "Town") approved an Intergovernmental Agreement with the Flood Control District of Maricopa County (the "District") relating to design, rights-of-way, acquisition, utility relocations, construction, construction management, and operations and maintenance of the Golden Eagle Park Dam – Debris Mitigation Project (the "Agreement"); and

WHEREAS, by Resolution 2022-017 the Town approved Amendment One to the Intergovernmental Agreement extending the completion date; and

WHEREAS, by Resolution 2023-018 the Town approved Amendment Two to the Intergovernmental Agreement extending the completion date; and

WHEREAS, by Resolution 2024-023 the Town approved Amendment Three to the Intergovernmental Agreement extending the completion date; and

WHEREAS, by Resolution 2025-023, the Town approved Amendment Four to the Intergovernmental Agreement extending the completion date; and

WHEREAS, the Town and the District desire to amend the Agreement to further extend the completion date.

ENACTMENTS:

NOW THEREFORE BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS as follows:

SECTION 1. That the Town, through its Mayor and Council, hereby approves Amendment Four to the Intergovernmental Agreement (the "Agreement"), attached hereto as Exhibit A.

SECTION 2. The Mayor, the Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed to cause the execution of Amendment One to the Intergovernmental Agreement and to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Mayor and Council of the Town of Fountain Hills, Maricopa County, Arizona, this 21st day of April, 2026.

(Signatures on next page)

FOR THE TOWN OF FOUNTAIN HILLS:

Gerry Friedel, Mayor

ATTESTED TO:

Bevelyn Bender, Town Clerk

REVIEWED BY:

Rachael Goodwin, Town Manager

APPROVED AS TO FORM:

Town Attorney

EXHIBIT A

AMENDMENT FIVE TO THE INTERGOVERNMENTAL AGREEMENT

AMENDMENT NO. 5

to

Intergovernmental Agreement 2020A010

for the

Design, Rights-of-Way Acquisition, Utility Relocations, Construction, Construction Management and Operation and Maintenance

of the

Golden Eagle Park Dam-Debris Mitigation Improvement Project

between the

Town of Fountain Hills

and the

Flood Control District of Maricopa County

IGA FCD 2020A010E

Agenda Item _____

This Amendment No. 5, also known as Intergovernmental Agreement (IGA) FCD2020A010E to IGA FCD 2020A010 is entered into by and between the Flood Control District of Maricopa County, a political subdivision of the State of Arizona, acting by and through its Board of Directors (the "DISTRICT"), and the Town of Fountain Hills, a municipal corporation, acting by and through its Mayor and Town Council, (the "TOWN"). The TOWN and the DISTRICT are collectively referred to as the PROJECT PARTNERS and as a PROJECT PARTNER.

This Amendment shall become effective as of the date it has been executed by all PROJECT PARTNERS.

STATUTORY AUTHORIZATION

1. The DISTRICT is empowered by Arizona Revised Statutes (A.R.S.) § 48-3603, as revised, to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of the DISTRICT.

2. The TOWN is empowered by A.R.S. § 9-240(B), as amended, to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of the TOWN.

BACKGROUND

3. On October 19, 2022 the Board of Directors of the DISTRICT (the Board) adopted Resolution FCD 2022R003 (C-69-23-013-X-00) authorizing the DISTRICT to cost-share in projects recommended under the DISTRICT's Small Project Assistance Program.

4. On July 22, 2020, the Board approved IGA FCD 2020A010 authorizing the DISTRICT and the TOWN to cost-share in the Golden Eagle Park Dam-Debris Mitigation Improvement Project (PROJECT).

5. On June 8, 2022, the Board approved Amendment 1of IGA FCD 2020A010A authorizing a time extension for the Golden Eagle Park Dam-Debris Mitigation Improvement Project (PROJECT).

6. On June 28, 2023, the Board approved Amendment 2 of IGA FCD 2020A010B authorizing a time extension for the Golden Eagle Park Dam-Debris Mitigation Improvement Project (PROJECT).

7. On July 24, 2024, the Board approved Amendment 3 of IGA FCD 2020A010C authorizing a time extension for the Golden Eagle Park Dam-Debris Mitigation Improvement Project (PROJECT).

8. On July 23, 2025, the Board approved Amendment 4 of IGA FCD 2020A010D authorizing a time extension for the Golden Eagle Park Dam-Debris Mitigation Improvement Project (PROJECT).

9. Due to a delay in the construction start of PROJECT, the TOWN has requested and the DISTRICT has agreed to extend the completion date from June 30, 2026 to June 30, 2027.

PURPOSE OF THE AGREEMENT

10. The purpose of this Amendment is to extend the PROJECT construction and funding from June 30, 2026 to June 30, 2027.

TERMS OF AGREEMENT

11. The PROJECT DESIGN AND CONSTRUCTION COST is estimated to be $121,000 but is subject to change without amendment to this Agreement.

12. The DISTRICT shall:

    8.1 Fund seventy-five percent (75%) of the PROJECT DESIGN AND CONSTRUCTION COST incurred and invoiced between July 1, 2021 and June 30, 2027, with the funding from the DISTRICT limited to a maximum of $500,000 in accordance with the DISTRICT's Small Project Assistance Program. The DISTRICT's current estimated funding share is $90,750.

13. The TOWN shall:

    13.1 Fund the full PROJECT DESIGN AND CONSTRUCTION COST not reimbursed by the DISTRICT, making the TOWN's estimated PROJECT DESIGN AND CONSTRUCTION COST share $30,250; and TOWN will fully fund all PROJECT costs for any work completed and invoiced before July 1, 2021 or after June 30, 2027.

    13.2 Invoice the DISTRICT as follows:

13.2.1 After the construction contractor has mobilized and then started construction activities, the TOWN may invoice the DISTRICT for one-half (1/2) of its share of the PROJECT DESIGN AND CONSTRUCTION COST.

13.2.2 Within thirty (30) days of completion of construction of the PROJECT, but no later than June 30, 2027, prepare a final accounting including change order costs not previously paid, and invoice the DISTRICT for the remainder of its share of the PROJECT DESIGN AND CONSTRUCTION COST incurred, if any, to date.

14. This Amendment IGA 2020A010E governs where terms conflict with the original IGA FCD 2020A010, Amendment 1 2020A010A, Amendment 2 2020A010B, Amendment 3 2020A010C and Amendment 4 2020A010D. However, the original IGA FCD 2020A010 is applicable unless specifically changed by this Amendment. The paragraph numbering in this Amendment is coincidental and is not intended to indicate that these same numbered paragraphs in the original IGA FCD 2020A010 are being replaced in their entirety.

15. This Amendment shall expire either (a) one year from the date of execution by all PROJECT PARTNERS, or (b) upon both completion of the PROJECT and satisfaction of all funding obligations and reimbursements associated with this Agreement, whichever is the first to occur. However, by mutual written agreement of all PROJECT PARTNERS, this Agreement may be amended or terminated except as expressly stated in this Agreement. The operation and maintenance and indemnification provisions of this Agreement shall survive the expiration of this Agreement.

16. Attached to this Agreement or contained herein are the written determinations by the appropriate attorneys for the PROJECT PARTNERS, that these agencies are authorized under the laws of the State of Arizona to enter into this Agreement and that it is in proper form.

17. If legislation is enacted after the effective date of this Agreement that changes the relationship or structure of one or more PROJECT PARTNERS, the PROJECT PARTNERS agree that this Agreement shall be renegotiated at the written request of either PROJECT PARTNER.

FLOOD CONTROL DISTRICT OF MARICOPA COUNTY
A Political Subdivision of the State of Arizona

Recommended by:

Chief Engineer and General Manager Date

Approved and Accepted:

By: _____
Chair, Board of Directors
Date

Attest:

By: _____
Clerk of the Board
Date

The foregoing Amendment No. 5 FCD 2020A010E to Intergovernmental Agreement FCD 2020A010 has been reviewed pursuant to A.R.S. Section 11-952, as amended, by the undersigned General Counsel, who has determined that it is in proper form and within the powers and authority granted to the Flood Control District of Maricopa County under the laws of the State of Arizona.

General Counsel Date

TOWN OF FOUNTAIN HILLS
A Municipal Corporation

Approved and Accepted By:

_____
Town Mayor Date

Attest:

By: _____
Town Clerk Date

The foregoing Amendment No. 4 FCD 2020A010E to Intergovernmental Agreement FCD 2020A010 has been reviewed pursuant to A.R.S. Section 11-952, as amended, by the undersigned attorney who has determined that it is in proper form and within the power and authority granted to the Town of Fountain Hills under the laws of the State of Arizona.

_____
Town Attorney Date

TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date:	4/7/2026
Meeting Type:	Town Council Regular Meeting
Submitting Department:	Development Services
Prepared by:	John Wesley, Development Services Director
Staff Contact Information:	Phone: 480-816-5138 Email: jwesley@fountainhillsaz.gov

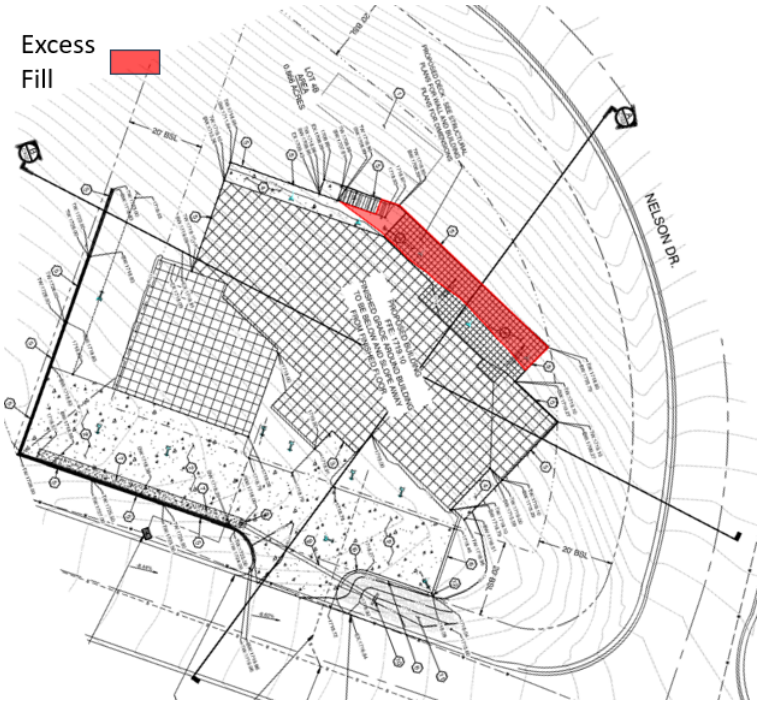
Request to Town Council Regular Meeting (Agenda Language)

CONSIDERATION AND POSSIBLE ACTION: Approving a request for a CUT/FILL waiver for 16512 E. Trevino Dr. to allow fill in excess of 10' on a portion of the property. (CFW26-000003).

Staff Summary (background)

The owner of the property at 16512 E. Trevino Dr. is preparing plans to build a new single-family home on this lot. The plans submitted for this 37,723 square-foot lot show a total disturbance area of 12,200 sq. ft. The total building area under roof is 5,990 sq. ft. This odd-shaped lot was created by a lot split from the lot to the west. A variance has been granted by the Board of Adjustment to reduce the front yard setback from 40' to 20' to allow the property owner to take advantage of the area of the lot along Trevino that is not as steep as the rest of the lot. The area of the lot immediately behind the house has an approximately 28% slope.

The plans for this home show a finish floor elevation of 1719. The high point on the property is in the southwest corner at an elevation of 1727. This area will be cut to provide access to the driveway and the garage. Fill be brought in to create the level building pad. The house plans include an outdoor covered patio at the rear of the house. The excess fill will occur in this location.

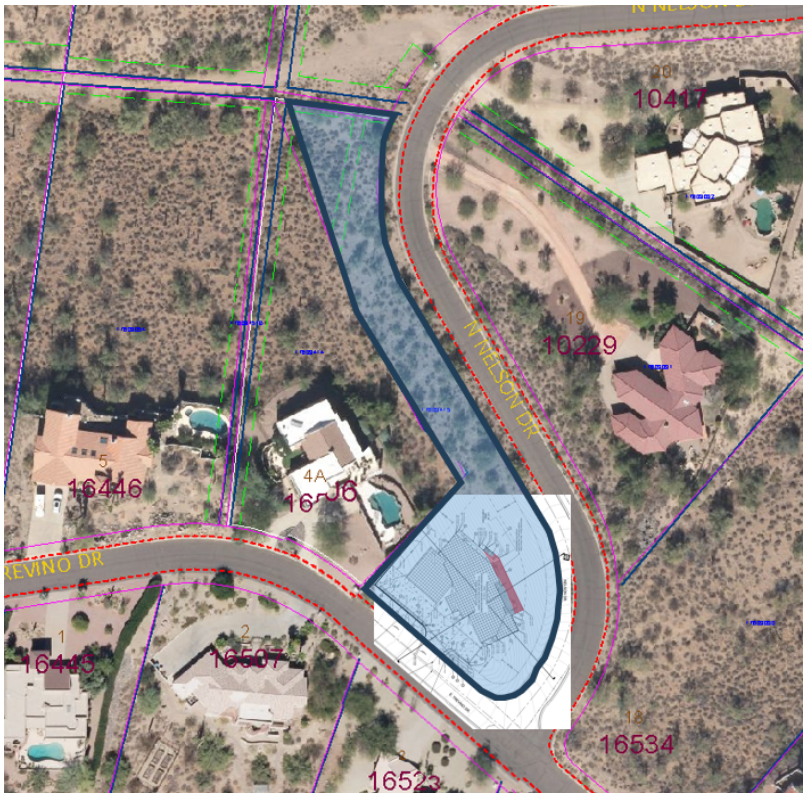


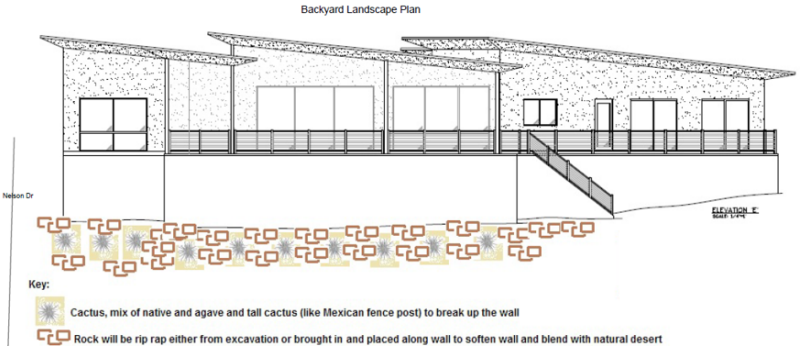
The area of excess fill is about 480 sq. ft. and the maximum fill is about 13'.

The shape and slope of this lot result in a limited buildable area. The plans are for a one-story home that runs parallel to the contours. The area that will have the excess fill is under the covered outdoor patio at the back of the house.

Staff has identified three objectives in reviewing cut and fill waiver requests. Those objectives are:

1. To reduce the visual impacts of the proposed development as viewed from the adjacent properties and the right of way.
Given the odd shape of this lot and the steep slopes, it is practically impossible to design a home that will not have a significant side facing a public street. The landscape plan submitted with the building permit includes a combination of boulders and cactus to screen the base of the stem wall.





2. To review the measures applied by the designer to minimize the amount of fill on the lot. The house has been moved as far west on the lot as possible to take advantage of the less steep area near Trevino. The house has been designed to run parallel to the contours to reduce the impact.

3. What are alternatives to the proposed plan that would conform to the cut/fill requirements?
Options to remove the excess fill area would be to either reduce the size of the covered patio area or to step it down. The main part of the patio is about 14' deep with about half of it with the excess fill. Dividing the patio in half or adding in stairs from the various access points will significantly reduce the functionality of the patio.

Related Ordinance, Policy or Guiding Principle

Subdivision Ordinance, Article 5, Section 5.03 D
Subdivision Ordinance, Article 5, Section 5.06 D

Risk Analysis

N/A

Recommendation(s) by Board(s) or Commission(s)

N/A

Staff Recommendation(s)

The amount of excess fill is minimal on this very steep, odd-shaped lot. The applicant has worked on the design to minimize the impacts and screen the stem wall below the patio. Staff recommends approval of the fill waiver.

Suggested Motion

MOVE TO APPROVE a CUT/FILL waiver for 16512 E. Trevino Dr. (CFW26-000003).

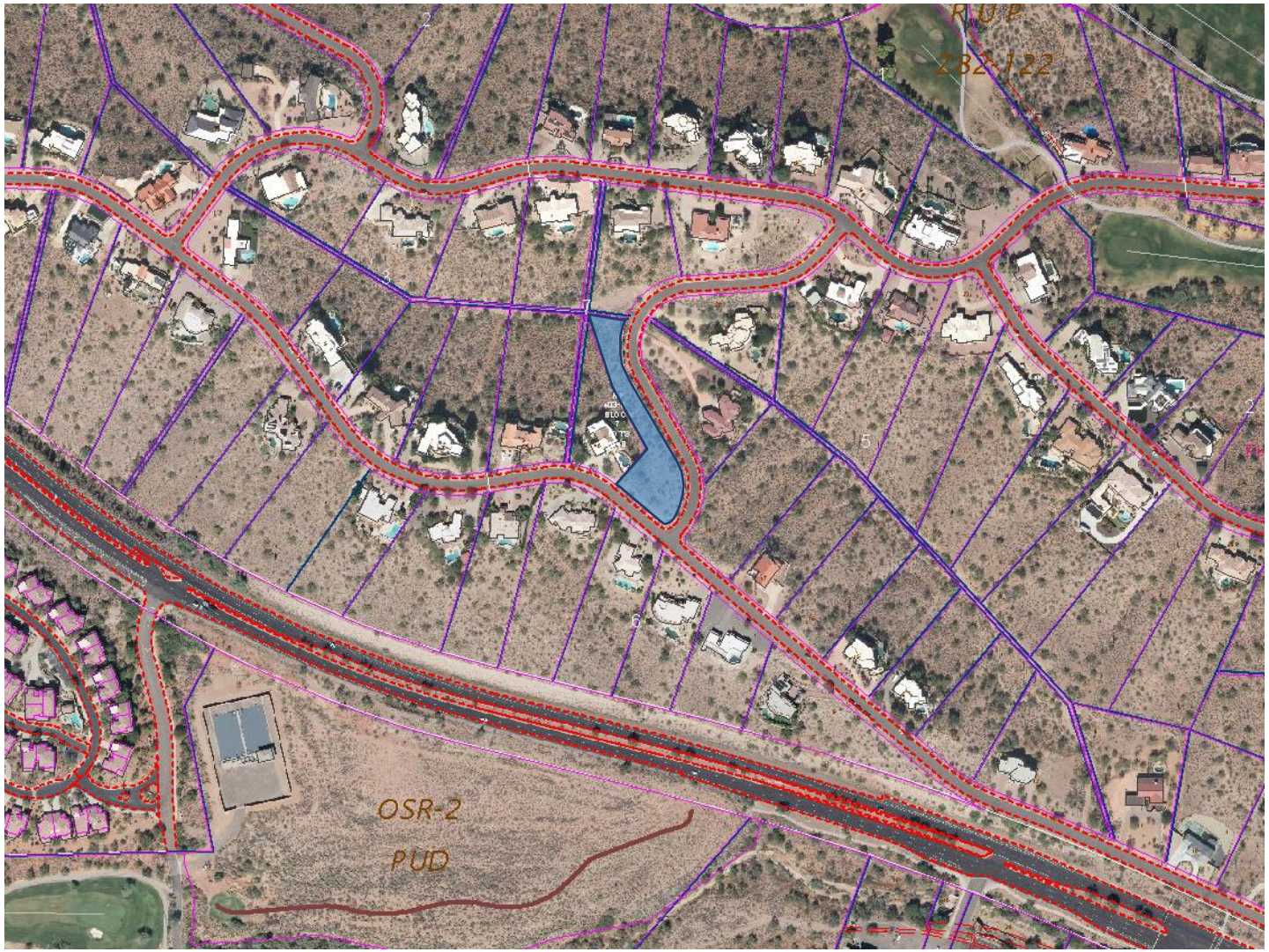
FISCAL IMPACT

Fiscal Impact: N/A
Budget Reference: N/A
Funding Source: N/A

ATTACHMENTS

1. Case Details Maps

Cut/Fill Waiver Vicinity Map



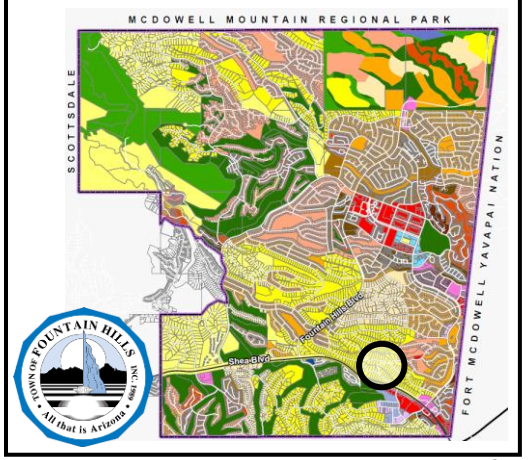
Case Details

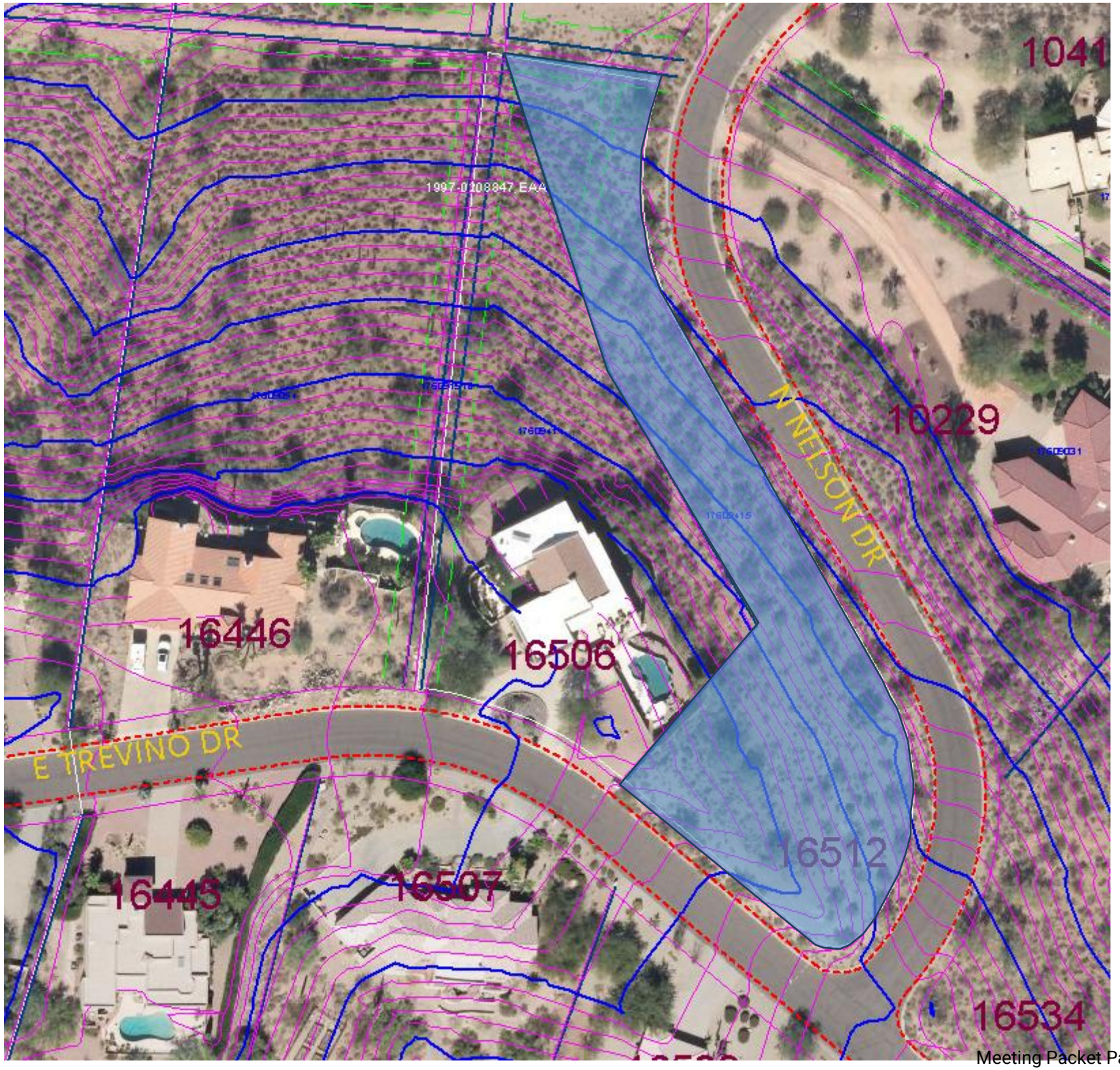
CASE:
CFW26-000003

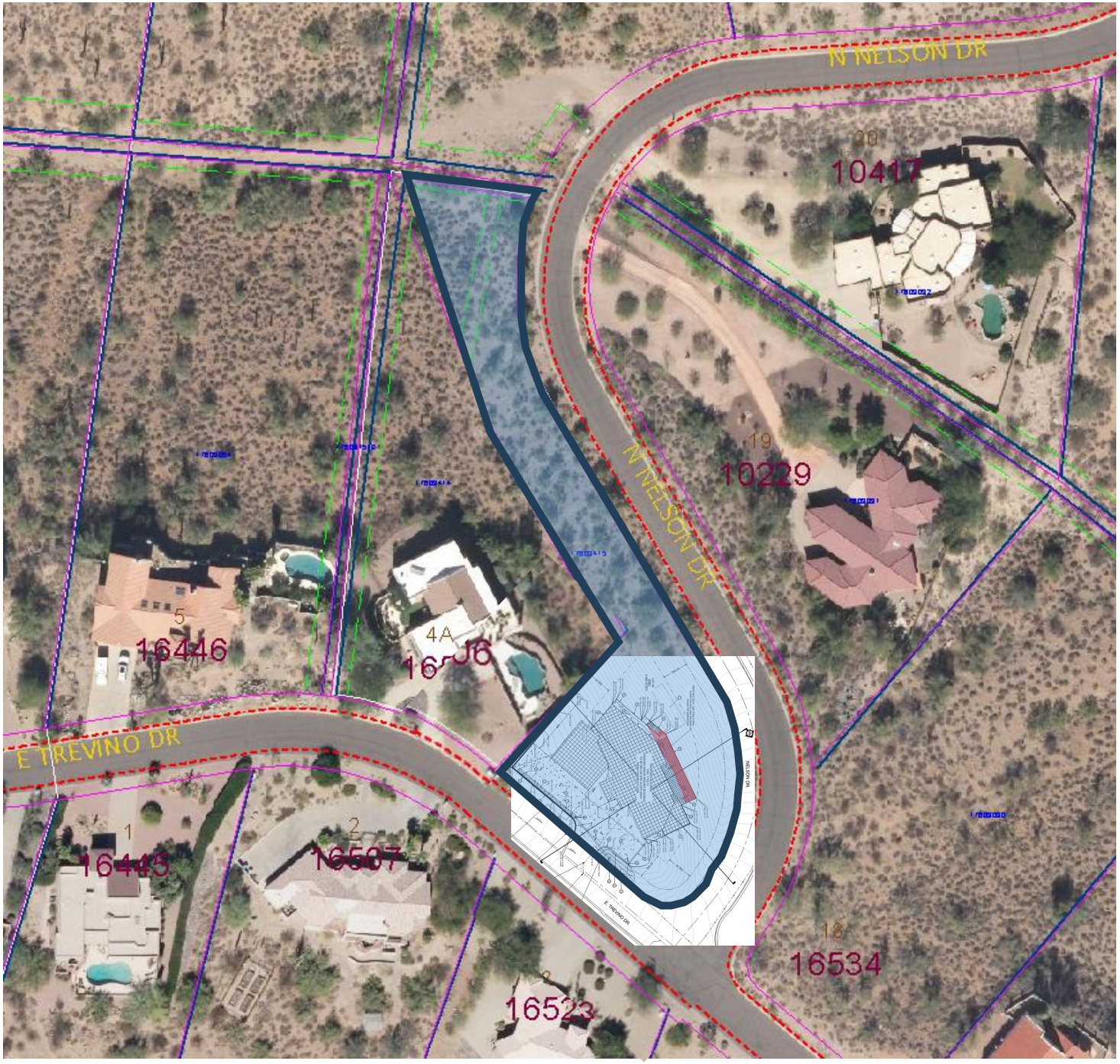
SITE / ADDRESS:
16512 E. Trevino Dr.

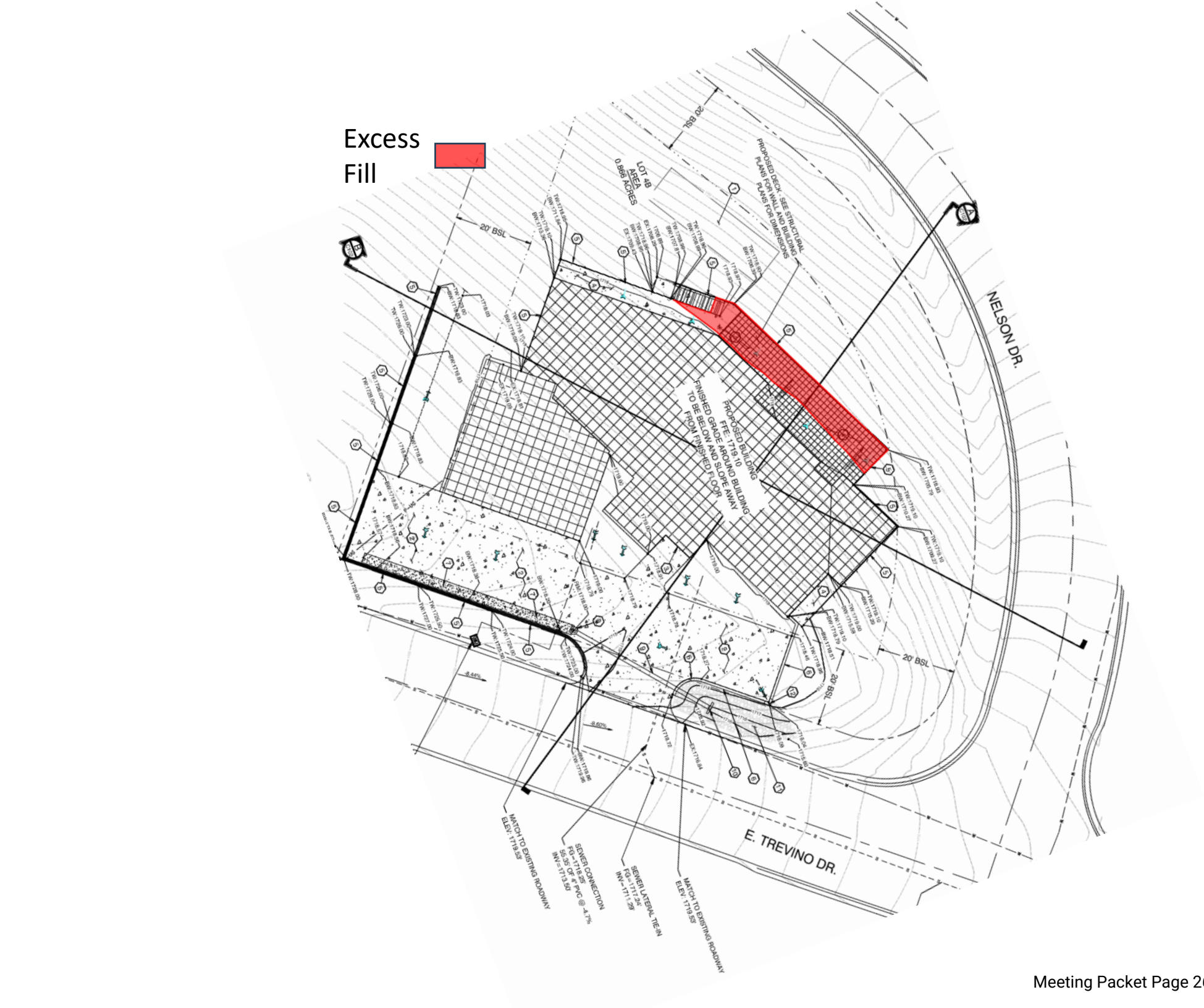
REQUEST:
A cut/fill waiver to allow a portion of the lot to be filled a depth of more than 10'. Maximum fill height is 13'.

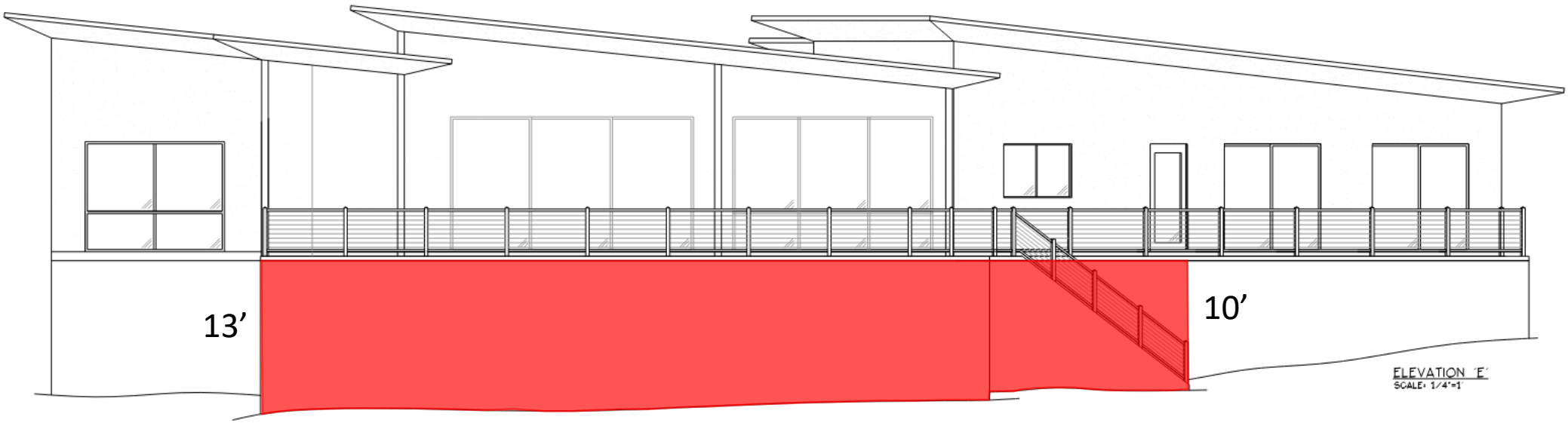
Site Location




1041
1997-0108847 EAA
N NELSON DR
10229
16446
16506
E TREVINO DR
16512
16445
16507
16534


N NELSON DR
20
10417
19
10229
N NELSON DR
5
16446
4A
16506
E TREVINO DR
1
16445
2
16507
16523
18
16534

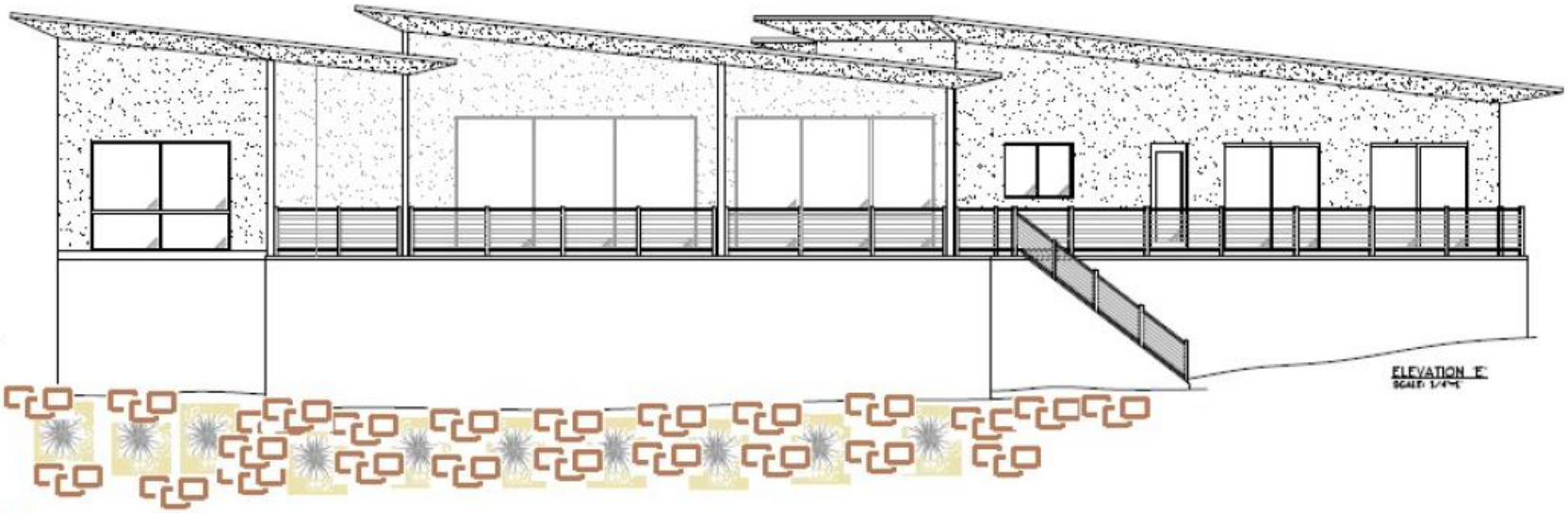

Excess Fill
LOT 48
AREA
0.866 ACRES
20' BSL
PROPOSED DECK - SEE STRUCTURAL PLANS FOR WALL AND BUILDING PLANS FOR DIMENSIONS
FINISHED GRADE AROUND BUILDING TO BE BELOW AND SLOPE AWAY FROM FINISHED FLOOR
PROPOSED BUILDING FFE: 1719.10
NELSON DR.
E. TREVINO DR.
MATCH TO EXISTING ROADWAY ELEV: 1719.53
SEWER CONNECTION FG=1718.25 SS 35' OF 4" PVC @ -4.7% INV=1713.50'
SEWER LATERAL TIE-IN FG=1717.24 INV=1711.29'
MATCH TO EXISTING ROADWAY ELEV: 1719.55



Excess Fill


10’
13’
Excess
Fill
ELEVATION ‘F’
SCALE: 1/4”=1’

Backyard Landscape Plan



Key:

Cactus, mix of native and agave and tall cactus (like Mexican fence post) to break up the wall

Rock will be rip rap either from excavation or brought in and placed along wall to soften wall and blend with natural desert

TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 4/7/2026
Meeting Type: Town Council Regular Meeting
Submitting Department: Public Works / Engineering
Prepared by: David Janover, Town Engineer
Staff Contact Information: Phone: 480-816-5112
Email: djanover@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

CONSIDERATION AND POSSIBLE ACTION: Approving Resolution 2026-03,an Intergovernmental Agreement (IGA) with the Flood Control District of Maricopa County (FCDMC), to accept grant funds for the completed design and construction of drainage improvements at Love Court.

Staff Summary (background)

Project Background and Purpose

The Love Court Drainage Improvements Project, located within the Courtside Villas development, was initiated to address deficiencies in an existing stormwater system. Specifically, approximately 130 linear feet of 24-inch corrugated metal pipe (CMP) had reached the end of its service life and required rehabilitation to maintain system functionality and reduce the risk of failure.

Project Scope

The project scope included the removal and replacement of an existing catch basin, installation of a cured-in-place pipe (CIPP) liner within the existing storm drain pipe, and construction of a temporary access road to facilitate construction activities.

Design and Construction

Design of the project was completed in March 2025. Following a public bidding process, construction was completed in June 2025.

Funding and Grant Reimbursement

In March 2025, Town staff submitted an application to the Flood Control District of Maricopa County (FCDMC) under its Small Project Assistance Program, seeking grant funding to offset design and construction costs.

Although the Intergovernmental Agreement (IGA) reflects a total project cost of $145,000 based on the estimate at the time of the original application, it authorizes reimbursement based on actual project costs. The final project cost was $155,849.12, which was fully funded by the Town in Fiscal Year 2025. The Town's grant application was subsequently approved by FCDMC, with the program providing reimbursement of 75% of the final project cost, totaling $116,886.84. The Town's remaining share of the project cost is $38,962.28.

Intergovernmental Agreement (IGA)

Approval of the Intergovernmental Agreement (IGA) with FCDMC will authorize the Town to accept reimbursement funds based on the actual project cost, in the amount of $116,886.84.

Upon receipt, these funds will be returned to the Town's General Fund.

A summary of the FCDMC Grant and Town share for this project is summarized below:

DESIGN:	
FCDMC Funds @ 75%	$8,910
Town's match @ 25%	$2,970
Subtotal - Design	$11,880
CONSTRUCTION:	
FCDMC Funds @ 75%	$107,976.84
Town's match @ 25%	$ 35,992.28
Subtotal - Construction	$143,969.12
Estimated TOTAL Project Cost	$155,849.12
Total Estimated Town Funds	$ 38,962.28
Total FCDMC Grant Funds	$116,886.84

Related Ordinance, Policy or Guiding Principle

Public Works Mission Statement

Risk Analysis

Failure to approve the Resolution will prevent the Town from receiving reimbursement funds in the amount of $116,886.84 from the Flood Control District of Maricopa County for the project.

Recommendation(s) by Board(s) or Commission(s)

N/A

Staff Recommendation(s)

Staff recommends approval of Resolution 2026-03.

Suggested Motion

MOVE to approve Resolution 2026-03

FISCAL IMPACT

Fiscal Impact: $38,962.28
Budget Reference: N/A
Funding Source: N/A

ATTACHMENTS

1. Exhibit A
2. Resolution 2026-03

Intergovernmental Agreement

for the

Design, Rights-of-Way Acquisition, Utility Relocations, Construction, Construction Management and Operation and Maintenance

of the

Love Court Storm Water Pipe Improvement Project

between the

Town of Fountain Hills

and the

Flood Control District of Maricopa County

IGA FCD 2026A003
Agenda Item _____

This Intergovernmental Agreement (this "Agreement") is entered into by and between the Flood Control District of Maricopa County, a political subdivision of the State of Arizona, acting by and through its Board of Directors (the "DISTRICT"), and the Town of Fountain Hills, a municipal corporation, acting by and through its Mayor and TOWN Council, (the "TOWN"). The TOWN and the District are collectively referred to as the PROJECT PARTNERS and as a PROJECT PARTNER.

This Agreement shall become effective as of the date it has been executed by all PROJECT PARTNERS.

STATUTORY AUTHORIZATION

1. The DISTRICT is empowered by Arizona Revised Statutes (A.R.S.) § 48-3603, as revised, to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of the DISTRICT.

2. The TOWN is empowered by A.R.S. § 9-240(B) and A.R.S. §11-952, as amended, to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of the TOWN.

BACKGROUND

3. On October 19, 2022 the Board of Directors of the DISTRICT (the Board) adopted Resolution FCD 2022R003 (C-69-23-013-X-00) authorizing the DISTRICT to cost-share in projects recommended under the DISTRICT's Small Project Assistance Program.

4. Under the DISTRICT's Small Project Assistance Program for Fiscal Year 2026, the TOWN proposed the Love Court Storm Water Pipe Improvement Project (the "PROJECT") to provide the following benefits:

4.1 Reduce the flood hazard to properties that have experienced historic flooding.

5. The PROJECT has been recommended by DISTRICT staff for the Fiscal Year 2026 program.

PURPOSE OF THE AGREEMENT

6. The purpose of this Agreement is to identify and define the responsibilities of the DISTRICT and the TOWN for the design, rights-of-way acquisition, utility relocations, construction, construction management, and operation and maintenance of the PROJECT.

TERMS OF AGREEMENT

7. The PROJECT shall mean the features required to accomplish the benefits enumerated in paragraph 4 of this Agreement. Features of the PROJECT, as envisioned at the time of this Agreement, are represented in Exhibit A but are subject to change without amendment to this Agreement.

8. PROJECT DESIGN AND CONSTRUCTION COST shall mean the actual amount of money required to complete the flood control features of the PROJECT that are completed and invoiced by the TOWN to the DISTRICT between July 1, 2025 and June 30, 2027.

    8.1 The following costs are expressly excluded from the PROJECT DESIGN AND CONSTRUCTION COST shared under this Agreement:

        8.1.1 Costs associated with rights-of-way acquisition, permitting, construction management (including materials testing and survey work), operations and maintenance.

        8.1.2 Costs associated with multi-use, landscaping or aesthetic features.

        8.1.3 Costs associated with utility conflicts and utility relocations.

    8.2 The PROJECT DESIGN AND CONSTRUCTION COST is estimated to be $145,000, but is subject to change without amendment to this Agreement.

9. The DISTRICT shall:

    9.1 Fund seventy-five percent (75%) of the PROJECT DESIGN AND CONSTRUCTION COST incurred and invoiced between July 1, 2025 and June 30, 2027, with the funding from the DISTRICT limited to a maximum of $1,000,000 in accordance with the DISTRICT's Small Project Assistance Program. The DISTRICT's current estimated funding share is $108,750. DISTRICT funds will be from the DISTRICT's secondary tax levy revenues and DISTRICT funding shall be contingent upon the availability of DISTRICT Capital Improvement Program Budget funding. This term shall not be amended.

    9.2 Reimburse the TOWN per the terms of this Agreement within thirty (30) days of receipt of an approvable invoice from the TOWN for its share of the PROJECT DESIGN AND CONSTRUCTION COST.

9.3 Participate in a final inspection of the completed PROJECT with the TOWN.

10. The TOWN shall:

10.1 Fund the full PROJECT DESIGN AND CONSTRUCTION COSTS not reimbursed by the DISTRICT, making the TOWN's estimated PROJECT DESIGN AND CONSTRUCTION COST share $36,250 and TOWN will fully fund all PROJECT costs for any work completed and invoiced before July 1, 2025 or after June 30, 2027.

10.2 Fully and solely pay any payment required that does not fall within the definition of PROJECT DESIGN OR CONSTRUCTION COST.

10.3 Serve as the lead agency for all aspects of PROJECT implementation.

10.4 Invoice the DISTRICT as follows:

10.4.1 Within thirty (30) days of award of a PROJECT construction contract for one-half (1/2) of its share of the PROJECT DESIGN AND CONSTRUCTION COSTS.

10.4.2 Within thirty (30) days of completion of construction of the PROJECT, but no later than June 30, 2027, prepare a final accounting including change order costs not previously paid, and invoice the DISTRICT for the remainder of its share of the PROJECT DESIGN AND CONSTRUCTION COST incurred, if any, to date.

10.5 Reimburse the DISTRICT for any previous over-payments.

10.6 Design the PROJECT, provide PROJECT plans and specifications to the DISTRICT (including interim submittals as appropriate) for review and comment. The DISTRICT shall provide, within three (3) weeks of receipt of the plans and specifications from the TOWN, comments on the plans and specifications, if any. The TOWN shall incorporate the comments provided by the DISTRICT into the PROJECT as appropriate.

10.7 Coordinate and staff any necessary public involvement activities related to the PROJECT.

10.8 Obtain all permits required for the PROJECT.

10.9 Obtain rights-of-way required for the PROJECT.

10.10 Relocate conflicting utilities.

10.11 Construct the PROJECT, provide construction management (including materials testing and survey work), and provide any proposed construction change orders to the DISTRICT for concurrence.

10.12 Coordinate a final inspection of the completed PROJECT with the DISTRICT.

10.13 Own the completed PROJECT and be responsible for operation and maintenance of the completed PROJECT. The maintenance activities to be performed include, but are not limited to, maintaining the flood control function of the PROJECT, including sediment and vegetation removal and any and all aesthetic, park, and public use features, maintenance of landscaping, irrigation, multi-use trails and berms, removal of trash and debris, electricity and other operation costs for the facilities, vandalism repair and

replacement, and structural repair and replacement of the flood control structures. The TOWN may delegate this responsibility to a third party but will remain ultimately accountable to the DISTRICT under this Agreement.

10.14 On an annual basis, commencing on the first anniversary date of the completion and acceptance of the project, provide written notification to the DISTRICT that the project has been properly maintained by the Town of Carefree over the past year in accordance with the project design intent and to ensure proper hydraulic function.

10.15 Require that any contractor selected for the PROJECT:

10.15.1 Warrant its compliance with all federal immigration laws and regulations that relate to its employees and their compliance with A.R.S. § 23-214(A).

10.15.2 Warrant and certify that it does not currently, and agrees for the duration of the contract that it will not, use:

The forced labor of ethnic Uyghurs in the People's Republic of China.

Any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China

Any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

If the TOWN becomes aware during the term of the Agreement that any Contractor is not in compliance with this paragraph, the TOWN shall notify the DISTRICT within five business days after becoming aware of the noncompliance. Failure of TOWN to provide a written certification that the appropriate contractor has remedied the noncompliance within one hundred eighty (180) days after notifying the public entity of its noncompliance, this Agreement shall terminate unless the Term of this Agreement shall end prior to said one hundred eighty (180) day period. Warrant its compliance with all federal immigration laws and regulations that relate to its employees and their compliance with A.R.S. § 23-214(A);

10.15.3 Agree that a breach of the warranty under paragraph 10.15.1 shall be deemed a material breach of contract and is subject to penalties up to and including termination of the contract;

10.15.4 Agree that the DISTRICT retains the legal right to inspect the papers of the contractor or subcontractor employee(s) who work(s) on this Agreement to ensure that contractor or subcontractor is complying with the warranty under paragraph 10.15.1;

11. Any local permits required for the PROJECT that are issued by either PROJECT PARTNER shall be issued at no cost to the PROJECT.

12. Either PROJECT PARTNER may, with mutual written agreement of all PROJECT PARTNERS, delegate responsibilities to another party. Any delegation, however, shall not relieve the delegating PROJECT PARTNER of its original responsibilities as defined herein.

13. Each PROJECT PARTNER certifies that it has disclosed to the other PROJECT PARTNER any known ongoing or anticipated litigation (to which it is a party) related to the PROJECT or PROJECT-affiliated flooding hazards, and shall continue to make such disclosures through the duration of this Agreement.

14. In the case of any dispute over any items in this Agreement, the PROJECT PARTNERS agree to use their best efforts and enter into good faith negotiations to resolve the disputed matters. However, this shall not limit the rights of the PROJECT PARTNERS to seek any remedies provided by law.

15. Each PROJECT PARTNER shall take reasonable and necessary actions within its authority to ensure that only storm water is discharged into the PROJECT, and that such discharges into the PROJECT comply at the point of discharge with any applicable requirements of the U.S. Environmental Protection Agency, Clean Water Act, Arizona Pollutant Discharge Elimination System or any other applicable discharge requirements, including any permit requirements.

16. The PROJECT PARTNERS agree to equally share the cost of a PROJECT compliance and cost audit to be initiated within sixty (60) days of PROJECT completion, if requested by either PROJECT PARTNER. An independent auditing firm on contract to the DISTRICT and agreeable to the PROJECT PARTNERS will perform the audit. Any payments or reimbursements necessary to bring the PROJECT into compliance with the audit findings shall be made within 45 days of acceptance by all PROJECT PARTNERS of the audit report.

17. Each PROJECT PARTNER (indemnitor) shall, to the extent permissible by law, indemnify, defend and save harmless the others (indemnitees) including agents, officers, directors, governors and employees thereof, from and against any loss or expense incurred as a result of any claim or suit of any nature whatsoever, which arises out of indemnitor's negligent or wrongful acts or omissions pursuant to this Agreement. The TOWN shall further, to the extent permissible by law, indemnify, defend and save harmless the DISTRICT including agents, officers, directors, governors and employees thereof, from and against any loss or expense incurred as a result of any claim or suit of any nature whatsoever, which arises out of recreational use of the PROJECT in the event that it elects to invite such use (with or without DISTRICT concurrence). Such indemnification obligations shall encompass any personal injury, death or property damages resulting from the indemnitor's negligent or wrongful acts or omissions, as well as reasonable attorney fees, court costs, and other expenses relating to the defense against claims or litigation, incurred by the indemnitee. Indemnitee shall be liable for its own negligence or wrongful acts as provided by law.

18. Each PROJECT PARTNER

    18.1 Shall comply with A.R.S. §§ 41-4401 and 23-214(A). Failure by either PROJECT PARTNER to comply with A.R.S. §§ 41-4401 and 23-214(A) shall be deemed a breach of this Agreement and is subject to penalties up to and including termination of the Agreement.

    18.2 Retains the legal right to inspect the records of the other PROJECT PARTNER's and any contractors' or subcontractors' employees performing work under this Agreement to verify compliance with A.R.S. §§ 41-4401 and 23-214(A).

19. All notices or demands upon any PROJECT PARTNER shall be in writing and shall be delivered in person, by express delivery service for which a receipt is obtained or sent by mail addressed as follows:

Flood Control District of Maricopa County	Town of Fountain Hills
Chief Engineer and General Manager	Town Manager
2801 West Durango Street	16705 E. Ave. of the Fountains
Phoenix, Arizona 85009-6399	Fountain Hills, AZ 85268

20. This Agreement shall expire either (a) June 30, 2027, or (b) upon both completion of the PROJECT and satisfaction of all funding obligations and reimbursements associated with this Agreement, whichever is the first to occur. However, by mutual written agreement of all PROJECT PARTNERS, this Agreement may be amended or terminated except as expressly stated in this Agreement. The operation and maintenance and indemnification provisions of this Agreement shall survive the expiration of this Agreement.

21. This Agreement is subject to the provisions of A.R.S. § 38-511.

22. Attached to this Agreement or contained herein are the written determinations by the appropriate attorneys for the PROJECT PARTNERS, that these agencies are authorized under the laws of the State of Arizona to enter into this Agreement and that it is in proper form.

23. If legislation is enacted after the effective date of this Agreement that changes the relationship or structure of one or more PROJECT PARTNERS, the PROJECT PARTNERS agree that this Agreement shall be renegotiated at the written request of either PROJECT PARTNER.

FLOOD CONTROL DISTRICT OF MARICOPA COUNTY
A Political Subdivision of the State of Arizona

Recommended by:

_____
Chief Engineer and General Manager Date

Approved and Accepted:

By: _____
Chair, Board of Directors Date

Attest:

By: _____
Clerk of the Board Date

The foregoing Intergovernmental Agreement FCD 2026A003 has been reviewed pursuant to A.R.S. Section 11-952, as amended, by the undersigned General Counsel, who has determined that it is in proper form and within the powers and authority granted to the Flood Control District of Maricopa County under the laws of the State of Arizona.

_____
General Counsel Date

TOWN OF FOUNTAIN HILLS
A Municipal Corporation

Approved and Accepted By:

_____
Town Manager Date

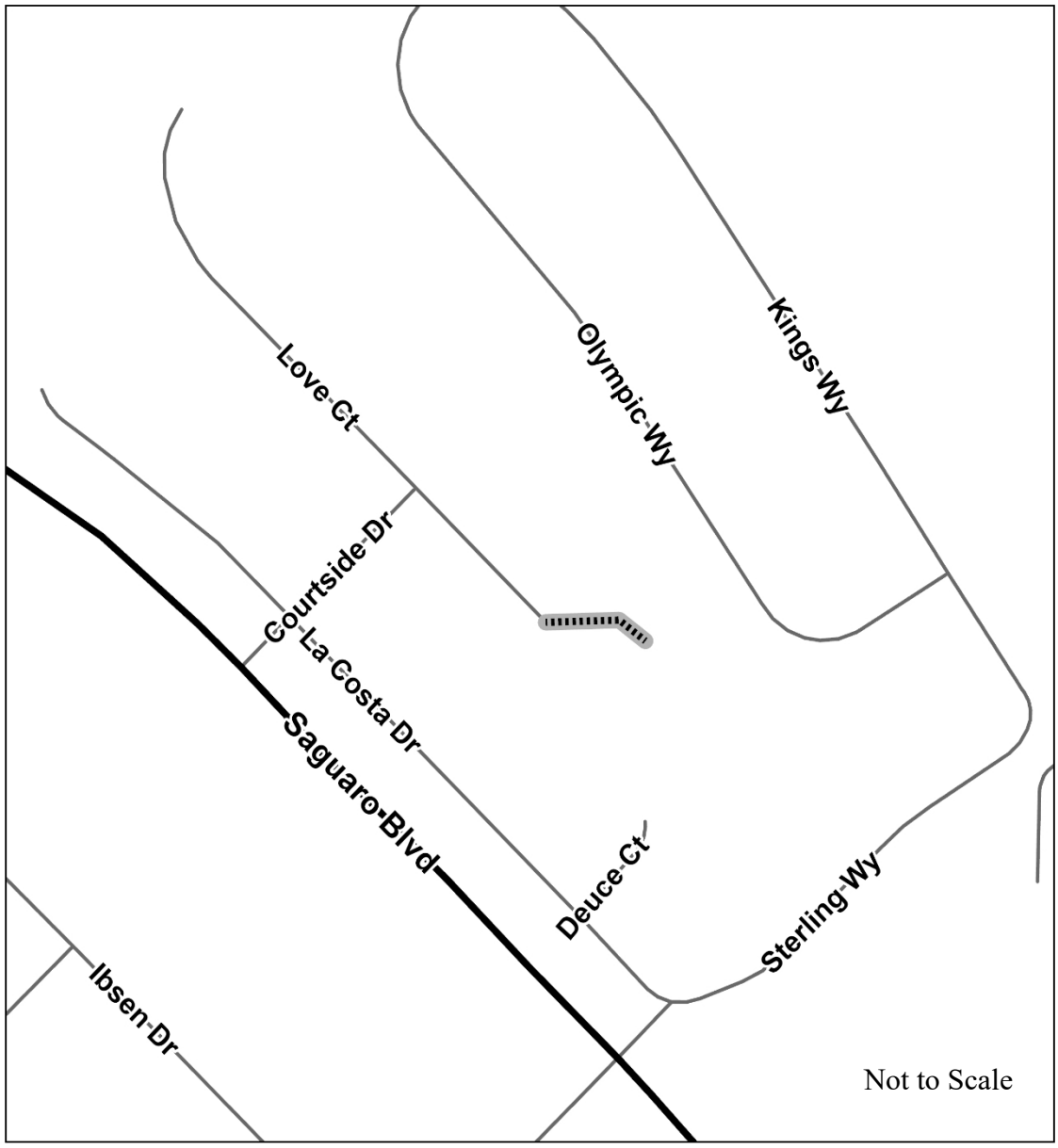
Attest:

By: _____
Town Clerk Date

The foregoing Intergovernmental Agreement FCD 2026A003 has been reviewed pursuant to A.R.S. Section 11-952, as amended, by the undersigned attorney who has determined that it is in proper form and within the power and authority granted to the Town of Fountain Hills under the laws of the State of Arizona.

_____
Town Attorney Date

Exhibit A: Love Court Storm Water Pipe Improvement



RESOLUTION NO. 2026-03

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, ARIZONA, APPROVING THE INTERGOVERNMENTAL AGREEMENT WITH THE FLOOD CONTROL DISTRICT OF MARICOPA COUNTY, RELATING TO THE DESIGN, RIGHTS-OF-WAY ACQUISITION, UTILITY RELOCATIONS, CONSTRUCTION, CONSTRUCTION MANAGEMENT AND OPERATION AND MAINTENANCE OF THE LOVE COURT STORM WATER PIPE IMPROVEMENT PROJECT.

RECITALS:

WHEREAS, the Town wishes to enter into an Intergovernmental Agreement, dated April _____, 2026 (the "Agreement") with the Flood Control District of Maricopa County, for the distribution of funds and articulation of roles and responsibilities for the project.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS as follows:

ENACTMENTS:

SECTION 1. The recital above is hereby incorporated as if fully set forth herein.

SECTION 2. The Intergovernmental Agreement ("IGA") between the Town of Fountain Hills (the "Town"), empowered by A.R.S. § 9-240(B) and A.R.S. §11-952, as amended, and the Flood Control District of Maricopa County ("District"), empowered by Arizona Revised Statutes (A.R.S.) § 48-3603, relating the distribution of a portion of funds is hereby approved in substantially the form attached hereto as Exhibit A and incorporated herein by reference

SECTION 3. The Town hereby authorizes the acceptance of funds.

SECTION 4. The Mayor, the Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed to cause the execution of the Agreement and to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Mayor and Council of the Town of Fountain Hills, Arizona, _____, 2026.

FOR THE TOWN OF FOUNTAIN HILLS:

Gerry Friedel, Mayor

ATTESTED TO:

Bevelyn Bender, Town Clerk

REVIEWED BY:

Rachael Goodwin, Town Manager

APPROVED AS TO FORM:

Jennifer Wright, Town Attorney

EXHIBIT A
TO
RESOLUTION NO. 2026-03

(Intergovernmental Agreement)

See following pages.

TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 4/7/2026
Meeting Type: Town Council Regular Meeting
Submitting Department: Fire Department
Prepared by: Dave Ott, Fire Chief
Staff Contact Information: Phone: 480-816-5280
Email: dott@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

CONSIDERATION AND POSSIBLE ACTION: Approving Resolution 2026-07, an Intergovernmental Agreement (IGA) with the City of Scottsdale, for use of their training facility.

Staff Summary (background)

The City of Scottsdale has recently completed construction of a new regional fire training facility. To expand training opportunities available to Fountain Hills Fire Department personnel, staff has negotiated an Intergovernmental Agreement (IGA) that would authorize the Department to utilize the facility for fire and emergency medical services training.

Use of the Scottsdale training facility would provide the Fountain Hills Fire Department with access to enhanced training resources, specialized instructional environments, and additional opportunities to train alongside regional public safety partners. The agreement would also support participation in regional fire academy training for newly hired personnel, helping to ensure consistent training standards and preparedness across agencies.

Entering into this IGA would further the Town's commitment to maintaining a highly trained and operationally ready fire department while strengthening regional collaboration and resource sharing.

Related Ordinance, Policy or Guiding Principle

The IGA will allow for increased public safety through regional fire training with other fire departments in our area.

Risk Analysis

N/A

Recommendation(s) by Board(s) or Commission(s)

N/A

Staff Recommendation(s)

Staff recommends Approval of Resolution 2026-07, an IGA with the City of Scottsdale for use of their fire training facility.

Suggested Motion

Move to approve Resolution 2026-07, an IGA with the City of Scottsdale for the use of their fire training facility.

FISCAL IMPACT

Fiscal Impact: N/A
Budget Reference: N/A
Funding Source: Any associated training costs would come out of the Fire Department Training Budget.

ATTACHMENTS

1. Res. 2026-07 Scottsdale IGA for use of training facility

RESOLUTION NO. 2026-07

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, MARICOPA COUNTY, ARIZONA, **APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF SCOTTSDALE.**

WHEREAS, *intergovernmental agreements for fire service training enable public agencies to work together for mutual benefit of the public, for mutual benefit of each agency's respective personnel,* and to more effectively provide for public safety services.

WHEREAS, *the Town wishes to enter into this Agreement to participate in fire service training and other related public safety activities at the City of Scottsdale's fire training facility.*

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, ARIZONA, as follows:

SECTION 1. *The Mayor, the Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed to cause the execution of this Intergovernmental Agreement and take all steps necessary to carry out the purpose and intent of this Resolution.*

SECTION 2. *The Intergovernmental Agreement between the Town of Fountain Hills (the "Town) and the City of Scottsdale ("City) is hereby approved in substantially the form attached hereto as Exhibit A and incorporated herein by reference.*

SECTION 3.
This resolution shall become effective thirty (30) days after its passage and adoption by the Town Council of the Town of Fountain Hills, Arizona, and its approval by the Mayor and attestation by the Town Clerk.

PASSED AND ADOPTED by the Mayor and Council of the Town of Fountain Hills, Arizona, this 7th day of April, 2026.

FOR THE TOWN OF FOUNTAIN HILLS: **ATTESTED TO:**

Mayor

Town Clerk

REVIEWED BY:

Town Manager

APPROVED AS TO FORM:

Town Attorney

EXHIBIT A
TO
RESOLUTION NO. 2026-07

Intergovernmental Agreement with the City of Scottsdale
See following pages

INTERGOVERNMENTAL AGREEMENT
FOR FIRE SERVICE TRAINING
BETWEEN
THE CITY OF SCOTTSDALE
AND
THE TOWN OF FOUNTAIN HILLS

This Intergovernmental Agreement for Fire Service Training ("Agreement") is entered into this _____ day of _____, 20___ ("Effective Date") between the City of Scottsdale ("Scottsdale"), an Arizona municipal corporation, for and on behalf of the Scottsdale Fire Department, and Town of Fountain Hills ("Participating Agency"), an Arizona municipal corporation, for and on behalf of the Town of Fountain Hills Fire Department, each of which may be referred to individually as a "Party" and collectively as the "Parties" to this Agreement.

RECITALS

WHEREAS, Arizona Revised Statutes (A.R.S.) Sections 11-951, *et seq*. authorize public agencies to contract for services or jointly exercise any powers common to them and to enter into agreements with one another for joint or cooperative action.

WHEREAS, Article 1, Section 3-1 of the Scottsdale City Charter authorizes Scottsdale to enter into this Agreement.

WHEREAS, Section 2-1-2 of the Fountain Hills Town Code authorizes Participating Agency to enter into this Agreement.

WHEREAS, intergovernmental agreements for fire service training enable public agencies to work together for the mutual benefit of the public, for the mutual benefit of each agency's respective personnel, and to more effectively provide public safety services.

WHEREAS, Scottsdale desires to enter into this Agreement to allow Participating Agency to participate in fire service training and other related public safety activities at Scottsdale's fire training facility.

WHEREAS, Participating Agency desires to enter into this Agreement to participate in fire service training and other related public safety activities at Scottsdale's fire training facility.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Purpose. The Parties desire to enter into this Agreement for the purpose of allowing Participating Agency to participate in fire service training and other related public safety activities (collectively, "training") at Scottsdale's fire training facility. Such training includes, but is not limited to, the following: Aircraft Rescue Firefighter (ARFF) Certification Training; Firefighter Recruit Training; Fire Inspector Training; Hazardous Material Technical (HZM) Certification Training; EMT/Paramedic Recertification Training (CORE); Technical Rescue Technician (TRT) Certification Training; and required continuing education.

2. Services.

   2.1. Training and Other Activities. Scottsdale will provide training as outlined in the Fire Service Training Menu, attached hereto as **Exhibit A**.

   2.2. Availability of Training. Nothing in this Agreement creates an obligation or otherwise requires Scottsdale to host training, or to provide an opportunity for any particular training class to the Participating Agency.

   2.3. Training Records. Scottsdale will provide original training records for the Participating Agency's personnel upon the completion of any training being provided, or upon termination of the Participating Agency personnel's attendance in the training program. Scottsdale will maintain records of lesson plans, class rosters, and other documentation common to the class as a whole when applicable laws, fire service standards, or best practices require, or make reasonable and prudent, the preservation of such information.

   2.4. Equipment and Assistance with Training.

      2.4.1. Scottsdale shall specify the equipment and materials ("Required Equipment") that the Participating Agency must provide to its employees, or that the Participating Agency's employees must have in order to participate in any particular training program. The Participating Agency's employees must have the required equipment as a condition of participation in the training program.

      2.4.2. Upon reasonable request, the Participating Agency will provide Scottsdale with instructors for assistance. When the Participating Agency has facilities or equipment (e.g., a burn building, training props, apparatus, etc.) that can facilitate a specific training being conducted by Scottsdale, the Participating Agency will allow Scottsdale to use such facilities, subject to their availability, when it is determined by both Parties to be in their mutual best interest. Any such contributions by the Participating Agency, to the extent applicable, will be considered in determining the Training Fees.

   2.5. Discipline, Academic Requirements, and Skill Performance Standards.

2.5.1. Scottsdale reserves the right, in its sole discretion, to determine whether the Participating Agency's employees are maintaining the minimum requirements necessary to continue in the training. In the event an Participating Agency employee is removed for failure to abide by training, affiliated training location, or vendor academic, ethical, or disciplinary standards applicable to all fire service training students, the Participating Agency will remain responsible for full payment of contractual training fees. Removal from training is apart and independent from whether the impacted employee is disciplined or terminated by the Participating Agency.

2.5.2. Employees of both Parties shall be subject to the same standards for purposes of training and academics. If a Participating Agency employee is suspected of having engaged in misconduct while in training being conducted by Scottsdale, Scottsdale shall report the suspected misconduct to the Participating Agency as soon as practicable. The Participating Agency will be responsible for conducting any appropriate investigation and taking corrective action or discipline.

2.5.3. Scottsdale has the sole responsibility and authority to determine issues relating to: (1) the curriculum and content of instruction for training; (2) the training schedule and hours; (3) decisions about whether the Participating Agency's employees should remain in the training; (4) the implementation and execution of policies and procedures applicable to Scottsdale controlled training and Scottsdale owned training locations; (5) the facility and location of site specific training; and (6) the assignment and use of any Participating Agency provided instructors, staff, or equipment.

2.5.4. The Parties understand and agree that Scottsdale will determine the curriculum for training programs, in part, to satisfy Scottsdale's standards, which may include the skill performance standards within the Scottsdale Fire Department's Training Standards. The Participating Agency may request cross-training on Scottsdale materials, the presentation of which shall be provided by the Participating Agency's personnel. The Parties further understand and agree that Scottsdale will determine the appropriate location necessary to support training programs which, in part, satisfy Scottsdale standards. Additional training needs beyond Scottsdale's standards, which may require additional time and resources, by way of separate agreements will be the sole responsibility of the requesting Participating Agency.

2.5.5. Scottsdale will regularly communicate with the Participating Agency on issues that may affect the ability of a Participating Agency's employee to successfully complete the training program, including, but not limited to academics, physical fitness, discipline, and requirements of the Arizona State Fire Marshal and Arizona Department of Health Services. Scottsdale will advise the Participating Agency, as soon as possible, when it appears. that a Participating Agency employee may be subject to being removed from a Scottsdale training program.

2.6. Participating Agency Responsibilities. Participating Agency agrees to be responsible for ensuring that their employees sent to Scottsdale premises or training location

pursuant to this Agreement meet the following minimum requirements to receive the training:

2.6.1. Participating Agency warrants that all Participating Agency employees participating in training are familiar with the type of exercise and physical ability necessary to participate and represents that, to the best of its knowledge, the health and physical condition of all Participating Agency employees participating are sufficient to undertake this training.

2.6.2. Participating Agency warrants that all Participating Agency employees participating in training are thoroughly familiar with the type of training being conducted and that their training and experience are sufficient to undertake this training.

2.6.3. Participating Agency agrees that prior to receiving Scottsdale fire training services training or utilizing a Scottsdale facility for training, Participating Agency employees must sign and submit a Scottsdale of Scottsdale Fire Service Training Assumption of Risk and Release Agreement, attached hereto as **Exhibit B**.

2.6.4. While on Scottsdale premises and at any other time or place during which Training Services or other activity pursuant to this Agreement is being conducted Participating Agency warrants that employees shall comply with all applicable United States Federal, State of Arizona, and Local laws, statues and ordinances, and with all legal and applicable regulations or orders of any governmental department, board, bureau, or agency, including Scottsdale.

2.6.5. Participating Agency will ensure that its employees have all required protective gear, uniforms, or other required equipment for the Training Services.

2.6.6. Necessary Third-Party Agreements. Due to the variety of insurance, indemnification, background check requirements etc., where training requires a separate Agreement to provide clinical rotations, such as in Paramedic Training, the Participating Agency will be solely responsible for making sure their employees are covered under an agreement with the non-Scottsdale owned training site location and the Participating Agency.

For Paramedic Training clinical rotations, Scottsdale will provide the necessary academic instruction. Additionally, Scottsdale will assist and track students with the required record keeping which is reviewed weekly to include patient assessment areas, skills completed, hours worked, student and preceptor evaluations and documentation of all patient contacts. Scottsdale staff available to the students throughout the clinical training includes the Program Director, Clinical Coordinator, Program Coordinator and any additional EMS staff assigned to the paramedic class. Student identification badges, access to electronic record keeping or paper records for the students to track all the required hours, skills and assessments to meet CAAHEP, CoAEMSP and AZDHS requirements will be provided by Scottsdale.

However, the insurance, indemnification, and decisions about agreeing to site specific background checks and policies will be the responsibility of the Participating Agency, as evidenced through separate agreements.

3. Term and Termination.

3.1. Term. This Agreement shall commence on the Effective Date referenced above and shall remain in full force and effect for five (5) years, unless terminated earlier as provided herein.

3.2. Termination. Either Party may terminate this Agreement at their convenience by providing not less than thirty (30) days written notice to the other Party. If this Agreement is terminated, the Participating Agency will be liable for services and material rendered and accepted in accordance with this Agreement.

3.3. Cancellation. The Parties acknowledge that this Agreement is subject to the cancellation by either party pursuant to the provisions of A.R.S. § 38-511.

3.4. Ownership of Property. Upon cancellation or termination of this Agreement for any reason, each Party will retain ownership of their solely provided property for the purposes of disposing of said property.

4. General Terms and Conditions.

4.1. Governing Law, Forum, and Venue. This Agreement will be governed and interpreted in accordance with the substantive laws of the State of Arizona without reference to choice of law principles. Any action brought to interpret or enforce any provision of this Agreement, or otherwise related to or arising from this Agreement, will be commenced and maintained in the state or federal courts in the State of Arizona, Maricopa County. Each of the Parties, to the extent permitted by law, consents to jurisdiction and venue in such courts for such purposes.

4.2. Entire Agreement. This Agreement constitutes the entire understanding between the Parties and supersedes all previous representations, written or oral, with respect to the subject matter contained herein. No course of prior dealings between the Parties and no usage in the trade shall be relevant to supplement or explain any term used in this Agreement.

4.3. No Waiver. Any delay or failure to exercise or enforce any right, power, privilege, or remedy under this Agreement by a Party may not be deemed a waiver, release, or modification of the requirements of this Agreement or any of its terms or provisions by that Party.

4.4. Amendment. This Agreement may not be modified or amended except in a writing signed by both Parties.

4.5. Health Insurance Portability and Accountability Act (HIPAA) of 1996. The Parties certify that each is familiar with the requirements of HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH Act) of 2009 and accompanying regulations and will comply with all applicable HIPAA requirements in the course of this Agreement. The Parties warrant that each will

cooperate in the course of performance of the Agreement so that the Parties will be in compliance with HIPAA.

4.6. Third-Party Beneficiary Clause. The Parties expressly agree that this Agreement does not, by any of its provisions, create any third-party beneficiary, nor does it authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement.

4.7. Non-Appropriation of Funds. The Parties understand that the continuation of this Agreement is subject to the budget of the Parties providing for the associated expenditures. The Parties cannot assure that the funding for this Agreement will be approved in the future. In such event, either Party may terminate this Agreement.

4.8. No Joint Venture. No term or provision in this Agreement is intended to create a partnership, joint venture, or agency arrangement between any of the Parties.

4.9. Workers' Compensation and Other Obligations. Each Party shall be responsible for providing all workers' compensation coverage, wages, benefits, and equipment for their respective employees in accordance with applicable laws and each Party's respective policies and practices. The foregoing notwithstanding, this Agreement is subject to the provisions of A.R.S. § 23-1022, as amended, and the employees of each Party shall be deemed to be employees of all Parties, for purposes of workers' compensation, in those circumstances specifically described in A.R.S. § 23-1022(D). The Party that regularly employs an employee that is entitled to workers' compensation benefits arising out of or related to this Agreement shall be considered the primary employer of said employee and shall have sole responsibility for payment of any such benefits. The Parties agree to comply with the notice provisions of A.R.S. § 23-1022(E).

4.10. Compliance with Laws. The Parties agree to comply with all existing and subsequently enacted federal, state, and local laws that are, or may become, applicable to this Agreement.

4.11. Drug Free Workplace. The Parties will comply with the Drug Free Workplace Act of 1988 and will permit inspection of its personnel records to verify such compliance. A Party's breach of the above-mentioned warranty shall be deemed a material breach of the Agreement and may result in the termination of the Agreement.

4.12. Immigration Law Compliance. To the extent applicable, the Parties agree to comply with the Immigration Reform and Control Act of 1986 and to permit inspection of their respective personnel records to verify such compliance. To the extent applicable under A.R.S. § 41-4401, each Party warrants compliance with all federal immigration laws and regulations that relate to their respective employees and compliance with A.R.S. § 23-214(A). Each Party reserves the right to inspect the papers of the other Parties to this Agreement to ensure compliance with this paragraph. A Party's breach of the above-mentioned warranty shall be deemed a material breach of the Agreement and may result in the termination of the Agreement.

4.13. Recitals Incorporated. The Recitals set forth above are incorporated into and made a part of this Agreement.

4.14. Exhibits Incorporated. All exhibits referenced herein and attached hereto are incorporated into and made a part of this Agreement.

4.15. Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be illegal, invalid, or unenforceable, then such provision shall be deemed deleted, the remaining provisions shall not in any way be affected or impaired thereby, and this Agreement shall remain in full force and effect.

4.16. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

5. Payments.

5.1. Payment and Fees. Participating Agency will pay the amount identified in the Fire Service Training Menu for each Participating Agency employee that attends any training. This amount may be adjusted at the discretion of the Scottsdale Fire Chief based on Participating Agency's contribution to the training through the provision of non-monetary resources such as facilities and personnel, recruit training officers, and other factors listed for non-monetary resources.

5.2. Invoicing. Scottsdale will invoice Participating Agency per training class under this Agreement. Participating Agency shall remit all payments to Scottsdale of Scottsdale within thirty (30) calendar days of the invoice date (the "Due Date"). If Participating Agency's payment is not received with five (5) days after the Due Date, Scottsdale may exercise its right to terminate this Agreement.

5.3. Fees for Non-Monetary Resources. In establishing the Training Fee, the Parties may consider the nature and duration of the training; additional expenses associated with Participating Agency's participation in the training; non-monetary contributions by the Participating Agency in facilities, personnel, or equipment; and the experience, value, and goodwill inherent in the Parties training together. Scottsdale's Fire Chief has the discretion to waive fees, in whole or part, for the Participating Agency when it is in the best interest of Scottsdale.

6. Indemnification.

6.1. Acknowledgement of Risk. The Participating Agency acknowledges that participating in the Training Services is dangerous and includes the inherent and hazardous risks, including, but not limited to, the risk of serious injury, illness, death, burns, dismemberment, or permanent disability to Participating Agency or Participating Agency's employees.

6.2. Indemnification. Each Party (as "Indemnitor") agrees to indemnify, defend, and hold harmless the other Party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) ("Claims"), but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

Each party must use its best efforts to cause all contractors (each an "Additional Indemnitor") to indemnify, defend, save and hold harmless the other party from and against any and all Claims caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the Additional Indemnitor [and persons for whom they are vicariously liable].

The provisions of this Agreement wherein a Party has explicitly indemnified the other Party shall survive the expiration or earlier termination of this Agreement.

7. Notices. All notices, requests, demands, consents, approvals, and other communications which may be or are required to be served or given under this Agreement, shall be in writing and hand delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid, addressed to the Party or Parties, as follows:

If to Scottsdale:	City of Scottsdale Attn: Scottsdale Fire Department 8401 E. Indian School Rd. Scottsdale, AZ 85251
Copy to:	City of Scottsdale Attn: City Attorney 3939 N. Drinkwater Blvd. Scottsdale, AZ 85251
If to Participating Agency:	Town of Fountain Hills Attn: Town Manager 16705 East Avenue of the Fountains Fountain Hills, Az. 85268
Copy to:	Town of Fountain Hills Attn: Town Attorney 16705 East Avenue of the Fountains Fountain Hills, Az. 85268
2nd Copy to:	Town of Fountain Hills Attn: Town of Fountain Hills Fire Department Fire Station 1 16426 E. Palisades Blvd. Fountain Hills, Az. 85268

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

This Agreement is hereby executed on behalf of Scottsdale as of the Effective Date.

CITY OF SCOTTSDALE,
an Arizona municipal corporation

_____
Lisa Borowsky, Mayor

ATTEST:

_____
Ben Lane, City Clerk

REVIEWED AND APPROVED BY:

_____
Tom Shannon, Fire Chief

Pursuant to A.R.S. § 11-952(D), or applicable tribal law, the undersigned attorney for the above entity has determined that the foregoing Agreement is in proper form and is within the powers and authority of the entity as granted under the laws of this State and/or the applicable tribal government.

_____
Sherry R. Scott, City Attorney
By: Shane C. Morrison, Assistant City Attorney

This Agreement is hereby executed on behalf of Participating Agency as of the Effective Date.

TOWN OF FOUNTAIN HILLS,
an Arizona municipal corporation

_____
Gerry Friedel, Mayor

ATTEST:

_____
Bevelyn Bender, Town Clerk

REVIEWED AND APPROVED BY:

_____
Dave Ott, Fire Chief

Pursuant to A.R.S. § 11-952(D), or applicable tribal law, the undersigned attorney for the above entity has determined that the foregoing Agreement is in proper form and is within the powers and authority of the entity as granted under the laws of this State and/or the applicable tribal government.

_____
By: Jennifer Wright, Town Attorney

Table of Exhibits

Exhibit	Paragraph	Description
A	§ 2.1	Fire Service Training Menu
B	§ 2.6.3	Scottsdale of Scottsdale Fire Service Training Assumption of Risk and Release Agreement

EXHIBIT A

Fire Service Training Menu

Aircraft Rescue Firefighter (ARFF) Certification Training	
Course Overview	**Description**
Scope	Students will study a curriculum required pursuant to the Federal Aviation Administration (FAA) 139.319. Students will learn skills needed to safely perform at Sky Harbor International Airport to include but not limited to: Airport Familiarization, Aircraft Familiarization, Aircraft Rescue Fire Fighter (ARFF) Safety, Emergency Communications, Apparatus, Agents, Aircraft Evacuation, Tactics and Strategy, Adaptive Structure, Cargo – Hazards, Emergency Plan, Airport Movement Area, Drivers Training, Annual Live Burn, Annual Escort Badging. This training will utilize the Incident Management/Unified Command structure and provide structure for working with our Aviation Partners.
Course Length	2 Classroom Weeks, 80 Hours – M – F 0800 – 1700 2 additional driver training days – 0800 – 1700 Optional Live Burn Day (1 day per student) – 0800-1700
Testing/Certification	Students will be evaluated and tested on their knowledge, skills and abilities throughout the course. Skill and performance evaluations are completed during the Live Burn Exercise and Drivers Training portion of the class. Students must complete a written examination at the end of the 80-hour course with a passing score of 75%. Engineers will be required to complete additional Drivers Training with the Drivers Training Captain at the end of the 80- hour course. Students will be required to complete a Live Burn Exercise at the end of the 80-hour course to become ARFF Certified. Students must attend 100% of the class, Live Burn and Drivers Training to be certified.
Cost	Base cost - $1,340 Base cost with optional live burn - $1,840

EMT/Paramedic Recertification Training (CORE)	
Course Overview	**Description**
Overview	This is a recertification course designed to meet State requirements for recertification of EMT's and Paramedic's. The EMCT is an individual who has been certified in Arizona as an Emergency Medical Technician and/or a Paramedic. The EMCT is an allied health professional whose primary focus is to provide basic and advanced emergency medical care for critical and emergent patients who access the emergency medical system. These individuals possess the complex knowledge and skills necessary to provide patient care and transportation. The Core program meets and exceeds the requirements set forth for recertification by national, state, local organizations for these individuals to provide the highest level of care to our community. The Core recertification program recertifies individuals through the American Heart Association, in Basic Life Support, Advanced Life Support and Pediatric Life Support. The Core recertification process provides individuals with the latest updates and resources from PFD Emergency Medical Services: Recertifying members in service delivery with a specialized educational approach geared towards meeting the needs of the communities we serve: Assists us with fielding questions, changes and issues from the field in a timelier manner; Aids with dealing any discrepancies or immediate needs/issues that must be addressed as soon as possible; Identify and respond to community needs that demand high level training and customer service. CORE is purposely scheduled to assist members with remaining certified while creating minimal impact on deployment and staffing.
Linked Target Capabilities	EMS System- Applies fundamental knowledge of the EMS system, safety/well-being of the EMCT, and medical/legal and ethical issues to the provision of emergency care • Research- Applies fundamental knowledge of the EMS system, safety/well-being of the EMCT, and medical/legal and ethical issues to the provision of emergency care. • Workforce Safety and Wellness-Applies fundamental knowledge of the EMS system, safety/well-being of the EMCT, and medical/legal and ethical issues to the provision of emergency care. • Documentation- Applies fundamental knowledge of the EMS system, safety/well-being of the EMT/Paramedic, and medical/legal and ethical

	issues to the provision of emergency care. Review of the Documentation Tool Guide, PFD Volume 12, and PFD Treatment Guidelines. • EMS System Communication- Applies fundamental knowledge of the EMS system, safety/well-being of the EMCT, medical/legal and ethical issues to the provision of emergency care. • Medical/Legal and Ethics- Applies fundamental knowledge of the EMS system, safety/well-being of the EMCT, medical/legal and ethical issues to the provision of emergency care. • Anatomy and Physiology- Applies fundamental knowledge of the anatomy and function of all human systems to the practice of EMS. • Medical Terminology- Uses foundational anatomical and medical terms and abbreviations in written and oral communication with colleagues and other health care professionals. • Disease profiles and Pathophysiology- Applies fundamental knowledge of the pathophysiology of respiration and perfusion to patient assessment and management. • Pharmacology- Applies fundamental knowledge of the medications that the EMCT may assist/administer to a patient during a medical emergency. • Airway Management/Respiration- Applies knowledge (fundamental depth, foundational breadth) of anatomy and physiology to patient assessment and management in order to ensure a patent airway, adequate mechanical ventilation, and respiration for patients of all ages. • Patient Assessment- Applies scene information and patient assessment findings (scene size-up, primary and secondary assessment, patient history, reassessment) to guide emergency medical management. • Medical Emergencies- Applies fundamental knowledge to provide basic and advanced emergency care and transportation based on assessment findings for an acutely ill patient with medical emergencies. • Trauma/Shock- Applies fundamental knowledge to provide basic and advanced emergency care and transportation based on assessment findings for an acutely injured patient with traumatic emergencies. • OB/GYN- Applies a fundamental knowledge of growth, development, aging and assessment findings to provide basic and advanced emergency care and transportation for a patient with special needs in obstetrics and individuals with pregnancies. • Pediatric and Neonatal emergencies- Applies a fundamental knowledge of growth, development, aging and assessment findings to provide basic and advanced emergency care and transportation for a pediatric patient, and

	patients with special needs. • Geriatrics- Applies a fundamental knowledge of growth, development, aging and assessment findings to provide basic and advanced emergency care and transportation for • The elderly/geriatric patient, and elderly patients with special needs.
Scope	The EMCT is an allied health professional whose primary focus is to provide basic and advanced emergency medical care for critical and emergent patients who access the emergency medical system. This individual possesses the complex knowledge and skills necessary to provide patient care and transportation. EMCT function as part of a comprehensive EMS response, under medical oversight. EMCT can perform interventions with the basic and advanced equipment within their system. The EMCT is a link from the scene into the health care system.
Course Length	1 day, 8hrs. Held on Monday's and Friday's 0800-1700. Prerequisites must be completed prior to attending class.
Delivery Options	Complete: In a classroom setting utilizing video content, PowerPoint presentation and multiple skills application. Partial: Utilizing all AHA and CORE video content. Once completed, members will be tested on individual skills at battalion office in a small group setting. Train-the-Trainer: Required Prior: previous teaching experience, Instructor certifications and in good standing within Scottsdale Fire Department. Skills Instructor: Follow another instructor for each skill and demonstrate a "Teach Back" at mastery level prior to becoming a skills instructor. Lead Instructor: Follow a lead instructor with classroom instruction and management. Upon following a lead instructor, the member will Lead the Core classroom with another lead, assisting the trainee to mastery.
Target Audience	Fire Service, Hazardous Materials, Law Enforcement, Emergency Medical Services, Public Works
Prerequisites	Current AZ DHS EMT certification Current AZ DHS Paramedic certification RN, PA and/or MD/DO Current: American Heart Association (AHA) — BLS Health Care Provider certification AND (For Paramedic, RN, PA, MD and DO)

	American Heart Association (AHA) — Advanced Life Support provider certification American Heart Association (AHA) — Pediatric Life Support provider certification All AHA video modules completed with certificates. All state required CEs completed for EMTs and Paramedic's EMT- 24 CE hrs. Paramedic — 48 CE hrs. Must be in Uniform!
Testing/Certification	EMCT members, during the testing process, will demonstrate competence in a wide range of emergency care skills. Members will show competence in the following skills during testing: patient assessment/management of a trauma patient, patient assessment/management of a medical patient, assessment/management of cardiac arrhythmias, cardiac arrest management/AED utilization, basic and advance airway/ventilation management of an apneic patient, long bone fracture immobilization, joint dislocation immobilization, traction splinting, bleeding control/shock management, upper airway adjuncts and suction, bag-valve-mask ventilation with supplemental oxygen, and supplemental oxygen administration to a breathing patient. Members will show competency in Pediatric, Adult and Geriatric patient management. The course will be geared towards a team-based setting with advance and basic level practitioners. Members will take written exams covering all course objectives. Exams will be American Heart Association BLS, ACLS and PALS. A passing score of 80% must be obtained. Upon completion of Psychomotor skills and written testing, members must demonstrate that they have completed the required number of CE hours, a OHS application, class and AHA rosters, and AHA evaluation prior to recertification.
Evaluation Strategy	Practical Skills will be assessed through various skills worksheets for each medical scenario from American Heart Association.
Instructor Certification and Qualification	2 years as a EMT or Paramedic Good standing within EMS, Scottsdale Fire Department and AZ OHS Understanding and knowledge of all Standing Guidelines, SOP's and Volume 12 NREMT Skills Examiner instructor EDU 250 (from the College) Current: BLS instructor card

	ACLS instructor card PALS instructor card
Cost	$200 per student

Firefighter Recruit Training (14 Week Recruit Training Academy)	
Course Overview	**Description**
Overview	The Scottsdale Fire Recruit Training Academy is conducted over a minimum of 14 weeks with 550 hours of training and meets the requirements of the Regional Automatic Aid IGA.
Scope	Over the course of the firefighter recruit academy the following skills will be covered: Physical Fitness Peer Support EMS Training Haz Mat / Special Ops Vehicle Safety Fireground Skills SCBA Hose Lays Search & Rescue Ventilation Forcible Entry Hose Management Ground Ladders Live Fire Training Intro to Heat Flashover Functional Burns Car Fires Ladder Functions Extrication Salvage & Overhaul Commercial Ventilation Building Construction High Rise Fireground Survival Power & Hand Tools Communications Tactics Utilities Violent Incident Training

	Extinguishers Cancer Awareness & prevention Safety Professional Standards Firefighter Survival Urban Interface Mental Health / Peer Support
Course Length	14-16 weeks (dependent on Scottsdale Holidays) 550 Hours - M-F 0700-1600
Prerequisites	Arizona State EMT IAFF Certified CPAT CPR Certification: American Heart Association (AHA) - Health Care Provider American Red Cross (ARC) - CPR for the Professional Rescuer National Safety Council (NSC) – Equivalent Qualification
Testing/Certification	Recruits will be evaluated and tested on their knowledge, skills and abilities throughout the academy. At the end of the recruit training academy recruits that have not previously obtained Arizona State Firefighter 1 & 2 certification will be required to complete that testing process. The Arizona Center for Fire Service excellence administers the test including practical skills evaluations and a written exam. Upon completion of that exam, recruits will be Firefighter 1 & 2 certified. Upon completion of the recruit academy recruits become Probationary Firefighters and work under the supervision of a Field Training Officer for up to 9 months.
Evaluation Strategy	Practical Skills will be assessed through skills evaluations via iPad and a training database. Results are shared with recruits.
Instructor Certification	The Scottsdale Fire Recruit Training Academy is taught by Regional Fire Captains and subject matter experts, maintaining a maximum recruit-to-instructor ratio of 5:1. We recommend that instructors obtain EDU250 from MCCCD and Fire Instructor 1 certification.
Recruit Training Officer (RTO)	Any participating agency sending a recruit to the Scottsdale Fire Recruit Training Academy will provide RTOS from their agency at a rate of 1 RTO per 5 recruits. For clarification, refer to the following: • 1-5 recruits = 1 RTO • 6-10 recruits = 2 RTOs • Etc.
Cost	$5,000 per recruit No credits will be given for providing required RTOs.

Fire Inspector Training	
Course Overview	**Description**
Scope	Over the course of the training program, candidates will learn the skills needed to perform a complete, holistic inspection from start to finish. They will also learn records and code research, how to create comprehensive inspection notices, conducting technical plan review, customer service delivery skills, creating and maintaining inspection data reports and the citation process.
Course Length	16 weeks, 640 Hours - M-F 0730-1600
Testing	Upon the completion of each chapter, a quiz will be administered. There will also be a mid-term exam and final exam during the didactic portion of the program. Minimum passing score for all quizzes and tests will be 80%. The filed internship will be comprised of Pass/Fail practical skills stations.
Cost	$1,500 per candidate

Hazardous Material Technical (HZM) Certification Training	
Course Overview	**Description**
Scope	Over the course of the program, students will learn the skills needed to safely perform Hazardous Material Technician level response in accordance with OSHA CFR29 1910.120 and NFPA 472 & 1072. The objectives of the course are to teach participants: to classify, identify, and verify known and unknown material by using field survey instruments and equipment; to select and use the proper chemical protective clothing provided to the hazardous materials Technician; to understand hazard and risk assessment techniques for Hazmat and CBRNE environments; to be able to perform advanced control, containment, and/or confinement operations within the capabilities of the resources and personal protective equipment available; to develop incident action plans within the parameters of the incident

	command system.
Course Length	5 Weeks, 200 Hours - M-F 0800-1700
Prerequisite	Hazardous Materials First Responder Operations
Testing/Certification	Students will be evaluated and tested on their knowledge, skills and abilities throughout the course. Skill and performance evaluations are included in the daily breakdown within the course pertaining to the skills being learned. Students must complete a written examination at the conclusion of the following module with a passing score of 75%: Chemistry At the conclusion of the entire Hazardous Materials Technician program, students must complete a written examination covering all course objectives in accordance with IFSAC accreditation standards. A passing grade of 75%, as well as successful completion of all skill check-offs is required by each student in order to complete the course.
Cost	$4,500 per student

Initial Paramedic Training	
Course Overview	**Description**
Scope	Throughout the course of the Paramedic training program, the student will learn the knowledge and skills needed to safely and proficiently provide basic and advanced emergency medical care and transportation for critical and emergent patients who access the emergency medical system. Paramedics function as part of a comprehensive EMS response, under medical oversight. Paramedics can perform interventions with the basic and advanced equipment within their system. The paramedic is a link from the scene into the health care system.
Course Length	10 Months, 1,282 hours. Class meets Tuesday, Wednesday &Thursday 0900-1800
Testing/Certification	Students will demonstrate competence in the following skills during testing: patient assessment/management of a trauma patient, patient assessment/management of a medical patient, assessment/management of

	cardiac arrhythmias, cardiac arrest management/AED utilization, basic and advance airway/ventilation management of an apneic patient, long bone fracture immobilization, joint dislocation immobilization, traction splinting, bleeding control/shock management, upper airway adjuncts and suction, bag-valve-mask ventilation with supplemental oxygen, and supplemental oxygen administration to a breathing patient. Students will show competency in Pediatric, Adult and Geriatric patient management. Students will take written, computer generated and skills examinations covering all course objectives. A passing score of 80% must be obtained. Upon successful completion of the PFD Paramedic Training Program, students are eligible to take the NREMT Psychomotor test and the NREMT CAT test. Upon successful completion of NREMT examinations, students receive their Arizona and National Paramedic certifications Additional Certifications awarded during paramedic training Certificate of Completion from Phoenix College ACLS certification PALS certification TECC Certification
Cost	$5,000 Per Student

Technical Rescue Technician (TRT) Certification Training	
Course Overview	**Description**
Scope	Over the course of the program, students will learn the skills needed to safely perform rescue operations in the following areas of expertise: Rope Rescue Confined Space Search and Rescue Trench and Excavation Search and Rescue Structural Collapse Swiftwater Rescue Vehicle and Machinery Rescue Helicopter Rescue Operations This training will utilize the Incident Management/Unified Command structure to assess a technical rescue hazard within the response area, identify the level of operational capability, and establish operational criteria.
Course Length	5 Weeks, 200 Hours - M-F 0800-1700
Testing/Certification	Students will be evaluated and tested on their knowledge, skills and abilities

	throughout the course. Skill and performance evaluations are included in the daily breakdown within the course pertaining to the skills being learned. Students must complete also a written examination at the conclusion of the following modules with a passing score of 80%: Confined Space Rescue Trench Rescue Structural Collapse In addition, at the conclusion of the entire Technical Rescue Technician program, students must complete a written examination covering all course objectives. A passing grade of 80%, as well as successful completion of all skill check-offs is required by each student in order to complete the course.
Cost	$4,500 per student

EXHIBIT B

City of Scottsdale Fire Service Training
Assumption of Risk and Release Agreement

THIS IS A RELEASE OF LEGAL RIGHTS – READ AND UNDERSTAND BEFORE SIGNING

I, _____, hereby agree as follows:
(PRINT NAME)

1. Risk of Activity. I understand that participation in training exercises ('Activities") with the City of Scottsdale and its affiliated training vendors ("Scottsdale"), at Scottsdale and or affiliated vendor locations ("Site(s)) involves inherent risk of physical injury and illness associated with and arising out of my presence at the Site and participation in the Activities. I have made my own investigation of these risks and fully accept these risks. I am thoroughly familiar with the type of exercise and physical ability necessary to attempt the Training. I represent that to the best of my knowledge my health and physical condition are excellent and that I am physically capable of participating in Training. I understand that the Training is dangerous and includes the risk of serious injury, burns, illness, death, or permanent disability. I acknowledge that any injuries that I sustain may be compounded by negligent emergency response or rescue operations of Scottsdale. I am knowingly and voluntarily participating in the Training with an understanding of the risks involved and hereby agree to accept and assume any and all risks of injury, illness, death, or permanent disability I incur, whether caused by Scottsdale or otherwise.

2. Waiver of Liability. I understand Scottsdale is not responsible for any injury or loss I may suffer while participating in Activities at the Site. I hereby completely and unconditionally release and forever discharge Scottsdale, its officials, officers, employees, agents, and all other participants, from all injury, loss, damage, accident, delay, or expense, arising out of any Activities at the Site.

3. Health and Safety.

    a. I have consulted with a medical doctor with regard to my personal medical needs. There are no health-related reasons or conditions precluding or restricting my participation in Activities at the Site.

    b. I have arranged, through insurance, or otherwise, to meet any and all needs for payment of medical costs while I participate in Activities at the Site. I acknowledge and understand Scottsdale is not obligated to attend to any of my medical or medication needs, and I assume all risk and responsibility therefrom. If I require medical treatment or hospital care during the Activities, Scottsdale is not responsible for cost or quality of such treatment or care.

    c. Subject to medical decision-making capacity, I acknowledge and understand Scottsdale may, but is not obligated to, take any action it considers warranted under the circumstances regarding my health and safety. I agree to pay all

expenses related thereto and release Scottsdale from any liability for any actions taken.

4. Standard of Conduct. I agree to comply with all Scottsdale's rules, standards, and instructions while a participant in Activities at the Site, including but not limited to, Scottsdale Fire Department Rules and Regulations, as amended. I waive and release all claims against Scottsdale for my failure to remain under the supervision of Scottsdale personnel or to comply with such rules, standards, and instructions.

5. Assumption of Risk and Release of Claims. Knowing the risks described above, and in consideration of being permitted to participate in Activities at the Site, I agree, on behalf of myself, family, heirs, and personal representative(s), to assume all risks and responsibilities surrounding my participation in Activities at the Site. To the maximum extent permitted by law, I release and indemnify Scottsdale, its officials, officers, employees, and agents, from and against any present or future claim, loss, or liability for injury to person or property which I may suffer, or for which I may be liable to any other person, during my participation in Activities at the Site, including periods in transit to or from the Site.

6. INDEMNITY. I SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS RELEASEES AGAINST ANY AND ALL LOSSES, DAMAGES, LIABILITIES, DEFICIENCIES, CLAIMS, ACTIONS, JUDGMENTS, SETTLEMENTS, INTEREST, AWARDS, PENALTIES, FINES, COSTS, OR EXPENSES OF WHATEVER KIND, INCLUDING REASONABLE ATTORNEY FEES, FEES AND COSTS OF ENFORCING ANY RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT, AND COST OF PURSUING ANY INSURANCE PROVIDERS, INCURRED BY THE INDEMNIFIED PARTY ARISING OUT OF OR RESULTING FROM ANY CLAIM OF A THIRD- PARTY RELATED TO MY PARTICIPATION IN THE TRAINING. THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE REALEASEES, IN INSTANCES WHERE SUCH GROSS NEGLIGENCE OR WILLFUL MISCONDUCT CAUSES PERSONAL OR BODILY INJURY, DEATH, OR PROPERTY DAMAGE. IN THE EVENT I AND THE RELEASEES ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF ARIZONA.

7. No Joint Venture. I understand that no term or provision in this Agreement is intended to create a partnership, joint venture or agency arrangement between any of the Parties. I further understand that neither Party shall be deemed to be an employee or agent of the other Party to this Agreement. To the extent applicable by law, I will not be deemed to be the employee, agent, or servant of Scottsdale. I understand that where I am included as a "student" that does not deem me to be an employee or agent of Scottsdale.

8. Workers Compensation. For the purposes of workers' compensation coverage, the agency which regularly employs an employee entitled to workers' compensation arising out of work associated with this Waiver shall be the agency solely liable for payment of all approved workers' compensation and related benefits.

9. If any one or more of the provisions in this waiver are determined to be invalid, illegal, or unenforceable, it shall not affect any other provision of this waiver, and this waiver shall be construed as if such invalid provision had never been contained in this waiver. In any legal action in connection with this waiver, the exclusive venue shall be in the courts of Maricopa County, Arizona and this waiver shall be construed in accordance with the laws of the State of Arizona.

By signing below, I acknowledge that I have carefully read this Assumption of Risk and Release Agreement and sign it voluntarily. No representations, statements, inducements, oral or written, apart from the foregoing written statement, have been made. This agreement shall become effective only upon receipt by Scottsdale and shall be governed by and construed in accordance with the laws of the State of Arizona including Scottsdale's Charter and Municipal Ordinances. Venue for any action relating to or arising out of this agreement shall be in the Court for Scottsdale and County of Maricopa.

Executed by:

_____ _____

(SIGNATURE) (DATE)

_____

(PRINT NAME)

_____

(NAME OF DEPARTMENT OR PARTICIPATING AGENCY)

Witnessed by:

_____ _____

(SIGNATURE) (DATE)

_____

(PRINT NAME)

TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date:	4/7/2026
Meeting Type:	Town Council Regular Meeting
Submitting Department:	Public Works
Prepared by:	Justin Weldy, Public Works Director
Staff Contact Information:	Phone: 480-816-5133 Email: jweldy@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

CONSIDERATION AND POSSIBLE ACTION: Relating to Amendment No. 7 to Professional Services Agreement 2019-079 with JE Fuller Hydrology & Geomorphology, Inc.

Staff Summary (background)

The Golden Eagle Park Drainage Improvements Project was initiated in 2019 following significant flood events that caused substantial damage to park facilities and infrastructure. The project is intended to mitigate future flood risks and improve drainage capacity within Golden Eagle Park.

The project was divided into two phases. Phase I construction has been completed and accepted. While Phase I is complete, additional design elements identified during its development—particularly related to outlet structures, trash racks, and regulatory requirements—have directly influenced the scope and duration of Phase II.

The Town and J.E. Fuller entered into a Professional Services Agreement dated April 24, 2019, with subsequent amendments (Nos. 1–6). The current contract has expired, and additional time and funding are required to complete the remaining Phase II design, permitting, and construction support services.

The project is approximately 70% grant funded, requiring continued coordination with the Arizona Department of Water Resources (ADWR) and the Maricopa County Flood Control District (MCFCD).

Current Status

- Phase I: Complete and accepted; no further work required
- Phase II Design: Approximately 95% complete, with plans currently under review by ADWR and MCFCD
- ADWR Permitting: In progress and required prior to construction

Phase II has required additional effort due to:

- ADWR dam safety permitting requirements
- Redesign and rehabilitation of outlet structures and trash racks
- Additional hydrologic, hydraulic, sediment transport, and scour analyses

- Coordination with multiple agencies and stakeholders

Amendment No. 7 – Scope of Services
Amendment No. 7 is required to extend the contract and provide funding to complete Phase II design, permitting, and construction support services.

Key services include:

- Final Design Completion
  - Address agency review comments (ADWR, MCFCD)
  - Finalize plans, specifications, and cost estimates
  - Prepare bid-ready construction documents

- ADWR Permitting
  - Complete dam safety permit application and coordination
  - Respond to agency comments and secure approvals
  - Provide required documentation and support

- Construction Phase (Post-Design) Services
  - Engineer of Record services during construction
  - Review of submittals, RFIs, and change requests
  - Attendance at construction meetings
  - Field inspections and documentation
  - Record drawing certification and ADWR closeout support

Schedule

- Phase II design: Near completion (pending agency review)
- ADWR and MCFCD review: Ongoing
- Project advertisement: Pending approval from ADWR and MCFCD, staff anticipates advertising the project for bid in early summer

Funding
Sufficient budget authority is available within the Council-approved FY26 Capital Improvement Program (CIP) budget to support this amendment in the amount of $165,817, with a budget transfer from the Capital Projects Fund contingency. The Maricopa County Flood Control District will reimburse the Town for approximately 70% of eligible design and construction costs, with the Town responsible for the remaining balance.

This amendment reflects additional effort required for regulatory coordination, expanded design scope, and construction phase engineering services.

Related Ordinance, Policy or Guiding Principle
N/A

Risk Analysis
Failure to approve this amendment will:

- Delay completion of Phase II design and permitting
- Jeopardize grant funding (70% of project cost)
- Delay construction and project closeout
- Leave Golden Eagle Park vulnerable to future flooding events

Recommendation(s) by Board(s) or Commission(s)

N/A

Staff Recommendation(s)

Staff recommends approval of Amendment No. 7 to Professional Services Agreement 2019-079 with J.E. Fuller Hydrology & Geomorphology, Inc. to extend the contract and complete Phase II design, permitting, and construction support services.

Suggested Motion

MOVE to approve Amendment No. 7 to Professional Services Agreement 2019-079 with J.E. Fuller Hydrology & Geomorphology, Inc. in the amount of $165,817, and any associated budget transfers

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FISCAL IMPACT

Fiscal Impact: $165,817
Budget Reference: Approved FY 26 Capital Improvement Projects
Funding Source: N/A

ATTACHMENTS

1. AMENDMENT 7 TO 2019-079.7
2. SCOPE & FEE EXHIBIT D

Contract No. 2019-079.7

SEVENTH AMENDMENT
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
JE FULLER/HYDROLOGY AND GEOMORPHOLOGY, INC.

THIS SEVENTH AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (this "Seventh Amendment") is entered into as of execution, between the Town of Fountain Hills, an Arizona municipal corporation (the "Town") and JE Fuller/Hydrology and Geomorphology, Inc., an Arizona corporation (the "Vendor").

RECITALS

A. The Town and the Vendor entered into a Professional Services Agreement (the "Agreement"), dated April 24, 2019 (as amended), for the Consultant to provide engineering services (the "Services"). All capitalized terms not otherwise defined in this Seventh Amendment have the same meanings as contained in the Agreement.

B. The Town has determined that it is necessary to extend the Agreement with the Vendor for Services.

C. The Town and the Vendor desire to enter this Seventh Amendment to amend the Agreement to (i) extend the term of the Agreement and (ii) provide compensation to the Consultant for the Services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Vendor hereby agree as follows:

1. Term of Agreement. The term of the Agreement is hereby extended until project completion.

2. Compensation. The Town shall pay Vendor an amount not to exceed **$165,817** (including 15% owner's contingency totaling $21,628) for the Services attached as Exhibit D and incorporated by this reference.

3. Effect of Amendment. In all other respects, the Agreement is affirmed and ratified and, except as expressly modified herein, all terms and conditions of the Agreement shall remain in full force and effect.

4. Non-Default. By executing this Seventh Amendment, the Vendor affirmatively asserts that (i) the Town is not currently in default, nor has it been in default at any time prior to this Seventh Amendment, under any of the terms or conditions of the Agreement and (ii) any and all claims, known and unknown, relating to the Agreement and existing on or before the date of this Seventh Amendment are forever waived.

5. Conflict of Interest. This Seventh Amendment and the Agreement may be cancelled by the Town pursuant to Ariz. Rev. Stat. § 38-511.

[SIGNATURES ON FOLLOWING PAGES]

EXHIBIT D
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
JE FULLER/HYDROLOGY AND GEOMORPHOLOGY, INC
[Quote or Work Order]

See following pages.

February 26, 2026

Justin Weldy
Public Works Director
Town of Fountain Hills
16705 E. Avenue of the Fountains
Fountain Hills, AZ 85268

RE: Golden Eagle Park Drainage Improvement – Phase 2
Post-Design Services for Phase 1 and Golden Eagle Park Dam Outlet Rehabilitation Design
Scope of Work and Fee Estimate

Dear Mr. Weldy:

Thank you for requesting professional services from JE Fuller/Hydrology and Geomorphology, Inc. (JE Fuller). Per our discussions during our meeting on February 10, 2026, we are providing the following amended scope and fee proposal for performing the continued on the Golden Eagle Park Drainage Improvement (GEPDI) project and associated work on Golden Eagle Park Dam (GEPD) facilities. This scope and fee is an amended version of the original Phase 2 proposal we submitted dated October 10, 2023. For each task, a notation of the level of effort expended to-date is summarized.

BACKGROUND

JE Fuller and our subconsultants, Ethos Engineering and Dig Studio, have recently completed and submitted a 100% design package for the Phase 1 improvements to the Town for review and comment. This work will include addressing those comments and preparing the final GEPDI Phase 1 bid package (report, plans, specifications, and unit item bid schedule) in cooperation with the Town. Our team will provide post-design services to support the construction of GEPDI Phase 1.

JE Fuller and our sub-consultant Ethos Engineering will also provide engineering design and dam safety permitting support for the rehabilitation of the trash racks on two GEPD outlet structures, plus an analysis of downstream grading and scour conditions for the same outlet structures to address ADWR comments.

It is also understood that the Town will likely cooperate with the Fountain Hills Sanitary District (FHSD) to jointly construct the FHSD manhole protection improvements and the GEPDI Phase 2 improvements, since both will require special provisions for ADWR permitting, inspections and QA/QC, and project close-out documentation.

An amendment to the original scope will be to include post-design services for the construction phase of adding the new debris racks to the outlet structures of the GEPD and provide assistance with administering the ADWR required paperwork for constructing the improvements per the permit.

This scope of work (SOW) outlines the amended Phase 2 services that are requested by the town.

SCOPE OF WORK

TASK 1 – Project Management/Coordination

JE Fuller will provide regular project management and schedule maintenance for the post-design and Phase 2 work to include contract management, regular coordination with Town officials and other stakeholder agencies, and up to six regular progress meetings via Zoom Conference calls or in-person at Town Hall.

PROGRESS: Currently 90% complete

TASK 2 – GEPDI Phase 1 Bid Package

The JE Fuller team will address any final comments from the Town regarding the Phase 1 design package and assist the Town with preparing a bid package for the selection of a qualified contractor. JE Fuller will participate in a pre-bid conference at Town Hall and assist with contractor selection as needed and requested by the Town.

PROGRESS: Complete

TASK 3 – GEPDI Phase 1 Post-Design Services

JE Fuller and our subconsultants Ethos Engineering and Dig Studio, will provide regular post-design services as the Engineer of Record, to respond to material submittals, shop drawings, and requests for information (RFIs) for the Phase 1 construction. This scope also includes site inspections when necessary and requested by the Town. JE Fuller will also review as-builts and record drawings provided by the Contractor. QA materials or field testing, construction management, or other construction related tasks not specifically stated above are not included in the work.

PROGRESS: Complete

TASK 4A – GEPDI Phase 2 Preliminary Design

JE Fuller and our subconsultant Ethos Engineering will research and evaluate alternatives for trash racks and downstream vegetation, sedimentation, and scour conditions for the two GEPD outlet structures. The work tasks will include:

- Literature research on trash rack alternatives suitable for use on GEPD structures that account for matting debris that nearly failed the existing trash racks that have been removed.
- Field reconnaissance to document conditions at the inlet and outlet of the outlet structures.
- Hydrologic, hydraulic, sediment transport, and scour (HHSTS) analyses to document existing and post-design conditions as appropriate.
- Preparation of a brief technical memorandum and concept design plans to document the findings and analysis.
- Coordination of findings with the Town, FCDMC, Stantec, and ADWR to gain input and concurrence on proposed solutions.

PROGRESS: Complete

TASK 4B – GEPDI Phase 2 Final Design

JE Fuller and our subconsultant Ethos Engineering will prepare final design plans , specifications, quantity and engineer opinion of probable cost (EOPC) for the proposed Phase 2 designs agreed upon from Task 4A. Plans will be submitted at 60%, 95% and Final as they are not expected to be overly complicated or lengthy. Each submittal will be distributed to the Town, FCDMC, Stantec (if required), and ADWR for review and comment. Included with the construction documents will be a Construction Quality Assurance (CQA) Plan with all elements required by ADWR as appropriate for the proposed improvements. Implementation of the CQA Plan will rest jointly with the Town and FHSD if the two projects are constructed jointly.

JE Fuller will also work with the Town to determine if the GEPDI Phase 1 Contractor is suitable for amending the Phase 2 contract to their work. This will likely require an interview with the contractor and follow-on discussions with the Town. Should it be necessary to procure a separate contractor, JE Fuller will work with the Town to prepare a bid package and secure a contractor. JE Fuller will also assist the Town with selecting an appropriate CQA testing firm to meet ADWR requirements, but the firm must be retained by the Town.

PROGRESS: 95% complete pending review from ADWR

TASK 4C – GEPDI Phase 2 ADWR Application

Prior to starting on Task 4B, JE Fuller will coordinate and schedule a pre-application meeting with ADWR to ensure that there is a full understanding by ADWR of the proposed Phase 2 elements and by the project team on ADWR requirements related to applying for the dam safety permit.

JE Fuller will prepare all the requisite dam safety application documents required by ADWR and submit them with each plan stage submittal. ADWR comments will be addressed with each submittal. ADWR requires paper copies to be submitted so NTE costs will include reproduction and plotting costs.

PROGRESS: 75% complete pending review from ADWR on first submittal plus .

AMENDMENT: JE Fuller has paid the ADWR permit fees and will bill for reimbursement as a direct expense. Additional hours are required to complete the ADWR permitting process.

TASK 5 (AMENDED) – GEPDI Phase 2 Post Design Services

Once the ADWR permit from Task 4C is secured and the projects move to construction, the JE Fuller team will provide post-design services as the Engineer of Record to include:

- Attendance at an onsite construction kickoff meeting
- Attendance at weekly construction progress meetings (assume meetings can be attended remotely via Teams or equivalent).
- Submittal and shop drawings review
- Response to RFI's or change requests
- Field inspections per plan specifications and/or as specified in the CQA or requested by the Town. Each inspection will include a summary sheet.
- Add a "Record Drawing" certification to the as-built plan sheets (Note that the contractor is scoped to provide certified as-builts, but ADWR will also require a record drawing certification from EOR).

- Provide documentation support to the town to meet ADWR standards.

PROGRESS: 0% complete .
AMENDMENT: Task has been completely revised to include the post-design services as described herein.

FEE AND SCHEDULE

JE Fuller has completed much of the work scoped in the October 2023 proposal and is currently in process of wrapping up Task 4C. Task 5 work will follow the town and FHSD procured construction process. Construction is anticipated to last approximately 6 months with an additional 6 months for post construction closeout and documentation for ADWR.

JE Fuller will bill these services on a time and materials basis. The previous not-to-exceed (NTE) total was $93,197. The amended NTE, including the requested 15% Owner's Contingency, is $165,817 as outlined in Fee Table 1. Note that the Owner's Contingency is only to cover authorization of additional work at the town's discretion. The scope and fee estimate for only Post-Design construction administration and inspection (CA&I) services by Ethos is attached hereto for reference. Previous sub-consultant fee proposals for the design work associated with the October 2023 proposal are not provided with this amendment. Also note that the fee estimate presented below is intended to represent the fees related to the town's project and exclude the fees that will be paid by the Fountain Hills Sanitary District for the Manhole Protection project.

Table 1. Fee Estimate

Golden Eagle Park Drainage Improvements
AMENDED Fee Estimate - Phase 2 Post-Design and GEPD Rehabilitation Design
NOTE: Numbers in RED are Amended and Differ from the October 2023

Task		Project Manager $ 210	Senior Engineer $ 172	Project Engineer $ 137	EIT/CAD Designer $ 122	
1	Project Mangement/Coordination	40	20			$ 11,840
2	GEPDI Phase 1 Bid Package	8	8	16		$ 5,248
3	GEPDI Phase 1 Post-Design Services	16	40	16		$ 12,432
4A	GEPDI Phase 2 Preliminary Design	8	40	20	20	$ 13,740
4B	GEPDI Phase 2 Final Design	16	20	40	80	$ 22,040
4C	GEPDI Phase 2 ADWR Application	24	32	32		$ 14,928
5	GEPDI Phase 2 Post Design Services	30	0	30	8	$ 11,386
					Labor NTE Total:	*$ 91,614*
					Direct Costs	
					Mileage (500 mi @ $0.725/mi)	$ 363
					Printing, Plotting, Postage (at cost) - for ADWR Submittals	$ 1,000
					ubconsultant - Structural - Ethos Engineering (Design and Post-Design CA&I - Town of Fountain Hills share only)	$ 47,040
					ADWR Application Fees ($7,454 total; $4,172 Town share; $3,282 FHSD share)	$ 4,172
					Direct Costs NTE Total:	*$ 52,575*
					AMENDED PHASE 2 NTE SUBTOTAL:	**$ 144,189**
					15% Owner's Contigency:	$ 21,628
					AMENDED PHASE 2 NTE TOTAL:	**$ 165,817**

TERMS AND CONDITIONS

The following services are not included in this scope of work but can be added for additional fee:

a. Tasks not specifically identified in the scope of work above.
b. Agency review fees not specifically identified above.
c. As-built survey and plans.
d. Hard Copy Full Size Plans, Blueprints, or Mylars unless otherwise specified.

Thank you again for requesting our services. We are looking forward to continuing our work with you on this project.

Sincerely,
JE Fuller/Hydrology & Geomorphology, Inc.

W. Scott Ogden, P.E.
Vice President

Attachment: Ethos proposal for CA&I services

March 4th, 2026

Attn: Scott Ogden, PE
JE Fuller Hydrology & Geomorphology, Inc.
8400 S Kyrene Rd #201
Tempe, AZ 85284

RE: Proposal for CA&I
Golden Eagle Park Dam Drainage Improvements Phase II
Fountain Hills, Arizona

Dear Scott:

As requested, Ethos Engineering, LLC (Ethos) is pleased to present this proposal to provide structural engineering services during construction for the referenced project. This proposal includes our proposed scope of work, work-hour estimate, and fee proposal for the requested engineering services.

1.0 PROJECT UNDERSTANDING

It is our understanding that the Town of Fountain Hills (Town) has requested structural engineering services during construction for Phase II of the Golden Eagle Park drainage improvements. The work includes retrofitting the Principal Outlet Works inlet, constructing a new retaining wall to protect the existing manhole adjacent to the inlet from scour, and installing a new debris deflector structure at the inlet. In addition, a second debris deflector structure is planned just south of this location at the Auxiliary Outlet Works inlet. Construction of these improvements is anticipated to begin in late 2026.

2.0 SCOPE OF SERVICES

Ethos' scope of work includes the review of submittals and shop drawings, responses to requests for information (RFIs), and the performance of special inspections for the following structural elements:

- Dam Manhole Protection Retaining Wall
- Debris Deflector Structure #1 (Principal Outlet Works Inlet)
- Debris Deflector Structure #2 (Auxiliary Outlet Works Inlet)

Ethos will complete all submittals and shop drawing reviews within five working days from receipt. Requests for inspection shall be provided at a minimum of 24 hours prior to needing our inspectors on-site. Structural special inspections will be performed in accordance with the project's Construction Quality Assurance (CQA) plan and are anticipated to include:

(1) Dam Manhole Protection (MH) Retaining Wall Inspections for
- Footing excavation and compaction
- Footing reinforcement

- Wall stem reinforcement
- Embedded or post-installed Anchors

(2) Debris Deflector Structures Inspections for
- Surface preparation
- Installation of post-installed anchors
- Baseplate installation
- Installation and welding of structural steel members

In addition to the above services, Ethos will attend the on-site construction kick-off meeting and the weekly construction progress meetings. Weekly meetings are assumed to be held virtually.

3.0 PROJECT FEES

Ethos will perform this work on a time-and-materials, Not-to-Exceed (NTE) basis. The NTE fee for the design scope described in this proposal is **$31,540.02**.

A summary of the fees is presented in the following table:

Billing Group	Total
Project Admin/ Coordination	$ 8,818.00
MH Protection Retaining Wall	$ 8,796.00
Debris Deflector Structures	$ 13,386.00
Mileage	$ 540.02
TOTAL:	**$ 31,540.02**

These fees are based on our assumptions of the contractor's construction phasing as well as time for reporting and coordination. Should additional inspections be required due to extended phasing or corrective actions by the contractor, Ethos will request a Contract Modification at that time.

We appreciate the opportunity to submit this work scope and estimate of costs and look forward to working with you on this project. If you have any questions or require additional information pertaining to this proposal, we would be pleased to discuss them with you.

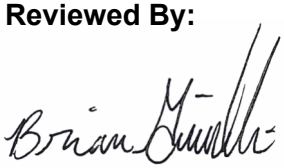
Sincerely,

Ethos Engineering, LLC



Michelle Contreras, PE
Bridge Engineer

Reviewed By:



Brian Grimaldi, PE
Structures Section Manager

"T:\2026XXX - JE Fuller - GEP Dam Post-Design Services\Scope and Fee Proposals\Ethos Scope and Fee Proposal_GEP Dam_CA&I_04March26.docx"

Attachments: Cost Summary; Work-hour Estimate; mileage

Ethos Engineering, LLC

Derivation of Cost Proposal
Summary
GEP Dam Drainage Improvements- CA&I
JE Fuller

Estimated Direct Labor

Classification	Hours	Average Hourly Loaded Rates Rate	Cost
Project Manager	24	$306.00	$7,344.00
Senior Engineer	64	$223.00	$14,272.00
Project/Professional Engineer	60	$146.00	$8,760.00
Administrative/Clerical	6	$104.00	$624.00
	154		

Total Estimated Labor: $31,000.00

Estimated Direct Expenses
(Listed by Item at Estimated Actual Cost - NO MARKUP)

Mileage (Personal Vehicle)	$540.02

Total Estimated Direct Expenses: $540.02

Total Estimated Cost (NTE): $31,540.02

Signature

4-Mar-26
Date

Ethos Engineering, LLC

GEP Dam Drainage Improvements- CA&I

JE Fuller

Item/Task	Project Manager	Senior Engineer	Project/Professional Engineer	Administrative/Clerical	TOTAL	
Billing Group 01:Project Administration/ Coordination						
Project Setup and Management	2			6	8	
Construction Kick-off Meeting		4			4	
Construction Progress Meetings (30 total) (Virtual)		30			30	
Total Billing Group 01:Project Administration/ Coordination	2	34	0	6	42	
Fee Total Billing Group 01:Project Administration/ Coordination	612	7582	0	624	8818	TOFH FHSD 4409 4409
Billing Group 02:MH Protection Retaining Wall Inspections						
Review Shop Dwgs and Submittals	1	6			7	
Responses to RFI's	2	4			6	
Special Structural Inspections - Retaining Wall (4 Ea.)	2		20		22	
Record Drawing Certification	4	4			8	
Total Billing Group 02:MH Protection Retaining Wall Inspections	9	14	20	0	43	
Fee Total Billing Group 02:MH Protection Retaining Wall Inspections	2754	3122	2920	0	8796	TOFH FHSD 0 8796
Billing Group 03:Debris Deflectors Strs Inspections						
Review Shop Dwgs and Submittals	1	8			9	
Responses to RFI's	4	4			8	
Special Structural Inspections - Debris Deflector Str 1 (4 Ea.)	2		20		22	
Special Structural Inspections - Debris Deflector Str 2 (4 Ea.)	2		20		22	
Record Drawing Certification	4	4			8	
Total Billing Group 03:Debris Deflectors Strs Inspections	13	16	40	0	69	
Fee Total Billing Group 03:Debris Deflectors Strs Inspections	3978	3568	5840	0	13386	TOFH FHSD 13386 0
TOTAL HOURS	24	64	60	6	154	
TOTAL STRUCTURAL HOUR DOLLARS	7344	14272	8760	624	31000	TOFH FHSD 17795 13205

Ethos Engineering, LLC

Estimated Direct Expenses

GEP Dam Drainage Improvements- CA&I

Mileage (Personal Vehicle)

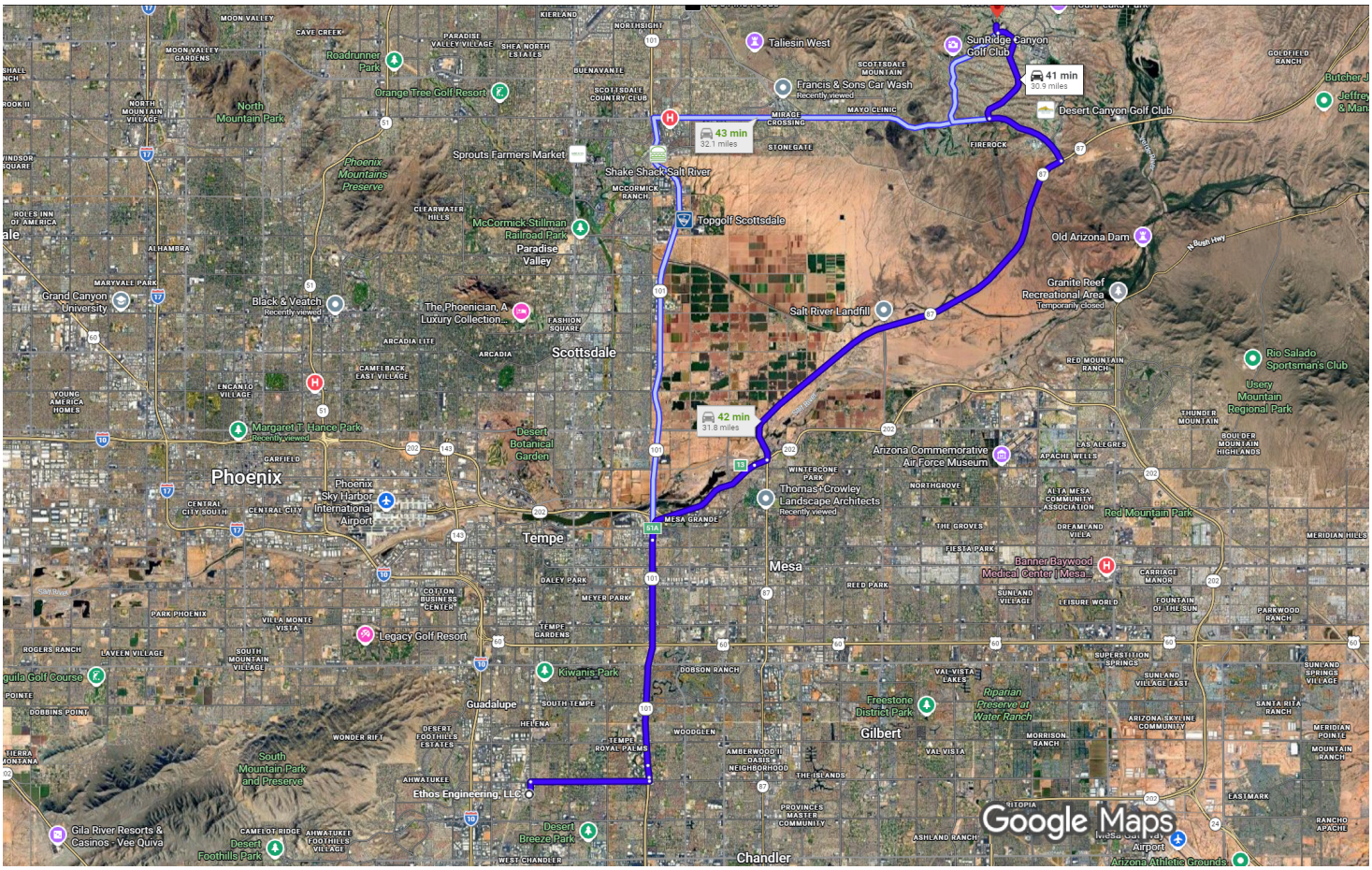
Item	Trips	Miles/1 way	Total	Rate	Cost
Site Visit	13	31	806	$0.670	$540.02
Total Mileage (Personal Vehicle)					**$540.02**

Total:	**$540.02**

Google Maps

Ethos Engineering, LLC, 9180 S Kyrene Rd STE 104, Tempe, AZ 85284 to Golden Eagle Park, 15900 E Golden Eagle Blvd, Fountain Hills, AZ 85268

Drive 30.9 miles, 41 min



Imagery ©2026 , Map data ©2026 Google 2 mi

via AZ-87 N Fastest route now due to traffic conditions	41 min 30.9 miles
via AZ-101 Loop N	43 min 32.1 miles
via AZ-101 Loop N and AZ-87 N	42 min 31.8 miles

Explore nearby Golden Eagle Park

TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date:	4/7/2026
Meeting Type:	Town Council Regular Meeting
Submitting Department:	Public Works
Prepared by:	Justin Weldy, Public Works Director
Staff Contact Information:	Phone: 480-816-5133 Email: jweldy@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

CONSIDERATION AND POSSIBLE ACTION: Relating to Job Order Contracting (JOC), Professional Services Agreements 2026–072, 2026–073 & 2026–074, for Town mechanical and plumbing services.

Staff Summary (background)

The Town's current contracts for plumbing and mechanical repair and maintenance services have reached their term limits, with no additional renewal options available. To ensure continuity of these essential services, the Town issued Request for Proposals (RFP) No. 2025-027 for Job Order Contracting (JOC) Plumbing and Mechanical Services.
Following a thorough evaluation by an internal committee consisting of staff from the Public Works, Community Services, and Engineering Departments, three (3) qualified contractors were selected for award:

- Crawford Mechanical Services, LLC
- Go To Services, Inc.
- TD Industries, Inc.

Each selected vendor will enter into a Master Agreement reviewed and approved as to form by the Town Attorney.

Each agreement will be issued in an amount not to exceed $150,000 annually, for an initial one-year term with up to four (4) additional one-year renewal options. Contractors will be utilized on an as-needed basis, depending on project requirements and the availability of budgeted funds.

Approval of these contracts does not authorize or obligate the full expenditure of $450,000 annually. Rather, these agreements establish on-call contracting capacity, and all work will be issued through individual job orders that must be supported by Council-approved budgets and available funding.

Job Order Contracting Overview

The Town has utilized Job Order Contracting (JOC) for many years as an efficient and approved procurement method. JOC contracts allow the Town to complete recurring repair, maintenance, and small capital improvement projects through competitively awarded, multi-year agreements with pre-established unit pricing.

Plumbng and Mechanical JOC services are routinely needed to support Town infrastructure,

including:

- Facility mechanical system maintenance (HVAC and plumbing systems)
- Emergency repairs and service restoration
- Preventative maintenance and system upgrades
- Mechanical work associated with capital improvement projects

Benefits of JOC Mechanical Contracts

Efficiency and Timely Response

JOC contracts allow projects to be initiated quickly without the need for separate formal bidding, which is especially valuable for urgent or emergency repairs.

Cost Control and Predictability

Unit pricing is competitively established through the procurement process, providing transparency and consistency while reducing the likelihood of cost overruns.

Flexibility for On-Call Needs

Plumbing and mechanical maintenance demands vary throughout the year. JOC agreements provide flexibility to assign work based on contractor availability, workload, and project needs.

Quality and Contractor Qualification

All selected contractors were evaluated based on qualifications, experience, capacity, and performance history, ensuring high-quality service delivery.

Accountability and Oversight

While JOC expedites procurement, all work remains subject to Town oversight. Contractors must adhere to contract terms, established pricing, and performance expectations, with all work authorized through individual job orders.

Related Ordinance, Policy or Guiding Principle

This action is consistent with the Town's procurement policies and the Arizona State Procurement Code, which authorizes the use of Job Order Contracting (JOC) as an approved alternative project delivery method for construction, repair, and maintenance services. Award of these contracts supports the Town's responsibility to maintain critical public infrastructure, ensure operational continuity of Town facilities, and provide timely response to electrical repair and emergency service needs.

Risk Analysis

If not approved, the Town would face several operational and financial risks

Service Disruption Risk**:** The Town's existing Mechanical Services repair contracts have reached their term limits with no renewal options. Without replacement contracts in place, the Town may experience gaps in coverage for routine and emergency Mechanical Services repairs.

Reduced Emergency Response Capability**:** Mechanical Services failures affecting Town facilities, or critical infrastructure may require immediate response. Without on-call contractors available through a JOC agreement, response times could be significantly delayed, increasing public safety concerns.

Recommendation(s) by Board(s) or Commission(s)

N/A

Staff Recommendation(s)

Staff recommend approval of the Job Order Contracting (JOC) for Mechanical Services agreements under RFP No. 2025-027 with Crawford Mechanical Services, LLC , Go To Services, Inc, TD Industries, Inc. each in an amount not to exceed $150,000 per year, for an initial one-year term with up to four additional one-year renewal options.

Suggested Motion

Move to approve the award of Job Order Contracting (JOC) Mechanical Services agreements, 2026-072, 2026-073, and 2025-074, under RFP No. 2025-027 to three qualified contractors, each in an amount not to exceed $150,000 per year.

FISCAL IMPACT

Fiscal Impact: $150,000
Budget Reference: Council Approved FY26 Budget
Funding Source: CIP, Facilities, Capital Reserve, Public Works & Community Services

ATTACHMENTS

1. 2026-072_Crawford Mechanical
2. 2026-073_Go To Services
3. 2026-074_TDIndustries

Contract No. **2026-072**

PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
QUANTUM INDUSTRIAL SERVICES, LLC
D/B/A
CRAWFORD MECHANICAL SERVICES, LLC

THIS PROFESSIONAL SERVICES AGREEMENT (this "Agreement") is entered into upon execution, between the Town of Fountain Hills, an Arizona municipal corporation (the "Town") and Quantum Industrial Services, LLC, d/b/a Crawford Mechanical Services, LLC, an Arizona limited liability company (the "Vendor").

RECITALS

A. The Town issued Requests for Proposals (RFP) No. 2025-027 (the "RFP"), a copy of which is on file with the Town and incorporated herein by reference, seeking bids for Job Order Contract Plumbing (the "Services").

B. The Vendor responded to the RFP by submitting a proposal (the "Proposal"), attached hereto as Exhibit A and incorporated herein by reference.

C. The Town desires to enter into an Agreement with the Vendor to perform the Services, as set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Vendor hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective as of execution and attested to by the Town Clerk pursuant to Section 3-3-31 of the Town Code, and shall remain in full force and effect until June 30, 2027 (the "Initial Term"), unless terminated as otherwise provided in this Agreement. After the expiration of the Initial Term, this Agreement may be renewed for up four successive one-year terms (the "Renewal Term") if (i) it is deemed in the best interests of the Town, subject to availability and appropriation of funds for renewal, (ii) at least 30 days prior to the end of the then-current term of this Agreement, the Vendor requests, in writing, to extend this Agreement for an additional one-year term and (iii) the Town approves the additional one-year term in writing (including any price adjustments approved as part of this Agreement), as evidenced by the Town Manager's signature thereon, which approval may be withheld by the Town for any reason. The Vendor's failure to seek a renewal of this Agreement shall cause this Agreement to terminate at the end of the then-current term of this Agreement; provided, however, that the Town

may, at its discretion and with the agreement of the Vendor, elect to waive this requirement and renew this Agreement. The Initial Term and the Renewal Term are collectively referred to herein as the "Term." Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

2. Scope of Work. This is an indefinite quantity and indefinite delivery Agreement for Services as set forth in Exhibit B and incorporated herein by reference. Services shall only be provided when the Town identifies a need and proper authorization and documentation have been approved. For project(s) determined by the Town to be appropriate for this Agreement, the Vendor shall provide the Services to the Town on an as-required basis relating to the specific Services as may be agreed upon between the parties in writing, in the form of a written acknowledgment between the parties describing the Services to be provided (each, a "Work Order"). Each Work Order issued for Services pursuant to this Agreement shall be (i) in the form provided and approved by the Town for the Services, (ii) contain a reference to this Agreement and (iii) be attached to hereto as Exhibit C and incorporated herein by reference. By signing this Agreement, Vendor acknowledges and agrees that Work Order(s) containing unauthorized exceptions, conditions, limitations, or provisions in conflict with the terms of this Agreement, other than Town's project-specific requirements, are hereby expressly declared void and shall be of no force and effect. The Town does not guarantee any minimum or maximum amount of Services will be requested under this Agreement.

3. Compensation. The Town shall pay the Vendor an amount not to exceed **$150,000** per Term at the rates set forth in the Proposal.

4. Payments. The Town shall pay the Vendor monthly (and the Vendor shall invoice the Town monthly), based upon work performed and completed to date, and upon submission and approval of invoices. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment. All invoices and statements shall be emailed to accountspayable@fountainhillsaz.gov. This Agreement must be referenced on all invoices. Town Finance will not disburse any payments to Vendors without a valid business license, as applicable.

5. Documents. All documents, including any intellectual property rights thereto, prepared and submitted to the Town pursuant to this Agreement shall be the property of the Town.

6. Vendor Personnel. Vendor shall provide adequate, experienced personnel, capable of and devoted to the successful performance of the Services under this Agreement. Vendor agrees to assign specific individuals to key positions. If deemed qualified, the Vendor is encouraged to hire Town residents to fill vacant positions at all levels. Vendor agrees that, upon commencement of the Services to be performed under this Agreement, key personnel shall not be removed or replaced without prior written notice to the Town. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, Vendor shall immediately notify the Town of same and shall, subject to the concurrence of the Town, replace such personnel with personnel possessing substantially equal ability and qualifications.

7. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the Town at reasonable times during Vendor's performance. The Vendor shall provide and maintain a self-inspection system that is acceptable to the Town.

8. Licenses; Materials. Vendor shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Vendor. The Town has no obligation to provide Vendor, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Agreement. The Town has no obligation to provide tools, equipment or material to Vendor.

9. Performance Warranty. Vendor warrants that the Services rendered will conform to the requirements of this Agreement and with the care and skill ordinarily used by members of the same profession practicing under similar circumstances at the same time and in the same locality.

10. Indemnification. To the fullest extent permitted by law, the Vendor shall indemnify, defend and hold harmless the Town and each council member, officer, employee or agent thereof (the Town and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, breach of contract, in connection with the work or services of the Vendor, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

11. Insurance.

11.1 General.

A. Insurer Qualifications. Without limiting any obligations or liabilities of Vendor, Vendor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to ARIZ. REV. STAT. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the Town. Failure to maintain insurance as specified herein may result in termination of this Agreement at the Town's option.

B. No Representation of Coverage Adequacy. By requiring insurance herein, the Town does not represent that coverage and limits will be adequate to protect Vendor. The Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Vendor from,

nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

C. Additional Insured. All insurance coverage, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

D. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the Town, unless specified otherwise in this Agreement.

E. Primary Insurance. Vendor's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the Town as an Additional Insured; the Town's insurance shall be non-contributory and a waiver of subrogation against the Town shall apply.

F. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three years past completion and acceptance of the services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

G. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the Town, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Vendor. Vendor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

H. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the Town. Vendor shall be solely responsible for any such deductible or self-insured retention amount.

I. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Vendor shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Agreement and insurance requirements set forth herein protecting the Town and Vendor. Vendor shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.

J. Evidence of Insurance. Prior to commencing any work or services under this Agreement, Vendor will provide the Town with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by Vendor's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The Town shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be Vendor's responsibility to forward renewal certificates and declaration page(s) to the Town 30 days prior to the expiration date. All certificates of insurance and declarations required by this Agreement shall be identified by referencing the RFP number and title or this Agreement. A $25.00 administrative fee shall be assessed for all certificates or declarations received without the appropriate RFP number and title or a reference to this Agreement, as applicable. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing the appropriate RFP number and title or a reference to this Agreement, as applicable, will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(1) The Town, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(a) Commercial General Liability – Under Insurance Services Office, Inc., ("ISO") Form CG 20 10 03 97 or equivalent.

(b) Auto Liability – Under ISO Form CA 20 48 or equivalent.

(c) Excess Liability – Follow Form to underlying insurance.

(2) Vendor's insurance shall be primary insurance with respect to performance of this Agreement.

(3) All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, officials and employees for any claims arising out of work or services performed by Vendor under this Agreement.

(4) ACORD certificate of insurance form 25 (2014/01) is preferred. If ACORD certificate of insurance form 25 (2001/08) is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

11.2 Required Insurance Coverage.

A. Commercial General Liability. Vendor shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than $1,000,000 for each occurrence, $2,000,000 Products and Completed Operations Annual Aggregate and a $2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

B. Vehicle Liability. Vendor shall maintain Business Automobile Liability insurance with a limit of $1,000,000 each occurrence on Vendor's owned, hired and non-owned vehicles assigned to or used in the performance of the Vendor's work or services under this Agreement. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

C. Professional Liability. If this Agreement is the subject of any professional services or work, or if the Vendor engages in any professional services or work in any way related to performing the work under this Agreement, the Vendor shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Vendor, or anyone employed by the Vendor, or anyone for whose negligent acts, mistakes, errors and omissions the Vendor is legally liable, with an unimpaired liability insurance limit of $2,000,000 each claim and $2,000,000 annual aggregate.

D. Workers' Compensation Insurance. Vendor shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Vendor's employees engaged in the performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than $500,000 for each accident, $500,000 disease for each employee and $1,000,000 disease policy limit.

11.3 Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or be materially changed without 30 days' prior written notice to the Town.

12. Termination; Cancellation.

12.1 For Town's Convenience. This Agreement is for the convenience of the Town and, as such, may be terminated without cause after receipt by Vendor of written notice by the Town. Upon termination for convenience, Vendor shall be paid for all undisputed services performed to the termination date.

12.2 For Cause. If either party fails to perform any obligation pursuant to this Agreement and such party fails to cure its nonperformance within 30 days after notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within 30 days, then the defaulting party will have such additional periods of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (A) provides written notice to the non-defaulting party and (B) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event shall any such cure period exceed 90 days. In the event of such termination for cause, payment shall be made by the Town to the Vendor for the undisputed portion of its fee due as of the termination date.

12.3 Due to Work Stoppage. This Agreement may be terminated by the Town upon 30 days' written notice to Vendor in the event that the Services are permanently abandoned. In the event of such termination due to work stoppage, payment shall be made by the Town to the Vendor for the undisputed portion of its fee due as of the termination date.

12.4 Conflict of Interest. This Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511. The Town may cancel this Agreement without penalty or further obligations by the Town or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Town or any of its departments or agencies is, at any time while this Agreement or any extension of this Agreement is in effect, an employee of any other party to this Agreement in any capacity or a Vendor to any other party of this Agreement with respect to the subject matter of this Agreement.

12.5 Gratuities. The Town may, by written notice to the Vendor, cancel this Agreement if it is found by the Town that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Vendor or any agent or representative of the Vendor to any officer, agent or employee of the Town for the purpose of securing this Agreement. In the event this Agreement is canceled by the Town pursuant to this provision, the Town shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Vendor an amount equal to 150% of the gratuity.

12.6 Agreement Subject to Appropriation. This Agreement is subject to the provisions of ARIZ. CONST. ART. IX, § 5 and ARIZ. REV. STAT. § 42-17106. The provisions of this Agreement for payment of funds by the Town shall be effective when funds are appropriated for purposes of this Agreement and are actually available for payment. The Town shall be the sole judge and authority in determining the availability of funds under this Agreement and the Town shall keep the Vendor fully informed as to the availability of funds for this Agreement. The obligation of the Town to make any payment pursuant to this Agreement is a current expense of the Town, payable exclusively from such annual appropriations, and is not a general obligation or indebtedness of the Town. If the Town Council fails to appropriate money sufficient to pay the amounts as set forth in this Agreement during any immediately succeeding fiscal year, this Agreement shall terminate at the end of then-current fiscal year and the Town and the Vendor shall be relieved of any subsequent obligation under this Agreement.

13. Miscellaneous.

13.1 Independent Contractor. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Vendor acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the Town. Vendor, its employees and subcontractors are not entitled to workers' compensation benefits from the Town. The Town does not have the authority to supervise or control the actual work of Vendor, its employees or subcontractors. The Vendor, and not the Town, shall determine the time of its performance of the services provided under this Agreement so long as Vendor meets the requirements as agreed in Section 2 above and in Exhibit A. Vendor is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. Town and Vendor do not intend to nor will they combine business operations under this Agreement.

13.2 Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and suit pertaining to this Agreement may be brought only in courts in Maricopa County, Arizona.

13.3 Laws and Regulations. Vendor shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person for whom the Vendor is responsible abides by, and remains in compliance with, all rules, regulations, ordinances, statutes or laws affecting the Services, including, but not limited to, the following: (A) existing and future Town and County ordinances and regulations; (B) existing and future State and

Federal laws; and (C) existing and future Occupational Safety and Health Administration standards.

13.4 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the Town and the Vendor.

13.5 Provisions Required by Law. Each and every provision of law and any clause required by law to be in this Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, this Agreement will promptly be physically amended to make such insertion or correction.

13.6 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of this Agreement which may remain in effect without the invalid provision or application.

13.7 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

13.8 Assignment; Delegation. No right or interest in this Agreement shall be assigned or delegated by Vendor without prior, written permission of the Town, signed by the Town Manager. Any attempted assignment or delegation by Vendor in violation of this provision shall be a breach of this Agreement by Vendor.

13.9 Subcontracts. No subcontract shall be entered into by the Vendor with any other party to furnish any of the material or services specified herein without the prior written approval of the Town. The Vendor is responsible for performance under this Agreement whether or not subcontractors are used. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by Vendor.

13.10 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the Town of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the Town to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the Town's acceptance of and payment for services, shall not release the Vendor from any

responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the Town to insist upon the strict performance of this Agreement.

13.11 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

13.12 Liens. All materials or services shall be free of all liens and, if the Town requests, a formal release of all liens shall be delivered to the Town.

13.13 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the Town may offset from any money due to the Vendor any amounts Vendor owes to the Town for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The Town may offset from any money due to the Vendor any amounts Vendor owes to the Town for delinquent fees, transaction privilege taxes and property taxes, including any interest or penalties.

13.14 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the Town:
Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268
Attn: Rachael Goodwin, Town Manager

With copy to:
Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268
Attn: Jennifer Wright, Town Attorney

If to Vendor:
Quantum Industrial Services, LLC d/b/a Crawford Mechanical Services, LLC
408 S. Hamilton Ct.
Gilbert, Az. 85233
Attn: Patrick Iancono

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this subsection. Notices shall be deemed received (A) when delivered to the party, (B) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

13.15 Confidentiality of Records. The Vendor shall establish and maintain procedures and controls that are acceptable to the Town for the purpose of ensuring that information contained in its records or obtained from the Town or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Vendor's duties under this Agreement. Persons requesting such information should be referred to the Town. Vendor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Vendor as needed for the performance of duties under this Agreement.

13.16 Records and Audit Rights. To ensure that the Vendor and its subcontractors are complying with the warranty under subsection 13.17 below, Vendor's and its subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Vendor and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the Town, to the extent necessary to adequately permit (A) evaluation and verification of any invoices, payments or claims based on Vendor's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (B) evaluation of the Vendor's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in subsection 13.17 below. To the extent necessary for the Town to audit Records as set forth in this subsection, Vendor and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Town shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the Town to Vendor pursuant to this Agreement. Vendor and its subcontractors shall provide the Town with adequate and appropriate workspace so that the Town can conduct audits in compliance with the provisions of this subsection. The Town shall give Vendor or its subcontractors reasonable advance notice of intended audits. Vendor shall require its subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

13.17 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Vendor and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements

under ARIZ. REV. STAT. § 23-214(A). Vendor's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Town.

13.18 Israel. Vendor certifies that it is not currently engaged in, and agrees for the duration of this Agreement that it will not engage in a "boycott," as that term is defined in ARIZ. REV. STAT. § 35-393, of Israel.

13.19 China. Pursuant to and in compliance with A.R.S. § 35-394, Vendor hereby agrees and certifies that it does not currently, and agrees for the duration of this Agreement that Vendor will not, use: (1) the forced labor of ethnic Uyghurs in the People's Republic of China; (2) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (3) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. Vendor also hereby agrees to indemnify and hold harmless the Town, its officials, employees, and agents from any claims or causes of action relating to the Town's action based upon reliance upon this representation, including the payment of all costs and attorney fees incurred by the Town in defending such as action.

13.20 Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, any Town-approved invoices, and the RFP, and the Proposal, the documents shall govern in the order listed herein.

13.21 Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the Town. The Town reserves the right to obtain like goods and services from another source when necessary.

13.22 Cooperative Purchasing**.** Specific eligible political subdivisions and nonprofit educational or public health institutions ("Eligible Procurement Unit(s)") are permitted to utilize procurement agreements developed by the Town, at their discretion and with the agreement of the awarded Vendor. Vendor may, at its sole discretion, accept orders from Eligible Procurement Unit(s) for the purchase of the Materials and/or Services at the prices and under the terms and conditions of this Agreement, in such quantities and configurations as may be agreed upon between the parties. All cooperative procurements under this Agreement shall be transacted solely between the requesting Eligible Procurement Unit and Vendor. Payment for such purchases will be the sole responsibility of the Eligible Procurement Unit. The exercise of any rights, responsibilities or remedies by the Eligible Procurement Unit shall be the exclusive obligation of such unit. The Town assumes no responsibility for payment, performance or any liability or obligation associated with any cooperative procurement under this Agreement. The Town shall not be responsible for any disputes arising out of transactions made by others.

[SIGNATURES ON FOLLOWING PAGES]

"**Town**"
TOWN OF FOUNTAIN HILLS,
an Arizona municipal corporation

FOR THE TOWN OF FOUNTAIN HILLS:

_____
Town Manager

ATTESTED TO:

_____
Town Clerk

APPROVED AS TO FORM:

_____
Town Attorney

FOR THE VENDOR:

By:

Name _____

Title: _____

EXHIBIT A
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
QUANTUM INDUSTRIAL SERVICES, LLC
D/B/A
CRAWFORD MECHANICAL SERVICES, LLC

[Vendor's Proposal]

See following pages.

[CRAWFORD MECHANICAL SERVICES] RESPONSE DOCUMENT REPORT

RFP No. RFP-2025-027

JOC Plumbing

RESPONSE DEADLINE: November 13, 2025 at 5:00 pm

Report Generated: Monday, March 2, 2026

Crawford Mechanical Services Response

CONTACT INFORMATION

Company:
Crawford Mechanical Services

Email:
patrick.iacono@cmsaz.com

Contact:
Patrick Iacono

Address:
408 S. Hamilton Ct.
Gilbert, AZ 85233

Phone:
(480) 622-1974

Website:
www.cmsaz.com

Submission Date:
Nov 13, 2025 10:23 AM (Mountain Time - Arizona)

ADDENDA CONFIRMATION

No addenda issued

QUESTIONNAIRE

1. Certification

By confirming questions under this section, the Vendor certifies:

NO COLLUSION*
Pass

The submission of the Proposal did not involve collusion or other anti-competitive practices.

Confirmed

NO GRATUITY*
Pass

It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip favor or service to a Town employee, officer or agent in connection with the submitted Proposal. It (including the Vendor's employees, representatives, agents, lobbyists, attorneys, and subcontractors) has refrained, under penalty of disqualification, from direct or indirect contact for the purpose of influencing the selection or creating bias in the selection process with any person who may play a part in the selection process, including the Selection Committee, elected officials, the Town Manager, Assistant Town Managers, Department Heads, and other Town staff. All contact must be addressed to the Town's Procurement Agent, except for questions submitted as set forth in Subsection 1.4 (Inquiries), above. Any attempt to influence the selection process by any means shall void the submitted Proposal and any resulting Agreement.

Confirmed

FINANCIAL STABILITY*
Pass

It is financially stable, solvent and has adequate cash reserves to meet all financial obligations including any potential costs resulting from an award of the Agreement.

Confirmed

NO SIGNATURE/FALSE OR MISLEADING STATEMENT*
Pass

The signature on the cover letter of the Proposal and the Vendor Information Form is genuine and the person signing has the authority to bind the Vendor. Failure to sign the Proposal and the Vendor Information Form, or signing either with a false or misleading statement, shall void the submitted Proposal and any resulting Agreement.

Confirmed

PROFESSIONAL SERVICES AGREEMENT*
Pass

In addition to reviewing and understanding the submittal requirements, it has reviewed the attached sample Professional Services Agreement including the Scope of Work and other Exhibits.

Confirmed

REFERENCE CHECKS*
Pass

References will be checked, and it is Vendor's responsibility to ensure that all information is accurate and current. Vendor authorizes the Town's representative to verify all information from these references and releases all those concerned from any liability in connection with the information they provide. Inability of the Town to verify references shall result in the Proposal being considered non-responsive.

Confirmed

2. Vendor Proposal

GENERAL INFORMATION*
Pass

A. One page cover letter as described in the section titled "RFP Submission Process", the subsection titled "Required Submittal".

B. Provide Vendor identification information. Explain the Vendor's legal organization including the legal name, address, identification number and legal form of the Vendor (e.g., partnership, corporation, joint venture, limited liability company, sole proprietorship). If a joint venture, identify the members of the joint venture and provide all of the information required under this section for each member. If a limited liability company, provide the name of the member or members authorized to act on the company's behalf. If the Vendor is a wholly owned subsidiary of another company, identify the parent company. If the corporation is a nonprofit corporation, provide nonprofit documentation. Provide the name, address and telephone number of the person to contact concerning the Proposal.

C. Identify the location of the Vendor's principal office and the local work office, if different. Include any documentation that supports the Vendor's authority to provide services in Arizona.

D. Provide a general description of the Vendor's organization, including years in business.

E. Identify any contract or subcontract held by the Vendor or officers of the Vendor that have been terminated within the last five years. Briefly describe the circumstances and the outcome.

F. Identify any claims arising from a contract which resulted in litigation or arbitration within the last five years. Briefly describe the circumstances and the outcome.

Cover_Letter.pdf
Vendor_Information.pdf
RFP_Presentation.pdf

EXPERIENCE AND QUALIFICATIONS OF THE VENDOR*

A. Provide a detailed description of the Vendor's experience in providing similar services to municipalities or other entities of a similar size to the Town, specifically relating experience with respect to JOC Plumbing.

B. Vendor must demonstrate successful completion of at least three similar projects within the past 60 months. For the purpose of this Solicitation, "successful completion" means completion of a project within the established schedule and budget and "similar projects" resemble this project in size, nature and scope. Provide a list of at least three organizations for which you successfully completed a similar project. This list shall include, at a minimum, the following information:

    1. Name of company or organization.
    2. Contact name.
    3. Contact address, telephone number and e-mail address.
    4. Type of services provided.
    5. Dates of contract initiation and expiration.

Company_Experience.pdf
Experience_and_Qualifications.pdf

KEY POSITIONS*
Pass

A. Identify each key personnel member that will render services to the Town including title and relevant experience required, including the proposed project manager and project staff.

B. Indicate the roles and responsibilities of each key position. Include senior members of the Vendor only from the perspective of what their role will be in providing services to the Town.

C. If a subcontractor will be used for all work of a certain type, include information on this subcontractor. A detailed plan for providing supervision must be included.

D. Attach a résumé and evidence of certification, if any, for each key personnel member and/or subcontractor to be involved in this project. Résumés should be attached together as a single appendix at the end of the Proposal and will not count toward the Proposal page limit. However, each resume shall not exceed two pages in length.

Key_Personnel.pdf

PROJECT APPROACH*
Pass

A. Describe the Vendor's approach to performing the required Services in the section titled Scope of Work, and its approach to contract management, including its perspective and experience on partnering, customer service, quality control, scheduling and staff.

B. Describe any alternate approaches if it is believed that such an approach would best suit the needs of the Town. Include rationale for alternate approaches, and indicate how the Vendor will ensure that all efforts are coordinated with the Town's Representatives.

Method_of_Approach.pdf

PRICING*
Pass

Pricing_Schedule.pdf

W-9
Pass

W9_Form_-_(QIS)_Crawford_Mechanical_2025.pdf

DOES THE BID CONTAIN ANY CONFIDENTIAL INFORMATION?*
Pass

Please clearly mark any confidential information.

No

Town of Fountain Hills, Arizona
Contact: Kate, Procurement Department
Address: Town of Fountain Hills
Public Works Department
16705 E. Avenue of the Fountains
Fountain Hills, AZ 85268

Project Name : JOC Plumbing

Thank you for the opportunity to present this plumbing services proposal for the Town of Fountain Hills, AZ. Our objective is to deliver a high-quality solution that meets your requirements while ensuring efficiency, scalability, and innovation. With over 24 years in the industry, Crawford Mechanical Services has the experience and rescources needed to provide the highest level of service.

This proposal provides a comprehensive overview our organization, required documentation, pricing, fees and labor rates. We are committed to collaborating with you to achieve the desired outcomes within the specified timeframe and budget.

We appreciate the opportunity to provide this information, and welcome any questions you may have..

Sincerely,

Patrick Iacono | Account Executive
480-622-1974 M | 480-722-1267 O
408 S. Hamilton Ct. |Gilbert, AZ 85233
patrick.iacono@cmsaz.com | cmsaz.com
quantumindustrial.com

CRAWFORD MECHANICAL SERVICES
A QUANTUM COMPANY INDUSTRIAL

TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

VENDOR INFORMATION

COMPANY NAME	CRAWFORD MECHANICAL SERVICES, LLC
ADDRESS	4088 S. HAMILTON CT., GILBERT, AZ 85233
WEBSITE	www.cms.com
AUTHORIZED SIGNATURE	
NAME AND TITLE	DAVE DESOUSA, VP OF SERVICE
CONTACT NAME	PATRICK IACONO, ACCOUNT MANAGER
PHONE/EMAIL	(480) 622-1974 patrick.iacono@cms.com
TAXPAYER ID NUMBER	99-0989796

TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

PROPOSAL CONTENTS

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VENDOR IDENTIFICATION INFORMATION	2
CONTRACT AND WORK HISTORY	3
KEY PERSONNELL INFORMATION	8
METHOD OF APPROACH	9
PRICING	13

CRAWFORD MECHANICAL SERVICES
A QUANTUM COMPANY INDUSTRIAL

408 S. Hamilton Court, Gilbert, AZ 85233 (480) 722-1267 www.cmsaz.com

Town of Fountain Hills, Arizona
Contact: Kate, Procurement Department
Address: Town of Fountain Hills
Public Works Department
16705 E. Avenue of the Fountains
Fountain Hills, AZ 85268

Project Name: JOC Plumbing

Thank you for the opportunity to present this plumbing services proposal for the Town of Fountain Hills, AZ. Our objective is to deliver a high-quality solution that meets your requirements while ensuring efficiency, scalability, and innovation. With over 24 years in the industry, Crawford Mechanical Services has the experience and rescources needed to provide the highest level of service.

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CRAWFORD MECHANICAL SERVICES
A QUANTUM COMPANY INDUSTRIAL

TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

VENDOR INFORMATION

COMPANY NAME	CRAWFORD MECHANICAL SERVICES, LLC
ADDRESS	4088 S. HAMILTON CT., GILBERT, AZ 85233
WEBSITE	www.cms.com
AUTHORIZED SIGNATURE	
NAME AND TITLE	DAVE DESOUSA, VP OF SERVICE
CONTACT NAME	PATRICK IACONO, ACCOUNT MANAGER
PHONE/EMAIL	(480) 622-1974 patrick.iacono@cms.com
TAXPAYER ID NUMBER	99-0989796

TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

22 Years of Services & Solutions for Arizona's Largest and Most Complex Mechanical & Plumbing Projects

Crawford Mechanical is a full-service commercial and industrial mechanical and plumbing contractor, celebrating 23 years of business in Arizona. We offer an extensive range of mechanical and plumbing services, including heating and cooling systems, refrigeration, piping, and plumbing.

As experts in our field with a diverse portfolio of some of the largest and most complex mechanical equipment and plumbing projects in the state, we are built upon a foundation of financial strength and a track record of success in the service and construction industry.



PLANNED MAINTENANCE



SERVICE & REPAIR



INSTALLATION

CRAWFORD MECHANICAL SERVICES
A QUANTUM COMPANY INDUSTRIAL

408 S. Hamilton Court, Gilbert, AZ 85233 (480) 722-1267 www.cmsaz.com

TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

EXPERIENCE AND QUALIFICATIONS

City of Phoenix

Client: City of Phoenix
Contact: James Dickson
Building Equipment Supervisor
Facilities Management Division
Mobile: (602) 374-0705
james.dickson@phoenix.gov

Active: 2014 - Present

Locations: 113 Locations, including:

- Sky Harbor International Airport / Goodyear Airport
- City Hall / Public Transit / City Clerk / Municipal Court
- Police Academy / Stations / Precincts / Training & Support Facilities
- Fire Academy / Headquarters / Stations / Training & Support Facilities
- Libraries / Museums / Performing Arts Centers / Theatres

Services:

- Planned Maintenance
- Service & Repairs (valves, belts, pipes, heating assemblies, pumps, coils, etc)
- Installation (CRAHs, CRACs, boilers, chillers, air handlers, ultrasonic humidification, dehumidifiers, compressors, condensers, fan motors, demand plumbing services, etc.

CRAWFORD MECHANICAL SERVICES
A QUANTUM COMPANY INDUSTRIAL

TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

EXPERIENCE AND QUALIFICATIONS

Client: City of Tempe
Contact: John Hagan
Field Supervisor
Mobile: (480) 250-5130
john_hagan@tempe.gov

Active: 2004 - Present

Locations: 60 Locations, including:

- City Hall / Dept of Operations / Traffic & Transportation / Water Reclamation & Treatment Plants
- Police & SWAT Stations / Precincts / Training & Support Facilities
- Fire Stations / Training & Support Facilities
- Libraries / Museums / Performing Arts Centers
- Tempe Diablo Stadium / Tempe Sports Complex / Golf Courses / Parks & Recreation Centers

Services:

- Planned Maintenance
- Service & Repairs (valves, belts, pipes, pads, heating assemblies, pumps, coils, etc)
- Installation (CRAHs, CRACs, AHUs, mini splits, split systems, boilers, chillers, ultrasonic humidification, dehumidifiers, compressors, condensers, fan motors, blower motors, heat pumps, demand plumbing services, etc.

TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

EXPERIENCE AND QUALIFICATIONS

Client: Town of Gilbert
Contact: Nickriah Clark
Facilities Maintenance Technician
Parks and Recreation Division
Mobile: (480) 503-6632
nickriah.clark@gilbertaz.gov

Active: 2014 - Present

Locations: 28 Locations, including:

- Civic Center
- Cactus Yards Sports Complex
- Well Sites / Lindsay Reservoir / Water Treatment Plants

Services:

- Planned Maintenance
- Service & Repairs (valves, belts, pipes, heating assemblies, pumps, coils, etc)
- Installation (CRAHs, CRACs, AHUs, boilers, chillers, ultrasonic humidification, dehumidifiers, compressors, condensers, fan motors, demand plumbing services, etc.)

TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

KEY PERSONNEL



Bobby Terra
Field Service Manager
43 Years Experience

Bobby has 43 years of experience in the construction and HVAC service industry. As Field Service Manager, Bobby oversees the day-to-day operations of the field service team, offering advice and support where needed. Bobby's favorite aspect of his role is helping others. Bobby is extremely well rounded in his knowledge of HVAC systems and has received several certifications from HVAC and R trade schools, including but not limited to Carrier, EPA, City Multi, OHSHA, and Rigging.



Erick Ruiz
Inside Service Manager
8 Years Experience

With a natural affinity for bringing positivity to others, mentoring technicians (new or seasoned), and celebrating coworker's wins, Erick excels at managing the daily operations of the service department. There is no limit to Erick's motivation and drive. He is a consonant student, skilled and certified in all makes and models of equipment known throughout our trade, Erick 's technical knowledge and empathy make him a great leader and dedicated to our client's needs.



Cody Heffelfinger
Service Coordinator
3 Years Experience

As the first point of contact for most of our Service customers, Cody makes use of his outstanding communication and analytical mindset to navigate each client's unique needs empathetically and constructively. Cody schedules and coordinates the day-to-day operations of our technicians and subcontractors and keeps our team on schedule and our clients needs met.

CRAWFORD
MECHANICAL SERVICES
A QUANTUM COMPANY
INDUSTRIAL

TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

METHOD OF APPROACH

1. **Plan to prioritize City's Work:**

   a. Be diligent and organized, ensuring that tasks are addressed based on urgency and importance.

   b. Effective communication with the City, understanding their needs and timelines, while managing expectations.

   c. Be flexible, adapting to shifting priorities while maintaining a customer-centric approach.

   d. Practice good time management while committing to quality service.

2. **Plan to respond to emergency services and repairs:**

   a. Follow normal business hour procedures:

   i. During regular business hours, customers can schedule service requests and repairs by emailing our designated email group managed by our scheduling team members and select managers, or by calling our service department. Email: CrawfordSupport@cmsaz.com
   Phone: (480-722-1267)
   Customers will receive a response from CMS Dispatch confirming technician dispatch timeline and any other pertinent information.

   ii. Upon arrival of the technician, the customer will be notified via Portal (or call on-site personnel, based upon customer preference). Technician will then inspect/diagnose the system and provide feedback to the customer along with recommendations.

TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

METHOD OF APPROACH

(Continued from previous page)

ii. Customer will then choose their preferred method to proceed: give approval to proceed with recommendations on a time and material basis while the technician is still on site, give approval to repair unit on a based upon repair quote written by technician while on site, or the technician will forward complex recommendations to our Service Department to provide an in-depth quote back to the customer to review and approve. Upon completion of repairs, the customer will receive notification via Portal where customer can verify work performed and approve closeout of the ticket. All findings and repairs will then become attached to the unit in question, so the customer has access to the equipment history at any time.

b. Use established after-hours on-call procedures:

i. Crawford Mechanical Services provides emergency services 24 hours a day, 7 days a week, 365 days a year. Crawford Mechanical Services is the premier Mission Critical Mechanical Service Provider in Arizona.

ii. Our Approach is simple: Call our office at 480-722-1267 and you will receive a live operator who will take down the information. You will then receive a phone call from one of Crawford's On-Call Supervisors who will gather all information pertaining to the issue.

TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

METHOD OF APPROACH

(Continued from previous page)

The Supervisor will then dispatch the On-Call Technician to your emergency service call. Technician will arrive within the 2- or 4-hour window. If our live operator does not get a response from the On-Call Supervisor within 15 minutes, the operator will call again and then immediately call the On-Call Manager. Our backup system ensures that we will never miss a critical, potential lifesaving emergency. All aspects of the emergency service/afterhours call will be captured in the same manner as described in our Service and Repair method of approach.

c. Eliminate the emergency.
d. Shut off main valves.
e. Maintain and keep essential tools and supplies readily accessible.
f. Keep City contacts informed of progress.

3. Plan for Quality Control:

a. Implement a comprehensive quality control plan by defining clear quality standards for our services. Field service management and our check-in check our procedure. Also, our comprehensive work acknowledgments are sent every time we leave. With pictures and video of work completed.
b. Continuous training of technicians in quality requirements and provide them with necessary tools.
c. Implement feedback loops to continuously improve quality. Our technicians check in with primary contact when they arrive and check out with primary contact before they depart.

TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

METHOD OF APPROACH

(Continued from previous page)

d. Document and analyze data to service history and make informed decisions for ongoing quality improvements. Our software gives us the ability to track all service work per piece of equipment.

e. Assign qualified technicians to perform tasks. We have a range of technician levels from Journeymen to Apprentice.

4. Plan to minimize cost of each project:

a. Conduct regular cost analysis to identify areas of savings.

b. Develop detailed budgets, allocating resources efficiently.

c. Explore competitive bidding and negotiate with suppliers.

d. Emphasize effective project management to avoid delays and additional expenses.

e. Prioritize cost effective solutions without compromising quality
or timelines.

TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

PRICING

PLUMBING	
Reactive Service Rates:	
• Plumbing Straight Time Rate	$116.00
• Plumbing Overtime Rate	$174.00
• Plumbing Double Time Rate	$232.00
• Travel Charge	$75.00
• Auger 7-10 inch max 250 ft	$400.00
• Camera scope under 100 ft	$225.00
• Camera scope 101 - 150ft	$240.00
• Camera scope 151 -200 ft	$265.00
Flat Rate Services	
• Backflow 1st device per day **(flat rate)**	$225.00
• *Each additional device per day*	$175.00
Materials Rates	
All Equipment Brands/ All Manufacturers	15-30% margin above cost.
All Parts and Materials	25-50% margin above cost.

TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

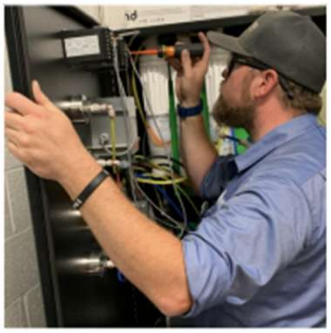
22 Years of Services & Solutions for Arizona's Largest and Most Complex Mechanical & Plumbing Projects

Crawford Mechanical is a full-service commercial and industrial mechanical and plumbing contractor, celebrating 23 years of business in Arizona. We offer an extensive range of mechanical and plumbing services, including heating and cooling systems, refrigeration, piping, and plumbing.

As experts in our field with a diverse portfolio of some of the largest and most complex mechanical equipment and plumbing projects in the state, we are built upon a foundation of financial strength and a track record of success in the service and construction industry.



PLANNED MAINTENANCE



SERVICE & REPAIR



INSTALLATION

CRAWFORD MECHANICAL SERVICES
A QUANTUM COMPANY INDUSTRIAL

TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

EXPERIENCE AND QUALIFICATIONS

City of Phoenix

Client: City of Phoenix
Contact: James Dickson
Building Equipment Supervisor
Facilities Management Division
Mobile: (602) 374-0705
james.dickson@phoenix.gov

Active: 2014 - Present

Locations: 113 Locations, including:

- Sky Harbor International Airport / Goodyear Airport
- City Hall / Public Transit / City Clerk / Municipal Court
- Police Academy / Stations / Precincts / Training & Support Facilities
- Fire Academy / Headquarters / Stations / Training & Support Facilities
- Libraries / Museums / Performing Arts Centers / Theatres

Services:

- Planned Maintenance
- Service & Repairs (valves, belts, pipes, heating assemblies, pumps, coils, etc)
- Installation (CRAHs, CRACs, boilers, chillers, air handlers, ultrasonic humidification, dehumidifiers, compressors, condensers, fan motors, demand plumbing services, etc.

CRAWFORD MECHANICAL SERVICES
A QUANTUM COMPANY INDUSTRIAL

TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

EXPERIENCE AND QUALIFICATIONS

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TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

EXPERIENCE AND QUALIFICATIONS

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TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

KEY PERSONNEL



Bobby Terra
Field Service Manager
43 Years Experience

Bobby has 43 years of experience in the construction and HVAC service industry. As Field Service Manager, Bobby oversees the day-to-day operations of the field service team, offering advice and support where needed. Bobby's favorite aspect of his role is helping others. Bobby is extremely well rounded in his knowledge of HVAC systems and has received several certifications from HVAC and R trade schools, including but not limited to Carrier, EPA, City Multi, OHSHA, and Rigging.



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CRAWFORD
MECHANICAL SERVICES
A QUANTUM COMPANY
INDUSTRIAL

TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

METHOD OF APPROACH

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TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

METHOD OF APPROACH

(Continued from previous page)

ii. Customer will then choose their preferred method to proceed: give approval to proceed with recommendations on a time and material basis while the technician is still on site, give approval to repair unit on a based upon repair quote written by technician while on site, or the technician will forward complex recommendations to our Service Department to provide an in-depth quote back to the customer to review and approve. Upon completion of repairs, the customer will receive notification via Portal where customer can verify work performed and approve closeout of the ticket. All findings and repairs will then become attached to the unit in question, so the customer has access to the equipment history at any time.

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TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

METHOD OF APPROACH

(Continued from previous page)

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TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

METHOD OF APPROACH

(Continued from previous page)

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TOWN OF FOUNTAIN HILLS
NOTICE OF REQUEST FOR PROPOSAL

PRICING

PLUMBING	
Reactive Service Rates:	
• Plumbing Straight Time Rate	$116.00
• Plumbing Overtime Rate	$174.00
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• Auger 7-10 inch max 250 ft	$400.00
• Camera scope under 100 ft	$225.00
• Camera scope 101 - 150ft	$240.00
• Camera scope 151 -200 ft	$265.00
Flat Rate Services	
• Backflow 1st device per day **(flat rate)**	$225.00
• *Each additional device per day*	$175.00
Materials Rates	
All Equipment Brands/ All Manufacturers	15-30% margin above cost.
All Parts and Materials	25-50% margin above cost.

CRAWFORD MECHANICAL SERVICES
A QUANTUM COMPANY INDUSTRIAL

Form **W-9**
(Rev. March 2024)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Go to *www.irs.gov/FormW9* for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See ***Specific Instructions*** on page 3.

1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)

Quantum Industrial Services, LLC

2 Business name/disregarded entity name, if different from above.

Crawford Mechanical Services, LLC

3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor ☐ C corporation ☐ S corporation ☐ Partnership ☐ Trust/estate

☑ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) . . . . P

Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) _____

3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . . ☐

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____

(Applies to accounts maintained outside the United States.)

5 Address (number, street, and apt. or suite no.). See instructions.

408 S. Hamilton Ct.

6 City, state, and ZIP code

Gilbert, AZ 85233

Requester's name and address (optional)

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

			–		–				

or

Employer identification number

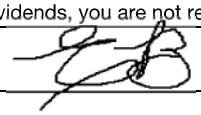
9	9	–	0	9	8	9	7	9	6

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here **Signature of U.S. person**  **Date** 3/27/25

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9*.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

EXHIBIT B
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
QUANTUM INDUSTRIAL SERVICES, LLC D/B/A
CRAWFORD MECHANICAL SERVICES, LLC

[Scope]

See following pages.

Scope of Work

Plumbing contractors shall provide on-call plumbing services across various Town-owned facilities and public properties. Work will be performed on an as-needed basis and may include routine maintenance, repair of existing systems, installation of new fixtures and piping, emergency leak response, backflow testing, and compliance upgrades related to water and drainage infrastructure.

Services may be requested for administrative buildings, libraries, parks, law enforcement facilities, community centers, and other locations as designated by Town staff. The contractor must be familiar with commercial plumbing systems and demonstrate compliance with all applicable federal, state, and local codes, including permitting requirements and OSHA safety standards.

All services shall emphasize:

- Timely response to service calls, especially in emergency scenarios
- Skilled workmanship and quality control
- Clear cost documentation and invoicing procedures
- Coordination with Town departments, inspectors, and other contractors when applicable

Service Hours and Response Expectations

Contractor shall be available to perform work during regular business hours (Monday–Friday, 8:30 AM to 5:00 PM ET). In addition, contractors must maintain 24/7 emergency service capability to respond to urgent requests such as major water leaks, sewer blockages, or public safety facility service interruptions.

Non-emergency work should commence within 48 hours of work order issuance unless otherwise scheduled

Emergency service calls must be acknowledged within 1 hour and responded to on-site within 4 hours of notification

EXHIBIT C
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
QUANTUM INDUSTRIAL SERVICES, LLC
D/B/A
CRAWFORD MECHANICAL SERVICES,
LLC

[Quote or Work Order]

See following pages.

Contract No. **2026-073**

PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
GO TO SERVICES, INC.

THIS PROFESSIONAL SERVICES AGREEMENT (this "Agreement") is entered into upon execution, between the Town of Fountain Hills, an Arizona municipal corporation (the "Town") and Go To Services, Inc., an Arizona corporation (the "Vendor").

RECITALS

A. The Town issued Requests for Proposals (RFP) No. 2025-027 (the "RFP"), a copy of which is on file with the Town and incorporated herein by reference, seeking bids for Job Order Contract Plumbing (the "Services").

B. The Vendor responded to the RFP by submitting a proposal (the "Proposal"), attached hereto as Exhibit A and incorporated herein by reference.

C. The Town desires to enter into an Agreement with the Vendor to perform the Services, as set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Vendor hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective as of execution and attested to by the Town Clerk pursuant to Section 3-3-31 of the Town Code, and shall remain in full force and effect until June 30, 2027 (the "Initial Term"), unless terminated as otherwise provided in this Agreement. After the expiration of the Initial Term, this Agreement may be renewed for up four successive one-year terms (the "Renewal Term") if (i) it is deemed in the best interests of the Town, subject to availability and appropriation of funds for renewal, (ii) at least 30 days prior to the end of the then-current term of this Agreement, the Vendor requests, in writing, to extend this Agreement for an additional one-year term and (iii) the Town approves the additional one-year term in writing (including any price adjustments approved as part of this Agreement), as evidenced by the Town Manager's signature thereon, which approval may be withheld by the Town for any reason. The Vendor's failure to seek a renewal of this Agreement shall cause this Agreement to terminate at the end of the then-current term of this Agreement; provided, however, that the Town may, at its discretion and with the agreement of the Vendor, elect to waive this requirement and renew this Agreement. The Initial Term and the Renewal Term are collectively referred to herein

as the "Term." Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

2. Scope of Work. This is an indefinite quantity and indefinite delivery Agreement for Services as set forth in Exhibit B and incorporated herein by reference. Services shall only be provided when the Town identifies a need and proper authorization and documentation have been approved. For project(s) determined by the Town to be appropriate for this Agreement, the Vendor shall provide the Services to the Town on an as-required basis relating to the specific Services as may be agreed upon between the parties in writing, in the form of a written acknowledgment between the parties describing the Services to be provided (each, a "Work Order"). Each Work Order issued for Services pursuant to this Agreement shall be (i) in the form provided and approved by the Town for the Services, (ii) contain a reference to this Agreement and (iii) be attached to hereto as Exhibit C and incorporated herein by reference. By signing this Agreement, Vendor acknowledges and agrees that Work Order(s) containing unauthorized exceptions, conditions, limitations, or provisions in conflict with the terms of this Agreement, other than Town's project-specific requirements, are hereby expressly declared void and shall be of no force and effect. The Town does not guarantee any minimum or maximum amount of Services will be requested under this Agreement.

3. Compensation. The Town shall pay the Vendor an amount not to exceed **$150,000** per Term at the rates set forth in the Proposal.

4. Payments. The Town shall pay the Vendor monthly (and the Vendor shall invoice the Town monthly), based upon work performed and completed to date, and upon submission and approval of invoices. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment. All invoices and statements shall be emailed to accountspayable@fountainhillsaz.gov. This Agreement must be referenced on all invoices. Town Finance will not disburse any payments to Vendors without a valid business license, as applicable.

5. Documents. All documents, including any intellectual property rights thereto, prepared and submitted to the Town pursuant to this Agreement shall be the property of the Town.

6. Vendor Personnel. Vendor shall provide adequate, experienced personnel, capable of and devoted to the successful performance of the Services under this Agreement. Vendor agrees to assign specific individuals to key positions. If deemed qualified, the Vendor is encouraged to hire Town residents to fill vacant positions at all levels. Vendor agrees that, upon commencement of the Services to be performed under this Agreement, key personnel shall not be removed or replaced without prior written notice to the Town. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, Vendor shall immediately notify the Town of same and shall, subject to the concurrence of the Town, replace such personnel with personnel possessing substantially equal ability and qualifications.

7. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the Town at reasonable times during Vendor's performance. The Vendor shall provide and maintain a self-inspection system that is acceptable to the Town.

8. Licenses; Materials. Vendor shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Vendor. The Town has no obligation to provide Vendor, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Agreement. The Town has no obligation to provide tools, equipment or material to Vendor.

9. Performance Warranty. Vendor warrants that the Services rendered will conform to the requirements of this Agreement and with the care and skill ordinarily used by members of the same profession practicing under similar circumstances at the same time and in the same locality.

10. Indemnification. To the fullest extent permitted by law, the Vendor shall indemnify, defend and hold harmless the Town and each council member, officer, employee or agent thereof (the Town and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, breach of contract, in connection with the work or services of the Vendor, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

11. Insurance.

11.1 General.

A. Insurer Qualifications. Without limiting any obligations or liabilities of Vendor, Vendor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to ARIZ. REV. STAT. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the Town. Failure to maintain insurance as specified herein may result in termination of this Agreement at the Town's option.

B. No Representation of Coverage Adequacy. By requiring insurance herein, the Town does not represent that coverage and limits will be adequate to protect Vendor. The Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Vendor from,

nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

C. Additional Insured. All insurance coverage, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

D. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the Town, unless specified otherwise in this Agreement.

E. Primary Insurance. Vendor's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the Town as an Additional Insured; the Town's insurance shall be non-contributory and a waiver of subrogation against the Town shall apply.

F. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three years past completion and acceptance of the services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

G. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the Town, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Vendor. Vendor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

H. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the Town. Vendor shall be solely responsible for any such deductible or self-insured retention amount.

I. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Vendor shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Agreement and insurance requirements set forth herein protecting the Town and Vendor. Vendor shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.

J. Evidence of Insurance. Prior to commencing any work or services under this Agreement, Vendor will provide the Town with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by Vendor's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The Town shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be Vendor's responsibility to forward renewal certificates and declaration page(s) to the Town 30 days prior to the expiration date. All certificates of insurance and declarations required by this Agreement shall be identified by referencing the RFP number and title or this Agreement. A $25.00 administrative fee shall be assessed for all certificates or declarations received without the appropriate RFP number and title or a reference to this Agreement, as applicable. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing the appropriate RFP number and title or a reference to this Agreement, as applicable, will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(1) The Town, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(a) Commercial General Liability – Under Insurance Services Office, Inc., ("ISO") Form CG 20 10 03 97 or equivalent.

(b) Auto Liability – Under ISO Form CA 20 48 or equivalent.

(c) Excess Liability – Follow Form to underlying insurance.

(2) Vendor's insurance shall be primary insurance with respect to performance of this Agreement.

(3) All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, officials and employees for any claims arising out of work or services performed by Vendor under this Agreement.

(4) ACORD certificate of insurance form 25 (2014/01) is preferred. If ACORD certificate of insurance form 25 (2001/08) is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

11.2 Required Insurance Coverage.

A. Commercial General Liability. Vendor shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than $1,000,000 for each occurrence, $2,000,000 Products and Completed Operations Annual Aggregate and a $2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

B. Vehicle Liability. Vendor shall maintain Business Automobile Liability insurance with a limit of $1,000,000 each occurrence on Vendor's owned, hired and non-owned vehicles assigned to or used in the performance of the Vendor's work or services under this Agreement. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

C. Professional Liability. If this Agreement is the subject of any professional services or work, or if the Vendor engages in any professional services or work in any way related to performing the work under this Agreement, the Vendor shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Vendor, or anyone employed by the Vendor, or anyone for whose negligent acts, mistakes, errors and omissions the Vendor is legally liable, with an unimpaired liability insurance limit of $2,000,000 each claim and $2,000,000 annual aggregate.

D. Workers' Compensation Insurance. Vendor shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Vendor's employees engaged in the performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than $500,000 for each accident, $500,000 disease for each employee and $1,000,000 disease policy limit.

11.3 Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or be materially changed without 30 days' prior written notice to the Town.

12. Termination; Cancellation.

12.1 For Town's Convenience. This Agreement is for the convenience of the Town and, as such, may be terminated without cause after receipt by Vendor of written notice by the Town. Upon termination for convenience, Vendor shall be paid for all undisputed services performed to the termination date.

12.2 For Cause. If either party fails to perform any obligation pursuant to this Agreement and such party fails to cure its nonperformance within 30 days after notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within 30 days, then the defaulting party will have such additional periods of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (A) provides written notice to the non-defaulting party and (B) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event shall any such cure period exceed 90 days. In the event of such termination for cause, payment shall be made by the Town to the Vendor for the undisputed portion of its fee due as of the termination date.

12.3 Due to Work Stoppage. This Agreement may be terminated by the Town upon 30 days' written notice to Vendor in the event that the Services are permanently abandoned. In the event of such termination due to work stoppage, payment shall be made by the Town to the Vendor for the undisputed portion of its fee due as of the termination date.

12.4 Conflict of Interest. This Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511. The Town may cancel this Agreement without penalty or further obligations by the Town or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Town or any of its departments or agencies is, at any time while this Agreement or any extension of this Agreement is in effect, an employee of any other party to this Agreement in any capacity or a Vendor to any other party of this Agreement with respect to the subject matter of this Agreement.

12.5 Gratuities. The Town may, by written notice to the Vendor, cancel this Agreement if it is found by the Town that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Vendor or any agent or representative of the Vendor to any officer, agent or employee of the Town for the purpose of securing this Agreement. In the event this Agreement is canceled by the Town pursuant to this provision, the Town shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Vendor an amount equal to 150% of the gratuity.

12.6 Agreement Subject to Appropriation. This Agreement is subject to the provisions of ARIZ. CONST. ART. IX, § 5 and ARIZ. REV. STAT. § 42-17106. The provisions of this Agreement for payment of funds by the Town shall be effective when funds are appropriated for purposes of this Agreement and are actually available for payment. The Town shall be the sole judge and authority in determining the availability of funds under this Agreement and the Town shall keep the Vendor fully informed as to the availability of funds for this Agreement. The obligation of the Town to make any payment pursuant to this Agreement is a current expense of the Town, payable exclusively from such annual appropriations, and is not a general obligation or indebtedness of the Town. If the Town Council fails to appropriate money sufficient to pay the amounts as set forth in this Agreement during any immediately succeeding fiscal year, this Agreement shall terminate at the end of then-current fiscal year and the Town and the Vendor shall be relieved of any subsequent obligation under this Agreement.

13. Miscellaneous.

13.1 Independent Contractor. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Vendor acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the Town. Vendor, its employees and subcontractors are not entitled to workers' compensation benefits from the Town. The Town does not have the authority to supervise or control the actual work of Vendor, its employees or subcontractors. The Vendor, and not the Town, shall determine the time of its performance of the services provided under this Agreement so long as Vendor meets the requirements as agreed in Section 2 above and in Exhibit A. Vendor is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. Town and Vendor do not intend to nor will they combine business operations under this Agreement.

13.2 Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and suit pertaining to this Agreement may be brought only in courts in Maricopa County, Arizona.

13.3 Laws and Regulations. Vendor shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person for whom the Vendor is responsible abides by, and remains in compliance with, all rules, regulations, ordinances, statutes or laws affecting the Services, including, but not limited to, the following: (A) existing and future Town and County ordinances and regulations; (B) existing and future State and

Federal laws; and (C) existing and future Occupational Safety and Health Administration standards.

13.4 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the Town and the Vendor.

13.5 Provisions Required by Law. Each and every provision of law and any clause required by law to be in this Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, this Agreement will promptly be physically amended to make such insertion or correction.

13.6 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of this Agreement which may remain in effect without the invalid provision or application.

13.7 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

13.8 Assignment; Delegation. No right or interest in this Agreement shall be assigned or delegated by Vendor without prior, written permission of the Town, signed by the Town Manager. Any attempted assignment or delegation by Vendor in violation of this provision shall be a breach of this Agreement by Vendor.

13.9 Subcontracts. No subcontract shall be entered into by the Vendor with any other party to furnish any of the material or services specified herein without the prior written approval of the Town. The Vendor is responsible for performance under this Agreement whether or not subcontractors are used. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by Vendor.

13.10 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the Town of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the Town to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the Town's acceptance of and payment for services, shall not release the Vendor from any

responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the Town to insist upon the strict performance of this Agreement.

13.11 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

13.12 Liens. All materials or services shall be free of all liens and, if the Town requests, a formal release of all liens shall be delivered to the Town.

13.13 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the Town may offset from any money due to the Vendor any amounts Vendor owes to the Town for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The Town may offset from any money due to the Vendor any amounts Vendor owes to the Town for delinquent fees, transaction privilege taxes and property taxes, including any interest or penalties.

13.14 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the Town: Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268
Attn: Rachael Goodwin, Town Manager

With copy to: Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268
Attn: Jennifer Wright, Town Attorney

If to Vendor: Go To Services, Inc.
23040 N. 11 Ave., Suite 113
Phoenix, Az. 85027
Attn: Rafael Sanchez

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this subsection. Notices shall be deemed received (A) when delivered to the party, (B) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

13.15 Confidentiality of Records. The Vendor shall establish and maintain procedures and controls that are acceptable to the Town for the purpose of ensuring that information contained in its records or obtained from the Town or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Vendor's duties under this Agreement. Persons requesting such information should be referred to the Town. Vendor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Vendor as needed for the performance of duties under this Agreement.

13.16 Records and Audit Rights. To ensure that the Vendor and its subcontractors are complying with the warranty under subsection 13.17 below, Vendor's and its subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Vendor and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the Town, to the extent necessary to adequately permit (A) evaluation and verification of any invoices, payments or claims based on Vendor's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (B) evaluation of the Vendor's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in subsection 13.17 below. To the extent necessary for the Town to audit Records as set forth in this subsection, Vendor and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Town shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the Town to Vendor pursuant to this Agreement. Vendor and its subcontractors shall provide the Town with adequate and appropriate workspace so that the Town can conduct audits in compliance with the provisions of this subsection. The Town shall give Vendor or its subcontractors reasonable advance notice of intended audits. Vendor shall require its subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

13.17 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Vendor and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements

under ARIZ. REV. STAT. § 23-214(A). Vendor's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Town.

13.18 Israel. Vendor certifies that it is not currently engaged in, and agrees for the duration of this Agreement that it will not engage in a "boycott," as that term is defined in ARIZ. REV. STAT. § 35-393, of Israel.

13.19 China. Pursuant to and in compliance with A.R.S. § 35-394, Vendor hereby agrees and certifies that it does not currently, and agrees for the duration of this Agreement that Vendor will not, use: (1) the forced labor of ethnic Uyghurs in the People's Republic of China; (2) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (3) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. Vendor also hereby agrees to indemnify and hold harmless the Town, its officials, employees, and agents from any claims or causes of action relating to the Town's action based upon reliance upon this representation, including the payment of all costs and attorney fees incurred by the Town in defending such as action.

13.20 Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, any Town-approved invoices, and the RFP, and the Proposal, the documents shall govern in the order listed herein.

13.21 Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the Town. The Town reserves the right to obtain like goods and services from another source when necessary.

13.22 Cooperative Purchasing**.** Specific eligible political subdivisions and nonprofit educational or public health institutions ("Eligible Procurement Unit(s)") are permitted to utilize procurement agreements developed by the Town, at their discretion and with the agreement of the awarded Vendor. Vendor may, at its sole discretion, accept orders from Eligible Procurement Unit(s) for the purchase of the Materials and/or Services at the prices and under the terms and conditions of this Agreement, in such quantities and configurations as may be agreed upon between the parties. All cooperative procurements under this Agreement shall be transacted solely between the requesting Eligible Procurement Unit and Vendor. Payment for such purchases will be the sole responsibility of the Eligible Procurement Unit. The exercise of any rights, responsibilities or remedies by the Eligible Procurement Unit shall be the exclusive obligation of such unit. The Town assumes no responsibility for payment, performance or any liability or obligation associated with any cooperative procurement under this Agreement. The Town shall not be responsible for any disputes arising out of transactions made by others.

[SIGNATURES ON FOLLOWING PAGES]

"**Town**"
TOWN OF FOUNTAIN HILLS,
an Arizona municipal corporation

FOR THE TOWN OF FOUNTAIN HILLS:

_____
Town Manager

ATTESTED TO:

_____
Town Clerk

APPROVED AS TO FORM:

_____
Town Attorney

FOR THE VENDOR:

By:

Name _____

Title: _____

EXHIBIT A
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
GO TO SERVICES, INC.

[Vendor's Proposal]

See following pages.

Town of Fountain Hills
Admin-Procurement
Robert Durham, Procurement Administrator
16705 E. Avenue of the Fountains, Fountain Hills, AZ 85268

[GO TO SERVICES INC] RESPONSE DOCUMENT REPORT

RFP No. RFP-2025-027

JOC Plumbing

RESPONSE DEADLINE: November 13, 2025 at 5:00 pm

Report Generated: Monday, March 2, 2026

Go To Services inc Response

CONTACT INFORMATION

Company:
Go To Services inc

Email:
rafael.sanchez@gotoservices.net

Contact:
Rafael Sanchez

Address:
23040 N 11th Ave Suite 113
Phoenix, AZ 85027

Phone:
N/A

Website:
www.gotoservices.net

Submission Date:
Nov 13, 2025 3:51 PM (Mountain Time - Arizona)

ADDENDA CONFIRMATION

No addenda issued

QUESTIONNAIRE

1. Certification

By confirming questions under this section, the Vendor certifies:

NO COLLUSION*
Pass

The submission of the Proposal did not involve collusion or other anti-competitive practices.

Confirmed

NO GRATUITY*
Pass

It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip favor or service to a Town employee, officer or agent in connection with the submitted Proposal. It (including the Vendor's employees, representatives, agents, lobbyists, attorneys, and subcontractors) has refrained, under penalty of disqualification, from direct or indirect contact for the purpose of influencing the selection or creating bias in the selection process with any person who may play a part in the selection process, including the Selection Committee, elected officials, the Town Manager, Assistant Town Managers, Department Heads, and other Town staff. All contact must be addressed to the Town's Procurement Agent, except for questions submitted as set forth in Subsection 1.4 (Inquiries), above. Any attempt to influence the selection process by any means shall void the submitted Proposal and any resulting Agreement.

Confirmed

FINANCIAL STABILITY*
Pass

It is financially stable, solvent and has adequate cash reserves to meet all financial obligations including any potential costs resulting from an award of the Agreement.

Confirmed

NO SIGNATURE/FALSE OR MISLEADING STATEMENT*
Pass

The signature on the cover letter of the Proposal and the Vendor Information Form is genuine and the person signing has the authority to bind the Vendor. Failure to sign the Proposal and the Vendor Information Form, or signing either with a false or misleading statement, shall void the submitted Proposal and any resulting Agreement.

Confirmed

PROFESSIONAL SERVICES AGREEMENT*
Pass

In addition to reviewing and understanding the submittal requirements, it has reviewed the attached sample Professional Services Agreement including the Scope of Work and other Exhibits.

Confirmed

REFERENCE CHECKS*
Pass

References will be checked, and it is Vendor's responsibility to ensure that all information is accurate and current. Vendor authorizes the Town's representative to verify all information from these references and releases all those concerned from any liability in connection with the information they provide. Inability of the Town to verify references shall result in the Proposal being considered non-responsive.

Confirmed

2. Vendor Proposal

GENERAL INFORMATION*
Pass

A. One page cover letter as described in the section titled "RFP Submission Process", the subsection titled "Required Submittal".

B. Provide Vendor identification information. Explain the Vendor's legal organization including the legal name, address, identification number and legal form of the Vendor (e.g., partnership, corporation, joint venture, limited liability company, sole proprietorship). If a joint venture, identify the members of the joint venture and provide all of the information required under this section for each member. If a limited liability company, provide the name of the member or members authorized to act on the company's behalf. If the Vendor is a wholly owned subsidiary of another company, identify the parent company. If the corporation is a nonprofit corporation, provide nonprofit documentation. Provide the name, address and telephone number of the person to contact concerning the Proposal.

C. Identify the location of the Vendor's principal office and the local work office, if different. Include any documentation that supports the Vendor's authority to provide services in Arizona.

D. Provide a general description of the Vendor's organization, including years in business.

E. Identify any contract or subcontract held by the Vendor or officers of the Vendor that have been terminated within the last five years. Briefly describe the circumstances and the outcome.

F. Identify any claims arising from a contract which resulted in litigation or arbitration within the last five years. Briefly describe the circumstances and the outcome.

251113_ToFH_JOC_Plumbing_-_General_Information.pdf

EXPERIENCE AND QUALIFICATIONS OF THE VENDOR*
Pass

A. Provide a detailed description of the Vendor's experience in providing similar services to municipalities or other entities of a similar size to the Town, specifically relating experience with respect to JOC Plumbing.

B. Vendor must demonstrate successful completion of at least three similar projects within the past 60 months. For the purpose of this Solicitation, "successful completion" means completion of a project within the established schedule and budget and "similar projects" resemble this project in size, nature and scope. Provide a list of at least three organizations for which you successfully completed a similar project. This list shall include, at a minimum, the following information:

   1. Name of company or organization.
   2. Contact name.
   3. Contact address, telephone number and e-mail address.
   4. Type of services provided.
   5. Dates of contract initiation and expiration.

251113_ToFH_JOC_Plumbing_-_Experience_&_Qualifications.pdf

KEY POSITIONS*
Pass

A. Identify each key personnel member that will render services to the Town including title and relevant experience required, including the proposed project manager and project staff.

B. Indicate the roles and responsibilities of each key position. Include senior members of the Vendor only from the perspective of what their role will be in providing services to the Town.

C. If a subcontractor will be used for all work of a certain type, include information on this subcontractor. A detailed plan for providing supervision must be included.

D. Attach a résumé and evidence of certification, if any, for each key personnel member and/or subcontractor to be involved in this project. Résumés should be attached together as a single appendix at the end of the Proposal and will not count toward the Proposal page limit. However, each resume shall not exceed two pages in length.

251113_ToFH_JOC_Plumbing_-_Key_Positions.pdf

PROJECT APPROACH*
Pass

A. Describe the Vendor's approach to performing the required Services in the section titled Scope of Work, and its approach to contract management, including its perspective and experience on partnering, customer service, quality control, scheduling and staff.

B. Describe any alternate approaches if it is believed that such an approach would best suit the needs of the Town. Include rationale for alternate approaches, and indicate how the Vendor will ensure that all efforts are coordinated with the Town's Representatives.

251113_ToFH_JOC_Plumbing_-_Project_Approach.pdf

PRICING*
Pass

251113_ToFH_JOC_Plumbing_-_Pricing.pdf

W-9
Pass

W9.pdf

DOES THE BID CONTAIN ANY CONFIDENTIAL INFORMATION?*
Pass

Please clearly mark any confidential information.

No



Go To Services

RESPONSE TO REQUEST FOR PROPOSALS FOR THE TOWN OF FOUNTAIN HILLS

JOB ORDER CONTRACTING PLUMBING SERVICES

DUE: NOVEMBER 13, 2025 | 5:00 PM

A. Cover Letter

November 13, 2025

Rob Durham
Town of Fountain Hills
16705 E. Avenue of the Fountains
Fountain Hills, AZ 85268

100+ COMBINED YEARS OF EXPERTISE

24/7 EMERGENCY PLUMBING SERVICES

1-HOUR EMERGENCY RESPONSE TIME

48-HOUR WORK ORDER RESPONSE

RE: TOWN OF FOUNTAIN HILLS | JOC PLUMBING SERVICES

Dear Mr. Durham and Members of the Selection Committee,

Go To Services, Inc. (GTS) appreciates the opportunity to submit our proposal for the Town of Fountain Hills (the Town) Job Order Contracting Plumbing Services. Founded in 2015 and headquartered in Phoenix, GTS is an Arizona-based contractor committed to building lasting relationships through trust, transparency, and consistent delivery. Our client-focused approach emphasizes efficiency, responsiveness, and accountability — values that align with the Town's commitment to reliable public service.

Our Plumbing Division delivers best-value maintenance, repair, and installation services across Arizona, combining the capabilities of our in-house, licensed Plumbing Division with a proven network of specialty trade partners. With extensive experience working in active, occupied facilities, our team knows how to plan and execute around ongoing operations and public access with minimal disruption.

When you select GTS, you will benefit from:

- **A DEDICATED PARTNER:** **GTS has successfully provided JOC services to more than ten of the region's leading commercial contractors.** As a registered vendor with the Town of Fountain Hills, we offer a seamless transition into service delivery with all procurement requirements already in place. Our proven experience and client-centered approach make us a dependable partner for municipal, educational, and institutional projects.
- **LICENSED AND EXPERIENCED CONTRACTOR:** Our team holds a **CR-37 Plumbing license** and brings deep expertise in municipal and institutional service work. We leverage our in-house professional plumbing staff to shorten schedules, maintain quality, and respond rapidly to urgent needs while coordinating effectively with specialty trade partners.
- **COMMITMENT TO QUALITY AND COST CONTROL:** We integrate constructability reviews, open-book estimating, and detailed scheduling into every service call. From permitting through inspections and warranty documentation, our process ensures compliance, reliability, and financial transparency. With in-house skilled plumbers supporting critical path activities, we help keep projects on time and within budget.

The opportunity to partner with the Town of Fountain Hills is one we value highly, and we pledge to deliver exceptional services that will support the community's operations for years to come. Thank you for your consideration.

Respectfully,

Bill Kelty

Bill Kelty
President

B. Provide Vendor identification information. Explain the Vendor's legal organization including the legal name, address, identification number and legal form of the Vendor (e.g., partnership, corporation, joint venture, limited liability company, sole proprietorship). If a joint venture, identify the members of the joint venture and provide all of the information required under this section for each member. If a limited liability company, provide the name of the member or members authorized to act on the company's behalf. If the Vendor is a wholly owned subsidiary of another company, identify the parent company. If the corporation is a nonprofit corporation, provide nonprofit documentation. Provide the name, address and telephone number of the person to contact concerning the Proposal.

Go To Services is an Arizona Corporation that was formed in 2015. Our legal address, and headquarters are located at 23040 N. 11th Ave, Bldg. 2, Ste. 113, Phoenix, AZ 85027.

C. Identify the location of the Vendor's principal office and the local work office, if different. Include any documentation that supports the Vendor's authority to provide services in Arizona.

Our principal office is located at:
23040 N. 11th Ave, Bldg. 2, Ste 113
Phoenix, AZ 85027.

D. Provide a general description of the Vendor's organization, including years in business.

GTS is a full-service general contracting firm that is able to self-perform plumbing, along with several other services and scopes of work. Founded in Arizona in 2015, we have ability to offer our clients solutions that align with their schedule and budget.

Beyond our comprehensive service offerings, GTS provides 24/7 Emergency Services encompassing plumbing, electrical, mitigation, and environmental response. Our rapid deployment capabilities ensure urgent issues are addressed immediately, minimizing operational disruptions.

E. Identify any contract or subcontract held by the Vendor or officers of the Vendor that have been terminated within the last five years. Briefly describe the circumstances and the outcome.

Neither GTS nor any of our officers have had any contract or subcontract that has been terminated within the past five years.

F. Identify any claims arising from a contract which resulted in litigation or arbitration within the last five years. Briefly describe the circumstances and the outcome.

GTS has not had any claims arising from a contract which resulted in litigation or arbitration within the last five years.



PRIMARY CONTACT

BILL KELTY, PRESIDENT
T: 480-745-4849
E: bill.kelty@gotoservices.net

"We want to be a good idea for our clients."

GO TO SERVICES HAS YOU COVERED!

New build, renovation, repair, or emergency service — one trusted team, complete solutions.

1. NEW INSTALLATIONS: Comprehensive new construction, ensuring the efficient flow of water and the safe disposal of waste.

2. SERVICE WORK: Reliable maintenance and repair solutions, including troubleshooting, equipment replacement, and system upgrades to enhance performance and extend system life.

3. TENANT IMPROVEMENTS: Customized solutions tailored to meet each tenant's unique operational and design needs across water supply lines, drain, and waste lines.

4. ENERGY EFFICIENCY UPGRADES: Smart, sustainable solutions and high-efficiency technologies that lower operating costs while supporting your sustainability goals.

5. SAFETY UPGRADES: Ensure full compliance and peace of mind with system modernization designed to meet current plumbing codes and the highest safety standards.

6. EMERGENCY REPAIRS: Dependable 24/7 response to restore function, minimize downtime, and maintain business continuity when unexpected plumbing issues arise.

A. Provide a detailed description of the Vendor's experience in providing similar services to municipalities or other entities of a similar size to the Town, specifically relating experience with respect to JOC Plumbing.

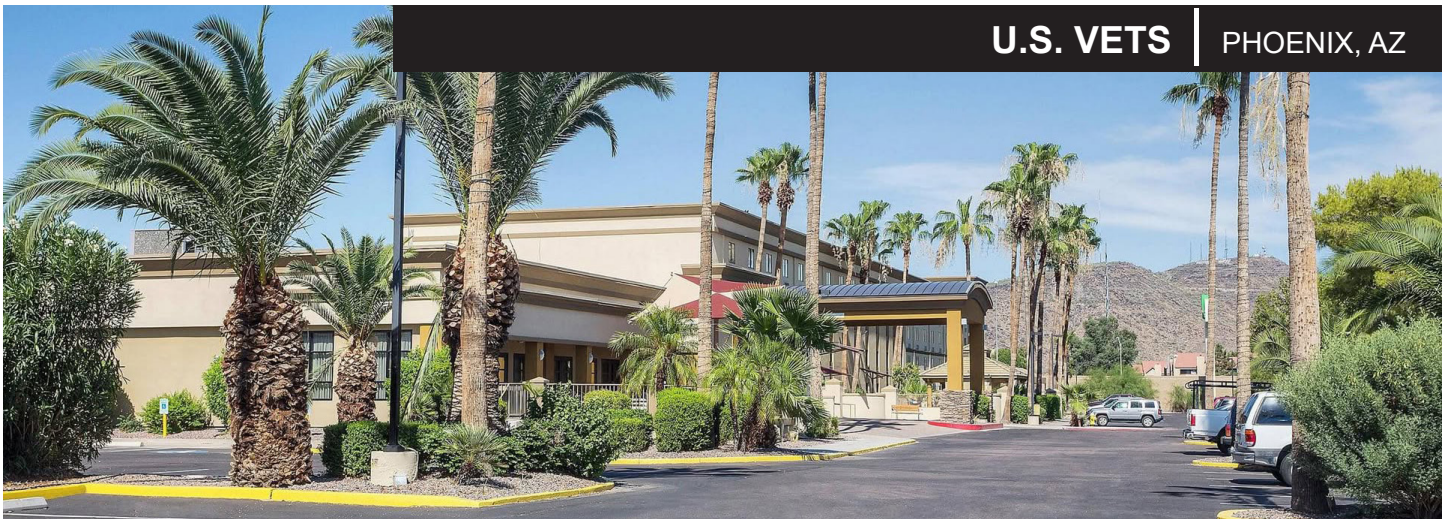
GTS appreciates the opportunity to provide a response to the Town of Fountain Hills Request for Proposal. GTS has a team of experienced and dedicated individuals at the forefront of handling the plumbing services outlined in this RFP. With a licensed, in-house plumbing department offering 24-hour emergency services, GTS maintains tremendous control of competitive job cost pricing compared to other general contractors who may subcontract out your work. The commitment and expertise of our team is instrumental in ensuring the success and seamless execution of projects from the very beginning. This approach reflects not only a focus on quality but also a dedication to delivering value to clients by managing your project with skill, efficiency, and cost accountability.

For the past several years, GTS has provided JOC and plumbing services for a wide variety of clients across Arizona, including those in municipal, healthcare, education, and commercial sectors. Our mission: "We Want To Be A Good Idea For Our Clients" — guides every project, ensuring reliability, safety, and value for our partners.

The GTS Plumbing Division is spearheaded by a dedicated team consisting of a Division Manager, Project Manager, Superintendent, Estimator, Project Coordinator, and a skilled staff of over 20 licensed and trained professionals. With a focus on excellence, our team consistently serve our clients across the state with the highest level of care and customer service. Leveraging our in-house expertise, we also collaborate seamlessly with trusted subcontractors when specialty work is required, ensuring every project is completed efficiently, safely, and to the highest professional standards.

B. Vendor must demonstrate successful completion of at least three similar projects within the past 60 months. For the purpose of this Solicitation, "successful completion" means completion of a project within the established schedule and budget and "similar projects" resemble this project in size, nature and scope. Provide a list of at least three organizations for which you successfully completed a similar project. This list shall include, at a minimum, the following information:

1. Name of company or organization.
2. Contact name.
3. Contact address, telephone number and e-mail address.
4. Type of services provided.
5. Dates of contract initiation and expiration.



U.S. VETS | PHOENIX, AZ

1-3. CLIENT REFERENCE

Oliver Industries
Jacob Oliver, Principal
E: jacob@oliverindustries.com | T: 480-720-6323
3507 N Central Ave, #302, Phoenix, AZ 85012

4. SERVICES PROVIDED BY CONTRACTOR

GTS served as the Plumbing Contractor and completed the full plumbing renovation for a four-level, 167-room veterans transitional housing facility for the City of Phoenix. The project involved complete plumbing demolition and replacement throughout the building, including removal of all above-grade waste and vent piping and installation of a new solid-core PVC system.

5. CONTRACT INITIATION AND COMPLETION

September 2024 - August 2025

ORIGINAL/FINAL COST

$1,280,000 | $1,280,000





CITY OF MESA REED PARK | MESA, AZ

1-3. CLIENT REFERENCE

Oliver Industries
Jacob Oliver, Principal
E: jacob@oliverindustries.com | T: 480-720-6323
3507 N Central Ave, #302, Phoenix, AZ 85012

4. SERVICES PROVIDED BY CONTRACTOR

GTS served as the Plumbing Contractor and completed the demolition and removal of an existing drinking fountain and installation of an owner-provided water fountain, tying into the existing plumbing infrastructure. Work was completed per all city standards, including minor excavation, fitting adjustment, and site cleanup.

5. CONTRACT INITIATION AND COMPLETION

May 2025 – July 2025

ORIGINAL/FINAL COST

$1,200 | $1,200



GLENDALE CHAMBER OF COMMERCE | GLENDALE, AZ



1-3. CLIENT REFERENCE

CORE Construction
Ricardo Jimenez, Project Manager
E: ricardojimenez@coreconstruction.com
T: 602-918-0085
10550 W Mariposa St, Phoenix, AZ 85037



4. SERVICES PROVIDED BY CONTRACTOR

GTS performed demolition and plumbing preparation for the Glendale Chamber of Commerce facility. Work included saw cutting and concrete removal to expose underground plumbing, demolition of existing sinks, pipe cutting, capping, and leak testing of existing lines. Upon completion, GTS backfilled and restored the work area to safe site conditions. All activities were completed with daily supervision and coordinated site management by GTS field personnel.

5. CONTRACT INITIATION AND COMPLETION

06.23.23-06.28.23

ORIGINAL/FINAL COST $4,000 | $4,000

A. Identify each key personnel member that will render services to the Town including title and relevant experience required, including the proposed project manager and project staff.

Resumes for key personnel are included within the appendix.

B. Indicate the roles and responsibilities of each key position. Include senior members of the Vendor only from the perspective of what their role will be in providing services to the Town.

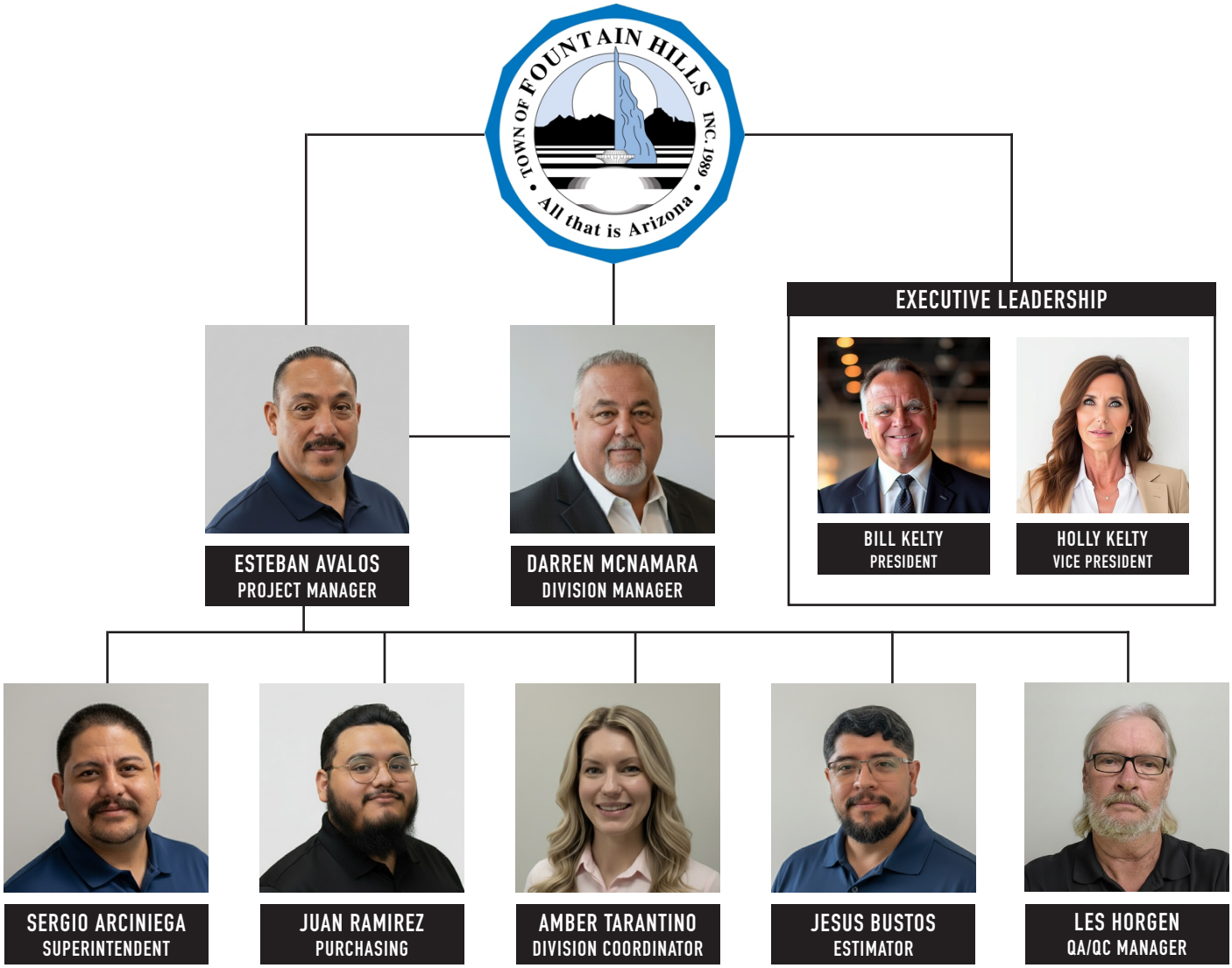
Roles and responsibilities are included on each resume.

C. If a subcontractor will be used for all work of a certain type, include information on this subcontractor. A detailed plan for providing supervision must be included.

Not applicable.

D. Attach a resume and evidence of certification, if any, for each key personnel member and/or subcontractor to be involved in this project. Resumes should be attached together as a single appendix at the end of the Proposal and will not count toward the Proposal page limit. However, each resume shall not exceed two pages in length.

Relevant certifications are included with appropriate resume.





KEY PERSONNEL
JOC PLUMBING TEAM



DARREN MCNAMARA | PLUMBING DIVISION MANAGER

YEARS OF EXPERIENCE: 30+

Darren McNamara serves as the Plumbing Division Manager for GTS, bringing over 30 years of proven excellence in customer service and operational leadership. He oversees all aspects of division operations, including project execution, scheduling, staffing, and quality assurance. Darren's comprehensive understanding of both field operations and client expectations enables him to consistently deliver projects that balance performance, cost efficiency, and customer satisfaction.

Working collaboratively with project managers, estimators, and field supervisors, Darren ensures that every project is completed safely, on schedule, and in full compliance with specifications, industry standards, and code requirements. His hands-on leadership style and commitment to continuous improvement make him an integral part of our ongoing success and reputation for reliability. Throughout his career, Darren has earned a distinguished reputation for his leadership, dependability, and dedication to delivering quality results across diverse and complex plumbing projects.

ROLE FOR THE TOWN OF FOUNTAIN HILLS:

Darren will provide strategic and operational oversight for the plumbing team serving the Town of Fountain Hills. His responsibilities include budget management, cost control, and the identification of cost-saving opportunities to maximize project value. Additionally, Darren oversees safety protocols, risk mitigation strategies, and emergency response planning to promote a secure and efficient work environment. He also ensures accurate documentation of all project activities, expenses, and incidents, with consistent reporting to support transparency and effective management.

He will ensure all work adheres to current plumbing codes and regulations, managing the permitting process and maintaining full compliance throughout each phase of project execution. He leads the implementation and enforcement of quality control procedures, conducts site inspections, and promptly addresses any issues to maintain the highest standards of workmanship.

OPERATIONAL LEADERSHIP

PROJECT EXECUTION & OVERSIGHT

QUALITY ASSURANCE & COMPLIANCE

TEAM COORDINATION

CUSTOMER SERVICE EXCELLENCE



KEY PERSONNEL
JOC PLUMBING TEAM



PROJECT MANAGEMENT

TECHNICAL FIELD EXPERTISE

BUDGET & COST CONTROL

CODE COMPLIANCE

TEAM COMMUNICATION

ESTEBAN AVALOS | PROJECT MANAGER

YEARS OF EXPERIENCE: 35+

Esteban Avalos serves as a Plumbing Project Manager for GTS, bringing over 35 years of hands-on experience and leadership in the plumbing and mechanical industry. His extensive background spans a diverse portfolio of complex projects, including healthcare, education, municipal and commercial establishments such as restaurants and public infrastructure sites. His proven ability to oversee projects of varying scale and complexity underscores his deep technical knowledge and commitment to excellence.

In his current role, Esteban works collaboratively with project management, accounting, and field teams to coordinate resources, schedules, and materials, ensuring seamless project delivery and client satisfaction. His technical acumen enables him to anticipate challenges, optimize workflows, and maintain rigorous quality and code compliance across all phases of construction.

Esteban's leadership philosophy centers on communication, accountability, and teamwork. By integrating field expertise with strategic project oversight, he consistently delivers results that exceed client expectations—solidifying his reputation as a trusted leader and an essential contributor to our team.

ROLE FOR THE TOWN OF FOUNTAIN HILLS:

As Project Manager, Esteban will provide comprehensive oversight and coordination of all plumbing projects for the Town of Fountain Hills. His responsibilities include developing detailed project plans, allocating resources efficiently, and managing budgets to ensure each project is completed on time, within scope, and in full compliance with all plumbing codes and regulations.

Esteban leads project teams with a focus on quality control, client communication, and safety, ensuring consistent alignment between design intent and field execution. Esteban integrates modern plumbing technologies and best practices to enhance efficiency and reliability. His dedication to safety, quality, and operational excellence makes him a key asset in delivering successful outcomes for the Town of Fountain Hills' plumbing projects.



KEY PERSONNEL
JOC PLUMBING TEAM



FIELD SUPERVISION

MECHANICAL & HYDRONIC SYSTEMS

QUALITY CONTROL

SAFETY MANAGEMENT

TECHNICAL PROBLEM SOLVING

SERGIO ARCINIEGA | PLUMBING SUPERINTENDENT

YEARS OF EXPERIENCE: 10+

Sergio Arciniega serves as a Plumbing Superintendent for GTS, bringing over 12 years of specialized experience in the commercial plumbing industry. He is certified in polyethylene and Aquatherm fusion and possesses extensive expertise in mechanical plumbing systems and hydronic applications.

Sergio has successfully led plumbing operations on numerous high-profile projects across the healthcare and municipal sectors. His background encompasses both project execution and service and maintenance for commercial and residential systems, providing him with a comprehensive understanding of plumbing operations from installation through lifecycle management. With a reputation for technical excellence, safety awareness, and quality workmanship, Sergio ensures that every project meets or exceeds code requirements, performance standards, and client expectations.

ROLE FOR THE TOWN OF FOUNTAIN HILLS:

As Plumbing Superintendent, Sergio will oversee and direct all on-site plumbing operations for the Town of Fountain Hills projects. His responsibilities include coordinating field activities, supervising crews, and ensuring all work is performed safely, efficiently, and in compliance with project specifications and plumbing codes.

He will lead the implementation of quality control procedures, conduct field inspections, and collaborate with project managers to resolve technical challenges and maintain schedule integrity. Sergio's hands-on experience with mechanical systems, hydronic installations, and fusion piping technologies will support the delivery of durable, high-performance plumbing systems across Town facilities.

CERTIFICATIONS:

- OSHA 30-Hour
- Polyethylene and Aquatherm fusion Fusing



KEY PERSONNEL
JOC PLUMBING TEAM



PROCUREMENT & SOURCING

VENDOR COORDINATION

BUDGET TRACKING

CONTRACT COMPLIANCE

SUPPLY CHAIN MANAGEMENT

JUAN RAMIREZ | PURCHASING

YEARS OF EXPERIENCE: 5+

With over six years of experience in the plumbing industry, Juan Ramirez brings a well-rounded background encompassing both the wholesale and contractor sides of the business. His expertise spans project management, project engineering, procurement, and account management, giving him a comprehensive understanding of plumbing operations from design through delivery.

Juan is highly skilled in project planning, vendor coordination, and budget management, with a strong commitment to delivering projects efficiently, accurately, and in full alignment with specifications. His ability to collaborate effectively with engineers, general contractors, and municipal representatives ensures clear communication, technical precision, and consistent adherence to code and contract requirements. His professionalism and organizational skills contribute directly to the reliability and efficiency of our plumbing operations.

ROLE FOR THE TOWN OF FOUNTAIN HILLS:

As the Purchaser for the Town of Fountain Hills, Juan will be responsible for managing the procurement and delivery of all plumbing materials, fixtures, and equipment required for Town projects. He works closely with project managers, estimators, and field teams to ensure all materials are sourced cost-effectively, delivered on schedule, and meet municipal and project specifications.

Juan will also oversee vendor relationships, negotiate pricing, and coordinate with suppliers to maintain a consistent supply of high-quality materials for time-sensitive projects. He also supports budget tracking, inventory management, and material submittal verification to ensure compliance with contract terms and plumbing codes. Juan plays a pivotal role in supporting the efficient execution and cost-effective delivery of all plumbing projects.

CERTIFICATIONS:

- OSHA 10-Hour



KEY PERSONNEL
JOC PLUMBING TEAM



PROJECT SCHEDULING

COMMUNICATION & DOCUMENTATION

WORKFLOW COORDINATION

ADMINISTRATIVE MANAGEMENT

CLIENT RELATIONS

AMBER TARANTINO | PLUMBING DIVISION COORDINATOR

YEARS OF EXPERIENCE: 4

As the Plumbing Division Coordinator for Go To Services, Amber Tarantino oversees the scheduling, coordination, and daily operations of all plumbing projects. Serving as the primary liaison between clients and field teams, she ensures clear communication, accurate documentation, and timely updates throughout each phase of work.

Amber manages project logistics, distributes work orders, and verifies that technicians are equipped with the proper information, materials, and resources to complete their tasks efficiently and in compliance with plumbing codes and safety standards. She actively monitors schedules, inspections, and milestones, making real-time adjustments to maintain productivity and ensure deadlines are consistently met. With exceptional organizational and communication skills, Amber takes a proactive approach to resolving challenges, supporting field crews, and ensuring the successful, professional delivery of every plumbing project.

ROLE FOR THE TOWN OF FOUNTAIN HILLS:

As the Plumbing Division Coordinator for the Town of Fountain Hills, Amber will manage the organization and flow of information between GTS, Town representatives, and plumbing teams in the field. She oversees project scheduling, documentation, and administrative processes to ensure each phase—from initial service request through project close-out—is executed efficiently, accurately, and transparently.

Through proactive communication, detailed organization, and a strong commitment to quality and safety, Amber plays an essential role in ensuring each plumbing project is completed on time, within budget, and to the Town's highest standards of performance and reliability.



KEY PERSONNEL
JOC PLUMBING TEAM



JESUS BUSTOS | ESTIMATOR

YEARS OF EXPERIENCE: 1

Jesus Bustos serves as a Plumbing Estimator for GTS, bringing over a year of focused experience in commercial plumbing estimating. Since joining the team, Jesus has built a strong foundation in project evaluation, scope analysis, and cost planning, collaborating closely with both field and leadership teams to deliver accurate, competitive, and timely proposals across a diverse range of projects.

He is proficient in the use of industry-standard takeoff software, including Fast-Pipe, enabling him to produce precise quantity tracking and detailed cost assessments. Jesus's attention to detail, adaptability, and commitment to continuous improvement have contributed to more efficient estimating workflows and enhanced project accuracy. His dedication to learning and passion for quality make him an integral part of our estimating team.

ROLE FOR THE TOWN OF FOUNTAIN HILLS:

As the Plumbing Estimator, Jesus will support the development of accurate, comprehensive estimates and task orders for a variety of plumbing projects. He reviews project specifications, drawings, and site conditions to determine the appropriate scope, quantities, and materials required for each phase of work.

Jesus provides valuable input on installation methods, labor productivity, and constructability considerations, ensuring that all estimates are both precise and reflective of real-world conditions. He works closely with project managers, clients, and vendors to obtain competitive pricing, evaluate subcontractor proposals, and maintain alignment with JOC pricing standards and methodologies.

CERTIFICATIONS:

- OSHA 30-Hour

COST ESTIMATING & ANALYSIS

PROJECT TAKEOFFS

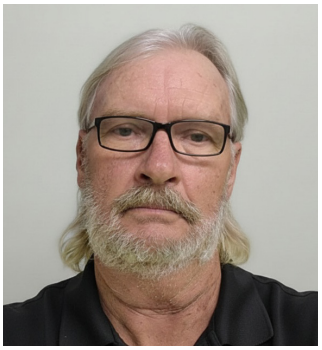
SCOPE EVALUATION

BID PREPARATION

CONSTRUCTABILITY REVIEW



KEY PERSONNEL
JOC PLUMBING TEAM



REGULATORY & CODE COMPLIANCE

OVERSIGHT & INSPECTION

PROJECT DOCUMENTATION

QUALITY ASSURANCE

TECHNICAL PROJECT LEADERSHIP

LES HORGEN | QUALITY CONTROL AND QUALITY ASSURANCE MANAGER

YEARS OF EXPERIENCE: 30+

Les serves as the Quality Contraol and Quality Assurance Manager at GTS and brings over 32 years of experience to the team. He ensures that all plumbing services comply with the Arizona Administrative Code (A.A.C. R4-9), Arizona Revised Statutes Title 32, AZROC workmanship standards, local municipal plumbing codes, and the International Plumbing Code (IPC).

With his depth of plumbing industry experience, Les brings deep technical knowledge and hands-on expertise to every phase of project execution. He has successfully managed projects valued up to $1.5 million, with extensive work across municipal, educational, and healthcare facilities—each requiring precision, safety, and strict adherence to regulatory standards.

His background spans underground utilities, water distribution systems, sewer infrastructure, fixture installations, and building repipes in occupied environments. Les provides oversight of inspections, testing, documentation, and regulatory compliance, ensuring every project meets or exceeds applicable codes and workmanship standards.

ROLE FOR THE TOWN OF FOUNTAIN HILLS:

As the QA/QC Manager, Les will oversee the technical execution of plumbing work, review task orders for compliance, and provide licensed oversight for work requiring final approval. His leadership guarantees that all plumbing projects deliver safe, code-compliant, and high-quality results.

CERTIFICATIONS:

- Arizona Registrar of Contractors, CR-37 Plumbing

STATE OF ARIZONA PLUMBING CONTRACTING LICENSE



STATE OF ARIZONA

License No. **ROC** 330975

Office of the
Registrar of Contractors

This is to certify that:
Go To Services Inc
DBA (If any)

Having been shown to possess all the necessary qualifications, and having complied with all the requirements of the law, is by order of the Registrar of Contractors duly licensed and admitted to engage in and pursue the business of

CR-37 Plumbing

Contractor in the State of Arizona. Given my hand and the seal of the Registrar of Contractors in my office, City of Phoenix, on October 14, 2020

Arizona Registrar of Contractors 1931

DIRECTOR, ARIZONA REGISTRAR OF CONTRACTORS

STATE OF ARIZONA RESIDENTIAL AND COMMERCIAL CONTRACTING LICENSE



STATE OF ARIZONA

License No. **ROC** 325598

Office of the
Registrar of Contractors

This is to certify that:
Go To Services Inc
DBA (If any)

Having been shown to possess all the necessary qualifications, and having complied with all the requirements of the law, is by order of the Registrar of Contractors duly licensed and admitted to engage in and pursue the business of

KB-2 Dual Residential and Small Commercial

Contractor in the State of Arizona. Given my hand and the seal of the Registrar of Contractors in my office, City of Phoenix, on 2019-07-25

Arizona Registrar of Contractors 1931

DIRECTOR, ARIZONA REGISTRAR OF CONTRACTORS

STATE OF ARIZONA ELECTRICAL CONTRACTING LICENSE



STATE OF ARIZONA

License No. **ROC** 340715

Office of the
Registrar of Contractors

This is to certify that:
Go To Services Inc
DBA (if any)

Having been shown to possess all the necessary qualifications, and having complied with all the requirements of the law, is by order of the Registrar of Contractors duly licensed and admitted to engage in and pursue the business of

CR-11 Electrical

Contractor in the State of Arizona. Given my hand and the seal of the Registrar of Contractors in my office, City of Phoenix, on September 13, 2022

Arizona Registrar of Contractors •1931•

DIRECTOR, ARIZONA REGISTRAR OF CONTRACTORS

STATE OF ARIZONA CARPENTRY, REMODELING, AND REPAIR CONTRACTING LICENSE



STATE OF ARIZONA

Office of the
Registrar of Contractors

License No. ROC 298433

This is to Certify That

Go To Services Inc
DBA (if any)

Having been shown to possess all the necessary qualifications, and having complied with all the requirements of the law, is by order of the Registrar of Contractors duly licensed and admitted to engage in and pursue the business of

CR61
Carpentry, Remodeling and Repair

Contractor in the State of Arizona. Given my hand and the seal of the Registrar of Contractors in my office, City of Phoenix, on 05/06/2015

Arizona Registrar of Contractors •1931•

DIRECTOR, ARIZONA REGISTRAR OF CONTRACTORS

STRATEGIC ALLIANCE FOR VOLUME EXPENDITURES (S.A.V.E.) COOPERATIVE

MARANA
UNIFIED SCHOOL DISTRICT

Supplier Award

25-04-30

As Needed Services for Plumbing, Electrical, HVAC & Small Fencing Projects

Award Date: 6/18/24

Go To Services, Inc

Humboldt Unified School District #22
Hyder Elementary School District #6
Indian Oasis-Baboquivari School District #40
Isaac Elementary School District # 5
J.O. Combs Elementary School District #44
Joseph City Unified School District #2
Kayenta Unified School District #27
Kin Dah Lichi'i' Olta, Inc.
Kingman Unified School District #20
Kyrene Elementary School District #28
Lake Havasu Unified School District # 1
Laveen Elementary School District #59
Liberty Elementary School District #25
Litchfield Elementary School District #79
Littlefield Unified School District #9
Littleton Elementary School District #65
Madison Elementary School District #38
Maine Consolidated School District
Mammoth-San Manuel Unified School District #8
Marana Unified School District #6
Maricopa Regional School District #509
Maricopa Unified School District
Mary C. O'Brien ASD
Mayer Unified School District #43
Mesa Unified School District # 4
Miami Unified School District #40
Mingus Union High School District #4
Mobile Elementary School District #86
Mohave Valley Elementary School District #16
Mohawk Valley School District # 17
Morenci Unified School District #18
Morristown Elementary School District #75
Murphy Elementary School District #21
Naco Unified School District #9
Nadaburg Elementary District #81
Nogales Unified School District # 1
Oracle School District
Osborn Elementary School District #8
Page Unified School District #8
Palominas Elementary School District #49
Palo Verde Elementary School District #49
Paradise Valley Unified School District #69
Parker Unified School District #27
Patagonia Elementary School District #6
Patagonia Union High School District #92
Payson Unified School District #10
Peach Springs Unified School District #8
Pendergast School District #92
Peoria Unified School District #11
Phoenix Elementary School District # 1
Phoenix Union High School District #210
Picacho Elementary School District #33
Pima Unified School District #6
Pine-Strawberry Elementary School District #12
Pinon Unified School District #4
Pomerene Elementary School District #64
Prescott Unified School District #1
Quartzsite Elementary School District #4
Queen Creek Unified School District # 95
Ray Unified
Red Mesa U
Riverside El
Roosevelt El
Round Valley
Sacaton Ele
Saddle Mour
Safford Unifi
Sahuarita Un
San Carlos U
Sanders Unif
San Simon U
Santa Cruz V
Santa Cruz V
Scottsdale U
Sedona-Oak
Seligman Un
Sentinel Elen
Shonto Prep
Show Low U
Sierra Vista U
Snowflake U
Somerton El
Sonoita Elen
Stanfield Ele
St. David Uni
St. Johns Un
Sunnyside U
Superior Unif
Tanque Verd
Tempe Elem
Tempe Unio
Thatcher Uni
Toltec Eleme
Tolleson Ele
Tolleson Uni
Tombstone U
Tuba City Un
Tucson Unifi
Union Eleme
Vail Unified S
Valley Union
Vernon Elem
Washington
Wellton Elem
West-MEC D
Whiteriver U
Wickenburg
Willcox Unifi
Williams Unif
Wilson Eleme
Window Roc
Winslow Unif
Young Public
Yuma Eleme
Yuma Union

Phoenix Collegiate High School
University of Arizona
Western Arizona Vocational Educ (W.A.V.E.),
a Joint Technology Education District #50
Yavapai College

Political Agencies
Arizona School for the Deaf and the Blind
Arizona Supreme Court
Central Arizona Project
Court of Appeals, Division One
Housing Authority of Maricopa County
Maricopa Association of Governments
Maricopa Integrated Health System
Mountain Lion (formerly NAIPTA)
Northern Arizona Council of Governments (NACOG)
Regional Transportation Authority (RTA)
Superior Court of Arizona, Maricopa County
Tucson Airport Authority
Valley Metro Regional Public Transit Authority
Phoenix-Mesa Gateway Airport Authority

Fire Districts
Arizona Fire and Medical Authority (Sun City West Fire District, Sun Lakes Fire District, Tonopah Fire District, Wittmann Fire District)
Central Yavapai Fire District
Copper Canyon Fire District
Drexel Heights Fire District
Golder Ranch Fire District
Mt. Lemmon Fire District
Northern Arizona Fire District
Northwest Fire District
Superstition Mtn Community Facilities District
Three Points Fire District
Tubac Fire District
Verde Valley Fire District

Misc. Agencies
Central Arizona Water Conservation District (CAWCD)
Coconino County Flood Control District
Community Hospital Association dba Wickenburg Community Hospital
Metropolitan Domestic Water Improvement District
North Country Community Health Center
Northern Gila County Sanitary District
Pima County School Reserve Fund
Pine-Strawberry Water Improvement District
Western Arizona Council of Governments

School Districts
Agua Fria Union High School District # 216
Ajo Unified School District #15
Alhambra Elementary School District # 68
Altar Valley School District #51
Amphitheater Unified School District #10
Antelope Union High School #50
Apache Junction Unified School District # 43
Arlington Elementary School District #47
Ash Fork Joint Unified School District
Avondale Elementary School District #44
Bagdad Unified School District
Balsz Elementary School District #31
Beaver Creek School District #26
Benson Unified School District #9
Bisbee Unified School District #2
Blue Ridge Unified School District #32
Bonita School District #6
Bouse Elementary School District
Buckeye Elementary School District #33
Buckeye Union High School District #201
Bullhead City Elementary School District #15
Camp Verde Unified School District #28
Canon School District
Cartwright Elementary School District #83
Casa Blanca Middle School dba Vah Ki Middle School
Casa Grande Elementary School District
Casa Grande Union High School District
Catalina Foothills Unified School District #16
Cave Creek Unified School District #93
Cedar Unified School District #25
Chandler Unified School District # 80
Chinle Unified School District #24
Chino Valley Unified School District #51
Clarkdale-Jerome School District #3
Cochise County Accommodation School District
Coconino County Regional Accommodation Dis
Colorado River Union High School District
Concho Elementary School District #6
Continental Elementary School District #39
Coolidge Unified School District #21
Cottonwood-Oak Creek School District #6
Crane Elementary School District # 13
Creighton School District #14
Deer Valley Unified School District #97
Double Adobe Elementary School District #45
Douglas Unified School District #27
Duncan Unified School District
Dysart Unified School District # 89
Elfrida Elementary School District #12
Eloy Elementary School District #11
Flagstaff Unified School District # 1
Florence Unified School District # 1
Flowing Wells Unified School District #8
Fort Huachuca Accommodation School District
Fort Thomas Unified School District #7
Fountain Hills Unified School District #98
Fowler Elementary School District #45
Gadsden Elementary School District # 32
Ganado Unified School District #20
Gila Bend Unified Schools
Gilbert Unified School District #41
Glendale Elementary School District #40
Glendale Union High School District
Globe Unified School District #1
Grand Canyon Unified School District #4
Hackberry Elementary School District #3
Heber-Overgaard Unified School District #6
Higley Unified School District #60
Holbrook Unified School District #3
Hopi Junior Senior High School
Horizon Community Learning Center / Horizon Charter School

Strategic Alliance for Volume Expenditures
S.A.V.E. --- Cooperative Purchasing Agreements

The following agencies have signed the Cooperative Purchasing Agreement with the S.A.V.E. association as of **June 7, 2023**

Municipalities
City of Apache Junction
City of Avondale
City of Benson
City of Bisbee
City of Bullhead City
City of Casa Grande
City of Chandler
City of Coolidge
City of Cottonwood
City of Douglas
City of El Mirage
City of Eloy
City of Flagstaff
City of Glendale
City of Globe
City of Goodyear
City of Holbrook
City of Kingman
City of Litchfield Park
City of Maricopa
City of Mesa
City of Nogales
City of Page
City of Peoria
City of Phoenix
City of Prescott
City of Safford
City of San Luis
City of Scottsdale
City of Sedona
City of Show Low
City of Sierra Vista
City of Somerton
City of Surprise
City of Tempe
City of Tolleson
City of Tucson
City of Willcox
City of Williams
City of Winslow
City of Yuma
Lake Havasu City
Town of Buckeye
Town of Camp Verde
Town of Carefree
Town of Cave Creek
Town of Chino Valley
Town of Clarkdale
Town of Clifton
Town of Eagar
Town of Florence
Town of Fountain Hills
Town of Gila Bend
Town of Gilbert
Town of Guadalupe
Town of Marana
Town of Miami
Town of Oro Valley
Town of Paradise Valley
Town of Prescott Valley
Town of Queen Creek
Town of Sahuarita
Town of Springerville
Town of Superior
Town of Wickenburg

Counties
Apache County
Cochise County
Coconino County
Gila County
Graham County
La Paz County
Maricopa County
Mohave County
Navajo County
Pima County
Pinal County
Santa Cruz County
Yavapai County
Yuma County

Higher Education / Technology Districts
Arizona State University
Arizona Western College
Central Arizona College
Central Arizona Valley Institute of Technology (CAVIT)
Cobré Valley Institute of Technology (CVIT)
Cochise County Community College District
Coconino County Community College District
Diné College
East Valley Institute of Technology (EVIT)
Embry-Riddle Aeronautical University
Gila County Provisional Community College District
Gila Institute for Technology, a Joint Technology Education District (JTED)
Graham County Community College District
Maricopa Community College District
Midwestern University (Glendale campus)
Mohave Community College
Mountain Institute JTED
Northeast AZ Tech Institute of Voc Ed
Northern Arizona University
Northland Pioneer College
Pima Association of Governments (PAG)
Pima Community College
Pima County Joint Technology District #11 (JTED)
Pima Prevention Partnership dba Pima Partnership Academy, Pima Partnership High School &

PROOF OF INSURANCE

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 09/15/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER CORPORATE INSURANCE SOLUTIONS 8080 E. Gelding Dr. Suite 110 Scottsdale AZ 85260	**CONTACT NAME:** Linda Salmond **PHONE (A/C, No, Ext):** (480) 336-8740 **FAX (A/C, No):** (480) 339-0064 **E-MAIL ADDRESS:** lindap@corpins-solutions.com
INSURED Go To Services Inc. Go To Services NC LLC 23040 N 11th Ave. Bldg 2 Suite 113 Phoenix AZ 85027	**INSURER(S) AFFORDING COVERAGE** — **NAIC #** **INSURER A :** Capitol Specialty Insurance Corp — 10472 **INSURER B :** Employers Mutual Casualty Company — 21415 **INSURER C :** CopperPoint Casualty Insurance Company — 13210 **INSURER D :** **INSURER E :** **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** CL24121008962 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR [X] CPL 1M/2M [X] GL Ded $5K GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [X] PRO-JECT [ ] LOC [ ] OTHER:	Y	Y	EV20220292-04	12/18/2024	12/18/2025	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG Professional Liability	$ 1,000,000 $ 50,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ 2,000,000 $ 1,000,000
B	AUTOMOBILE LIABILITY [X] ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY	Y	Y	6X68597	12/18/2024	12/18/2025	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
A	[ ] UMBRELLA LIAB [X] OCCUR [X] EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $			EX20220293-04	12/18/2024	12/18/2025	EACH OCCURRENCE AGGREGATE	$ 5,000,000 $ 5,000,000 $
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N: Y If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	Y	1023014	12/18/2024	12/18/2025	[X] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
A	Property of Others-Bailees			EV20220292-04	12/18/2024	12/18/2025	Limit	$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of Prescott is named as additional insured with respects to general liability and auto liability where required by written contract. Primary and non-contributory coverage applies where required by written contract. Waiver of subrogation applies to workers compensation, auto liability, and general liability where required by written contract. Umbrella coverage follows form. Subject to all policy forms, endorsements, and exclusions. See Attached Forms.

CERTIFICATE HOLDER

City of Prescott
201 N. Montezuma Street
Prescott AZ 86301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Debbie Miller, CEO

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ACORD 25 (2016/03) **The ACORD name and logo are registered marks of ACORD**







A. Describe the Vendor's approach to performing the required Services in the section titled Scope of Work, and its approach to contract management, including its perspective and experience on partnering, customer service, quality control, scheduling and staff.

At GTS, our approach combines precision, partnership, and performance. We deliver safe, high-quality professional services through meticulous planning, proactive communication, and skilled execution—ensuring the Town's infrastructure operates reliably and efficiently.

SERVICE DELIVERY & EXECUTION

We tailor every solution to the Town's operational and community needs. Our process emphasizes preventive maintenance, rapid troubleshooting, and seamless new installations—all backed by ***24/7 emergency response with a 1-hour acknowledgment and 4-hour on-site commitment.***

CONTRACT MANAGEMENT & PARTNERSHIP

GTS views every contract as a partnership. We maintain transparent communication, clear documentation, and responsive reporting. Our dedicated team serve as single points of contact, ensuring accountability, timely delivery, and alignment with Town objectives.

CUSTOMER SERVICE & QUALITY CONTROL

Our team is driven by a service-first mindset. We monitor performance through routine inspections, detailed service logs, and quarterly reviews with Town stakeholders—enabling continuous improvement and measurable results.

IMPLEMENTATION TIMELINE

WEEK 1-2
Pre-Engagement Phase: Meetings with Town officials, site surveys, assessment of existing plumbing systems.

WEEK 3-4
Proposal Preparation: Customized proposals outlining scope, timelines, and cost estimates.

WEEK 5-6
Contract Alignment: Confirmation of service expectations, performance metrics, and communication protocols.

WEEK 7-8
Mobilization: Permitting, mobilization of equipment and personnel, communication channels established.

ROUTINE MAINTENANCE
Ongoing: Routine maintenance, repair requests, and new installations.

EMERGENCY SERVICES
As-Needed: 24/7 availability with rapid response and on-site presence within hours.

QUARTERLY UPDATES
Evaluations: Performance reviews with Town stakeholders, adjustments made as needed.











SCHEDULING & STAFFING

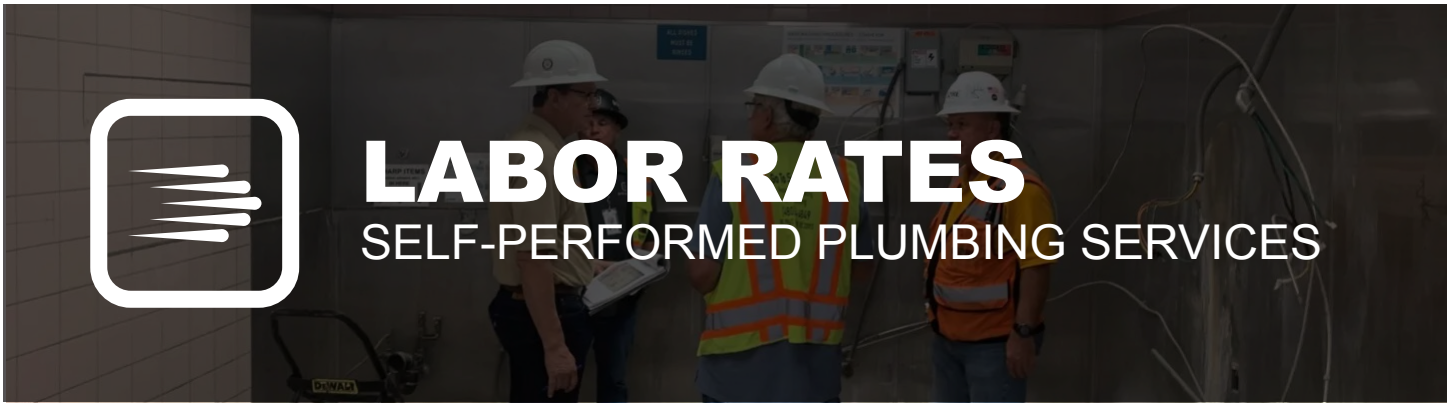
With experienced, certified technicians and scalable resources, GTS adapts to the Town's evolving needs. We prioritize efficiency in scheduling, ensuring minimal disruption to operations while maintaining strict safety and quality standards.

B. Describe any alternate approaches if it is believed that such an approach would best suit the needs of the Town. Include rationale for alternate approaches, and indicate how the Vendor will ensure that all efforts are coordinated with the Town's Representatives.

GTS understands the distinctive character of Fountain Hills, where preserving dark skies, maintaining reliable public facilities, and protecting community access are essential. Our history of municipal service work equips us to respond effectively to the needs of Town and helping you to support your community.

Proximity is also a key strength. With our Phoenix office, GTS can mobilize rapidly to Fountain Hills for both scheduled and emergency work. As a registered vendor for the Town of Fountain Hills, we can immediately begin services upon award with no delay in administrative setup. Our commitment is to deliver JOC services that are responsive, safe, and cost-effective while respecting the Town's unique community values and operational continuity.





LABOR RATES

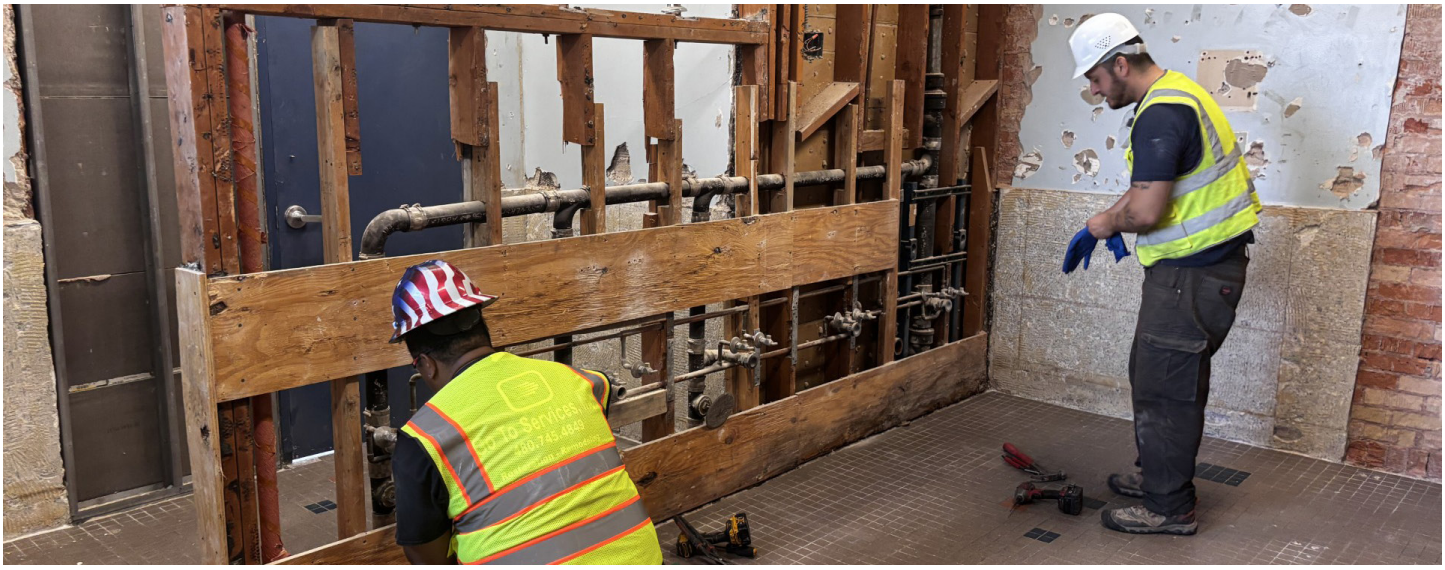
SELF-PERFORMED PLUMBING SERVICES

Classification /Role	Regular Hourly Rate	Overtime Rate	Emergency/ After-Hours Rate
Journeyman Plumber	$120.00	$140.00	$180.00
Apprentice Plumber	$75.00	$90.00	$120.00
Project Manager or Estimator	$120.00	$140.00	$180.00
Service Call Fee (2-Hour Minimum)	$75.00	-	-
Emergency Services Call Fee	-	-	$150.00

15% markup will be applied to all equipment and material costs.

15% markup will be applied when subcontractor required.

Four (4) hour minimum charge of $120 per hour.



Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

► **Go to *www.irs.gov/FormW9* for instructions and the latest information.**

Give Form to the requester. Do not send to the IRS.

Print or type. See **Specific Instructions** on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

Go To Services, Inc.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC ☒ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) ►

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.

23040 N 11th Avenue, Bldg 2 Ste #113

Requester's name and address (optional)

6 City, state, and ZIP code

Phoenix, Az 85027

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN,* later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

			–			–				

or

Employer identification number

4	6	–	4	1	8	3	1	9	9

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here | **Signature of U.S. person** ► Holly Kelty | **Date** ► November 13, 2025

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9.*

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, *later.*

EXHIBIT B
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
GO TO SERVICES, INC.

[Scope]

See following pages.

Scope of Work

Plumbing contractors shall provide on-call plumbing services across various Town-owned facilities and public properties. Work will be performed on an as-needed basis and may include routine maintenance, repair of existing systems, installation of new fixtures and piping, emergency leak response, backflow testing, and compliance upgrades related to water and drainage infrastructure.

Services may be requested for administrative buildings, libraries, parks, law enforcement facilities, community centers, and other locations as designated by Town staff. The contractor must be familiar with commercial plumbing systems and demonstrate compliance with all applicable federal, state, and local codes, including permitting requirements and OSHA safety standards.

All services shall emphasize:

- Timely response to service calls, especially in emergency scenarios
- Skilled workmanship and quality control
- Clear cost documentation and invoicing procedures
- Coordination with Town departments, inspectors, and other contractors when applicable

Service Hours and Response Expectations

Contractor shall be available to perform work during regular business hours (Monday–Friday, 8:30 AM to 5:00 PM ET). In addition, contractors must maintain 24/7 emergency service capability to respond to urgent requests such as major water leaks, sewer blockages, or public safety facility service interruptions.

Non-emergency work should commence within 48 hours of work order issuance unless otherwise scheduled

Emergency service calls must be acknowledged within 1 hour and responded to on-site within 4 hours of notification

EXHIBIT C
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
GO TO SERVICES, INC.

[Quote or Work Order]

See following pages.

Contract No. **2026-074**

PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
TDINDUSTRIES, INC.

THIS PROFESSIONAL SERVICES AGREEMENT (this "Agreement") is entered into upon execution, between the Town of Fountain Hills, an Arizona municipal corporation (the "Town") TDIndustries, Inc., a Texas corporation (the "Vendor").

RECITALS

A. The Town issued Requests for Proposals (RFP) No. 2025-027 (the "RFP"), a copy of which is on file with the Town and incorporated herein by reference, seeking bids for Job Order Contract Plumbing (the "Services").

B. The Vendor responded to the RFP by submitting a proposal (the "Proposal"), attached hereto as Exhibit A and incorporated herein by reference.

C. The Town desires to enter into an Agreement with the Vendor to perform the Services, as set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Vendor hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective as of execution and attested to by the Town Clerk pursuant to Section 3-3-31 of the Town Code, and shall remain in full force and effect until June 30, 2027 (the "Initial Term"), unless terminated as otherwise provided in this Agreement. After the expiration of the Initial Term, this Agreement may be renewed for up four successive one-year terms (the "Renewal Term") if (i) it is deemed in the best interests of the Town, subject to availability and appropriation of funds for renewal, (ii) at least 30 days prior to the end of the then-current term of this Agreement, the Vendor requests, in writing, to extend this Agreement for an additional one-year term and (iii) the Town approves the additional one-year term in writing (including any price adjustments approved as part of this Agreement), as evidenced by the Town Manager's signature thereon, which approval may be withheld by the Town for any reason. The Vendor's failure to seek a renewal of this Agreement shall cause this Agreement to terminate at the end of the then-current term of this Agreement; provided, however, that the Town may, at its discretion and with the agreement of the Vendor, elect to waive this requirement and renew this Agreement. The Initial Term and the Renewal Term are collectively referred to herein

as the "Term." Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

2. Scope of Work. This is an indefinite quantity and indefinite delivery Agreement for Services as set forth in Exhibit B and incorporated herein by reference. Services shall only be provided when the Town identifies a need and proper authorization and documentation have been approved. For project(s) determined by the Town to be appropriate for this Agreement, the Vendor shall provide the Services to the Town on an as-required basis relating to the specific Services as may be agreed upon between the parties in writing, in the form of a written acknowledgment between the parties describing the Services to be provided (each, a "Work Order"). Each Work Order issued for Services pursuant to this Agreement shall be (i) in the form provided and approved by the Town for the Services, (ii) contain a reference to this Agreement and (iii) be attached to hereto as Exhibit C and incorporated herein by reference. By signing this Agreement, Vendor acknowledges and agrees that Work Order(s) containing unauthorized exceptions, conditions, limitations, or provisions in conflict with the terms of this Agreement, other than Town's project-specific requirements, are hereby expressly declared void and shall be of no force and effect. The Town does not guarantee any minimum or maximum amount of Services will be requested under this Agreement.

3. Compensation. The Town shall pay the Vendor an amount not to exceed **$150,000** per Term at the rates set forth in the Proposal.

4. Payments. The Town shall pay the Vendor monthly (and the Vendor shall invoice the Town monthly), based upon work performed and completed to date, and upon submission and approval of invoices. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment. All invoices and statements shall be emailed to accountspayable@fountainhillsaz.gov. This Agreement must be referenced on all invoices. Town Finance will not disburse any payments to Vendors without a valid business license, as applicable.

5. Documents. All documents, including any intellectual property rights thereto, prepared and submitted to the Town pursuant to this Agreement shall be the property of the Town.

6. Vendor Personnel. Vendor shall provide adequate, experienced personnel, capable of and devoted to the successful performance of the Services under this Agreement. Vendor agrees to assign specific individuals to key positions. If deemed qualified, the Vendor is encouraged to hire Town residents to fill vacant positions at all levels. Vendor agrees that, upon commencement of the Services to be performed under this Agreement, key personnel shall not be removed or replaced without prior written notice to the Town. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, Vendor shall immediately notify the Town of same and shall, subject to the concurrence of the Town, replace such personnel with personnel possessing substantially equal ability and qualifications.

7. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the Town at reasonable times during Vendor's performance. The Vendor shall provide and maintain a self-inspection system that is acceptable to the Town.

8. Licenses; Materials. Vendor shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Vendor. The Town has no obligation to provide Vendor, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Agreement. The Town has no obligation to provide tools, equipment or material to Vendor.

9. Performance Warranty. Vendor warrants that the Services rendered will conform to the requirements of this Agreement and with the care and skill ordinarily used by members of the same profession practicing under similar circumstances at the same time and in the same locality.

10. Indemnification. To the fullest extent permitted by law, the Vendor shall indemnify, defend and hold harmless the Town and each council member, officer, employee or agent thereof (the Town and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, breach of contract, in connection with the work or services of the Vendor, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

11. Insurance.

11.1 General.

A. Insurer Qualifications. Without limiting any obligations or liabilities of Vendor, Vendor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to ARIZ. REV. STAT. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the Town. Failure to maintain insurance as specified herein may result in termination of this Agreement at the Town's option.

B. No Representation of Coverage Adequacy. By requiring insurance herein, the Town does not represent that coverage and limits will be adequate to protect Vendor. The Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Vendor from,

nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

C. Additional Insured. All insurance coverage, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

D. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the Town, unless specified otherwise in this Agreement.

E. Primary Insurance. Vendor's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the Town as an Additional Insured; the Town's insurance shall be non-contributory and a waiver of subrogation against the Town shall apply.

F. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three years past completion and acceptance of the services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

G. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the Town, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Vendor. Vendor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

H. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the Town. Vendor shall be solely responsible for any such deductible or self-insured retention amount.

I. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Vendor shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Agreement and insurance requirements set forth herein protecting the Town and Vendor. Vendor shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.

J. Evidence of Insurance. Prior to commencing any work or services under this Agreement, Vendor will provide the Town with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by Vendor's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The Town shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be Vendor's responsibility to forward renewal certificates and declaration page(s) to the Town 30 days prior to the expiration date. All certificates of insurance and declarations required by this Agreement shall be identified by referencing the RFP number and title or this Agreement. A $25.00 administrative fee shall be assessed for all certificates or declarations received without the appropriate RFP number and title or a reference to this Agreement, as applicable. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing the appropriate RFP number and title or a reference to this Agreement, as applicable, will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(1) The Town, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(a) Commercial General Liability – Under Insurance Services Office, Inc., ("ISO") Form CG 20 10 03 97 or equivalent.

(b) Auto Liability – Under ISO Form CA 20 48 or equivalent.

(c) Excess Liability – Follow Form to underlying insurance.

(2) Vendor's insurance shall be primary insurance with respect to performance of this Agreement.

(3) All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, officials and employees for any claims arising out of work or services performed by Vendor under this Agreement.

(4) ACORD certificate of insurance form 25 (2014/01) is preferred. If ACORD certificate of insurance form 25 (2001/08) is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

11.2 Required Insurance Coverage.

A. Commercial General Liability. Vendor shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than $1,000,000 for each occurrence, $2,000,000 Products and Completed Operations Annual Aggregate and a $2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

B. Vehicle Liability. Vendor shall maintain Business Automobile Liability insurance with a limit of $1,000,000 each occurrence on Vendor's owned, hired and non-owned vehicles assigned to or used in the performance of the Vendor's work or services under this Agreement. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

C. Professional Liability. If this Agreement is the subject of any professional services or work, or if the Vendor engages in any professional services or work in any way related to performing the work under this Agreement, the Vendor shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Vendor, or anyone employed by the Vendor, or anyone for whose negligent acts, mistakes, errors and omissions the Vendor is legally liable, with an unimpaired liability insurance limit of $2,000,000 each claim and $2,000,000 annual aggregate.

D. Workers' Compensation Insurance. Vendor shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Vendor's employees engaged in the performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than $500,000 for each accident, $500,000 disease for each employee and $1,000,000 disease policy limit.

11.3 Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or be materially changed without 30 days' prior written notice to the Town.

12. Termination; Cancellation.

12.1 For Town's Convenience. This Agreement is for the convenience of the Town and, as such, may be terminated without cause after receipt by Vendor of written notice by the Town. Upon termination for convenience, Vendor shall be paid for all undisputed services performed to the termination date.

12.2 For Cause. If either party fails to perform any obligation pursuant to this Agreement and such party fails to cure its nonperformance within 30 days after notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within 30 days, then the defaulting party will have such additional periods of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (A) provides written notice to the non-defaulting party and (B) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event shall any such cure period exceed 90 days. In the event of such termination for cause, payment shall be made by the Town to the Vendor for the undisputed portion of its fee due as of the termination date.

12.3 Due to Work Stoppage. This Agreement may be terminated by the Town upon 30 days' written notice to Vendor in the event that the Services are permanently abandoned. In the event of such termination due to work stoppage, payment shall be made by the Town to the Vendor for the undisputed portion of its fee due as of the termination date.

12.4 Conflict of Interest. This Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511. The Town may cancel this Agreement without penalty or further obligations by the Town or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Town or any of its departments or agencies is, at any time while this Agreement or any extension of this Agreement is in effect, an employee of any other party to this Agreement in any capacity or a Vendor to any other party of this Agreement with respect to the subject matter of this Agreement.

12.5 Gratuities. The Town may, by written notice to the Vendor, cancel this Agreement if it is found by the Town that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Vendor or any agent or representative of the Vendor to any officer, agent or employee of the Town for the purpose of securing this Agreement. In the event this Agreement is canceled by the Town pursuant to this provision, the Town shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Vendor an amount equal to 150% of the gratuity.

12.6 Agreement Subject to Appropriation. This Agreement is subject to the provisions of ARIZ. CONST. ART. IX, § 5 and ARIZ. REV. STAT. § 42-17106. The provisions of this Agreement for payment of funds by the Town shall be effective when funds are appropriated for purposes of this Agreement and are actually available for payment. The Town shall be the sole judge and authority in determining the availability of funds under this Agreement and the Town shall keep the Vendor fully informed as to the availability of funds for this Agreement. The obligation of the Town to make any payment pursuant to this Agreement is a current expense of the Town, payable exclusively from such annual appropriations, and is not a general obligation or indebtedness of the Town. If the Town Council fails to appropriate money sufficient to pay the amounts as set forth in this Agreement during any immediately succeeding fiscal year, this Agreement shall terminate at the end of then-current fiscal year and the Town and the Vendor shall be relieved of any subsequent obligation under this Agreement.

13. Miscellaneous.

13.1 Independent Contractor. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Vendor acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the Town. Vendor, its employees and subcontractors are not entitled to workers' compensation benefits from the Town. The Town does not have the authority to supervise or control the actual work of Vendor, its employees or subcontractors. The Vendor, and not the Town, shall determine the time of its performance of the services provided under this Agreement so long as Vendor meets the requirements as agreed in Section 2 above and in Exhibit A. Vendor is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. Town and Vendor do not intend to nor will they combine business operations under this Agreement.

13.2 Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and suit pertaining to this Agreement may be brought only in courts in Maricopa County, Arizona.

13.3 Laws and Regulations. Vendor shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person for whom the Vendor is responsible abides by, and remains in compliance with, all rules, regulations, ordinances, statutes or laws affecting the Services, including, but not limited to, the following: (A) existing and future Town and County ordinances and regulations; (B) existing and future State and

Federal laws; and (C) existing and future Occupational Safety and Health Administration standards.

13.4 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the Town and the Vendor.

13.5 Provisions Required by Law. Each and every provision of law and any clause required by law to be in this Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, this Agreement will promptly be physically amended to make such insertion or correction.

13.6 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of this Agreement which may remain in effect without the invalid provision or application.

13.7 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

13.8 Assignment; Delegation. No right or interest in this Agreement shall be assigned or delegated by Vendor without prior, written permission of the Town, signed by the Town Manager. Any attempted assignment or delegation by Vendor in violation of this provision shall be a breach of this Agreement by Vendor.

13.9 Subcontracts. No subcontract shall be entered into by the Vendor with any other party to furnish any of the material or services specified herein without the prior written approval of the Town. The Vendor is responsible for performance under this Agreement whether or not subcontractors are used. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by Vendor.

13.10 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the Town of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the Town to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the Town's acceptance of and payment for services, shall not release the Vendor from any

responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the Town to insist upon the strict performance of this Agreement.

13.11 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

13.12 Liens. All materials or services shall be free of all liens and, if the Town requests, a formal release of all liens shall be delivered to the Town.

13.13 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the Town may offset from any money due to the Vendor any amounts Vendor owes to the Town for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The Town may offset from any money due to the Vendor any amounts Vendor owes to the Town for delinquent fees, transaction privilege taxes and property taxes, including any interest or penalties.

13.14 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the Town:
Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268
Attn: Rachael Goodwin, Town Manager

With copy to:
Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268
Attn: Jennifer Wright, Town Attorney

If to Vendor:
TDIndustries, Inc.
1888 E. Broadway Rd.
Tempe, Az. 85282
Attn: Chris Senkow

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this subsection. Notices shall be deemed received (A) when delivered to the party, (B) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

13.15 Confidentiality of Records. The Vendor shall establish and maintain procedures and controls that are acceptable to the Town for the purpose of ensuring that information contained in its records or obtained from the Town or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Vendor's duties under this Agreement. Persons requesting such information should be referred to the Town. Vendor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Vendor as needed for the performance of duties under this Agreement.

13.16 Records and Audit Rights. To ensure that the Vendor and its subcontractors are complying with the warranty under subsection 13.17 below, Vendor's and its subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Vendor and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the Town, to the extent necessary to adequately permit (A) evaluation and verification of any invoices, payments or claims based on Vendor's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (B) evaluation of the Vendor's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in subsection 13.17 below. To the extent necessary for the Town to audit Records as set forth in this subsection, Vendor and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Town shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the Town to Vendor pursuant to this Agreement. Vendor and its subcontractors shall provide the Town with adequate and appropriate workspace so that the Town can conduct audits in compliance with the provisions of this subsection. The Town shall give Vendor or its subcontractors reasonable advance notice of intended audits. Vendor shall require its subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

13.17 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Vendor and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements

under ARIZ. REV. STAT. § 23-214(A). Vendor's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Town.

13.18 Israel. Vendor certifies that it is not currently engaged in, and agrees for the duration of this Agreement that it will not engage in a "boycott," as that term is defined in ARIZ. REV. STAT. § 35-393, of Israel.

13.19 China. Pursuant to and in compliance with A.R.S. § 35-394, Vendor hereby agrees and certifies that it does not currently, and agrees for the duration of this Agreement that Vendor will not, use: (1) the forced labor of ethnic Uyghurs in the People's Republic of China; (2) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (3) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. Vendor also hereby agrees to indemnify and hold harmless the Town, its officials, employees, and agents from any claims or causes of action relating to the Town's action based upon reliance upon this representation, including the payment of all costs and attorney fees incurred by the Town in defending such as action.

13.20 Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, any Town-approved invoices, and the RFP, and the Proposal, the documents shall govern in the order listed herein.

13.21 Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the Town. The Town reserves the right to obtain like goods and services from another source when necessary.

13.22 Cooperative Purchasing**.** Specific eligible political subdivisions and nonprofit educational or public health institutions ("Eligible Procurement Unit(s)") are permitted to utilize procurement agreements developed by the Town, at their discretion and with the agreement of the awarded Vendor. Vendor may, at its sole discretion, accept orders from Eligible Procurement Unit(s) for the purchase of the Materials and/or Services at the prices and under the terms and conditions of this Agreement, in such quantities and configurations as may be agreed upon between the parties. All cooperative procurements under this Agreement shall be transacted solely between the requesting Eligible Procurement Unit and Vendor. Payment for such purchases will be the sole responsibility of the Eligible Procurement Unit. The exercise of any rights, responsibilities or remedies by the Eligible Procurement Unit shall be the exclusive obligation of such unit. The Town assumes no responsibility for payment, performance or any liability or obligation associated with any cooperative procurement under this Agreement. The Town shall not be responsible for any disputes arising out of transactions made by others.

[SIGNATURES ON FOLLOWING PAGES]

"**Town**"
TOWN OF FOUNTAIN HILLS,
an Arizona municipal corporation

FOR THE TOWN OF FOUNTAIN HILLS:

_____
Town Manager

ATTESTED TO:

_____
Town Clerk

APPROVED AS TO FORM:

_____
Town Attorney

FOR THE VENDOR:

By:

Name _____

Title: _____

EXHIBIT A
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
TDINDUSTRIES, INC.

[Vendor's Proposal]

See following pages.

Town of Fountain Hills
Admin-Procurement
Robert Durham, Procurement Administrator
16705 E. Avenue of the Fountains, Fountain Hills, AZ 85268

[TDINDUSTRIES INC] RESPONSE DOCUMENT REPORT

RFP No. RFP-2025-027

JOC Plumbing

RESPONSE DEADLINE: November 13, 2025 at 5:00 pm

Report Generated: Monday, March 2, 2026

TDIndustries Inc Response

CONTACT INFORMATION

Company:
TDIndustries Inc

Email:
chris.senkow@tdindustries.com

Contact:
Chris Senkow

Address:
1888 E Broadway Rd, Tempe, AZ 85282
Tempe, AZ 85282

Phone:
(480) 365-8175

Website:
https://www.tdindustries.com/

Submission Date:
Nov 10, 2025 7:39 AM (Mountain Time - Arizona)

ADDENDA CONFIRMATION

No addenda issued

QUESTIONNAIRE

1. Certification

By confirming questions under this section, the Vendor certifies:

NO COLLUSION*
Pass

The submission of the Proposal did not involve collusion or other anti-competitive practices.

Confirmed

NO GRATUITY*
Pass

It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip favor or service to a Town employee, officer or agent in connection with the submitted Proposal. It (including the Vendor's employees, representatives, agents, lobbyists, attorneys, and subcontractors) has refrained, under penalty of disqualification, from direct or indirect contact for the purpose of influencing the selection or creating bias in the selection process with any person who may play a part in the selection process, including the Selection Committee, elected officials, the Town Manager, Assistant Town Managers, Department Heads, and other Town staff. All contact must be addressed to the Town's Procurement Agent, except for questions submitted as set forth in Subsection 1.4 (Inquiries), above. Any attempt to influence the selection process by any means shall void the submitted Proposal and any resulting Agreement.

Confirmed

FINANCIAL STABILITY*
Pass

It is financially stable, solvent and has adequate cash reserves to meet all financial obligations including any potential costs resulting from an award of the Agreement.

Confirmed

NO SIGNATURE/FALSE OR MISLEADING STATEMENT*
Pass

The signature on the cover letter of the Proposal and the Vendor Information Form is genuine and the person signing has the authority to bind the Vendor. Failure to sign the Proposal and the Vendor Information Form, or signing either with a false or misleading statement, shall void the submitted Proposal and any resulting Agreement.

Confirmed

PROFESSIONAL SERVICES AGREEMENT*
Pass

In addition to reviewing and understanding the submittal requirements, it has reviewed the attached sample Professional Services Agreement including the Scope of Work and other Exhibits.

Confirmed

REFERENCE CHECKS*
Pass

References will be checked, and it is Vendor's responsibility to ensure that all information is accurate and current. Vendor authorizes the Town's representative to verify all information from these references and releases all those concerned from any liability in connection with the information they provide. Inability of the Town to verify references shall result in the Proposal being considered non-responsive.

Confirmed

2. Vendor Proposal

GENERAL INFORMATION*
Pass

A. One page cover letter as described in the section titled "RFP Submission Process", the subsection titled "Required Submittal".

B. Provide Vendor identification information. Explain the Vendor's legal organization including the legal name, address, identification number and legal form of the Vendor (e.g., partnership, corporation, joint venture, limited liability company, sole proprietorship). If a joint venture, identify the members of the joint venture and provide all of the information required under this section for each member. If a limited liability company, provide the name of the member or members authorized to act on the company's behalf. If the Vendor is a wholly owned subsidiary of another company, identify the parent company. If the corporation is a nonprofit corporation, provide nonprofit documentation. Provide the name, address and telephone number of the person to contact concerning the Proposal.

C. Identify the location of the Vendor's principal office and the local work office, if different. Include any documentation that supports the Vendor's authority to provide services in Arizona.

D. Provide a general description of the Vendor's organization, including years in business.

E. Identify any contract or subcontract held by the Vendor or officers of the Vendor that have been terminated within the last five years. Briefly describe the circumstances and the outcome.

F. Identify any claims arising from a contract which resulted in litigation or arbitration within the last five years. Briefly describe the circumstances and the outcome.

2.1_Fountain_Hills_RFP-2025-027_JOC_Plumbing_TDIndustries.pdf

EXPERIENCE AND QUALIFICATIONS OF THE VENDOR*
Pass

A. Provide a detailed description of the Vendor's experience in providing similar services to municipalities or other entities of a similar size to the Town, specifically relating experience with respect to JOC Plumbing.

B. Vendor must demonstrate successful completion of at least three similar projects within the past 60 months. For the purpose of this Solicitation, "successful completion" means completion of a project within the established schedule and budget and "similar projects" resemble this project in size, nature and scope. Provide a list of at least three organizations for which you successfully completed a similar project. This list shall include, at a minimum, the following information:

   1. Name of company or organization.
   2. Contact name.
   3. Contact address, telephone number and e-mail address.
   4. Type of services provided.
   5. Dates of contract initiation and expiration.

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KEY POSITIONS*
Pass

A. Identify each key personnel member that will render services to the Town including title and relevant experience required, including the proposed project manager and project staff.

B. Indicate the roles and responsibilities of each key position. Include senior members of the Vendor only from the perspective of what their role will be in providing services to the Town.

C. If a subcontractor will be used for all work of a certain type, include information on this subcontractor. A detailed plan for providing supervision must be included.

D. Attach a résumé and evidence of certification, if any, for each key personnel member and/or subcontractor to be involved in this project. Résumés should be attached together as a single appendix at the end of the Proposal and will not count toward the Proposal page limit. However, each resume shall not exceed two pages in length.

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PROJECT APPROACH*
Pass

A. Describe the Vendor's approach to performing the required Services in the section titled Scope of Work, and its approach to contract management, including its perspective and experience on partnering, customer service, quality control, scheduling and staff.

B. Describe any alternate approaches if it is believed that such an approach would best suit the needs of the Town. Include rationale for alternate approaches, and indicate how the Vendor will ensure that all efforts are coordinated with the Town's Representatives.

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PRICING*
Pass

2.5_Fountain_Hills_RFP-2025-027_JOC_Plumbing_TDIndustries.pdf

W-9
Pass

W-9_TDIndustries_Inc.pdf

DOES THE BID CONTAIN ANY CONFIDENTIAL INFORMATION?*
Pass

Please clearly mark any confidential information.

No

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TDIndustries

At the Heart of Your Building

RFP-2025-027
JOC Plumbing Services
November 13, 2025

2.1 GENERAL INFORMATION



Submitted by
Chris Senkow
chris.senkow@tdindustries.com
Ph: (480) 365-8175

TDIndustries, Inc.
1888 East Broadway Road
Tempe, AZ 85282
tdindustries.com

FOUNTAIN HILLS

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COVER LETTER

November 13, 2025

Rob Durham
Procurement Administrator
Fountain Hills
16705 Avenue of the Fountains
Fountain Hills, AZ 85268

Dear Mr. Durham,

TDIndustries is pleased to submit our proposal for JOC Plumbing Services to the Town of Fountain Hills (Town).

With more than 79 years in mechanical construction and a strong regional presence, TD is well-positioned to deliver responsive, reliable plumbing services to all designated Town facilities. Our Arizona office, which opened in 2001, is familiar with the needs of the Town and ready to provide exceptional support. Our team of more than 3,100 employees in 14 offices across the Southwest delivers service and technical excellence. Our skilled trades group includes more than 2,100 technicians specializing in plumbing, electrical, HVAC, mechanical, refrigeration and controls. We operate a 24/7 call center staffed by TD employees, ready to coordinate all service needs and respond to emergencies within four hours of notification.

TDIndustries has valuable experience completing urgent projects such as troubleshooting water supply issues, sewer blockages, replacing piping, addressing emergency leaks and safety hazards. We have the resources and expertise to finish all projects on time, within budget and to the highest quality standards. Our truck-based service teams handle all project types including electrical, HVAC, plumbing, controls, mechanical engineering and preconstruction. Our in-house capabilities and commitment to self-performance ensure outstanding work and cost efficiency.

We value the opportunity to serve Fountain Hills as a trusted partner and submit this proposal for your consideration. Thank you for your time.

Sincerely,
TDIndustries, Inc.

Clint Allen

Clint Allen, Vice President

Town of Fountain Hills single point of contact:
Chris Senkow, C.E.M.
Account Manager
1888 East Broadway Road
Tempe, AZ 85282
(480) 365-8175
chris.senkow@tdindustries.com

COMPANY OVERVIEW

TDIndustries is an employee-owned corporation established in 1946 in a small warehouse in downtown Dallas, Texas. We are proud to be one of the largest mechanical contractors in the country. We deliver a comprehensive approach across the entire life-cycle of a facility from design-build engineering and construction to service and maintenance to on-site facilities management.

TD is currently ranked No. 13 on ENR's Top 50 mechanical firms list. TD ranks No. 13 overall on the ABC Top 250 Performers list, as well as No. 6 on their Top Trade Contractors list and No. 1 on the Top Plumbing and HVAC Contractors list. With more than 3,100 employees at TD with specialized skills in the construction and service of plumbing and HVAC systems, we utilize our own workforce as our general source of labor.

COMPANY RESOURCES

Years in Business: **79 Years**
# of Employees: **3,100+**
Revenue 2024: **$939 Million**
# of Professional Engineers: **17**
Service Fleet Vehicles: **1,057**

TD SERVICE AND MAINTENANCE

TD full systems mechanical service and maintenance group provides expert electrical, HVAC, plumbing and controls technicians on call, 24 hours a day, 7 days per week.

EXPERT OFFERINGS

- Mechanical Service
- HVAC/R Service
- Electrical Service
- Plumbing Service
- Building Automation and Controls
- Fire-Life Safety
- Indoor Air Quality
- Energy Savings Solutions
- Planned Maintenance and Service
- Facilities Maintenance
- Mechanical Construction
- TD Call Center staffed with a live person 24 hours per day/7 days per week

THE TDINDUSTRIES WAY

LISTENING: Placing the emphasis upon listening effectively to your needs ensures a true understanding of expectations.

COLLABORATING: Delivering connected ideas resulting in fresh, value-added solutions while improving the speed of delivery.

INNOVATING: Empowering TD people to think collaboratively, critically, question relentlessly and act boldly.

#1 TOP PLUMBING / HVAC CONTRACTOR

#6 TOP TRADE CONTRACTOR

#13 TOP 250 PERFORMERS



#17 TOP GOVERNMENT CONTRACTOR

SAFETY AWARDS

TDIndustries continues to be acknowledged as a leader in safety at the local, regional and national levels. The company's Safety Culture was recognized by both AGC and ABC in the recent years for the following:

- 2025 AGC First Place Construction Safety Excellence Award
- 2024 ABC National Safety Excellence Award
- 2023 ABC National Safety Excellence Award
- 2023 AGC Third Place Construction Safety Excellence Award
- 2022 ABC National Safety Pinnacle Award
- 2022 AGC Second Place Construction Safety Excellence Award

AGC CONSTRUCTION SAFETY CHAMPION OF THE YEAR
SPONSORED BY Milwaukee

2024 ABC MERIT AWARD NATIONAL SAFETY EXCELLENCE AWARDS ASSOCIATED BUILDERS AND CONTRACTORS

2023 ABC MERIT AWARD NATIONAL SAFETY EXCELLENCE AWARDS ASSOCIATED BUILDERS AND CONTRACTORS

2022 ABC PINNACLE AWARD NATIONAL SAFETY EXCELLENCE AWARDS ASSOCIATED BUILDERS AND CONTRACTORS

Corporate Information

TDIndustries
At the Heart of Your Building

TDIndustries, Inc. is a Texas corporation.

Tax ID 26-0464612

We opened our first Arizona office in 2001.

Arizona Licenses

Mechanical Engineering:
Reg Number: 10460-FIRM

ROC264254-C-74
ROC323889-CR-11
ROC246533-C-39
ROC246535-C-37

TD Headquarters

13850 Diplomat Drive
Dallas, TX 75234

TD Local Office

1888 East Broadway Road
Tempe, AZ 85282

FORMER PROPERTIES/CLIENTS

1. **Optima Camelview Village**
   Dates of Service: 2018 - 2024
   Project Size: This complex is built on a 13-acre site, 11 interconnected, terraced buildings, each up to seven stores tall. Total units 720.
   Contact: Dan DeVary | ddevary@associatedasset.com
   Reason: After our project leadership changed, the customer chose to follow our team to their new company.

2. **Starbucks Coffee (jetting maintenance contract)**
   Dates of Service: 2015 - 2025
   Project Size: Total contract 150+ locations around Phoenix Valley
   Contact: James Cox | jacox@starbucks.com
   Reason: The jetting maintenance and pumping services no longer fit the scope of work we intend to pursue through our contracts.

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THE TD ADVANTAGE

TDIndustries is exceptionally qualified to provide expert plumbing services on a per project basis for Fountain Hills. We set ourselves apart from other providers with these key differentiators:

- **Local Presence, Local Ownership**. TD established its Arizona presence in 2001 and operates offices in Tempe and Tucson. With a dedicated team of local technicians, a fleet of service vehicles and access to additional resources, TD is equipped to handle large-scale and complex projects. This robust local infrastructure ensures prompt response times and high-quality services to effectively protect customer assets.

With more than 180 available craft and service technicians, TD is well equipped to meet Fountain Hills plumbing needs efficiently and effectively.

- **Technical Expertise.** TD not only employs highly skilled and certified trades craftsmen and technicians, but also grows and develops its own workforce, beginning with high school recruiting programs and continuing with support of local skilled trades education institutions. This approach allows TD to recruit and train a competitive workforce.TD employs an in-house organizational development team focused on developing skilled facilities professionals of all levels.
- **Complete Mechanical Service Provider.** TD is a mechanical services provider that supports customers with equipment maintenance, repair or replacement, mechanical construction and renovation projects, as well as engineering services. We are unique in the industry in being able to provide this variety of services. TD clients benefit by having one contact to support all their facility needs.

For Fountain Hills, TD dedicated team ensures all maintenance and repairs are completed safely, on schedule and within budget, with minimal disruptions to staff, residents or visitors. We consistently deliver expert service and value and welcome the opportunity to support your town's ongoing operations.

LEGAL STATEMENT

TDIndustries, Inc. is a party to a number of routine legal proceedings arising out of the ordinary course of business. In the opinion of management, the resolution of these proceedings will not have a material adverse effect on the financial position or results of operations of the company.

TD offers comprehensive plumbing services, repairs and replacements. Our licensed technicians deliver reliable solutions with minimal disruption to Fountain Hill operations, ensuring safety and expertise in every job.

TDIndustries

At the Heart of Your Building

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2.2 EXPERIENCE & QUALIFICATIONS



Submitted by
Chris Senkow
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FOUNTAIN HILLS

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JOC RELEVANT EXPERIENCE

As one of the leading mechanical contractors in the Southwest, TDIndustries excels at completing job order contracts on time, within budget and of the highest quality. With offices in Phoenix and Tucson, we provide comprehensive services across Arizona for a wide range of clients including school districts, universities, municipalities and other governmental entities. We have the capacity and resources to support a wide range of projects regardless of scope or complexity.

Over the past five years TD has performed $109M of work with multiple JOC customers across Texas and Arizona. The following is a representative list of JOC contracts performed in Arizona through TDIndustries' primary contracting agencies over the last five years.

Contracting Agency	Contract Duration	Agency Contact	Total Contract Price
Mohave Cooperative	Sept. 2024-Ongoing	Melissa Jimenez, Contract Specialist 520-888-3957	$5,515,142
University of Arizona	2022-Ongoing	Christopher Kopach, Associate VP 520-621-2211	$5,420,685
OMNIA	July 2022-Ongoing	Scott Albin, Region Manager, Higher Education – West OMNIA Partners, Public Sector 469-744-8402 scott.albin@omniapartners.com	$3,753,706

TDIndustries is proud of its strong track record in providing job order contracting services for municipalities, backed by a dedicated service team whose expertise and commitment ensure projects are completed correctly the first time. Our local staff is highly experienced, fully trained and certified, and we self-perform most of our work to maintain high standards. This commitment to performance and our focus on excellence have earned us recognition as one of the nation's top government contractors, ranked No. 17. Our team is passionate about delivering reliable results that help communities thrive.

PLUMBING WORK EXPERIENCE

The following describe recent projects similar in size and scope to the Town of Fountain Hills plumbing services.

CITY OF CHANDLER | CHANDLER, AZ

ROLE
Facilities Management Services

CONTRACT VALUE
$500,000 (annual estimate contract)

PROJECT SCHEDULE
2016 - Present

PROJECT REPRESENTATIVE
Kathy Nichols
Facilities Project Manager
City of Chandler
(602) 571-7760
kathy.nichols@chandleraz.gov



PROJECT DESCRIPTION

TD has delivered comprehensive plumbing and mechanical services for the City of Chandler since 2016, supporting more than 40 municipal locations with planned maintenance, repairs and reliable HVAC solutions. Our services include expert care for boilers, chillers, towers, pumps and related systems, as well as package, split and CRAC units. We conduct annual and semi-annual boiler inspections at critical facilities such as the main police department, Chandler Desert Breeze police department, IT building and Tumbleweed recreation center, servicing Raypak, RBI, Laars and Lochinvar boilers.

Recently, at the **Main Police Department**, TD completed a **Boiler Room and Chiller Room Pump Project** that demonstrates our commitment to quality and efficiency. In the boiler room, our team supplied and installed two motors, two 5-HP water pumps, strainers, butterfly valves, check valves, a new fill station and gauges. We performed precise re-piping using T-joints or unions and insulated pump houses for durability and easy maintenance. In the central plant's chiller room, we refurbished the primary chilled water pump system, providing new or rebuilt components as needed. Our scope included installing primary and secondary chilled water pumps, isolation valves, strainers, check valves and motors, along with the removal and replacement of the pot feeder. All connections were secured and made accessible for seamless future service.

TD's hands-on approach ensures city facilities receive dependable plumbing and mechanical solutions, supporting safe, comfortable environments for staff and the public while reflecting our dedication to service and technical excellence.

CHANDLER REGIONAL MEDICAL CENTER | CHANDLER, AZ

ROLE
DB Mechanical and Plumbing Contractor

PROJECT SIZE
215,000 SF

CONTRACT VALUE
$20,000,000

PROJECT SCHEDULE
October 2017 - May 2021

PROJECT REPRESENTATIVE
Dave Reinhart, MEP
Precon Manager
McCarthy Construction
(602) 980-6367
dreinhardt@mccarthy.com



PROJECT DESCRIPTION

TDIndustries collaborated with McCarthy Construction on this project for Dignity Health. The mechanical scope included 96 inpatient beds, modifications of the central plant and the addition of a 4-story parking garage. The preconstruction and design services were estimated at $1.2 million, with the rest of the budget allocated to completion of the project. The extensive use of Lean tools, such as pull planning throughout the design process, was essential in maintaining our scheduled deliverables. Mechanical work included the addition of three cooling towers, a steam boiler, med gases and air compressors. The CUP expansion included three (3) 500-ton chillers, N+1.

CITY OF GLENDALE | GLENDALE, AZ

ROLE
Facilities Management Services

CONTRACT VALUE
please see specific project details for per job values

PROJECT SCHEDULE
2021 - Present

PROJECT REPRESENTATIVE
Jeff Kolb
City of Glendale
(623) 910-3329
jkolb@glendaleaz.gov



PROJECT DESCRIPTION

Since 2021, TD has provided on-demand services for the City of Glendale. Our team handles a variety of maintenance needs, with a focus on timely and effective solutions. TD provides a wide range of services across a range of facilities. These efforts help keep city facilities running smoothly and support community well-being. Recent plumbing projects include:

- **Foothills Aquatic and Recreation Center (FRAC)**: TD provided underground backflow services for irrigation leak. Completed June 5, 2025, project value $1,536.89 (OMNIA)
- **La Buena Vida Park Irrigation Leak Repair**: TD replaced components and performed backflow testing. Completed May 19, 2025, project value $2,451.05 (OMNIA)
- **Heroes Park Irrigation Leak Repair**: TD replaced components and performed backflow testing. Completed June 5, 2025, project value $2,956.50 (OMNIA)

CAMELBACK RANCH BASEBALL STADIUM | PHOENIX, AZ

ROLE
Facilities Management Services

CONTRACT VALUE
please see specific project details for per job values

PROJECT SCHEDULE
2022 - Present

PROJECT REPRESENTATIVE
Jason Miller
Camelback Spring Training, LLC
(847) 321-0987
jmiller@camelbackranchbaseball.com



PROJECT DESCRIPTION

Since 2021, TD has delivered ongoing on-demand and contracted services for the Camelback Ranch Baseball Stadium. TD's team provides a broad spectrum of solutions, including repair, replacement preventative maintenance and inspections for plumbing, boiler and HVAC systems.

TD's plumbing experience is demonstrated through specialized services such as backflow inspections, gas water heater evaluations, wastewater system repairs, boiler replacements, pipeline camera inspections and fixture upgrades. These capabilities are highlighted in several key projects:

- **Men's First Base Waste Line**: TD excavated a 5-by5-foot hole to a depth of 6.5 feet, removed a section of pipe plagued by root intrusion and installed four feet of new piping with secure new bands. Completed October 13, 2025, project value $18,495.79 (OMNIA)
- **Building D Faucet Repair**: TD performed diagnostic plumbing repairs, including examination of the faucet, replacement of the P-trap, installation of a new faucet and cycle adjustment. Completed March 3, 2025, project value $1,127.53 (demand service)
- **Building L Boiler Replacements**: TD removed two PVI boilers and replaced with 1000 MBTUH Raypak CFIIRE, installed new ASME Raypak 900-gallon storage tanks, modified existing gas piping to accommodate the new boiler inlets. Completed June 5, 2025 , project value $183,184.12 (OMNIA)
- **Third Base Pump Pit Major Field:** TD conducted a confined space entry operation with lock-out/tag-out procedures, removed elevated panels and replaced two float switches. Completed, project value $8,495.79 (quoted)

TDIndustries

At the Heart of Your Building

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2.3 KEY POSITIONS



Submitted by
Chris Senkow
chris.senkow@tdindustries.com
Ph: (480) 365-8175

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FOUNTAIN HILLS

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SERVICE PERSONNEL QUALIFICATIONS

Our technicians are fully licensed and certified (where appropriate) to install, repair, replace and operate all major manufacturer equipment without brand bias. Technicians arrive on-site in company vehicles with uniforms, safety equipment, identification and proper tools to complete the job.

TRAINING AND CAREER GROWTH OPPORTUNITIES

Consistent with TD's vision statement, building careers is part of the company's culture. Training is one of the most critical issues associated with the delivery of technical services in a progressively high-tech world. Without these development opportunities, it will be increasingly difficult to find, attract and retain the people needed to grow our business.

TD has taken a leadership position in developing training programs for employees that set us apart from our competitors. Our training program has been designed to continue and greatly enhance the education our employees received before coming to TD. The emphasis on continuing education helps develop highly skilled employees. Some of the many courses available to our employees include:

TECHNICAL SKILLS	LEADERSHIP/CAREER DEVELOPMENT
HVAC	4-year Curriculum
Refrigeration	TD Partners in Quality program
Electrical	Culture and Diversity
Plumbing	Servant Leadership
Safety	Seven Habits of Highly Successful People
Facilities Technician	Performance Management
Tool Handling	Business and Management
Welding	Computer Application and Software
Water Treatment	Business Ethics
Non-destructive testing	Train the Trainer
	Spanish language course

All new employees are tested in their specific skill area to determine their level of proficiency and develop career plans. Annual goal-setting and review of career plans focus on obtaining technical licenses. Most training costs are paid directly by the company. Employees can also receive additional incentives to complete individual and multiple trade certifications and/or licenses. They are also cross-trained in several trade areas to improve efficiencies and to help during emergencies.

Training is provided through the "TD University" program, the Construction Education Foundation, manufacturers, suppliers, colleges, universities and computer-aided programs. All TD employees are encouraged to complete a minimum of 32 hours of training per year.

PERSONNEL EXPERIENCE, QUALIFICATIONS & LICENSING

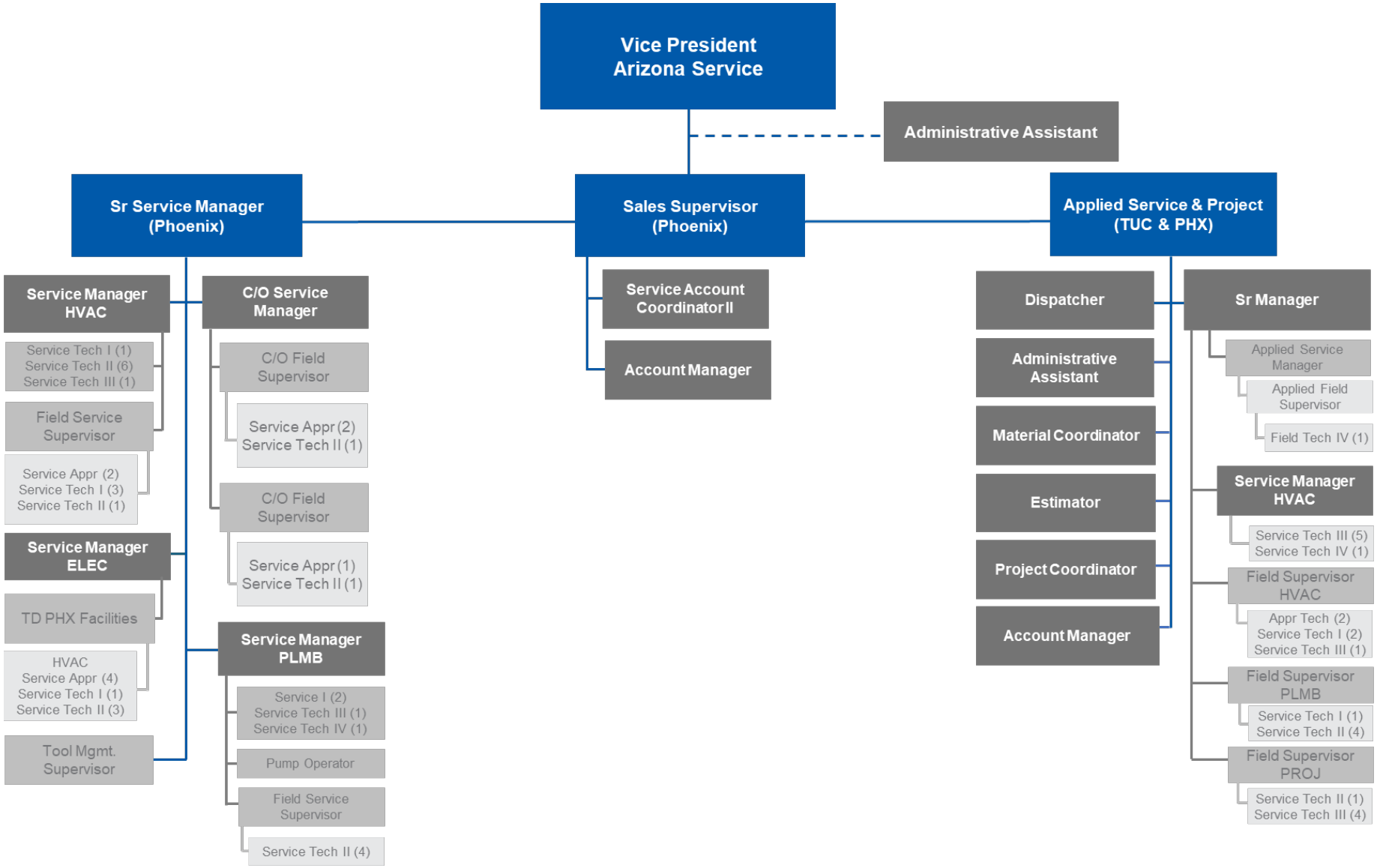
TDIndustries provides mechanical plumbing, electrical, HVAC, refrigeration and controls services that include highly skilled technicians that maintain, service, replace, retrofit and provide system configurations with an understanding of urgency when systems are being repaired, replaced or inoperable. TD has local technicians and trucks throughout the region and additional resources in our surrounding offices that can be called upon for support on larger, more challenging projects to ensure that customer needs will be met in both response and quality of work to protect vital equipment assets.

All plumbing service personnel are available for planned maintenance and demand service repairs or projects. Our technicians are fully licensed and certified to install, repair, replace and operate all major manufacturers' equipment without brand bias. Technicians arrive on-site in company vehicles with uniforms, safety equipment, identification and proper tools to complete the job.



PROJECT TEAM

LOCAL ORGANIZATIONAL CHART



APPENDIX
RESUMES

POINT OF CONTACT



CHRIS SENKOW, CEM - ACCOUNT MANAGER

Chris.Senkow@TDIndustries.com
Ph: (480) 365-8175

17 years of experience

Education: ITT Technical Institute: Computer Drafting and Design

Certifications and Training: Certified Energy Manager (CEM #23334), ASHRAE Associate Member, AEE Affiliate Member, AGC's Project Manager Development Program

As the dedicated account manager for Fountain Hills, Chris will serve as the Town's single point of contact, ensuring consistent, high-quality service, repair and replacement. With more than 12 years of construction experience and over six years in mechanical engineering, energy conservation and project management, he brings a deep understanding of building systems and operational efficiency. As a Certified Energy Manager and ASHRAE member since 2009, Chris will leverage industry best practices to deliver cost-effective, energy-smart solutions tailored to the district's needs. His background spans design, estimating, and project execution with a strong focus on construction management and timely delivery. Backed by TDIndustries' technical expertise and team, Chris provides strategic oversight and hands-on support to maximize system performance, extend equipment life and ensure compliance with safety and quality standards.



PROJECT SUPPORT TEAM



CLINT ALLEN | VICE PRESIDENT

Clint began his career in maintenance and service in 1998 and quickly moved up the ranks. He brings the most value to customers through his ability to lead large-scale operations. Clint has extensive experience working on complex projects with some of our most crucial clients. With his combination of technical skills, customer service relations and leadership attributes, Clint will ensure that the Town of Fountain Hills' needs will be met.

EXPERIENCE
26 years

EDUCATION/TRAINING
Master Plumbing License; Master Med-Gas; Certificate of Management – Mini MBA – University of Texas at Dallas

LICENSING AND CERTIFICATIONS
Member of BOMA – Building Owners and Managers Association Member of AMA – Arizona Multi-housing Association Member of RFMA – Restaurant Facility Managers Association.

Relevant Project Experience

- Scottsdale Community College – Scottsdale, AZ
- JPMorgan Chase Bank – Tempe, AZ
- Arizona State University, Polytechnic Campus – Mesa, AZ
- Cochise College Sierra Vista Main Campus – Sierra Vista, AZ
- Allied Partners, Fountain View Village – Fountain Hills AZ



STAN KLEINJANS | DIRECTOR OF OPERATIONS

Stan oversees service operations by supporting project managers and superintendents in the field. He has a well-rounded background and has developed into a key leader at TD. Stan previously managed HVAC Service technicians and played an integral role in the start-up of the department's preventative maintenance crew. Stan is conscientious about ensuring that he provides his team with the necessary resources to complete each project safely and efficiently.

EXPERIENCE
25 years

EDUCATION
Associate Degree – Pikes Peak Community College

Associate Degree in Electronics – Colorado Tech

LICENSING AND CERTIFICATIONS
RSI HVAC Trade Certification; Universal EPA License; Factory-trained for multiple brands

Relevant Project Experience

- City of Scottsdale – Scottsdale, AZ
- City of Chandler Municipal Facilities – Chandler, AZ
- City of Maricopa – Maricopa, AZ
- Rauch (Red Bull) Facility – Waddell, AZ
- Watermark – Tempe, AZ



EXPERIENCE
20 years

EDUCATION
Backflow Training

BRANDON DENHART | PLUMBING SERVICE MANAGER

Brandon is a seasoned plumbing professional with more than 20 years of experience, including two decades at TDIndustries and a recent promotion to service manager. He holds a Journeyman Plumbing License and a Backflow certification and is known for his reliability, attention to detail and ability to build strong relationships with customers and field crews. Brandon specializes in diagnosing and repairing complex plumbing systems such as leaks, reroutes, boilers and water heaters. He is committed to safety, has earned a company safety award for outstanding field operations and has resolved hundreds of challenging plumbing issues for commercial clients while supporting the development of apprentices and technicians.

LICENSING AND CERTIFICATIONS
Journeyman Plumbing License; Backflow License

RELEVANT PROJECT EXPERIENCE

- Abrazo West Campus – Goodyear, AZ
- Arizona State University – Tempe, AZ
- Portales Corporate Center – Scottsdale, AZ
- Marriott Canyon Villas – Phoenix, AZ
- Optima Camelview Village – Scottsdale, AZ

TECHNICIANS

SHANE COTTON | PLUMBING SUPERVISOR - TECHNICIAN IV

Industry Experience: 20 years

Licensing & Certifications: Master Plumbing License; OSHA-30

Training and Specialized Skills: Master Plumber and experienced lead supervisory with comprehensive plumbing experience. Consistently resolves challenging plumbing issues, including leak detection, rerouting to boiler and water heater diagnostics. Supervises and mentors junior plumbers, ensuring high-quality work and skill development

JOSH KONDERICK | PLUMBING SERVICE TECHNICIAN III

Industry Experience: 7 years

Licensing & Certifications: Backflow Testing and Repair; OSHA-10

Training and Specialized Skills: Versatile plumber with proven diagnostic and repair skills. Certified in backflow testing and repair, dedicated to regulatory compliance. Skilled in maintaining and servicing boilers and water heaters with a focus on preventive care. Experienced in large repiping projects, committed to quality solutions..

AARON DENHARDT | PLUMBING SERVICE TECHNICIAN Ii

Industry Experience: 6 years

Licensing & Certifications: Backflow Testing and Repair; OSHA-10

Training and Specialized Skills: Detailed oriented and skilled commercial plumber specializing in backflow prevention and system troubleshooting. Dedicated to providing efficient fixture installations and expert repairs. Completed specialized training in boiler, water heater and electrical systems.

EDDIE PAULY | PLUMBING SERVICE TECHNICIAN I

Industry Experience: 5 years

Licensing & Certifications: OSHA-30

Training and Specialized Skills: Recognized as a go-to Leadman on jobs due to strong technical skills and critical thinking. Led multiple repiping projects for water and drain lines. Skilled in brazing and soldering.

ANTHONY “TONY” CASTILLO | PLUMBING APPRENTICE

Industry Experience: 1 year

Licensing & Certifications: OSHA 30

Training and Specialized Skills: Has a strong mechanical background from machine factory experience. Rapidly developing core pluming skills under guidance of senior technicians and supervisors. In training for pipe fitting. Holds OSHA 10, ensuring safety compliance on all job sites.

PHILIP CUSUMANO | PLUMBING SERVICE – PUMP OPERATOR

Industry Experience: 4 years

Licensing & Certifications: CDL License; OSHA 10

Training and Specialized Skills: Serves as the lead drain technician, utilizing camera and jetting equipment to effectively clear and inspect grease traps and sewer lines. Has CDL enabling transport of heavy equipment.



APPLICABLE ARIZONA CONTRACTOR LICENSES HELD BY THE FIRM

LICENSE NUMBER	LICENSE TYPE	LICENSE CITY	LICENSE OWNER
ROC246533	Air Conditioning and/or Refrigeration Contractor		TD Owned
CMP015984 Legacy #SC0800438	Air Quality Registration		TD Owned
ROC264254	Specialty Commercial C-74 Boilers, Steamfitting and Process Piping, Including Solar		TD Owned
1064391	Certificate of Good Standing		TD Owned
ROC323889	Electrical - Contractor		TD Owned
26-0464612	Franchise/Income Tax		TD Owned
NV-16-0044	Non-Hazardous Liquid Waste Hauler		TD Owned
51852	Mechanical Engineering		Black, LJ
008047631I	Membership		Black, LJ
ROC246535	Plumbing Contractor		TD Owned
37436	Professional Engineer License		Henke, Fred
54789	Professional Engineer License		Sabuncuyan, Ardas
10460-FIRM	Professional Engineer License		TD Owned
47910	Professional Engineer License		Swinford, Jim
37731	Professional Engineer-Mechanical License		Canter, Steve
10460-1 BRANCH	Professional Engineer-Mechanical License		TD Owned
20180326-M	Sales & Use Tax (TPT)		TD Owned

COPY OF LICENSES FOR SCOPE OF WORK SPECIALTY SERVICES

Arizona Registrar of Contractors

Home | Contractor Search | FAQ | Login/Register

Contractor Search

To find out if a contractor's ROC license is current and see other information related to the license, enter their 6 digit license number or their name below. If searching by a person's name, be sure to use first then last - for example: 'John Doe' instead of 'Doe, John'. You can also use the ADVANCED SEARCH functions by clicking the gray "Advanced Search" button below to search by City, Classification, Status and more. Click to read the complete instructions.

TDIndustries

Search | Advanced Search | Export a List | Clear

IF YOU EXPERIENCE A TECHNICAL PROBLEM, PLEASE CLICK HERE.

BUSINESS	NAME AND TITLE	LICENSE NO.	CLASS	QUALIFYING PARTY	STATUS	CITY, STATE, ZIP	PHONE	MORE INFO
TDIndustries Inc	Evelyn Henry Miller (Chief Financial Officer;Director) Michael William Clements (Qualifying Party) TD Industries 401K/ESOP Retirement Plan (Parent Entity) Edward Randolph White (Qualifying Party) Harold Frank MacDowell (Chief Executive Officer;Director)	ROC 323889	CR-11 Electrical	Edward Randolph White	Active	Tempe, AZ, 85282	(972) 888-9500	More Info
		ROC 246533	C-39 Air Conditioning and Refrigeration	QP Exempt	Active			More Info
		ROC 264254	C-74 Boilers, Steamfitting & Process Piping, Including Solar	QP Exempt	Active			More Info
		ROC 246535	C-37 Plumbing	QP Exempt	Active			More Info

Showing Page 1 of 1 - 1 Total Records

Records Per page 10



TDIndustries' team is prepared to provide comprehensive plumbing services in Fountain Hills, offering dependable solutions for all project requirements.

TDIndustries

At the Heart of Your Building

RFP-2025-027
JOC Plumbing Services
November 13, 2025

2.4 PROJECT APPROACH



Submitted by
Chris Senkow
chris.senkow@tdindustries.com
Ph: (480) 365-8175

TDIndustries, Inc.
1888 East Broadway Road
Tempe, AZ 85282
tdindustries.com

FOUNTAIN HILLS

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METHOD OF APPROACH

PROJECT APPROACH

TDIndustries offers the experience, expertise and flexibility to provide consistent and outstanding service for plumbing maintenance, repair and installation for the Town of Fountain Hills.

Our experienced team can provide a realistic budgeting, scheduling and constructability input throughout the process. Through extensive collaboration with the owner, general contractor, architect, engineers and other stakeholders, we strive to assure that the owner receives maximum value for their investment and fully functional and efficient systems when the facility is completed.

TD utilizes a budget tracker to inform design decisions. This helps to short-cycle the wait time by allowing costing feedback concurrent to design decision-making, thereby reducing time and cost that would be wasted in redesign.

TD has developed a fully integrated system that allows a consistent model to be utilized throughout the project. This approach eliminates duplicate work, minimizes change orders and assures consistency.

TD provides realistic durations and sequencing and works with other trade partners to ensure all activities and work areas align in a way that best suits the project in terms of productivity and safety.

We encourage early onboarding and involvement so that all activities related to commissioning can be visible early in the scheduling process. TD has extensive experience in pull-planning and encourages its use throughout the project.

MANAGING MULTIPLE JOB ORDERS

TD uses the Brightly Software product Asset Essentials (AE) as its CMMS and job order tracking program. The Asset Essentials program is a web-based platform that enables users to track the progress of all maintenance activities, manage equipment uptime and reliability, increase productivity and streamline operations.

The CMMS system will be used to record, schedule and track project work requests and work orders when they are received over the internet, through email or by telephone. The system tracks all work in progress through their deadlines as well as completed work orders, including data on labor hour, material, equipment and vendor charges.

TD’s approach to labor availability for projects includes eliminating peaks and valleys in our labor force to avoid situations of having to hire field labor rapidly to man a project. If additional labor force becomes necessary due to added job orders or project timelines changing, we can supplement our Arizona workforce with TD employees from other geographical locations.

REPORTING CAPABILITIES

We recognize the importance of meeting our customers’ expectations and measuring performance. To ensure effective communication, our programs include regular meetings with key personnel and customer satisfaction surveys. TD employs a GPS tracking system that enables real-time communication, verifying the technician's presence on-site, their location, and adherence to safe driving practices. TD’s technicians utilize iPads to log activities, generating comprehensive work order printouts detailing arrival and departure times, tasks performed, and the duration of each activity.

PLUMBING CAPABILITIES

TD delivers a full spectrum of plumbing services, addressing everything from boilers and pumps to piping, fixtures, and drain or sewer line issues. Our highly skilled plumbing professionals quickly identify the underlying causes of system failures and provide effective, tailored solutions to minimize disruption and restore functionality.

Our technicians deliver preventative maintenance, repairs and replacements to keep your plumbing systems operating efficiently. With on-demand service and deep industry expertise, TD's commercial plumbers respond swiftly to your needs, ensuring consistent water flow, drainage and dependable system performance for Fountain Hills.

- State-of-the-art leak-detection technology for faster and less disruptive repairs
- Hydro-jetting services
- Certified backflow prevention and testing
- Sewer pipe video inspections
- Comprehensive boiler services and installation
- Water system repair and maintenance
- Sewer system repair and maintenance
- Grease trap cleaning and maintenance
- Installation and repair of gas, water and steam piping
- Water heater installation and repair
- OSHA-certified confined entry
- Certified medical gas installation and repair
- Electronic line location
- Fixture upgrades and retrofits to improve efficiency
- Emergency plumbing response available 24/7



ELECTRICAL CAPABILITIES

TDIndustries offers Electrical Maintenance Services customized to our client's specifications and needs, including IR (Infrared) Scans. Electrical Preventative Maintenance and IR Scans are crucial for maintaining electrical systems and preventing unexpected failures. Not only do IR Scans reveal potential issues like loose connections, overloaded circuits and faulty equipment before they lead to more serious problems, they also avoid costly downtime, safety hazards and equipment damage.

Whether it's replacing a light switch or performing a major rebuild, TD's fully licensed electricians are available 24 hours a day, seven days a week, to provide:

- Generator maintenance
- Electrical distribution
- Equipment connections
- Medium voltage
- Electrical panels and breakers
- Aerial lighting
- Electrical testing
- Voice and data cabling
- Lighting retrofits
- Uninterrupted power supplies (UPS)
- Power distribution units (PDUs)
- Thermal imagining / infrared scanning
- Major and minor repairs

Our licensed commercial electricians are equipped to service any electrical system while upholding the highest standards of safety and reliability. Whether performing routine maintenance or complex repairs, we ensure your systems operate efficiently to support uninterrupted business operations.

HVAC CAPABILITIES

TDIndustries brings decades of experience to every HVAC project, delivering expert service for chillers, plumbing, and building maintenance. Our skilled, local technicians respond quickly, equipped with advanced tools and ready to handle challenges large and small.

We offer comprehensive solutions for boilers, chillers, air handlers, pumping systems, control systems, and water treatment. With a reputation built on industry knowledge and innovative technology, our team diagnoses issues efficiently and provides targeted repairs to keep your systems running smoothly.

Our commitment to customers means prompt service and a focus on occupant comfort. We use advanced leak detection and vibration analysis to limit downtime and extend equipment life. Flexible service plans are available to suit your needs, and our technicians are dedicated to maintaining critical systems, reducing energy costs, and helping prevent unexpected interruptions

- Chillers and air handlers
- Rooftop and packaged units
- CRAC units
- Split systems
- Cooling towers
- Water Towers
- Fans, motors and pumps
- Vibration analysis / eddy current testing
- Indoor air quality solutions
- HVAC/R low temperature systems
- HVAC/R cold storage refrigeration

BUILDING AUTOMATION AND CONTROLS CAPABILITIES

Optimize your building's performance with controls and automation systems that increase occupant satisfaction and classroom productivity while streamlining facility operations and reducing expenses. With a focus on safety, maintenance, energy and comfort, we aim to drive economic values and improve the overall performance of your building assets.

TD offers a comprehensive suite of building and controls capabilities designed to enhance operational efficiency, occupant comfort and system longevity.

- Building controls
- Integration of legacy systems
- Support for multiple brands

TD meets the demand for complex building controls and fully functional building automation systems (BAS) at every step in a building's life-cycle, from the early stages of design to installation and service. The TD Controls team installs and supports systems in all market sectors and even works closely with project teams in the preconstruction phase to understand design parameters for controls and BAS.

TD Controls technicians have expertise in multiple brands of controls systems and provide an open-source system that integrates into a variety of building controls. With open-protocol standards, the controls system is vendor-agnostic and provides the tools needed to use any vendor of choice for service or support. TD Controls offers these top-tier brands, including Siemens, Tridium and Distech.

It's important to install the right system for your project that will regularly maintain, update and adjust the building controls system to adapt to current conditions, increase performance and proactively address signs of equipment failure that could result in preventable and expensive emergency repairs. Regularly reviewing data and creating backups can mean less downtime in the event of equipment failure.

The outcome of a properly installed and highly efficient controls and BAS results in:



ENERGY & COMFORT

To keep tenants comfortable while maximizing the efficiency of the building's HVAC, lighting and mission-critical systems.



SAFETY & SECURITY

To ensure the safety of occupants and the security of the building 24/7 with reliable access controls, video, alarm management and more.



MAINTENANCE & MONITORING

To quickly adapt to the unique needs of a facility with monitoring to provide preventative and predictive maintenance, as well as continuous commissioning.

EMERGENCY, ON-DEMAND SERVICE RESPONSE TIMES

TDIndustries strives to respond to the needs of our customers in a timely fashion. We are prepared to handle urgent requests and are available 24/7/365 to offer assistance.

For on-demand, non-emergency service calls, TD typically responds within two to four hours. Priority is given to customers under contract in emergency situations and to critical facilities, such as police, fire and jail facilities, hospitals, surgical centers, schools and data centers. TD will respond to emergency calls within one hour, with on-site arrival within a four-hour window and will continue the work until completed. All work shall be performed during normal business hours (8 a.m. to 5 p.m.) except for emergencies.

The Call Center is staffed 24 hours per day, 7 days per week, 365 days per year, and calls are answered by live customer service reps. Requests may be placed by calling 800-864-7717 or emailing service@tdindustries.com.

RESPONSE TIME BY CATEGORY

SERVICE CATEGORY	TASK PERFORMANCE PERIOD	RESPONSE TIME
Standard Service	Normal Hours Only (M-F, 7:00am – 6:00pm)	24 Hours from receipt of PO (existing customers) or valid payment method (excluding weekends & holidays)
Standard Non-Normal Hours Service	After Normal Hours (M-F, 6:01pm – 6:59am, weekend & approved holidays)	24 Hours from receipt of PO (existing customers) or valid payment method (excluding weekends & holidays)
Emergency Service	Normal Hours Only (M-F, 7:00am – 6:00pm)	Up to 4 Hours from receipt of PO (existing customers) or valid payment method (excluding weekends & holidays)
Emergency Non-Normal Hours Service	After Normal Hours (M-F, 6:01pm – 6:59am, weekend & approved holidays)	Up to 4 Hours from receipt of PO (existing customers) or valid payment method (excluding weekends & holidays)

All company service personnel are equipped with company vehicles, necessary tools and equipment to perform the required maintenance, service or installation of equipment, wear uniforms or required badge identification and safety PPE. TD service personnel follow all customer policies regarding on-site work, operations and safety policies.

TDIndustries

At the Heart of Your Building

RFP-2025-027
JOC Plumbing Services
November 13, 2025

2.5 PRICING



Submitted by
Chris Senkow
chris.senkow@tdindustries.com
Ph: (480) 365-8175

TDIndustries, Inc.
1888 East Broadway Road
Tempe, AZ 85282
tdindustries.com

FOUNTAIN HILLS

PRICING

The following pricing rates are provided to the Town of Fountain Hills for plumbing Job Order Contract services. As requested, we have outlined our labor cost per hour for regular business hours, labor cost per hour for emergency, after-hours and weekend service calls as well as our standard trip charge per visit. These rates reflect our preferred terms and are intended to deliver reliable, professional service at competitive pricing.

- Trip Charge = $90
- Straight Time = $115 per hour
- Overtime/ Weekend = $172.50 per hour

Form **W-9**
(Rev. March 2024)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Go to *www.irs.gov/FormW9* for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See ***Specific Instructions*** on page 3.

1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)

TDIndustries, Inc

2 Business name/disregarded entity name, if different from above.

3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor ☐ C corporation ☑ S corporation ☐ Partnership ☐ Trust/estate

☐ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) . . . . .

Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.

☐ Other (see instructions)

3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . . ☐

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) N/A

Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) N/A

(Applies to accounts maintained outside the United States.)

5 Address (number, street, and apt. or suite no.). See instructions.

13850 Diplomat Drive

6 City, state, and ZIP code

Dallas, TX 75234

Requester's name and address (optional)

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

			–		–				

or

Employer identification number

2	6	–	0	4	6	4	6	1	2

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here **Signature of U.S. person** DocuSigned by: David Satterfield 015E24ED3AF448F... **Date** 4/24/2024

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9*.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

EXHIBIT B
TO
PROFESSIONAL SERVICES
AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
TDINDUSTRIES, INC.

[Scope]
See following pages.

Scope of Work

Plumbing contractors shall provide on-call plumbing services across various Town-owned facilities and public properties. Work will be performed on an as-needed basis and may include routine maintenance, repair of existing systems, installation of new fixtures and piping, emergency leak response, backflow testing, and compliance upgrades related to water and drainage infrastructure.

Services may be requested for administrative buildings, libraries, parks, law enforcement facilities, community centers, and other locations as designated by Town staff. The contractor must be familiar with commercial plumbing systems and demonstrate compliance with all applicable federal, state, and local codes, including permitting requirements and OSHA safety standards.

All services shall emphasize:

- Timely response to service calls, especially in emergency scenarios
- Skilled workmanship and quality control
- Clear cost documentation and invoicing procedures
- Coordination with Town departments, inspectors, and other contractors when applicable

Service Hours and Response Expectations

Contractor shall be available to perform work during regular business hours (Monday–Friday, 8:30 AM to 5:00 PM ET). In addition, contractors must maintain 24/7 emergency service capability to respond to urgent requests such as major water leaks, sewer blockages, or public safety facility service interruptions.

Non-emergency work should commence within 48 hours of work order issuance unless otherwise scheduled

Emergency service calls must be acknowledged within 1 hour and responded to on-site within 4 hours of notification

EXHIBIT C
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
TDINDUSTRIES, INC.

[Quote or Work Order]

See following pages.

TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 4/7/2026
Meeting Type: Town Council Regular Meeting
Submitting Department: Administration
Prepared by: Rachael Goodwin, Town Manager
Staff Contact Information: Phone: 480-816-5166
Email: rgoodwin@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

DISCUSSION AND POSSIBLE DIRECTION: Regarding State-Level Legal Resources and Protections Available to Public Officials

Staff Summary (background)

This item is placed on the agenda at the request of Councilmember Larrabee at the March 3, 2026 Council Meeting, with support from Vice Mayor Earle and Councilmember Skillicorn, for discussion regarding the role of the Arizona Attorney General's Office, and other applicable state-level legal resources, as they may relate to the protection of public officials and public servants in the performance of their official duties. This discussion arises from public comment received at that Council meeting regarding threats against judges and other public servants. This item is intended for general Council consideration and possible direction to staff. The discussion is intended to provide general policy direction, if any, and does not involve legal advice regarding any specific person, incident, or pending matter.

Related Ordinance, Policy or Guiding Principle

N/A

Risk Analysis

N/A

Recommendation(s) by Board(s) or Commission(s)

N/A

Staff Recommendation(s)

N/A

Suggested Motion

Provide direction to staff, if any.

FISCAL IMPACT

Fiscal Impact: N/A
Budget Reference: N/A
Funding Source: N/A

ATTACHMENTS

None

TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 4/7/2026
Meeting Type: Town Council Regular Meeting
Submitting Department: Administration / Town Clerk
Prepared by:

Staff Contact Information: Phone:
Email:

Request to Town Council Regular Meeting (Agenda Language)

CONSIDERATION AND POSSIBLE ACTION: Related to any item included in the Arizona Cities and Town's Weekly Legislative Bulletin or relating to any action proposed or pending before the State Legislature.

Staff Summary (background)

Related Ordinance, Policy or Guiding Principle

Risk Analysis

Recommendation(s) by Board(s) or Commission(s)

Staff Recommendation(s)

Suggested Motion

FISCAL IMPACT

Fiscal Impact:
Budget Reference:
Funding Source:

ATTACHMENTS

1. League Bulletin Issue 10 2026
2. League Bulletin Issue 9 2026

View in browser

Print Version

Legislative Bulletin: Issue 10 – March 23, 2026



Legislative Update:

Welcome to the eleventh week of the legislative session. A total of 2,121 legislative measures have been introduced. To date, the legislature has passed 20 bills, five of which were signed by the Governor and 15 of which were vetoed. This Friday marks the deadline for bills to be heard in committees in their opposite chamber of origin.

Cody Reim Appointed to Fill LD 3 Vacancy

The Maricopa County Board of Supervisors appointed Cody Reim to fill the legislative vacancy in Legislative District 3, replacing former Rep. Joseph Chaplik who resigned to focus on his congressional campaign. Reim will serve the remainder of the term representing a district that includes Carefree, Cave Creek, Fountain Hills, Scottsdale, and portions of Phoenix.

Reim, a Rio Verde Foothills resident and small business owner, was sworn in shortly after the board's unanimous vote and will serve the remainder of the term. He previously ran for a seat on the Cave Creek Unified School District governing board and has been active in local community issues, particularly

during the 2023 Rio Verde Foothills water crisis, where he helped organize residents and advocate for long-term water solutions at the state level.

Cesar Chavez Allegations Spark Changes

Recent allegations related to the conduct of the late labor leader Cesar Chavez have prompted renewed scrutiny of his legacy, leading to a series of actions and proposals across Arizona and nationally. Some events commemorating Cesar Chavez Day (recognized on March 31) have been canceled or renamed, and several local governments are reportedly considering the renaming of parks, streets, or facilities that had been previously named in his honor.

At the state level, legislative leadership has issued statements condemning the alleged conduct, and lawmakers are exploring proposals to repeal or revise the state holiday recognizing him. The Senate Regulatory Affairs & Government Efficiency's Wednesday **agenda** notes a strike-everything amendment to HB 2072 titled "state holiday; repeal."

Upcoming Hearings

HB 2793: annexation of territory; procedures (Carbone)

Senate Committee on Federalism and Family Law

Authorizes a city or town to waive the 30-day waiting period and public hearing and to complete annexation immediately by ordinance when the annexation consists of 100 percent of the property owned by the initiating property owner. Additionally allows a city or town to publish annexation hearing notices electronically in a newspaper of general circulation's electronic edition, and to reduce posting requirements for a proposed annexation consisting of a single parcel of not more than 160 acres.

Position: SUPPORT
Hearing: March 23, 2026, at 1:30 p.m. in SHR 2

HB 2118: mobile food vendors; licensure (Carter N)

Senate Committee on Government

Prohibits municipalities from requiring a mobile food vendor to obtain a local regulatory permit or license. Eliminates authority for municipalities and counties to require separate local licensure of mobile food vendors based on background checks, identification or fingerprinting of the owner.

Position: OPPOSE
Hearing: March 25, 2026, at 7:00 a.m. in SHR 1

HB 2460: business property; theft; penalties; prohibition (Kupper)

Senate Committee on Government

Prohibits municipalities and counties from adopting or enforcing ordinances that penalize a business for the theft of the business's "movable property" (defined). Prohibits fines, fees, cost recovery requirements and compliance mandates imposed on a business when the underlying conduct results from theft of the business's movable property. Establishes statewide preemption over local regulation of penalties related to theft of a business's movable property. This is aimed at preempting shopping cart ordinances enacted by cities and towns to address blight and hazards in the right-of-way.

Position: OPPOSE
Hearing: March 25, 2026, at 7:00 a.m. in SHR 1

SB 1167: cities; towns; counties; posting; website (Angius)
House Committee on Government

Allows municipalities and counties to satisfy statutory requirements for advertising, publishing, or printing notices by posting them on the entity's official website. Requires the website to include a public notices link on the homepage that organizes all required notices by category. Exempts notices of proposed city or town charters from the website-only posting option.

Position: SUPPORT
Hearing: March 25, 2026, at 9:00 a.m. in HHR 5

HCR 2004: photo enforcement systems; prohibition. (Martinez)
Senate Committee on Judiciary & Elections

Prohibits state agencies and local authorities from using photo enforcement systems to identify violations of speed limits or traffic control devices unless, by December 31, 2026, the agency or authority has a signed contract to operate a photo enforcement system. Requires local authorities with such contracts to seek voter approval at the next general election, requires photo enforcement system operation to cease within 90 days if the voters fail toapprove the operation, and allows the local authority to continue operation for ten years if approved by the voters. Repeals statutes authorizing and regulating photo enforcement systems. If passed by the Legislature, this legislation will be submitted to the voters at the 2026 general election.

Position: NEUTRAL
Hearing: March 25, 2026, at 1:30 p.m. in SHR 2

SCR 1027: general election day; all offices (Mesnard)
House Committee on Federalism, Military Affairs & Elections

Proposes a constitutional amendment to require that general elections for all city, town, and school district offices, be held on the first Tuesday after the first Monday in November of even numbered years. If passed by the Legislature, this legislation will be submitted to the voters at the 2026 general election.

Position: OPPOSE
Hearing: March 25, 2026, at 2:00 p.m. in HHR 4

Session Deadlines

Every session has deadlines pertaining to bill submissions and hearings. These are established by Senate and House rule and are subject to change. This year's schedule is as follows:

March
Friday 3/27: Last day for consideration of bills in opposite chamber

April
Friday 4/17: Last day for consideration of bills in conference committee
Tuesday 4/21: 100th Day of Session

Legislative Staff
You may contact our legislative division by phone at (602) 258-5786 or by e-mail using the following information:

Tom Savage, Legislative Director: **tsavage@azleague.org**
Marshall Pimentel, Senior Legislative Associate: **mpimentel@azleague.org**
Megan Didur, Legislative Associate: **mdidur@azleague.org**
Nicholas Medel, Legislative Intern: **nmedel@azleague.org**



#Keepup with us on X.

Keep up with the issues and events.

CLICK HERE

What the League is Tracking

Stay informed about legislation that affects municipalities throughout the state. Track proposed bills and resolutions, stay updated on their progress, and actively engage in the democratic process. Here are some priority measures the League is tracking:

Legislative Bill Monitoring

League of Arizona Cities and Towns
1820 W Washington Street
Phoenix, AZ 85007
info@azleague.org



No longer want to receive these emails? Unsubscribe.

View in browser

Print Version

Legislative Bulletin: Issue 9 – March 16, 2026



Legislative Update:

Welcome to the tenth week of the legislative session. A total of 2,121 legislative measures have been introduced. To date, the legislature has passed 15 bills, three of which were signed by the Governor and 12 of which were vetoed.

Legislative Vacancy Update

Republican precinct committeemen in Legislative District 3 have nominated three candidates to replace former Rep. Joseph Chaplik (R-Scottsdale), who resigned earlier this session to focus on his campaign for Congress. The nominees are former State Sen. Michelle Ugenti-Rita, political consultant George Khalaf, and Rio Verde Foothills resident Cody Reim. The Maricopa County Board of Supervisors will select one of the three nominees to serve the remainder of the current term.

League Resolution Update

Several League-supported measures advanced in the House last week:

HB4130: NOW: budgets; municipalities; amendments (Blackman) passed the House on a 42–13 vote and has been transmitted to the Senate. The bill allows cities and towns to amend their adopted budgets during the fiscal year to spend newly received revenues not included in the original budget, while maintaining existing public notice and hearing requirements. The bill prohibits adopting new or increased taxes or fees through the amendment process.

HB4064: municipal improvement districts; petitions (Bliss) passed the House on a 48–7 vote and was transmitted to the Senate. The measure updates the process for forming municipal improvement districts by requiring property owner petitions at the outset and allowing certain notice requirements to be waived when all affected property owners agree.

HB2429: short-term rentals; vacation rentals; occupancy (Bliss) was reconsidered in Committee of the Whole after previously passing Third Read. The bill standardizes additional local regulatory authority for short-term rentals, including occupancy limits and expanded enforcement tools. An **amendment** was adopted requiring local ordinances to include guest background check provisions, and the bill is scheduled for another Third Read vote today.

Budget Preemption Bills Advance

Two measures opposed by cities and towns—**HB4030** and **HCR2052**—advanced from Committee of the Whole last week and remain eligible for a Third Read vote. Sponsored by Rep. Justin Olson (R-Mesa), the proposals would prohibit cities, towns, and counties from adopting new taxes or increasing existing taxes, fees, or utility rates between July 1, 2026 and June 30, 2030, unless voters approve an increase with at least 60% support in an even-year election. HB4030 would enact the moratorium in statute, while HCR2052 would refer the policy to voters statewide on the November 2026 ballot.

Cities and towns remain strongly opposed as the proposals would significantly restrict local authority to manage municipal budgets and utilities. Municipal utilities and infrastructure projects are typically financed through user fees and rate adjustments over time, and limiting that flexibility could delay maintenance, infrastructure investment, and long-term capital planning. Municipal leaders have also expressed concern that restricting local revenue options could shift financial pressure to other parts of city budgets, including services such as police, fire, and transportation.

Upcoming Hearings

SB 1216: traumatic event counseling (Payne)
House Committee on Public Safety & Law Enforcement

Expands eligibility for employer-paid traumatic event counseling to include crime scene technicians and digital forensics technicians as public safety employees. Eliminates the delayed repeal of January 1, 2027 for the traumatic event counseling program.

Position: SUPPORT
Hearing: March 16, 2026, at 2:00 p.m. in HHR 1

SB 1431: municipalities; planned communities; design; prohibition (Bolick)

House Committee on Commerce

Prohibits a municipality from requiring the creation of a homeowners' association, shared amenities, gated access, or other perimeter enclosures as a condition of a subdivision or development, except as required by federal law. Prohibits a municipality from adopting or enforcing design, architectural, or aesthetic requirements for single-family homes or accessory dwelling units, including requirements related to materials, colors, façades, layouts, garages, fences, or similar features. Prohibits a municipality from denying or conditioning a permit based on prohibited design requirements, Preserves the applicability of building codes, fire codes, public health and safety regulations, minimum parking requirements, and dark sky ordinances.

Position: OPPOSED
Hearing: March 17, 2026, at 2:00 p.m. in HHR 5

SB 1566: malicious delay; enforcement; penalty (Petersen)

House Committee on Commerce

Prohibits municipalities from "maliciously" (defined) delaying adopted licensing time frames for single-family residential construction. Prohibits counties from maliciously delaying responses to license, approval, or permit applications or similar requests. Authorizes the Attorney General, and county attorneys for counties, to enforce the prohibition and subjects violators to a civil penalty of $5,000 per violation. Entitles a plaintiff who files a property right claim or seeks review of a state or local land use determination in superior court to expedited judicial review. Requires the superior court to hold a case management conference within ten days, expedite discovery, rule promptly on dispositive motions and set a trial or final hearing as soon as practicable, and requires expedited treatment on appeal and special action review.

Position: OPPOSED
Hearing: March 17, 2026, at 2:00 p.m. in HHR 5

Session Deadlines

Every session has deadlines pertaining to bill submissions and hearings. These are established by Senate and House rule and are subject to change. This year's schedule is as follows:

March

Friday 3/27: Last day for consideration of bills in opposite chamber

April
Friday 4/17: Last day for consideration of bills in conference committee
Tuesday 4/21: 100th Day of Session

Legislative Staff
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What the League is Tracking

Stay informed about legislation that affects municipalities throughout the state. Track proposed bills and resolutions, stay updated on their progress, and actively engage in the democratic process. Here are some priority measures the League is tracking:

Legislative Bill Monitoring

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