



**NOTICE OF MEETING
WORK SESSION
TOWN COUNCIL**

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

TIME: 8:30 AM - WORK SESSION
WHEN: WEDNESDAY, NOVEMBER 12, 2025
WHERE: FOUNTAIN HILLS COUNCIL CHAMBERS
16705 E. AVENUE OF THE FOUNTAINS, FOUNTAIN HILLS, AZ

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. Meetings of the Town Council are audio and/or video recorded and, as a result, proceedings in which children are present may be subject to such recording. Parents, in order to exercise their rights may either file written consent with the Town Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. 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.

1. CALL TO ORDER

2. WORK SESSION STATEMENT

All Items Listed Are for Discussion Only. No Action Can or Will Be Taken. The primary purpose of work sessions is to provide the Council with the opportunity for in-depth discussion and study of specific subjects. Public comment is not provided for on the agenda and may be made only as approved by consensus of the Council. In appropriate circumstances, a brief presentation may be permitted by a member of the public or another interested party if invited by the Mayor or the Town Manager to do so. The Presiding Officer may limit or end the time for such presentations.

3. ROLL CALL

4. REGULAR AGENDA

- a. **PRESENTATION:** Budget Update, Forecasts and FY2027 Revenue Impacts
- b. **PRESENTATION:** Expenditure Limitation
- c. **PRESENTATION:** RideChoice Transportation
- d. **PRESENTATION:** Town Entryway Signs
- e. **PRESENTATION:** Fire Department Growth and Service Demands
- f. **PRESENTATION:** Community Contracts Overview

- g. **PRESENTATION:** Fiscal Year 2027 Community Services Potential Capital Improvement Projects
- h. **PRESENTATION:** Town Hall Campus Roofing Repair
- i. **DISCUSSION:** Wrap-up of priorities

5. ADJOURNMENT

Dated this 6th day of November, 2025.



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 (800) 367-8939 (TDD) 48-hours prior to the meeting to request reasonable accommodation to participate in the meeting or to obtain agenda information in large print format. Supporting documentation and staff reports furnished to the Council with this agenda are available for review in the Clerk's Office.



TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 11/12/2025
Meeting Type: Town Council Work Session
Submitting Department: Administration / Finance
Prepared by: Paul Soldinger, Chief Financial Officer
Staff Contact Information: Phone: 480-816-5160
Email: psoldinger@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

PRESENTATION: Budget Update, Forecasts and FY2027 Revenue Impacts

Staff Summary (background)

Finance staff will present the following information for Council consideration to prepare for the FY2027 Town budget:

- FY2025 actual revenues compared to projections (by Major Fund)
- Discussion on Finance's intentionally conservative projections
- FY2025 actual expenditures compared to budget (by Major Fund and by Department)
- FY2027 revenue impacts:
 - San Tan Valley incorporation projects to decrease the Town of Fountain Hills' state shared revenues by about \$150,000
 - The Town will begin receiving increased Fire Insurance Premium tax revenues that may only be spent on Fire Department retirement benefit costs, as required by Arizona law

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

N/A

FISCAL IMPACT

Fiscal Impact:

Budget Reference:

Funding Source:

ATTACHMENTS

November 12, 2025

FY2026 Budget Work Session Overview

Paul Soldinger, Chief Financial Officer



FY2025 Actual Revenues and Expenditures Overview





Actual Fiscal Year 2025 Revenues



\$28.5M

- Sales taxes (2.6%)
- State-shared
 - Sales tax
 - Income tax
- Licenses and permits
- Fines/forfeitures
- Investment earnings
- Leases
- Other



\$5.2M

- Sales taxes (0.2%)
- State-shared
 - HURF (gas tax)
 - Vehicle License Taxes (VLT)
- Grant revenues
- Investment earnings



\$2.1M

- Sales taxes (50% of construction sales taxes)
- Grant revenues
- Investment earnings



\$361K

- Investment earnings
- Transfers in (not included in amounts above)



\$2.4M

- Sales taxes (0.1%)
- Investment earnings
- Grant revenues
- Other various

*Other funds include Economic Dev, Tourism, Downtown, Environmental, Impact Fees, etc

Total FY2025 Town Revenues = \$38.5 million



General Fund – FY2025 Projected vs. Actual Revenues

General Fund Revenues	FY2025 Projections	FY2025 Actual	FY2025 Performance	FY2026 Projections
Revenue Source				
Sales Tax Revenues	\$15,248,589	\$16,950,700	\$1,702,111	\$ 15,312,027
State Shared Revenues				
<i>Urban Revenue Sharing (Income Taxes)</i>	5,108,090	5,022,719	(85,371)	4,698,139
<i>Sales Tax Revenues</i>	3,628,998	3,622,681	(6,317)	3,639,515
<i>Fire Insurance Premium Taxes</i>	48,516	95,892	47,376	75,000
Licenses & Permits	784,505	952,127	167,622	896,832
Leases & Rents	289,278	368,170	78,892	379,914
Charges For Services	255,265	278,368	23,103	260,000
Fines & Forfeitures (Municipal Court)	200,000	214,389	14,389	210,000
Investment Earnings	100,000	616,693	516,693	348,507
Other	161,575	356,641	195,066	268,014
Total Revenue Source:	\$ 25,824,816	\$ 28,478,382	\$ 2,653,566	\$ 26,087,948

Intentionally conservative TPT projections create excess reserves that are used to fund capital projects, road repairs, etc. (see next slide)

Fully phased in State flat tax, projected to increase in FY2027

Will be substantially increasing this year (see later slides)

Finance already increased projections in FY2026 from a more conservative level

General Fund revenues outperformed projections by \$2.65 million

Revenue Projections

Local Sales Tax Conservative Projections



- Local sales tax revenues are intentionally conservative within our financial framework while considering ongoing shortfalls:
 - **Shortfall #1** - Only ½ of construction sales tax revenues (ongoing revenues) and investment earnings are deposited into the Capital Projects Fund and only ongoing investment earnings are deposited into the Facilities Reserve Fund
 - The Town deposited about \$2.1 million into the Capital Projects Fund, but spent about \$4.5 million from the CIP fund balance in FY2025
 - No dedicated revenue source for Facilities Reserve Fund (FRAD); the Town relies on General Fund transfers into this fund
 - **Shortfall #2** - The Town budgets about \$7 million of expenditures in Streets Fund with only about \$5 million of ongoing revenues
 - Ongoing funding gap of about \$2 million per year
 - **Shortfall #3** - Future Lake Liner capital project current estimate of \$17 million and the Town has saved about \$6.5 million
 - Funding gap of about \$10.5 million based on current estimates for total project

Revenue Projections

Local Sales Tax Conservative Projections



- Therefore, the Town heavily relies on General Fund excess reserves that are created by intentionally conservative TPT projections
- Volatile TPT categories (construction & services categories) create wide range of outcomes in those categories, which can skew initial projections

1st step:

Create initial TPT revenue projections based on historical trends by category:

- Construction
- Utilities
- Retail
- Restaurants/Bars
- Real Estate
- Services

2nd step:

Finance staff intentionally reduce projections to a lower point in the range of outcomes, which typically reduces projections by 5-15%

3rd step:

Finance staff applies certain manual modifications to slightly adjust projections to create final TPT revenue projections

- For example, recent loss of long-term residential rental taxes required manual modification to projections

Revenue Projections

Local Sales Tax Conservative Projections



- Results and benefits of conservative approach:
 - Creates larger General Fund excess reserve fund balances that are relied upon by Town staff to makeup other fund shortfalls
 - Protects the General Fund operating budget from unexpected revenue losses such as an economic downturn
 - Protects Town staff from potential reductions in force (layoffs)
 - Allows the Town to budget more expenditures in other funds than the General Fund (e.g., Streets, Capital Projects, Facilities Reserve) while also staying below the Expenditure Limitation
- Challenges from conservative approach:
 - Reduces available budget in the General Fund for ongoing operations of most of the Town's departments/divisions



Streets Fund – FY2025 Projected Vs. Actual Revenues

Streets Fund Revenues	FY2025 Projections	FY2025 Actual	FY2025 Performance	FY2026 Projections
Revenue Source				
Sales Tax Revenues	\$1,212,573	\$1,392,501	\$179,928	\$ 1,242,326
State Shared Revenues				
<i>HURF</i>	1,823,078	1,889,802	66,724	1,890,627
<i>Vehicle License Taxes (VLT)</i>	1,215,914	1,300,912	84,998	1,277,830
Investment Earnings	10,000	595,071	585,071	191,193
Other	131,000	15,301	(115,699)	131,000
Total Revenue Source:	\$ 4,392,565	\$ 5,193,587	\$ 801,022	\$ 4,732,976

→ Intentionally conservative projections

→ 100% deposited into Streets Fund starting in FY2025

+ \$4.0 million of transfers
into Streets Fund in FY2025

↓
*Streets Fund revenues outperformed projections by
\$801,022*



Capital Projects Fund - FY2025 Projected Vs. Actual Revenues

Capital Projects Fund Revenues	FY2025 Projections	FY2025 Actual	FY2025 Performance	FY2026 Projections
Revenue Source				
Sales Tax Revenues	\$904,856	\$1,485,919	\$581,063	\$ 1,188,207
Grant Revenues	2,652,500	20,055	(2,632,445)	2,190,750
Investment Earnings	10,000	498,270	488,270	170,000
Other	0	74,381	74,381	0
Total Revenue Source:	\$ 3,567,356	\$ 2,078,624	\$ (1,488,732)	\$ 3,548,957

50% of construction sales tax/intentionally conservative projections
 → Projected grant/MAG revenues

+ \$2.75 million of transfers into Capital Projects Fund in FY2025

Capital Projects Fund did not meet projections for grant revenues due to delayed grant-funded projects (such as Shea Blvd Widening), but otherwise exceeded projections for FY2025



Actual Fiscal Year 2025 Expenditures



\$22.6M



\$7.3M



\$5.1M



\$530k



\$2.1M

- Town operations
- MCSO patrol
- Fire Department
- Parks/Community Center
- Public Works (non-streets)
- Facilities
- Development Services
- Legal Services

- Streets paving
- Streets signage
- Streets curbing
- Other streets needs

- Streets improvements
- Facilities
- Parks amenities
- Stormwater improvements

- Necessary repairs, maintenance and replacements for Town facilities/infrastructure

- Economic Development
- Downtown
- Tourism
- Grants expenditures
- Other

Total FY2025 Town Expenditures = \$37.6 million

Administration Department

FY2025 Expenditures – Budget to Actual



Administration Department - General Fund	FY2025 Adopted Budget	FY2025 Actual	FY2025 Performance	FY2026 Adopted Budget
Expenditure Type				
Payroll & Benefits	\$2,068,916	\$1,999,913	\$69,003	\$ 2,111,420
Contractual Services	682,761	493,400	189,361	597,895
Maintenance & Repair	348,880	347,466	1,414	379,192
All Other Nonpayroll	169,855	141,141	28,714	164,111
Total Expenditures:	\$ 3,270,412	\$ 2,981,920	\$ 288,492	\$ 3,252,618

15.5 Town staff

Administration Department includes the following Divisions:

- Town Manager
- Town Clerk
- Administrative Services (HR/Payroll)
- Finance
- Information Technology
- Economic Development (*fully paid by other funds – see next slide*)
- Purchasing
- Legal Services
 - Town Attorney - 70% General Fund & 30% Streets Fund
 - Town Prosecutor

Administration Department expended \$288,492 less than budget in FY2025

Economic Development Division

FY2025 Expenditures – Budget to Actual



Economic Development Division - 3 Combined Funds (Economic Development, Downtown Strategy, Tourism funds)	FY2025 Adopted Budget w/ budget transfers	FY2025 Actual	FY2025 Performance	FY2026 Adopted Budget
Expenditure Type				
Payroll & Benefits	\$286,525	\$225,021	\$61,504	\$299,008
Contractual Services	557,457	483,196	74,261	570,078
Maintenance & Repair	71,905	69,909	1,996	76,905
All Other Nonpayroll	24,012	29,357	(5,345)	24,012
Total Expenditures:	\$ 939,899	\$ 807,483	\$ 132,416	\$ 970,003

→ 2 Town staff

Economic Development Division pays for economic development, tourism, and downtown strategy programs

Economic Development Division expended \$132,416 less than budget across the Economic Development, Downtown Strategy, and Tourism funds

General Government Department

FY2025 Expenditures – Budget to Actual



General Government Department - General Fund	FY2025 Adopted Budget	FY2025 Actual	FY2025 Performance	FY2026 Adopted Budget
Expenditure Type				
Payroll & Benefits	\$0	\$0	\$0	\$0
Contractual Services	679,717	510,650	169,067	696,458
Contingency (GF Wiggle Room)	1,771,541	0	1,771,541	1,121,243
All Other Nonpayroll	80,795	71,903	8,892	82,243
Total Expenditures:	\$ 2,532,053	\$ 582,553	\$ 1,949,500	\$ 1,899,944

→ No Town staff

→ \$327,400 of GF Contingency was transferred for use by other Departments in FY2025

General Government Department includes central costs not allocated to specific departments and includes the General Fund Contingency ("Town Wiggle Room")

General Government Department is designed to contain "Town Wiggle Room" which typically results in lower expenditures than budgeted

Municipal Court Department

FY2025 Expenditures – Budget to Actual



Municipal Court Department - General Fund	FY2025 Adopted Budget	FY2025 Actual	FY2025 Performance	FY2026 Adopted Budget
Expenditure Type				
Payroll & Benefits	\$480,762	\$493,793	(\$13,031)	\$ 503,275
Contractual Services	18,481	18,587	(106)	18,481
Maintenance & Repair	10,010	6,113	3,897	10,010
All Other Nonpayroll	17,121	15,338	1,783	17,203
Total Expenditures:	\$ 526,374	\$ 533,831	\$ (7,457)	\$ 548,969

→ 4.63 Town staff

Municipal Court includes Court Administrator, Staff, and Presiding Judge

Municipal Court Department expended slightly over budget by \$7,457. This was due to a long-term employee retirement and another change in benefits

Public Works Department – General Fund

FY2025 Expenditures – Budget to Actual



Public Works Department - General Fund	FY2025 Adopted Budget	FY2025 Actual	FY2025 Performance	FY2026 Adopted Budget
Expenditure Type				
Payroll & Benefits	\$877,150	\$869,890	\$7,260	\$ 900,485
Contractual Services	253,161	146,060	107,101	497,081
Maintenance & Repair	304,773	353,336	(48,563)	803,972
All Other Nonpayroll	267,226	312,041	(44,815)	287,348
Total Expenditures:	\$ 1,702,310	\$ 1,681,327	\$20,983	\$ 2,488,886

- 6.95 Town staff
- Other Environmental Program additions increased this budget
- \$450,000 of wash maintenance added in General Fund (previously Environmental Fund)

Public Works Department in the General Fund includes all Divisions unrelated to Streets, including Engineering and Facilities

Public Works Department expended less than budget by \$20,983 in the General Fund

Public Works Department - Streets

FY2025 Expenditures – Budget to Actual



Public Works Department - Streets Fund	FY2025 Adopted Budget w/ budget transfers	FY2025 Actual	FY2025 Performance	FY2026 Adopted Budget
Expenditure Type				
Payroll & Benefits	\$700,474	\$729,998	(\$29,524)	\$ 816,489
Pavement Management Program	\$5,594,775	\$5,264,157	330,618	\$ 5,000,000
Other Maintenance & Repair	318,910	370,496	(51,586)	320,910
Contractual Services	664,400	608,913	55,487	704,190
All Other Nonpayroll	403,756	334,664	69,092	403,038
Total Expenditures:	\$ 7,682,315	\$ 7,308,229	\$374,086	\$ 7,244,627

→ 7.05 Town staff

→ Council approved \$594,775 of budget transfers for Road Paving

Public Works Department in the Streets Fund includes the Streets Division for all road repair and maintenance needs throughout the Town

Public Works Department expended less than budget (after budget transfers) by \$374,086 in the Streets Fund

Development Services Department

FY2025 Expenditures – Budget to Actual



Development Services Department - General Fund	FY2025 Adopted Budget	FY2025 Actual	FY2025 Performance	FY2026 Adopted Budget
Expenditure Type				
Payroll & Benefits	\$1,254,608	\$1,218,681	\$35,927	\$ 1,241,103
Contractual Services	70,574	30,979	39,595	70,574
Maintenance & Repair	50,759	46,895	3,864	51,912
All Other Nonpayroll	202,956	96,625	106,331	168,924
Total Expenditures:	\$ 1,578,897	\$ 1,393,179	\$ 185,718	\$ 1,532,513

10.6 Town staff (11 in FY2025)

Development Services Department includes planning/zoning, building inspections, GIS and Code Enforcement duties for the Town

Development Services Department expended \$185,718 less than budget in the General Fund

Community Services Department

FY2025 Expenditures – Budget to Actual



Community Services Department - General Fund	FY2025 Adopted Budget	FY2025 Actual	FY2025 Performance	FY2026 Adopted Budget
Expenditure Type				
Payroll & Benefits	\$2,129,273	\$2,005,552	\$123,721	\$ 2,246,822
Contractual Services	837,997	669,366	168,631	898,476
Maintenance & Repair	392,692	498,232	(105,540)	443,772
All Other Nonpayroll	842,993	761,817	81,176	838,495
Total Expenditures:	\$ 4,202,955	\$ 3,934,968	\$ 267,987	\$ 4,427,565

26.73 Town staff (25.93 in FY2025)

Community Services Department includes Parks, Recreation (special events, the Community Center, and related programs

Community Services Department expended \$267,987 less than budget in the General Fund

Fire Department

FY2025 Expenditures – Budget to Actual



Fire Department - General Fund	FY2025 Adopted Budget	FY2025 Actual	FY2025 Performance	FY2026 Adopted Budget
Expenditure Type				
Payroll & Benefits	\$4,284,876	\$4,169,537	\$115,339	\$ 4,709,487
Contractual Services	345,040	279,266	65,774	345,040
Maintenance & Repair	103,110	171,723	(68,613)	123,110
All Other Nonpayroll	961,833	574,223	387,610	788,947
Total Expenditures:	\$ 5,694,859	\$ 5,194,750	\$ 500,109	\$ 5,966,584

Fire Department responds to fire and medical emergencies throughout the Town, and became an in-house department on January 1, 2024

Fire Department expended \$500,109 less than budget in the General Fund

Finance will add between \$220,000-\$240,000 in FY2027 to complete the Fire Department's revised command structure:

- Full year of 3 Battalion Chief positions
- 3 Battalion safety officers beginning July 1, 2026
- Backfilling positions, as necessary

33.5 Town staff

Several payroll modifications in FY2026:

- 3 Battalion Chief positions
- 2.5% pay adjustment
- Moving budget from other line items to increase overtime

Law Enforcement Department

FY2025 Expenditures – Budget to Actual



Law Enforcement Department - General Fund	FY2025 Adopted Budget	FY2025 Actual	FY2025 Performance	FY2026 Adopted Budget
Expenditure Type				
MCSO Patrol	\$6,132,712	\$6,132,712	\$0	\$5,759,469
County Jail Fees	67,500	32,806	34,694	67,500
Animal Control Services	21,668	21,613	55	32,000
All Other Expenditures	22,036	726	21,310	2,036
Total Expenditures:	\$ 6,243,916	\$ 6,187,857	\$ 56,059	\$ 5,861,005

Law Enforcement Department pays for law enforcement contracted services, including MCSO Patrol, Jail Fees, and Animal Control Services

Law Enforcement Department expended \$56,059 less than budget in the General Fund

Fiscal Year 2027 Revenue Impacts



**FOUNTAIN
HILLS**



FY2027 Revenue Impacts ↓

San Tan Valley Incorporation



- San Tan Valley recently incorporated as a Town:
 - About 100,000 residents reside in the new Town
- San Tan Valley will begin receiving State shared revenues once a special census is completed to certify the population of the new Town
- May begin impacting Town of Fountain Hills revenues later this year, but will begin full projected annual loss of State shared revenues of about \$150,000 starting next year (FY2027) (based on AZ League projections):
 - HURF revenues (Streets Fund): **Estimated reduction to FH of \$16,500**
 - State Shared Sales Taxes (General Fund): **Estimated reduction to FH of \$58,000**
 - State Shared Income Taxes (General Fund): **Estimated reduction to FH of \$75,000**

FY2027 Revenue Impacts

Fire Insurance Premium Tax



- Fire insurance premiums are collected throughout the State of Arizona and accumulated by the State Treasurer's Office
 - Legally restricted revenues by [ARS 9-981](#) that can only be spent on Fire Department staff retirement benefits
- All municipalities certify fire department related expenditures (and retirement costs) to the State Fire Marshal every year
 - The State Fire Marshal reports those certified amounts to the Treasurer
 - The State Treasurer distributes these revenues to all municipalities/fire districts, based on the full cash value of real property and improvements around June of each fiscal year
- Town of Fountain Hills previously contracted with Rural Metro before January 2024
 - Fountain Hills was 1 of 2 municipalities receiving 30% of our share, a reduction required by statute for contracted fire services
 - FY2025 was the first year that the Town was entitled to our full 100% share after bringing our Fire Department in-house, but instead received an incorrect reduced amount (see next slide)
 - The State Treasurer's Office will reduce FY2026 revenues for all other municipalities/fire districts to provide the Town with our full FY2025 share plus our full FY2026 share
 - This results in a much higher than expected revenue in FY2026 and higher projections starting in FY2027

FY2027 Revenue Impacts

Fire Insurance Premium Tax



Fire Insurance Premium Revenues - General Fund	FY2025 Projections	FY2025 Actual	FY2025 Performance	FY2026 Projections	FY2026 New Estimated Amount	FY2027 Higher Estimated Amount
Revenue Source						
Sales Tax Revenues	\$48,516	\$95,892	\$47,376	\$ 75,000	\$ 540,000	\$ 330,000
Total Revenue Source:	\$ 48,516	\$ 95,892	\$ 47,376	\$ 75,000	\$ 540,000	\$ 330,000

Town incorrectly received \$95,892 although it was entitled to \$317,954

Town will receive higher distribution with amount owed from FY2025 plus full FY2026 amount

Town will start receiving higher ongoing revenues for Fire Dept Retirement Costs



TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 11/12/2025
Meeting Type: Town Council Work Session
Submitting Department: Administration / Finance
Prepared by: Michael Stelpstra, Accountant
Staff Contact Information: Phone: 480-816-5165
Email: mstelpstra@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

PRESENTATION: Expenditure Limitation

Staff Summary (background)

Finance staff will present the following information for Council consideration:

- Origin and background on the Constitutional expenditure limitation
- The Town's expenditures relative to its expenditure limitation
- Considerations for the FY2027 budget
- Considerations for future years related to the lake liner project
- Voter-approved expenditure limitation options

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

N/A

FISCAL IMPACT

Fiscal Impact:

Budget Reference:

Funding Source:

ATTACHMENTS

- | |
|--------------------------------------|
| 1. ExpenditureLimitationPresentation |
|--------------------------------------|

November 12, 2025

Expenditure Limitation

Paul Soldinger, Chief Financial Officer
Michael Stelpstra, Accountant



Background





Origin & Enforcement

- Established by Arizona Constitution, Art. 9, Sec. 20
 - Approved by Arizona voters in 1980
 - Applicable to counties and municipalities
- Calculated annually by Economic Estimates Commission (part of Arizona Department of Revenue)
- Enforced by Arizona Auditor General
 - Uniform Expenditure Reporting System



Calculation

- FY1979/80 Base Limit
 - Calculated by Economic Estimates Commission
 - Original base limit of **\$3,302,273** calculated using per capita amount of other Maricopa County municipalities' base limits
 - Base limit adjusted to **\$4,107,576** beginning in FY2003 for acquisition of Fire District
- Inflation factor
 - Change in GDP Implicit Price Deflator
- Population factor
 - Change in population estimate from the Arizona Office of Economic Opportunity



Exclusions-Definition

- Limit applies only to expenditures of “local revenues” as defined by the Arizona Constitution
 - “Local revenues” are commonly referred to as nonexcludable revenues
- Exclusions
 - Expenditures of revenues excluded from Constitutional definition of “local revenues”
- Carryforwards
 - Excludable revenue not spent in the year received but excludable in later years when spent



Exclusions-Examples of Excludable Revenues

- Debt proceeds and debt service payments
- Investment income
- Federal grants and aid
- Private grants, aid, contributions, or gifts
- State grants and aid (not shared revenues)
- Voter-approved amounts for the purchase of land, and the purchase or construction of buildings or improvements
- Highway user revenues
- Contracts with the State, counties, other municipalities, community college districts, and school districts
- Refunds, reimbursements, and other recoveries

FY 2027 Considerations



**FOUNTAIN
HILLS**



Expenditures



	FY 2024 Actual	FY 2025 Actual	FY 2026 Budgeted
Expenditures/expenses	33,436,874	37,598,264	53,396,398
Net reconciling items	(120,372)	(87,525)	(82,309)
Expenditures/expenses adjusted for reconciling items	33,316,502	37,510,739	53,314,089
Exclusions & carryforward used	(415,154)	(1,922,737)	(16,732,213)
Amount subject to the expenditure limitation	32,901,348	35,588,002	36,581,876
EEC expenditure limitation	34,364,380	35,588,003	36,581,877
Amount under the expenditure limitation	1,463,032	1	1
Net increase (decrease) in carryforward balance	5,040,497	4,089,798	(6,071,539)



FY 2027 Expenditure Limitation

- EEC Estimate by February 1st
 - October Inflation Factor update: 2.2% increase
- EEC Final by April 1st

Year-End Carryforward Balance



	FY 2024	FY 2025	FY 2026
	Actual	Actual	Budgeted
Dividends, interest, and gains on the sale or redemption of investment securities	3,564,537	5,381,799	5,033,613
Highway user revenues in excess of those received in fiscal year 1979-80	6,223,709	8,113,511	2,713,511
Quasi-external interfund transactions	419,994	802,728	802,728
Refunds, reimbursements, and other recoveries	424,411	424,411	101,058
	<u>10,632,651</u>	<u>14,722,449</u>	<u>8,650,910</u>

Beyond FY 2027: Lake Liner Project



**FOUNTAIN
HILLS**



Lake Liner Project

- Current estimated cost: \$17M
- Accumulated reserves: \$6.6M
 - Nonexcludable: \$6.3M
 - Excludable: \$0.3M



Expenditure Limitation Options





Options

- Reduce spending of nonexcludable revenues on other priorities
 - Operating
 - Capital
- New excludable revenues
 - Debt proceeds
 - Grants/reimbursements
- New voter-approved exclusion (home rule)

Voter-Approved Expenditure Limitation Options



**FOUNTAIN
HILLS**





Voter-Approved Expenditure Limitation Options

- Alternative expenditure limitation (Home Rule)
 - 37 Municipalities statewide, including
 - Cave Creek
 - Chandler
 - Gila Bend
 - Guadalupe
 - Phoenix
 - Tolleson
- Permanent base adjustment
 - 46 Municipalities statewide, including
 - Apache Junction
 - Avondale
 - Buckeye
 - Carefree
 - El Mirage
 - Gilbert
 - Glendale
 - Goodyear
 - Litchfield Park
 - Mesa
 - Paradise Valley
 - Peoria
 - Queen Creek
 - Scottsdale
 - Surprise
 - Tempe
 - Wickenburg
 - Youngtown



Permanent Base Adjustment Option

- Authorized by Arizona Constitution, Art. 9, Sec. 20, para. 6
- Increases base limit by specific amount
- All future EEC calculations use the increased base amount
- Town's May 2002 Proposition Failed



Home Rule Option

- Alternative expenditure limitation
 - Authorized by Arizona Constitution, Art. 9, Sec. 20, para. 9
 - Requires voter approval
- AZ League of Cities & Towns Example
 - Replaces constitutional limitation with limitation set by Council
- Staff recommended option
 - Retain constitutional limitation
 - Add an exclusion for lake liner expenditures



Impact

- What would not change
 - Town's expenditure limitation would continue to be established by the Economic Estimates Commission
 - Existing constitutional exclusions would continue to apply
 - Does not authorize or prohibit any new or increased revenues
- What would change
 - Expenditures for the lake liner project, regardless of revenues spent, would not be subject to expenditure limitation



Adoption process

- Refer to voters by 2/3 vote of Council
- On ballot with Council members
 - Staff recommendation: 2028 Primary Election
- If approved
 - Effective FY after adoption
 - 2028 Primary Election: Effective FY 2030
 - Expires after 4 years

Questions?



**FOUNTAIN
HILLS**





TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 11/12/2025
Meeting Type: Town Council Work Session
Submitting Department: Administration / Administrative Services
Prepared by: David Trimble, Deputy Town Manager/Administrative Services Director
Staff Contact Information: Phone: 480-816-5125
Email: dtrimble@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

PRESENTATION: RideChoice Transportation

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. Transit Presentation for 11-12-2025 Town Council Fall Retreat_V |
|--|

November 12, 2025

RideChoice Funding

Dave Trimble, Deputy Town Manager /
Administrative Services Director



**FOUNTAIN
HILLS**

Overview



**FOUNTAIN
HILLS**



Program Background

RideChoice Overview

Operating since FY 2015 in Fountain Hills, providing discounted transportation for seniors, and disabled residents.

Historical Funding

- Funded by Public Transportation Funds (PTF)
- Arizona Lottery Funds (ALF/LTAF)
- Never required General Fund support

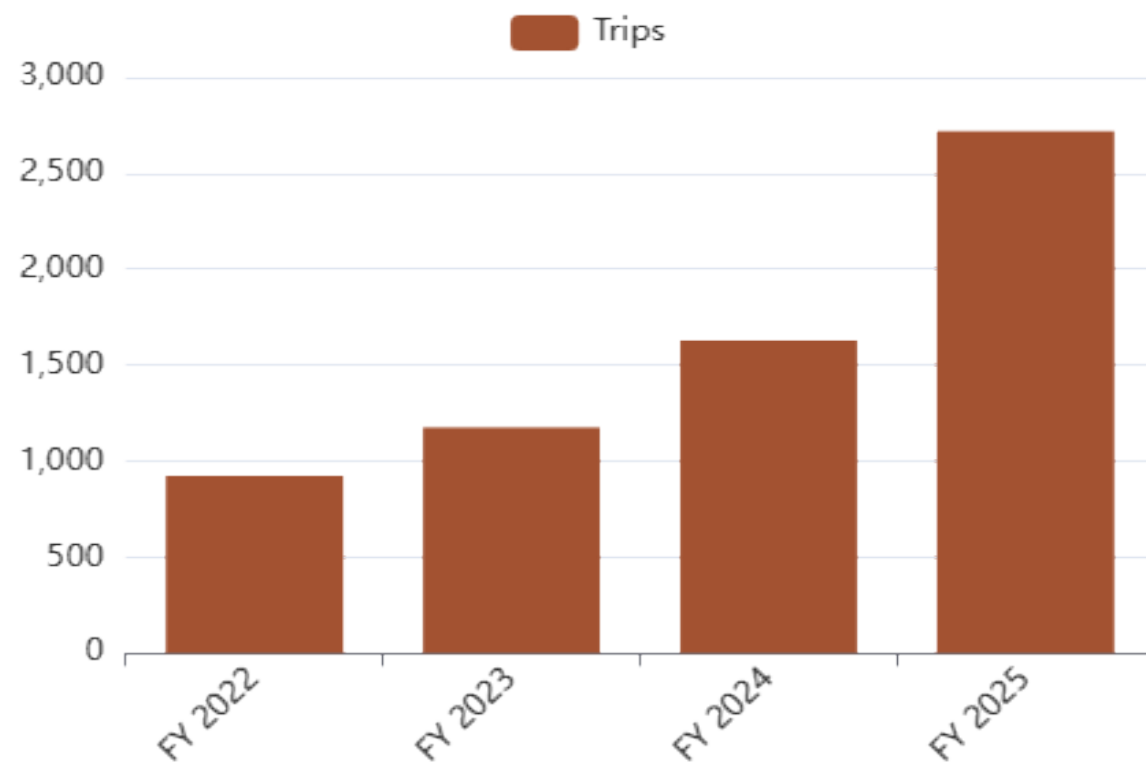
Current Challenge

- Prop 479: Regional PTF no longer available
- ALF allocation ~\$60K now sole funding source
- Rising ridership exceeding available funding



**FOUNTAIN
HILLS**

Total Trips by Fiscal Year



Growth Impact

- Ridership nearly tripled - 927 trips (FY 2022) to 2,717 (FY 2025)

Cost Projection

- Annual costs projected to reach \$150K-\$160K if current trends continue

Service Model Comparison



Classic RideChoice

Original service model with usage limitations

- 20 trips per month limit
- \$3 base + \$2/mile after 8 miles
- Example: 22-mile round trip = ~\$18

Mileage Option (Current)

Enhanced model driving increased usage

- Up to 400 miles per month
- Flat \$3 per trip rate
- Example: 22-mile round trip = ~\$6

Decision Options



Two Paths for Consideration

Two paths are available for consideration between continuing without additional funding or include General Fund support.

Option 1: Continue Without General Fund Funding

- Implement cost control measures
- ADA certification requirements
- Revert to Classic RideChoice model
- Income qualification or increase age limits

Option 2: General Fund Support

- Add ~\$100K General Fund allocation
- Maintain current program structure
- Monitor usage & suggest changes as needed
- Allows some service expansion

Timeline & Next Steps

Budget Planning Timeline

Council direction needed for FY 2027 budget planning. Cost control measures would be implemented by January 2027 if Option 1 is selected.

Financial Considerations

- Current ALF allocation ~60K annually
- Projected costs 150K-160K if trends continue
- 100K represents planning benchmark

Community Impact

- Essential service for seniors and disabled
- Medical appointment transportation
- Resident mobility

Questions?



**FOUNTAIN
HILLS**





TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 11/12/2025
Meeting Type: Town Council Work Session
Submitting Department: Administration / Economic Development & Tourism
Prepared by: Amanda Jacobs, Economic Development Director
Staff Contact Information: Phone: 480-816-5104
Email: ajacobs@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

PRESENTATION: Town Entryway Signs

Staff Summary (background)

During the FY27 budget process, staff recommends Council consideration of replacing three community entryway signs. The existing signs are aging, and no longer reflect the community's current aesthetic or branding.

The proposed Entryway Signs Project is being championed by Economic Development/Tourism to enhance the Town's visual identity and sense of arrival. The purpose of this item is to seek Council feedback. Should Council wish to proceed, staff will include this project as a Public Works Capital Improvement Project for further review and discussion in upcoming budget work sessions.

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

N/A

FISCAL IMPACT

Fiscal Impact:

Budget Reference:

Funding Source:

ATTACHMENTS

- | |
|-----------------------------------|
| 1. Proposed Entryway Sign Project |
|-----------------------------------|

Proposed Entryway Signs Project



**FOUNTAIN
HILLS**





FOUNTAIN HILLS





The image features a desert landscape with hills, cacti, and shrubs under a cloudy sky. Overlaid on the center is a large, stylized logo for 'Fountain Hills'. The logo consists of a brown rectangular block with a brick-like texture, containing the words 'FOUNTAIN HILLS' in a white, sans-serif font. To the left of this block is a solid tan-colored triangle. Below the brown block is a horizontal strip of eight small, square images showing different types of gravel or crushed stone. The entire graphic is positioned in the middle ground of the desert scene.

FOUNTAIN HILLS

A large, tan-colored sign with a stylized mountain silhouette in the background. The sign features a brick-patterned section in the center where the words "FOUNTAIN HILLS" are displayed in large, raised, tan letters. The sign is surrounded by desert landscaping, including saguaros, agaves, and shrubs.

FOUNTAIN HILLS

Questions?



**FOUNTAIN
HILLS**





TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 11/12/2025
Meeting Type: Town Council Work Session
Submitting Department: Administration / Finance
Prepared by: Paul Solding, Chief Financial Officer
Staff Contact Information: Phone: 480-816-5160
Email: psolding@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

PRESENTATION: Community Contracts Overview

Staff Summary (background)

The Town of Fountain Hills currently supports 4 community organizations within its General Fund budget, which is based on historical practices and previous Council direction:

1. Central Arizona Shelter Services (CASS) - located in Phoenix
2. Boys & Girls Club, McKee Branch - located in Fountain Hills
3. Extended Hands Food Bank - located in Fountain Hills
4. Fountain Hills Sister Cities - located in Fountain Hills

\$73,700 has been allocated to the above organizations in FY2026 within the General Government Department in the General Fund.

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

N/A

FISCAL IMPACT

Fiscal Impact:

Budget Reference:

Funding Source:

ATTACHMENTS

- | | |
|----|---|
| 1. | FY2027 Community Contracts Overview Presentation - 11.12.2025 |
| 2. | BGCS - Professional Services Offer 2025 - FY2026 |
| 3. | CASS Contract #2024-048-Bed Reserve Report FY24-25 Q4 |

- | | |
|----|---------------------------------------|
| 4. | FY2025 Annual Report - Extended Hands |
| 5. | Sister Cities Request - FY2026 |

November 12, 2025

Community Contracts

Paul Soldinger, Chief Financial Officer



Community Contracts Overview



Community Contracts



- Community contracts have previously been discussed with prior Councils to allocate General Fund revenues to support local community programs:
 - Budgeted in General Government Department in General Fund
 - \$73,700 allocated to community organizations (see next slide)
- Town staff are improving oversight of these contracts, including reviewing deliverables from community organizations such as annual reports detailing program activities and expenditures (see attachments).

FY2027 Budget Considerations

Community Contracts



General Government - General Fund	Community Contract Organizations (if applicable)	FY2024 Budget	FY2024 Actual	FY2025 Budget	FY2025 Actual	FY2026 Budget	FY2026 Actual (to date)
Budgeted Expenditures	Community Organizations						
Emergency Vouchers - Domestic Violence	Various hotels - as needed	12,000	264	12,000	0	12,000	0
MAG Contribution - Homelessness	Central Arizona Shelter Services (CASS)	50,000	0	50,000	30,000	50,000	15,000
Boys & Girls Club	Boys & Girls Club	24,500	24,480	24,500	24,500	24,500	0
Extended Hands Food Bank	Extended Hands Food Bank	24,200	24,200	24,200	24,200	24,200	24,200
Sister Cities	Sister Cities	10,000	10,000	10,000	10,000	10,000	0
	Totals:	\$120,700	\$58,944	\$120,700	\$88,700	\$120,700	\$39,200

Used when needed for victims of domestic violence

The Town will disburse \$24,500 this year to Boys & Girls Club

The Town will disburse \$10,000 this year to Sister Cities

Town staff are seeking Council feedback on these budgeted amounts moving forward

\$73,700 is allocated towards Community Contracts in FY2026 (after 2 additional payments are disbursed)

The Town paid \$40,000 per year to A New Leaf for sheltering services in fiscal years 2022 and 2023



**BOYS & GIRLS CLUBS
OF GREATER SCOTTSDALE**

I am pleased to present the Town of Fountain Hills with an offer of professional services from Boys & Girls Clubs of Greater Scottsdale (BGCS) for the amount of \$40,000. This investment will continue to support youth development programming that is provided to youth, ages 5-18 at the Mary Ellen & Robert McKee Branch located at 14605 N. Del Cambre Ave, Fountain Hills, AZ 85268.

At the McKee Branch, we believe that helping youth succeed means building strong foundations in all areas of development—cognitive, social, emotional, and physical—so they can truly thrive and build resilience. To make this happen, our youth development professionals (YDPs) focus on engaging the whole child, creating positive experiences, nurturing relationships, and cultivating safe, encouraging environments. This approach is rooted in four key priority outcomes: **Academic Success, Health & Wellness, Character & Leadership, and Life and Workforce Readiness.**

Our holistic approach to positive youth development is rooted in extensive research that has been conducted across thousands of Clubs all over the country. Time and time again, it has been proven that youth who attend a Club are more likely to increase their emotional regulation, their attitudes towards success and understand the influence their attitudes have toward others. Youth who attend our programs can grow and ultimately become ready for life and work as we provide a safe, inclusive environment while forming meaningful, lifelong relationships with their peers.

We propose to offer a comprehensive range of whole-child programs to youth across Fountain Hills. This support ensures our members not only graduate high school but also feel ready for college and the workforce. By prioritizing these developmental milestones, we're preparing youth to step confidently into adulthood and build strong, successful communities in Arizona.

With dedicated YDPs guiding them, BGCS members are set to graduate on time and with the preparation they need to thrive in college, careers, and beyond.

Program Deliverables

Diplomas to Degrees: This program addresses the "college readiness gap" by helping teens connect their interests to potential career paths, prepare for post-secondary education, and develop the social-emotional skills needed for success.

Power Hour: This daily program offers homework help, tutoring, and activities that foster academic success, giving members the tools to become self-directed learners.

Summer Brain Gain: Designed to prevent summer learning loss, this project-based program encourages creativity, group work, and discovery, culminating in a final project that prepares youth for the next school year.

Leadership: Through programs like Torch Club, members ages 12 to 14 elect officers and work together to implement projects that serve their Club and community.

ADMINISTRATIVE OFFICES

10533. E Lakeview Drive | Scottsdale, AZ 85258
(480) 344-5520 | info@bgcs.org



BOYS & GIRLS CLUBS OF GREATER SCOTTSDALE

Career Exploration: Through Career Launch, teens explore potential career paths, make informed educational decisions, and build the skills necessary for workplace success.

Triple Play: A Game Plan for the Mind, Body & Soul: This program not only encourages physical activity and nutrition, but it also promotes social-emotional learning where kids can learn coping skills and identify their feelings.

These programs are delivered using our Formula for Impact, an outcome-driven Club experience that utilizes the following:

Five Key Elements for Positive Youth Development

- Create a safe, positive environment
- Generate fun and foster a sense of belonging
- Encourage supportive relationships with peers and adults
- Provide opportunities and set expectations
- Offer recognition

High-Yield Activities are hands-on, interactive, fun experiences that intentionally develop and reinforce core skills explicitly taught through Targeted Programs and help support our three priority outcome areas.

Targeted Programs are sequenced learning experiences with specific objectives for building skills and knowledge, organized into five Core Program Area. They are targeted to help youth achieve positive outcomes in one or more of the three priority outcome areas.

- Academic Success
- Health & Wellness
- Character & Leadership
- Life & Workforce Readiness

Program Data Collection

BGCS utilizes Boys & Girls Clubs of America's (BGCA) National Youth Outcome Initiative (NYOI) survey to the successes and challenges in meeting the needs of our youth. This data allows us to regularly adjust our practices and implement quality improvements to our programs. The NYOI survey provides the organization with results regarding program outcomes in the previously listed priority outcomes.

We intend on achieving these goals:

- Serving at least 400 Fountain Hills youth in 2025
- Increasing the overall average daily attendance
- Maintaining at least a 90% retention rate
- Increase favorable youth development outcomes in the priority areas

Thank you for your consideration of our request to create the next generation of future leaders. Should you have any follow-up questions, please do not hesitate to contact me at (480) 344-5680 or vanessa.fragoza@bgcs.org.

ADMINISTRATIVE OFFICES

10533. E Lakeview Drive | Scottsdale, AZ 85258
(480) 344-5520 | info@bgcs.org



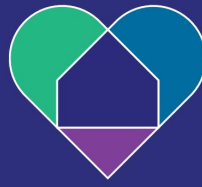
BOYS & GIRLS CLUBS
OF GREATER SCOTTSDALE

Sincerely,

Vanessa Fragoza
Grants Manager
Boys & Girls Clubs of Greater Scottsdale

ADMINISTRATIVE OFFICES

10533. E Lakeview Drive | Scottsdale, AZ 85258
(480) 344-5520 | info@bgcs.org



July 16, 2025

Contract No. 2024-048

TO: Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, AZ 85268
Attention: Robert Durham, rdurham@fountainhillsaz.gov

RE: Town of Fountain Hills Contract No. 2024-048 FY24-25 Q4 CASS Bed Reserve Report

Attached is the Town of Fountain Hills Contract No. 2024-048 CASS Bed Reserve Report for Quarter 4 of fiscal year 2024-2025. There were no Fountain Hill residents served for the 3 set aside beds during the fourth quarter.

Please let us know if you have any questions or require more information.

Sincerely,

Craig Hollinger
Director of Finance

Town of Fountain Hills - CASS Bed Reserve - FY25 Quarter 4 Report

(Contract No. 2024-048)

Shelter Services

0	# of unduplicated individuals served
0	# bed nights
0	average length of stay in days

Case Management and Supportive Services

0	# unduplicated individuals provided with case management and supportive services
0	# of service units

Exit Data

0	# of unduplicated individuals who exited shelter to permanent housing
---	---

Race & Ethnicity

0	American Indian, Alaska Native, or Indigenous (Non-Hispanic)
0	American Indian, Alaska Native, or Indigenous (Hispanic)
0	Asian or Asian American (Non-Hispanic)
0	Asian or Asian American (Hispanic)
0	Black, African American, or African (Non-Hispanic)
0	Black, African American, or African (Hispanic)
0	Middle Eastern or North African (Non-Hispanic)
0	Middle Eastern or North African (Hispanic)
0	Multiracial (Non-Hispanic)
0	Multiracial (Hispanic)
0	Native Hawaiian or Pacific Islander (Non-Hispanic)
0	Native Hawaiian or Pacific Islander (Hispanic)
0	White (Non-Hispanic)
0	White (Hispanic)

Gender

0	Woman (Girl, if child)
0	Man (Boy, if child)
0	Transgender
0	Nonbinary
0	Other

Age Groups

0	0-17
0	18-24
0	25-54
0	55+

Veteran Status

0	Yes
---	-----

Disabilities

0	# unduplicated individuals with disabling condition
---	---

EXTENDED HANDS FOOD BANK

VOTED 2007 CHAMBER OF COMMERCE: "NON-PROFIT OF THE YEAR"

"Helping our friends and neighbors during difficult times"



16548 E. Laser Dr. #6

Fountain Hills, AZ 85268

david.iverson@ehfb.org

allyson.iverson@ehfb.org

Mailing address: Box 18748

Fountain Hills, AZ 85268

480-200-0115

JULY 14, 2025

**TOWN MANAGER OF FOUNTAIN HILLS, AZ
% RACHAEL GOODWIN
16705 E AVENUE OF THE FOUNTAINS
FOUNTAIN HILLS, AZ 85268**

DEAR TOWN MANAGER,

FIRST OF ALL, THANK YOU TO THE TOWN OF FOUNTAIN HILLS FOR THE CONTINUED SUPPORT OF EXTENDED HANDS FOOD BANK.

THIS PAST YEAR HAS BEEN A YEAR OF CHANGE TIME FOR US. WE TRANSITIONED INTO A TOTAL SHOPPING EXPERIENCE FOR THE INDIVIDUALS AND FAMILIES THAT DEPEND ON US TO BE HERE TO HELP WITH THEIR BASIC FOOD NEEDS. CONSEQUENTLY, THE WAY WE KEEP TRACK IS NO LONGER IN THE AMOUNT OF BOXES THAT ARE PREPARED BUT NOW IN THE AMOUNT OF VISITS THAT ARE MADE TO THE FOOD BANK.

UNDER THE DIRECTION OF ST. MARY'S, WE ARE NOW ALLOWING WEEKLY VISITS TO MET THE DEMAND. WE PICKUP FOUR TIMES A WEEK AT 8 TO 10 STORES IN FOUNTAIN HILLS AND SCOTTSDALE AND MOST RECENTLY AT AMAZON'S MAIN FRESH FOOD WAREHOUSE IN PHOENIX.

WE ARE PROUD TO SERVE THIS COMMUNITY AND WILL CONTINUE TO DO SO AS THE NEED REMAINS. OUR BUDGET HAS INCREASED TREMENDOUSLY IN RECENTLY YEARS AND YOUR SUPPORT IS VITAL TO OUR OPERATION.

For the least of these,


David W Iverson



EXTENDED HANDS FOOD BANK
16548 E. LASER DR #6
FOUNTAIN HILLS, AZ
85268

RECEIPT FOR 2025 GIVING

"HELPING OUR FRIENDS AND NEIGHBORS DURING DIFFICULT TIMES"

David Iverson / Director, david.iverson@ehfb.org 480-200-0115

**ANNUAL INVOICE
JULY 1, 2024 – JUNE 30, 2025
WAREHOUSE 6, 7 & 8**

LEASE	\$ 105,589.00
UTILITIES	\$ 16,103.00
TELEPHONE	\$ <u>2,892.00</u>
TOTAL	\$ 124,584.00

David W Iverson



President & Director

*A Non-profit (501c3) agency providing food for the hungry
20-0873646*

Extended Hands Food Bank July 2024- June 2025 Fiscal Yearly Reporting

	July '24	Aug '24	Sept '24	Oct '24	Nov '24	Dec '24
Households	1346	1627	1744	1746	2097	1468
Individuals	4279	5257	5427	5650	6491	4371

	Jan '25	Feb '25	Mar '25	Apr '25	May '25	June '25
Households	1837	1664	1865	1928	1848	1888
Individuals	5881	5118	5776	5783	5231	5745



Town of Fountain Hills Community Grant Update

Fountain Hills Sister Cities (FHSC) respectfully requests a **\$10,000 Community Grant** from the **Town of Fountain Hills** to support our ongoing cultural exchange, youth leadership, and international friendship programs that connect our community with sister cities in **Ataco, El Salvador; Dierdorf, Germany; and Zamosc, Poland.**

Founded in **2000** and celebrating our **25th anniversary** this year, FHSC is a **501(c)(3) nonprofit organization** and proud member of **Sister Cities International**. Our mission is to foster peace, mutual respect, and global understanding through educational, cultural, and humanitarian partnerships.

In **2024**, FHSC delivered a wide range of successful programs that strengthened both our local and international ties:

- Sponsored **Youth Ambassador Eli VanBeek** to attend the International Youth Leadership Conference in Washington, D.C., expanding global leadership opportunities for Fountain Hills students.
- Hosted a **German, Hispanic, and Polish Heritage Celebration**, recognized by Mayor Ginny Dickey's Town Proclamation, engaging residents in multicultural learning and appreciation.
- Coordinated the **student exchange with Zamosc, Poland**, welcoming **12 students and three chaperones** to Fountain Hills for a two-week cultural and academic immersion—followed by a reciprocal visit of **15 students and five adults** from Fountain Hills to Poland in 2025.

These exchanges, supported in part by the Town's previous \$10,000 grant, provided valuable cross-cultural learning experiences for youth and strengthened Fountain Hills' international reputation as a welcoming, globally connected community.

Beyond our exchanges, FHSC actively supports local initiatives including the **Fountain of Light, Town Puzzle, Golden Eagle Scholarship, FH Leadership Academy**, and more. Internationally, our fundraising efforts have contributed **\$40,000 to aid Ukrainian refugees** in Zamosc and **\$8,000 in flood relief** to communities in need.

The **2025 FH Oktoberfest**, organized and hosted by FHSC, was another resounding success—drawing hundreds of participants and powered by more than **250 volunteer hours**, showcasing the spirit of civic pride and community collaboration that defines Fountain Hills.

With continued Town support, FHSC will build upon these achievements by providing **meaningful international experiences for youth, cultural enrichment for residents**, and **positive global visibility for Fountain Hills**. This investment will help us continue our shared mission of fostering peace, understanding, and friendship—locally and worldwide.

Below is the itemized expense report

2024 FH Sister Cities \$10,000 Town Grant Reconciliation	
Mayor and Teacher host gifts	\$360.00
Euro Pizza Welcome Lunch	\$639.00
Lake Saguaro Cruise	\$771.12
Gift cards Host families	\$2,495.00
Chaperone Suns Game	\$265.50
Misc groceries	\$221.65
Aquarium	\$253.75
River of Time Museum	\$150.00
Grand Canyon tour	\$1,926.91
Kayak Tour	\$846.00
Chaperone Gifts	\$301.00
Youth Leadership Summit Registration	\$2,514.87
	\$10,384.80

Christine Colley, President Fountain Hills Sister Cities
October 16, 2025

Fountain Hills Sister Cities **Poland** Exchange Calendar Oct 28 - Nov 11th

Sun OCT 27					
Mon OCT 28	Bus Needed to Airport 1-3pm Polish students arrive. Pick them up @ High School Gym at 2:45 pm Flight lands at 1:45 pm. Air France AF 068 Welcome, Talk to the group, introduce, pass out papers Students will go home with hosts for the night. Flying is tiring. Sub Needed: Salzman PM sub				
Tues OCT 29	7:45 am All kids Breakfast & tour. 1st hour all meet in the nest. 2nd hour campus tour Do something fun as a group with all kids - Bonding, Ice Breakers trivia, Falcons Nest and tour campus till 10:10 Kids pick up Polish students and take them to classes for the rest of the day. Advisory - 5th Hour Polish teachers go for lunch 10:15 to 2:30pm Sub Needed: Salzman AM				
Wed OCT 30	Bus Needed 9:30-2:30 pm Only Polish will: Meet mayor at City Hall 9:45 am, Drive FH and tour new fire station at 10:30 and River of Time at 11:20 Walk to pizza EVERYONE lunch at Euro Pizza at 12:30 pm Home with hosts <u>Final Exams for FHHS Students 7:45-12:00</u> Sub Needed: Salzman				
Thurs OCT 31	Bus Needed 8am - 12pm Odyssea Aquarium trip starts at 10am <u>Final Exams for FHHS Students 7:45-12:00</u> Home Volleyball Game at 6pm Halloween Party fun Sub Needed: Salzman				
Fri Nov 1st	Bus Needed 12:45-3:15 pm Polish students. Elementary Moon Planetarium 9am-11:30am Subway platter at noon then Everybody hikes Adero Canyon. Bring hat, sunscreen, water and sturdy shoes <u>Final Exams for FHHS Students 7:45-12:00</u> Pizza at Cains backyard at 5pm - 8pm				
Sat Nov 2nd	Family Free Time 10-3pm River of Time Indigenous Food and Culture Day Suns Game				

Sun Nov 3rd	Mon Nov 4th	Tues Nov 5th	Wed Nov 6th	Thurs Nov 7th	Friday Nov 8th	Sat Nov 9th
Family Free time - show them your favorite spots Have some fun: Pumpkin Days Tucson Tombstone Kartchner caverns? AZ State Fair Haunted House Shopping Old Towne Ghost Town Pool Party	Bus Needed 7:50 am - 3pm Polish students Tour Phoenix Bus leaves at 8am -Capitol tour (talk to Kavanaugh) at 9:00-10:15, pack sack lunch and eat at the park. Botanical gardens (fee) 12:30-2. Back at 3:00 Sub Needed: Peterson	Bus Needed 8:15 am - 3:pm DJs Bagels at 8:30 10:00 am Kayak Saguaro Lake Just the Polish students and chaperones No Cash Sub Needed: Salzmann Long	Students stay home with students not at school. The 3 girls go somewhere else while Allie and Zoe test. Basketball sand volleyball @ Golden Eagle 1:30-3:30 Four Peaks Rotary (Jay Schlum) provides late lunch for the students	Bus Needed for Overnight bus two day trip Group travels: 6:30 am. H.S parking lot. Lunch in Tusayan. Pay for it from SC Grand Canyon (fee waiver) Rim Trail drive. Bring snacks WARM clothes sturdy shoes Flagstaff (Drury Inn and Suites) Ghosts of Flagstaff tour 7pm Americans can go if they can miss school. Get Trip request: Sub Needed: Peterson Salzmann Long No Mia or Cash	Leave at 8am to Sedona Breakfast before Sedona Trip 12-3 Hike (Fay Canyon or Airport loop), shop/ lunch Stop at Montezuma Castle and well (apply for fee waiver) Sub Needed: Peterson Salzmann	State Volleyball 1st and 2nd Round - Go cheer on the girls on your own Polish Heritage Ball in PHX 5 pm for Polish Teachers Family Day Ghost Town Shopping Old Town

Sun Nov 10th	Mon Nov 11th	Reservations	Transportation	Food	Parent letter - Meeting date
All are invited. Parents drive students or carpool Desert Belle Tour 12pm Invite all. Parents pay, kids free Please call us at (480) 984-2425. Going away sister cities party Going away party 5pm - 800pm At the Horchem's 14725 N Mariposa	Bus Needed to airport 12-2pm NO SCHOOL Veteran's Day Service at 9am Everyone meet at 8:30 in the back parking lot Bus leaves the high school at 12:00 to the airport Flight leaves at 3:55 pm			Class activities: Poster, trivia, presentation	Parent letter - Meeting date Oct 16h 6pm Meeting



TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 11/12/2025
Meeting Type: Town Council Work Session
Submitting Department: Community Services
Prepared by: Kevin Snipes, Community Services Director
Staff Contact Information: Phone: 480-816-5178
Email: ksnipes@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

PRESENTATION: Fiscal Year 2027 Community Services Potential Capital Improvement Projects

Staff Summary (background)

1) Golden Eagle Irrigation Pump Station: Golden Eagle Park has historically relied on a shared-use reclaimed water lake system to provide irrigation for the park's turf areas, sports fields, and landscaped sections. This lake is jointly used by the town and Sunridge Golf Course.

Over time, challenges have emerged with the shared system, including:

- Bryozoans found in lake cause frequent maintenance from clogging sprinkler heads. With 250-300 sprinklers in the park it takes a lot of time, effort and money to clean or replace them. (pic 1)
- Coordination limitations due to shared operational responsibilities
- Increasing maintenance costs and inefficiencies related to water treatment
- Desire from the Golf Course owner for Town to use their vendors

To ensure reliable, efficient, and sustainable irrigation for Golden Eagle Park, staff have evaluated options and recommend transitioning to a dedicated holding tank system that would provide a consistent water supply and reduce operational dependencies. Staff have met with the Sanitary District to test the viability of this project, and they have given preliminary approval.(pic 2)

2) Fountain Park Lake Liner Replacement Design: Fountain Park Lake is one of the most recognized landmarks in the Town of Fountain Hills and plays a vital role in both community identity and water management. The lake supports the operation of the iconic fountain feature, provides reclaimed water storage for park irrigation, and serves as a community gathering space that contributes to the Town's tourism and economic vitality.

The lake was originally constructed in the early 1970s and, the lake liner was replaced in 2000. Being prepared for the next liner replacement is the goal for this CIP project. Doing the legwork prior to the need for replacement allows for all avenues to be looked into by staff who are familiar with the lake and how it operates.

Given the size and complexity of the lake, approximately 100,000,000 gallons of capacity

covering more than 32 acres this project presents unique challenges that require collaboration between Town staff and specialized engineering professionals.

Key considerations and challenges include:

- **Lake Size and Depth:** The large surface area and varying depths make access, material handling, and installation logistics complex. Specialized staging areas, heavy equipment, and precise sequencing are required.
- **Continuous Fountain Operation:** Coordination will be necessary to minimize downtime of the fountain, which is a central community attraction and economic driver.
- **Water Management:** The lake must be temporarily drained or coffer dammed, requiring careful planning for water redirection, and protection of mechanical systems. (Pic 3)
- **Subgrade Preparation:** Proper grading, compaction, and surface preparation are essential to ensure the liner's long-term performance and prevent punctures or seam failures. (Pic 4)
- **Coordination with Utilities and Infrastructure:** Existing intake from the Sanitary District, pump, and fountain systems must be protected and properly integrated into the new liner design.
- **Environmental Factors:** Working with a design team to help minimize the effects of draining the lake and the impact it will have on the wildlife who use the lake.(Pic 5)

Because of these factors, staff knowledge of site operations, irrigation systems, and long-term maintenance is critical. Town staff bring valuable on-the-ground understanding of:

- The existing pump and fountain operations
- Seasonal water level management and irrigation needs
- Maintenance history
- Safety and public access considerations

Meanwhile, engineering expertise ensures proper liner selection, design specifications, geotechnical preparation, and project oversight to guarantee durability, compliance, and quality assurance. Together, staff and engineering collaboration will ensure the project is implemented efficiently, safely, and with minimal community disruption.

3) Kiwanas/Desert Vista Beginner Bike Park: Over the past several years, community interest in expanding recreational opportunities for our youth and families has grown. Residents and local organizations have expressed strong support for the addition of outdoor amenities that promote active lifestyles, skill development, and inclusive recreation for all ages.

Desert Vista Park has been identified as an ideal location for a Beginner Bike Park due to its existing amenities, including the skate park and pump track. The concept aligns with the Town's Parks and Recreation Main Plan goals to diversify park experiences and encourage outdoor recreation opportunities within existing park infrastructure.

The Kiwanis Club, a long-standing community partner known for supporting youth and park projects, has offered to collaborate with the Town on this project through a matching contribution of \$100,000, with the Town contributing an equal amount from available capital improvement funds.

Kiwanis came to the town 3–4 years ago with this idea and staff have been working with

them to find the right location for this project. Considering all the improvements to the existing skate park and addition of the pump track, Desert Vista became the logical location for this amenity.

The proposed Beginner Bike Park would provide a safe, fun, and skill-building environment for children and novice riders to develop basic cycling skills before progressing to more advanced skills required to use the existing pump track and skate park.

The park would include:

- Smooth, asphalt or stanolok tracks and small rolling features
- Banked turns, balance areas, and beginner-friendly obstacles
- Shade structures and seating for families
- Safety signage

The Town's Community Services Department will oversee project planning, procurement, and coordination with an experienced design/build contractor, American Ramp Company, who specializes in bike parks and designed and built the existing skate park and pump track. The Kiwanis Club will partner through financial support and community engagement. This partnership not only expands recreational offerings but also demonstrates the value of civic collaboration and community investment in youth and family wellness.

Key Benefits:

- Promotes outdoor recreation and physical activity for children and families
- Provides an inclusive, entry-level biking experience for all skill levels
- Enhances Desert Vista Park amenities and community appeal
- Strengthens the Town's partnership with local service organizations
- Encourages local stewardship and pride in public spaces

Pending Council approval, staff will proceed with final design, and project scheduling, targeting construction within the next fiscal year. (Pic 6)

4) Avenue Linear Park Shade: In 2025 the Town installed a shade canopy at Avenue Linear Park on the east half of the park. The structure was added to provide relief from the sun, enhance user comfort, and improve the overall experience for walkers, joggers, and offer a picnic area for residents visiting downtown.

Since installation, the Town has received overwhelmingly positive feedback from residents and visitors. The shade structure has become one of the park's most utilized and appreciated amenities.

Following its success, the Town has received numerous requests from the public to install a similar shade canopy on the west half of the park, which currently lacks sizable shaded rest areas or gathering points.

The proposed project will mirror the design, materials, and color scheme of the existing canopy to maintain a cohesive visual appearance throughout Avenue Linear Park. The new structure would be installed along the west section of the Avenue at the fountain located just north of the MCSO parking lot, positioned to provide optimal coverage for pedestrian seating and picnic areas.

Benefits of the additional shade structure include:

- Enhanced comfort and usability for park visitors year-round

- Consistent design aesthetic and park identity
- Increased community satisfaction and park visitation
- Improved accessibility for residents seeking shaded rest areas during exercise picnicking or recreation

Staff have identified the previous installation site and contractor as references for cost and material standards, ensuring continuity in quality and durability.(Pic 7)

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)

Staff Recommends This Project to help improve irrigation water quality, reduce operational cost, reduce maintenance cost and improve turf quality.

Suggested Motion

N/A

FISCAL IMPACT

Fiscal Impact:

Budget Reference:

Funding Source:

ATTACHMENTS

1.	pic 1
2.	Pic 2
3.	Pic 3
4.	Pic 4
5.	Pic 5
6.	Pic 6
7.	Pic 7





15900N
GOLDEN EAGLE
BLVD

Water
Tank

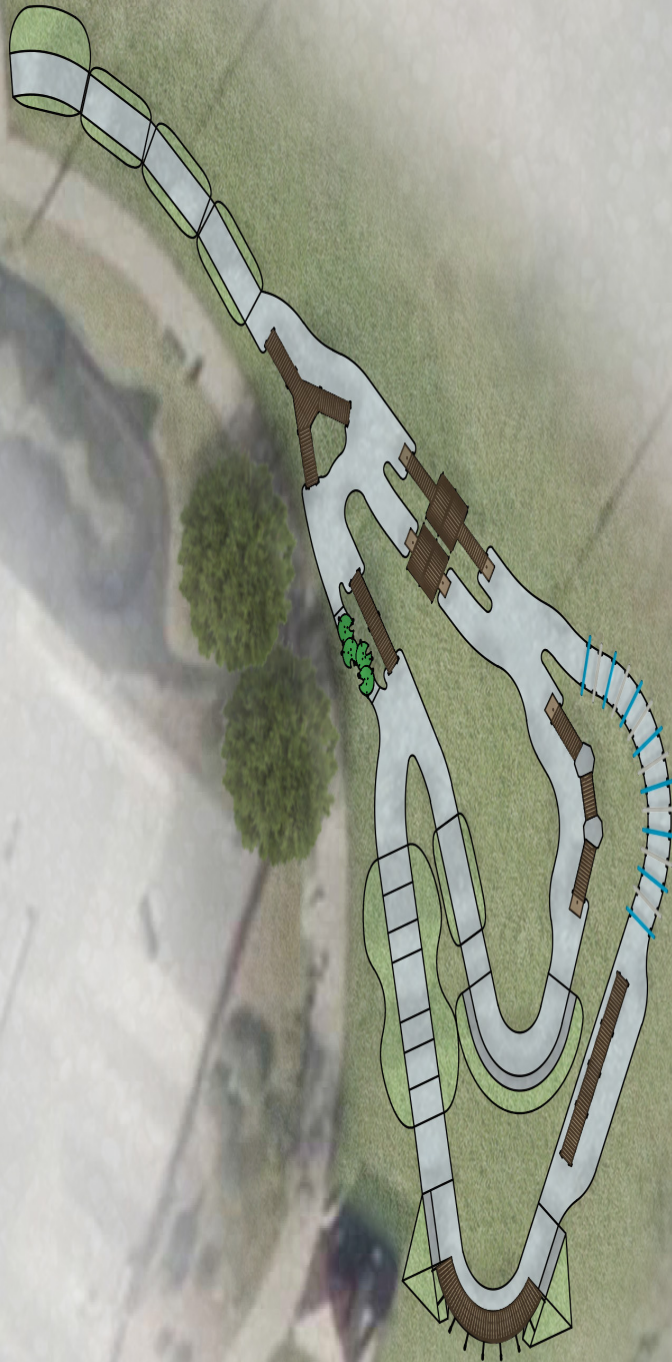
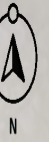
Pump
House

12" Sanitary Main Line













TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 11/12/2025
Meeting Type: Town Council Work Session
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)

PRESENTATION: Town Hall Campus Roofing Repair

Staff Summary (background)

Purpose

To provide a follow-up on the roof condition assessment completed by Allana Buick & Bers, Inc. (ABB) for the Town Hall Campus facilities and to request Council direction on moving forward with design and construction for roof repairs and recoating.

Background

Earlier this year, the Town contracted with Allana Buick & Bers, Inc. (ABB) to complete a full evaluation of the roof systems on the Town's primary municipal buildings:

- **Community Center / Central Plant** – built around 2000 (approx. 32,000 sq. ft.)
- **Town Hall** – built around 2005 (approx. 17,000 sq. ft.)
- **Library / Museum** – built around 2000 (approx. 23,400 sq. ft.)

These roof systems are now more than 20 years old and have exceeded their expected lifespan. While Town staff have continued to perform maintenance and address leaks as they arise, ABB's inspection found multiple areas of concern, including:

- Cracked or blistered foam materials
- Ponding and low areas where water collects
- Inadequate flashing and roof terminations
- Rusted coatings and unsealed joints
- Poor adhesion between coatings and insulation
- Damage caused by birds and insects

Assessment Summary

ABB concluded that the roof systems on all three facilities have reached the end of their useful life and need significant rehabilitation. The report outlined two main options:

1. **Recoat Existing Roofs** – Clean, repair, and apply new protective acrylic coatings.
2. **Replace Existing Roofs** – Remove and replace all roof materials with new systems.

Analysis and Recommended Approach

After reviewing ABB's findings, staff recommend pursuing the **Recoat Option**. This approach provides the most cost-effective and least disruptive solution, for the following reasons:

The design fee for recoating is approximately **\$80,000 less** than full replacement.

- Full replacement would be more expensive, complex, and expose facilities to weather risks during construction.
- A properly prepared and recoated acrylic roof is easier to maintain and can provide long-term protection with regular upkeep.
- With timely maintenance and periodic recoating, an acrylic system can offer an extended—or even indefinite—service life.

Next Steps – Phase II: Design

With Council's approval, ABB will begin the design phase, which will include:

- Detailed design plans for new roof coatings, flashings, curbs, and drainage improvements.
- Updated material specifications and extended warranty provisions.
- Coordination with Town staff to plan construction schedules that minimize facility disruptions.

Fiscal Impact

Funding for the design and construction phases will be provided through the approved Capital Improvement Program (CIP) or Facility Maintenance Funds, as appropriate.

Recommendation

Staff recommends that the Town Council:

1. Accept the roof assessment findings prepared by Allana Buick & Bers, Inc.
2. Authorize proceeding with **Phase II – Design for Roof Recoating** of the Town Hall Campus facilities, based on ABB's recommendations.

Related Ordinance, Policy or Guiding Principle

Public Works Mission Statement

Risk Analysis

The existing roof systems are more than 20 years old and exhibit extensive deterioration, including cracking, blistering, and coating separation. Without timely rehabilitation, there is an increasing risk of water intrusion, which could lead to damage of interior finishes, HVAC systems, and electrical infrastructure within the Community Center, Library/Museum, and Town Hall buildings.

Recommendation(s) by Board(s) or Commission(s)

N/A

Staff Recommendation(s)

N/A

Suggested Motion

N/A

FISCAL IMPACT

Fiscal Impact:

Budget Reference:

Funding Source:

ATTACHMENTS

1. Campus Roof Update 11-12-2025

Town Campus Roof Design Update

November 12, 2025

PRESENTED BY:
Justin T. Weldy, Public Works Director

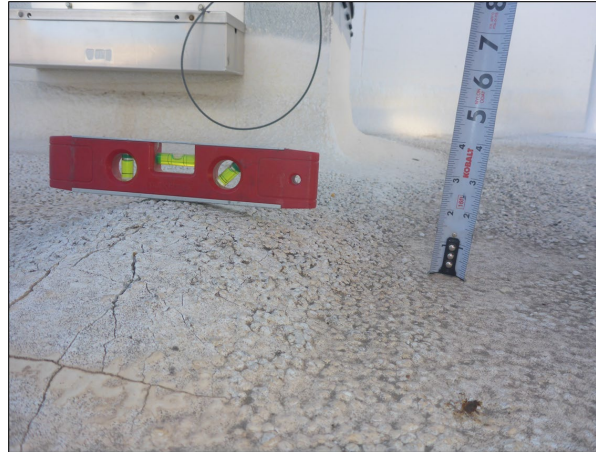


**FOUNTAIN
HILLS**

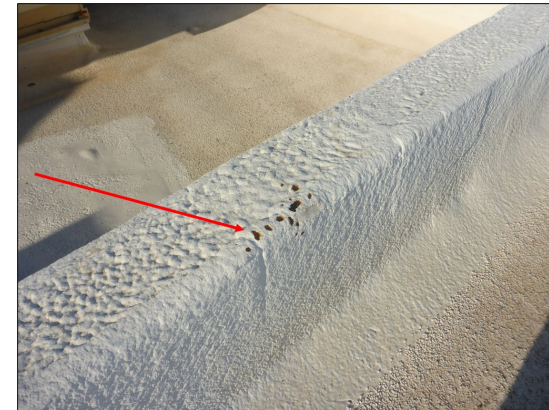
Town Campus Roof Locations



At the March 4, 2025 Council Meeting, Staff and the Town's Design Consultant, ABB, presented roof observations to Council.



- Failed roof patches at tie-ins
- Cracked and disbanded blisters
- Cracked coating
- Unsealed Mechanical penetrations
- Bird/Bee damage to roofing foam
- Lack of slope/roof crickets
- Open joints at parapet terminations



Solutions

The existing roofs are 20+ years old and based on our observations in need of either:

- Option #1: Roof Recoating
- Option #2: Roof Replacement

UPDATE: Staff decided to pursue **Option #1**



Next Steps

- ✓ Complete Design Phase (started in September 2025)
 - ✓ Town staff met with ABB and roofing product consultant on site
- ✓ Perform Adhesion Tests
- ✓ Prepare Preliminary Engineering Estimates
- ✓ Prepare Construction Documents
- ✓ Bidding
- ✓ Contractor Award
- ✓ Construction



Questions



**FOUNTAIN
HILLS**





TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 11/12/2025
Meeting Type: Town Council Work Session
Submitting Department: Administration / Town Clerk
Prepared by:
Staff Contact Information: Phone:
Email:

Request to Town Council Regular Meeting (Agenda Language)

DISCUSSION: Wrap-up of priorities

Staff Summary (background)

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)

Suggested Motion

N/A

FISCAL IMPACT

Fiscal Impact:

Budget Reference:

Funding Source:

ATTACHMENTS

None