

ANNUAL BUDGET



**Town of Cave Creek, Arizona
Fiscal Year 2025-2026**



Annual Budget FY 2025 – 2026

Town of Cave Creek, Arizona

Annual Budget for Fiscal Year 2025-2026

MAYOR

Robert Morris

VICE MAYOR

Kathryn Royer

COUNCIL MEMBERS

Tom Aughterton

Cynthia Driskell

Joe Freedman

Thomas McGuire

Bryan M. “Dusty” Rhoades

TOWN MANAGER

Grady E. Miller

TOWN ATTORNEY

William J. Sims III

Deputy Town Manager/Town Clerk

Finance Director

Administrative Services Director

Communications & Public Affairs Director

Development Services Director

Town Marshal

Community Risk Reduction Director

Town Engineer/Public Works Director

Utilities Director

Teresa Riza

Cherie R. White, CPA, CGFM

Carla Reece, MPP, CPM, SHRM-SCP

Bowen Larsen

Luke Kautzman, MPA, CPM

Adam N. Stein

Jim Ford

Hal E. Marron, PE

Shawn V. Kreuzwiesner, PE



CAVE CREEK

ARIZONA

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CAVE CREEK

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Mission Vision Values

Mission

Our mission is to support the community by effectively managing public services and fostering our unique southwestern ways of life.

Vision

Cave Creek is a dynamic, safe, and well-maintained community where growth and preservation are balanced, and public needs and challenges are met.

Values

Objective Analysis

Creativity

Teamwork

Productivity

Respect

Professionalism

Fiscal & Environmental Stewardship

Integrity



Annual Budget FY 2025 – 2026

GFOA Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**Town of Cave Creek
Arizona**

For the Fiscal Year Beginning

July 01, 2024

Christopher P. Morrell

Executive Director

Budget Award for Fiscal Year 2024/25 Budget

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation award to the Town of Cave Creek for its annual budget for fiscal year beginning July 1, 2024. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operating guide, and as a communications device.

This award is valid for a period of one year only. The current budget continues to conform to program requirements and will be submitted to the GFOA to determine its eligibility for another award.



Annual Budget FY 2025 – 2026

Town Manager's Message



Honorable Mayor and Council,

I am pleased to present the operating and capital budget for the Town of Cave Creek for the fiscal year beginning July 1, 2025 and ending June 30, 2026, including the Town's capital improvement program for FY 2026 through FY 2030. The proposed FY 2026 budget is a structurally balanced spending plan that will preserve our strong financial foundation and provide the resources needed to deliver the high-quality public services our community expects.

The FY 2026 budget totals \$75,621,547, which represents an \$18,227,750 or 32% increase from the \$57,393,797 budget in the prior year, primarily due to a placeholder for potential State Land acquisition of \$18 million.

SUMMARY COMPARISON BY FUND TYPE				
(in thousands)				
Fund	FY2026 Budget	FY 2025 Budget	Increase/ Decrease	% Increase/ Decrease
General Fund	\$14,236	\$19,739	\$(5,503)	-28%
Special Revenue Funds	7,409	5,991	1,418	24%
Capital Projects Fund	21,888	-	21,888	∞
Enterprise Funds	32,089	31,664	425	1%
Ending fund balance	<u>\$75,622</u>	<u>\$57,394</u>	<u>\$18,228</u>	<u>32%</u>

Budget Priorities

The 2023 Strategic Plan, approved in November 2023, serves as the foundation for the Annual Budget. Excerpts from the Strategic Plan (see pages 11 to 22) include Focus Areas and Action Items for each area. These Focus Areas and Action Items guide the priorities included in the FY 2026 Annual Budget.

In July 2024, the Town Council formally approved performance measures for each department. These measures have been incorporated into the development of the FY 2026 Annual Budget, including FY 2025 estimates and targets for FY 2026.

Financial Summary

The Town's financial position remains strong. Cave Creek's sales tax revenue for FY 2025 year-end is projected at 10% over the prior year, largely due to increases in one-time construction sales tax revenues. Projected state shared revenue growth is down 8%, primarily due to a decrease in state shared income taxes primarily as a result of changes in the income tax rate structure. The overall General Fund revenues are projected to be up 6%, due to changes made to the dedications of sales tax revenues discussed below.

The following are the significant financial and budgetary issues that were addressed in the FY 2026 budget.

Compensation & Benefits – This budget ensures there is appropriate funding for competitive compensation and benefits due to cost-of-living increases to retain our valuable employees and remain competitive with other Valley cities and towns when recruiting. The budget includes a 3% salary increase for employees with satisfactory performance and above. In addition, the Town Council approved a change in benefits administration with a move to Arizona Metropolitan Trust (AzMT), a self-insured benefits pool with 9 other local governments. The switch to AzMT is estimated to save approximately \$250,000 per year.

Fund & Other Structural Changes – The following structural changes were made in the Town's budget.

- ❖ A new fund, the Capital Improvements Fund, was created. The Fund is intended to account for resources used for the Town's major capital costs, other than those accounted for in the utility funds. In addition, the former Open Space Acquisition Fund has been consolidated with the Capital Improvements Fund.
- ❖ The Highway User Revenue Fund was modified to be the Streets Fund. Previously, the Fund accounted for use of the state share gas tax revenues. With the change, the Fund accounts for all street costs.
- ❖ Due to the relatively small size, the National Opioid Settlement Fund was consolidated with the Grants Fund to create a Grants & Other Restricted Fund.
- ❖ Since the Cave Creek Water Infrastructure and 2023 WIFA Loan Funds solely supported the Cave Creek Water Fund, these funds were consolidated with the Cave Creek Water Fund.
- ❖ Previously, streets maintenance projects were included as capital projects. In the FY 2026 Annual Budget, streets maintenance projects are accounted for in the operating budget. Streets capital projects are now limited to major improvements or new roads.

Sales Tax Dedications – The Town Council reevaluated the dedications of sales tax revenues and made the following changes.

- ❖ A half-cent of the Town's sales tax was dedicated to support of the Wastewater Fund. In order to create greater flexibility, the dedication was removed by the Town Council in May 2025. The unrestricted half-cent revenues are reported in the General Fund. A utility rate study is in process with one of the goals to work toward self-supporting status.

- ❖ A half-cent of the Town's sales tax was dedicated to operation, maintenance, and protection and restoration of historical and archaeological sites in the Spur Cross Conservation Area (Spur Cross) as agreed upon in an intergovernmental agreement with Maricopa County in 2001. Annual revenues from the half-cent sales tax in excess of the costs for Spur Cross are transferred as follows: 1) the first \$100,000 to the trails program and 2) a 50/50 split of the remainder between the Cave Creek Water Infrastructure Fund and the General Fund. In order to create greater flexibility, the dedication of annual revenues from the half-cent sales tax in excess of the costs for Spur Cross was changed by the Town Council in June 2025 as follows: 1) the first \$500,000 for open space acquisition and 2) the remainder to be transferred to the General Fund.
- ❖ One half of the one-time construction sales tax revenues was allocated to a new Capital Improvements Fund.

Fund Balance Policy Updates – In May 2025, the Town Council approved revisions to the Fund Balance Policy. The policy eliminated the duplication of a contingency reserve and an operating reserve in the General Fund by establishing one operating reserve equal to 3 months of operating expenditures. Operating reserves were also established for the Streets and Proprietary Funds equal to 3 months of operating expenditures to be built up over time. Until these funds reach the required operating reserve levels, an amount equivalent to any unfunded portion of the operating reserves will be set aside as a separate reserve in the General Fund.

Fire Services – In December 2021, the Town Council entered into a contract with Daisy Mountain Fire and Medical (DMFM) District to provide emergency fire and medical services for the Town, and in January 2022, the Town was accepted as a member of the Regional Automatic Aid system that covers the metro Phoenix area. The Town's Fire Station No.1 was completed in FY 2025. In FY 2026, DMFD is expecting to complete Regional Fire Station No. 144. The Town agreed to sharing in some of the start-up costs and 50% of ongoing operational costs. The FY 2026 budget includes approximately \$781,000 of start-up costs, including the cost of equipping and sending new staff through the fire academy. The FY 2026 budget also includes \$1.5 million for the Town's share of ongoing operational costs for the new regional station.

Road Improvements – After several years of underfunding road projects due to other critical priorities in the capital improvement program, the Town began a focus on traffic and pedestrian safety measures and road improvements in the FY 2024 budget. The FY 2026 budget continues that focus and includes \$2.2 million for road maintenance and improvement projects, as well as median enhancements and implementation of the pedestrian safety study recommendations. In addition, the Town was awarded a \$1.3 million grant from the Maricopa Association of Governments for streets projects with matching requirements of approximately \$120,000. The total amount budgeted for road maintenance and improvement projects in FY 2026 is \$3.7 million.

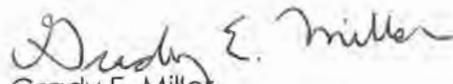
Open Space – The preservation of open space is a high priority for the Cave Creek community. As such, land preservation/conservation is an Action Item in the Strategic Plan. A placeholder of \$19.6 million has been included in the FY 2026 budget, which includes \$18 million for potential future purchase of approximated 4,000 acres of State Land, as well as \$1.6 million of reserves from previously sales tax revenues dedicated between 2014 and 2017.

Water Reliability – To improve the reliability of the Town's water supply, the Town Council entered into an agreement with the City of Phoenix to treat and deliver a portion of the Town's water supply from the Central Arizona Project (CAP). The Interconnect Project will significantly improve the Town's ability to eliminate interruptions in water service if the water treatment plan or the CAP pipeline has an outage. The FY 2026 budget includes \$8.7 million for the continued construction to be completed by the end of FY 2026.

Water Resources – The Town's 2024 Integrated Utility Master Plan identified the need to secure new water resources for an estimated 25% cut in the Town's CAP water supply in 2027. The 5-Year Capital Improvement Plan includes placeholders for future water resources. While costs are not significant, significant staff time and possible consulting services are planned for evaluation of the possible options for future water resources during FY 2026.

I would like to thank the Mayor and Town Council for their leadership as well as the Town's Management Team for responding to the challenges of maintaining the fiscal health of the Town of Cave Creek while addressing much needed infrastructure improvements. This budget represents the Town's continuing effort to provide quality service within revenue constraints while still investing and reinvesting in our facilities and infrastructure.

Sincerely,


Grady E. Miller
Town Manager



Annual Budget FY 2025 – 2026

Town Council



MAYOR MORRIS

Robert Morris was born and raised in Phoenix, Arizona. He is descended from Arizona Territory pioneers who homesteaded on Oak Creek. He graduated from Arizona State University with a Bachelor of Science in Engineering specializing in Chemical Engineering. During his work career he served at many locations across the country before returning to the Phoenix Area.

Early on in his career, he specialized in engineering and management in the energy processing industry. Mid-career he was promoted into executive management of a multi-billion-dollar facility employing over a thousand during peaks. He also managed hundreds of engineers and professionals. Highly complex responsibilities required technical, personnel, financial, construction, and legal expertise. One of the most gratifying experiences was implementing and seeing the positive results by employing Continuous Improvement, Benchmarking, Reliability Engineering and Statistical Process Control to dramatically improve performance.

He was appointed executive over marketing businesses in the western United States. He also led strategy development, credit card operations, real estate, engineering, and other key business functions nationwide. In addition, he led special teams and projects using many of the most prominent consulting companies in America, including McKinsey, Mercer, and Arthur Anderson Consulting.

After retiring as Southwest Regional Marketing Manager, he and his wife Jana began competing nationwide in Cowboy Mounted Shooting. They each have won World Championships in their class along with state and regional titles. Bob is credited with creating and chairing the organization which funded and built the Ben Avery Mounted Shooting Center in north Phoenix.

Bob and Jana enjoy their horses and rural Sonoran Desert lifestyle in Cave Creek, Arizona. After retirement, Bob was appointed to the Cave Creek Water Advisory Committee where he served for six years. He won two terms on Town Council and won the 2022 Election as Mayor of The Town of Cave Creek.

Kathryn Royer was publicly elected as a member of the Cave Creek Town Council in August 2018. After serving two terms as a Council Member, she became Vice Mayor by a vote of her peers in January 2023, and again in December 2024.

Kathryn has been a resident of Cave Creek since 1996, after accepting a leadership position with Central Arizona Project (CAP) in Phoenix. CAP manages and delivers Arizona's share of Colorado River water to 5 million people in Maricopa, Pima and Pinal counties. In her capacity as Associate General Manager of Communications and Public Affairs, Kathryn was a senior communications advisor to the publicly elected Board of Directors and senior management team, positioning CAP as a leader in western water issues and producing innovative outreach campaigns to enhance the CAP's visibility and trust. During this time, Kathryn volunteered as a member and Chair on the Town's Water Advisory Committee.

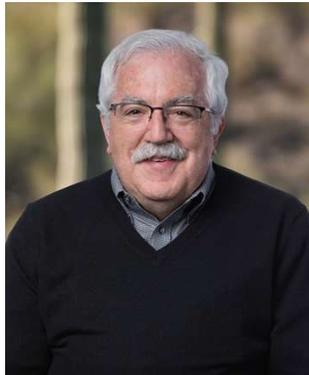


VICE MAYOR

Since retiring in 2016, Kathryn gives back to her community through elected public service. Kathryn has been instrumental in developing the Town's strategic initiatives that address fiscal sustainability, water supplies and infrastructure, economic vitality, open space preservation, and community safety and security, among other Council priorities.

Kathryn earned a Bachelor of Arts degree in Communications from Indiana University and worked as a news reporter, producer, public affairs director, and community relations manager in nonprofit, broadcast, and corporate sectors prior to arriving at CAP.

Kathryn has two adult children who attended and graduated from Cave Creek public schools, the University of Arizona, and Arizona State University. In 2021, Kathryn and her husband Gabe Royer became proud grandparents of a beautiful granddaughter, Olive.

COUNCIL MEMBER
AUGHERTON

Tom Aughterton is currently a state regulatory director appointed by former Arizona Governor Doug Ducey in December 2018. Originally a native of Washington, D.C., his career has been in government affairs and legislative public policy for the Federal and Arizona state government and in the private sector for the Arizona REALTORS. Prior State service includes the Arizona Attorney General's Office, the Arizona Supreme Court, and the Arizona State Retirement System. His service at the State Capitol began in 1976 as a Senate legislative intern. He is a graduate of George Washington University, BA Journalism, the University of Arizona, MA Journalism, and Arizona State University, with a PhD and DPA in Public Administration (ABD). He has CPMs (certificates in public management) from ASU and UofA. Tom was a 1998 Council of State Governments (CSG) National Toll Fellow and completed the Executive Leadership Training Program at Harvard

University's Kennedy School of Government. A Cave Creek resident for 41 years, he is a former Arizona Town Hall delegate, Valley Leadership graduate, a Superior Court appointee to the Maricopa County Judiciary Advisory Council, and graduate of the Strategic Leadership for State Executives program at Duke University's Terry Sanford Institute of Public Policy. In 2021-22, he served on the Council of State Governments, National Center for Interstate Compacts Technical Assistance panel.

In Cave Creek, Tom served on the Town Council, Planning & Zoning Commission, and the Board of Adjustment in the 1990s and was the first voter-elected Town mayor. He was the Town's Regional Council member at the Maricopa County Association of Governments (MAG) from 1996-1999. He returned to Town Council in December 2022 and was reelected in 2024.



COUNCIL MEMBER
DRISKELL

Cynthia Driskell moved to Cave Creek in 1985 to enjoy the rural lifestyle, desert vistas and opportunity to raise a family and build a business. She enthusiastically supported and contributed to the incorporation of Cave Creek and served on a Citizen's Advisory Committee developing the initial ordinances and footprint for a general plan.

Growing up in rural Missouri, Cynthia graduated with degrees in Biology from Drury University and Health Science – Physical Therapy from the University of Missouri – Columbia.

Cynthia is the founder and owner of Carefree Physical Therapy, serving the Desert Foothills area since 1987. She is a founding member and principal of Physical Therapy Preferred Providers (PTPN of AZ), a statewide network of private physical therapy offices with local, county, state and national contracts.

Active in the physical therapy profession, Cynthia has held numerous appointed and elected positions of leadership at the state and national level. She gained regulatory experience as an appointee to the Arizona State Board of Physical Therapy and as State Legislative Chair for the Arizona Physical Therapy Association.

Participating in many facets of Cave Creek life, Cynthia has been a youth coach and referee with Desert Foothills Athletic Club, and active supporter of CCUSD PTOs, Soroptimist International, Desert Foothills Land Trust, and Foothills Caring Corps.

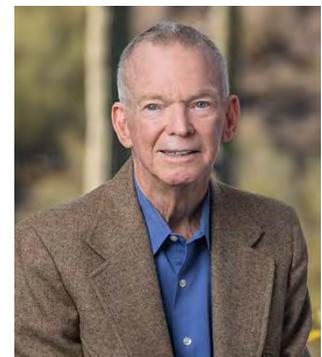
Cynthia served on the Cave Creek Planning Commission from 2021-2024 prior to being appointed to fill a vacancy on the Town Council on September 9, 2024, and being elected to the Town Council for the term starting December 2024.

Cynthia and Walt Murphy have a blended family of 5 children, all CCUSD and Arizona University graduates, enjoying time with them all and four grandchildren.

Thomas McGuire has been a resident and active Cave Creek community member since 2000. He was first elected to the Town Council in 2005.

Tom holds degrees in geology and geology education from the University of Rochester and the State University of New York, and he has published textbooks in his field. His community service includes volunteer scientific work at the Spur Cross Ranch Conservation Area, where he also leads monthly public hikes. He is a docent at the Cave Creek Museum.

He has also done presentations on the history and future of Arizona water supplies. Tom is an active hiker who knows the public lands and trails in and around Cave Creek. The town's network of trails, open space and dark skies are among his most important objectives.



COUNCIL MEMBER
MCGUIRE

Born and raised in Detroit, Joe takes great pride in his hometown and is a passionate supporter of the sports teams he grew up with. Joe worked on an assembly line at Pontiac Motors, the 2nd largest factory in the world at that time (59,000 employees). When Joe was laid off in the recession in the late 1970s, Joe arrived in Phoenix in 1981 and has been in Arizona since.



COUNCIL MEMBER
FREEDMAN

Joe and his wife Linda (26 years of marriage) have lived in their home in Cave Creek since 2001, enjoying the rural lifestyle. Their son Jacob attended Cave Creek K-12 schools and is now a junior at Arizona State University.

Joe is a proud graduate of Arizona State University, where he received a degree in Political Science and played on the Rugby Club. Joe completed an internship working for first-term US Congressman, John S. McCain. Joe then went on to work for McCain's re-election campaign for his 2nd congressional run and his first run for Senate in 1986. After this, Joe decided to find employment in a capacity to engage his deep passion for sports.

Joe went to work for the Phoenix Firebirds (AAA Affiliate of SF Giants), which was probably the most fun he has ever had in any level of employment and transitioned into a long career with a NY-based company (PSP Sports Marketing) as their Arizona representative working directly with Arizona State University, University of Arizona, Phoenix Suns, Fiesta Bowl and Arizona Coyotes. Later in Joe's career, he worked in Cave Creek for True West Magazine and owner Cave Creek resident, Bob "Boze" Bell. After Joe was eligible for social security, he went to work for 4 years at REI and was their resident expert at fitting hiking shoes and was the go-to expert on rim-to-rim Grand Canyon hiking preparation.

After leaving REI, Joe took a year off and decided it was now time to pursue his life goal and vision of serving his community by running for Cave Creek Town Council. Joe won a close race and is ready to make decisions that will best serve the residents of Cave Creek to keep the businesses and community fiscally sound and the rural lifestyle intact. Joe's emphasis is on property rights, zoning integrity, and acquiring the remaining state trust land in the town (over 4,000 acres) for the enjoyment of current and future residents.



COUNCIL MEMBER
RHOADES

Bryan M. "Dusty" Rhoades has been a Cave Creek resident since 2017. He and his wife Mary have three children, and seven grandchildren with two sons and three grandsons living in Arizona. His priority is ensuring Cave Creek retains the small-town western character that currently exists which includes developing the Town smartly and focusing on serving the residents and business owners as top concern.

Dusty is a Retired Colonel in the US Marine Corps with over 40 years of experience managing large organizations and programs for private industry and the US Government. He has a depth of knowledge in strategic planning, business planning, financial management, resource analysis, and systems program analysis.

Dusty's military awards include the Legion of Merit, Bronze Star, Meritorious Service Medal, Joint Service Achievement Medal, Navy and Marine Corps Achievement Medal along with 13 campaign and unit awards and citations. His civilian awards include a two-year Congressional Fellowship, Distinguished Civilian Service Award and multiple achievement awards and promotions in private industry.



Town of Cave Creek Strategic Plan

Fiscal Sustainability

The Town of Cave Creek will maintain a transparent, adaptable, and forward-looking fiscal position that aligns with community priorities to provide an outstanding quality of life for our residents. The Town will implement innovative, efficient, measurable, and responsible policies and financially sustainable business practices to effectively manage its fiscal and human resources.

- 1** Demonstrate and provide fiscal responsibility through established financial policies, budgeting practices and financial standards that meet the requirements and benchmarks for financial reporting established by the Governmental Finance Officer Association (GFOA) and the Government Accounting Standards Board (GASB).
- 2** Implement and execute business processes and operational efficiencies to streamline the delivery of governmental services, including the identification of cost of services, cost recovery policies, and performance measurements.
- 3** Implement fiscally sustainable initiatives that allow the Town to proactively plan for, recruit, grow and retain top human resources.
- 4** Implement innovative and integrated technology initiatives to support Town business processes and customer service.
- 5** Create, pursue, and maintain collaborative partnerships to maximize Town resources and serve our residents.
- 6** Enhance and protect existing revenue sources while continuously exploring new and diverse options to ensure the Town can adapt to changing economic conditions.

Action Item	Description	Responsibility	Timeframe
Staffing and Process Improvement Study	Consultants to conduct a staffing and operational process improvement study to improve organizational efficiency to include comparable Town i.e., Marketing and Communications Manager and traffic enforcement	Deputy TM	FY26 5yr cycle
Benefit Study Recommendations	Consultants to conduct an Employee Benefit study and analysis to maintain competitive benefits including comparable	Deputy TM	FY25 3yr cycle
Five-Year Financial Projections	Develop five-year financial projects for Town operations, utility subsidies and CIP with consultant assistance	Finance	FY25 annual
Utility Rate Study Modeling	Consultants to update financial projections/model for utility enterprise funds	Finance and Utilities	FY25 Annual review 5yr cycle
Enterprise-Wide Software	Consultant to evaluate best practices and implement enterprise-wide software applications	Deputy TM	FY26 2yr cycle
Cost Allocation and Utility Fee Studies	Consultants to capture costs associated with utilities and other Town code related fees	Finance and Utilities	FY25 5yr cycle
Performance Measurement	Consultants to evaluate ICMA Performance Metrics and implement 3-5 key metrics per department	TMO	FY25 annual
Update Financial Policies	Current policies need to be updated to modernize with consultant assistance	Finance	FY26 annual

Economic Vitality

The Town of Cave Creek will maintain its unique character and identity while seeking low impact development that supports the community's economic sustainability. The Town will foster economic development programs and strategies that recognize that the quality of life for our residents is also key to our economic success.

1

Ensure Town services are continually streamlined, efficient, customer focused and responsive to support appropriate residential and business growth, and the long-term success of existing local businesses and residents.

2

Continually update and refine the long-range planning vision using the General Plan and other documents which incorporate resident and stakeholder input to provide a roadmap for overall economic development, infrastructure, and budget planning.

3

Target economic development pursuits that encourage recreation, tourism, build demand for supporting existing businesses and/or generate additional revenues.

4

Nurture and support existing businesses and entrepreneurial efforts in the Town.

Action Item	Description	Responsibility	Timeframe
Town Core Plan	Update the current plan to include walkability, pedestrian safety, traffic calming, parking, etc.	DSD	FY24 10yr cycle
Software Integration	Integrating plan review and permitting software to improve permitting process (tied to enterprise wide)	DSD	FY25 As needed
Business Roundtable	Develop business roundtable forums to improve relationships and communication with businesses	TMO	FY25 Semi annual
State Trust Land Master Plan	Evaluate options for purchase	DSD	FY25 once

Safe and Vibrant Community

The Town of Cave Creek will update, support, and provide policies, programs, and events that sustain our vibrant, unique, and authentic community. Our community can come together to celebrate and preserve its culture and history while enhancing its quality of life. Sustainable relationships with the community will be cultivated through resident and business engagement, outstanding customer service, with clear and accessible communication.

1 Promote public safety services, community relationships and creative programs that ensure a safe community thru best practices.

2 Preserve, conserve and promote the historic and cultural identity/resources that reflect the values and traditions of our community.

3 Support and create public/private partnerships with community organizations.

4 Ensure community engagement through continuous focused outreach and strategic utilization of various communication methods.

5 Foster Town wide initiatives, policies and Town codes that support a clean, well-maintained and sustainable community.

6 Promote and support diverse recreational activities and events that serve all ages, abilities and interests. Support and collaborate for the lawful and respectful use of parks, trails, community facilities and public art within our community to further the quality of life.

Action Item	Description	Responsibility	Timeframe
Wildland/Urban Interface (WUI)	Evaluate, update community WUI plan and implement best practices for improving fire preparedness	CRR	FY25 2yr cycle
IGA w/DMFD for 2nd Station	Fund/Implement Westside Emergency Services	CRR	FY26 once
Fire Service Infrastructure	Evaluate water system capabilities	CRR	FY25 2yr cycle
Pedestrian Safety Study and speed control	Implement MAG Safety Study recommendations – phasing plan	ENG	FY25 Annual
Traffic Calming	Implement strategies for neighborhood traffic calming procedures	ENG	FY25 Annual
Water Conservation	Focused community outreach and education	Utilities and Communications	FY25 Annual
Dark skies	Explore dark sky policy implications for the Town	DSD	FY25 once
Land Preservation and Conservation	Create policies and procedures to explore options i.e., easements, purchases, etc.	DSD	FY25 once
Town Ordinance and Code Review	Review 3-5 Chapters for review, evaluation and updating.	TMO	FY25 annual

Innovative and High Performing Organization

The Town of Cave Creek strives to be a preferred employer by fostering an inclusive culture and a safe working environment that attracts and retains a high performing and engaged workforce. The Town is committed to providing outstanding and valuable service.

1

Prioritize the well-being and safety of team members by ensuring a culture that creates a physically and psychologically safe and supportive environment for all to thrive.

2

Create and maintain a culture of ownership and empowerment. Ensure employees have the necessary resources to perform their roles and provide excellent, effective and efficient customer service.

3

Create a professional, value-oriented, accountable, and responsive work environment with opportunities for mentoring, coaching, education, advancement, and job fulfillment.

4

Develop training, systems, and policies to improve governance and teamwork between the Mayor and Council, the Town Manager, the Leadership Team, Town Staff and the various boards and commissions.

5

Implement initiatives that enhance communication, collaboration, and transparency for Town employees.

6

Establish clear expectations for all employees and volunteers of the Town.

Action Item	Description	Responsibility	Timeframe
Employee Training Needs Assessment	Identify required/mandated training and integration into LMS	Deputy TM	FY26 annual
Employee Training Programs	Identify online, in person and partnering training opportunities.	Deputy TM	FY26 2yr cycle
Vision, Mission, and Core Values	Revise current statements to reflect Town's priorities and organizational values w/New TM using consultants	TMO	FY25 As needed
Governance Expectations and Evaluation System	Develop expectations for Town Manager and Council support of the Manager	TMO	FY24 2yr cycle
Website	Update Town website, using best practices, with consultants	Deputy TM	FY25 On-going
Process Improvement	Implement process improvement training for Town employees	TMO	FY24 annual
Personnel Manual	Benchmark and update human resource policies and procedures	Deputy TM	FY25 As needed

Infrastructure

The Town of Cave Creek will strategically plan, implement, and maintain current and future infrastructure and facilities which support the community's quality of life and economic viability to protect our environment.

1

Follow best practices to maintain the efficiency and operability of existing underground and aboveground infrastructure and facilities.

2

Identify programs and technologies that capture information and resources to promote data-driven decision making. Optimize practices to ensure the sustainability of existing infrastructure and facilities.

3

Continue long-term planning, prioritization and investment strategies for future infrastructure and facilities that improve the quality of life for the community while being affordable and sustainable.

4

Optimize responsible water and wastewater management policies and practices.

Action Item	Description	Responsibility	Timeframe
Integrated Utilities Master Plan	Evaluate the implications of the plan and create a phasing and funding model	Utilities	FY25 annual
Phoenix Water Interconnect	Construct and complete planned improvements.	Utilities	FY26 once
Update Pavement Management Plan	Develop new schedule for implementing plans and funding	PW	FY26 annual
Rancho Manana Water Loss	Evaluate and implement solutions for eliminating or reduce waste – IUMP recommendations	Utilities	FY26 On-going
Town Hall	Evaluate options for redesign and redevelopment of Town Hall	DSD	FY25 5yr cycle

Operationalizing The Strategic Plan

How can operationalizing a strategic plan help you maintain focus? Implementing key community priorities takes discipline and collaboration between the Town Council, the Town Manager, and the Town staff.

The strategic plan will be used to:

1. Develop the operating budget.
2. Consider revisions to capital improvement projects.
3. Execute projects or phases with the existing Master Plans and the General Plan.
4. Inform the Town Council's meeting agenda process by identifying projects that are in the strategic plan.

What specific steps will you take every year to focus your strategic efforts?

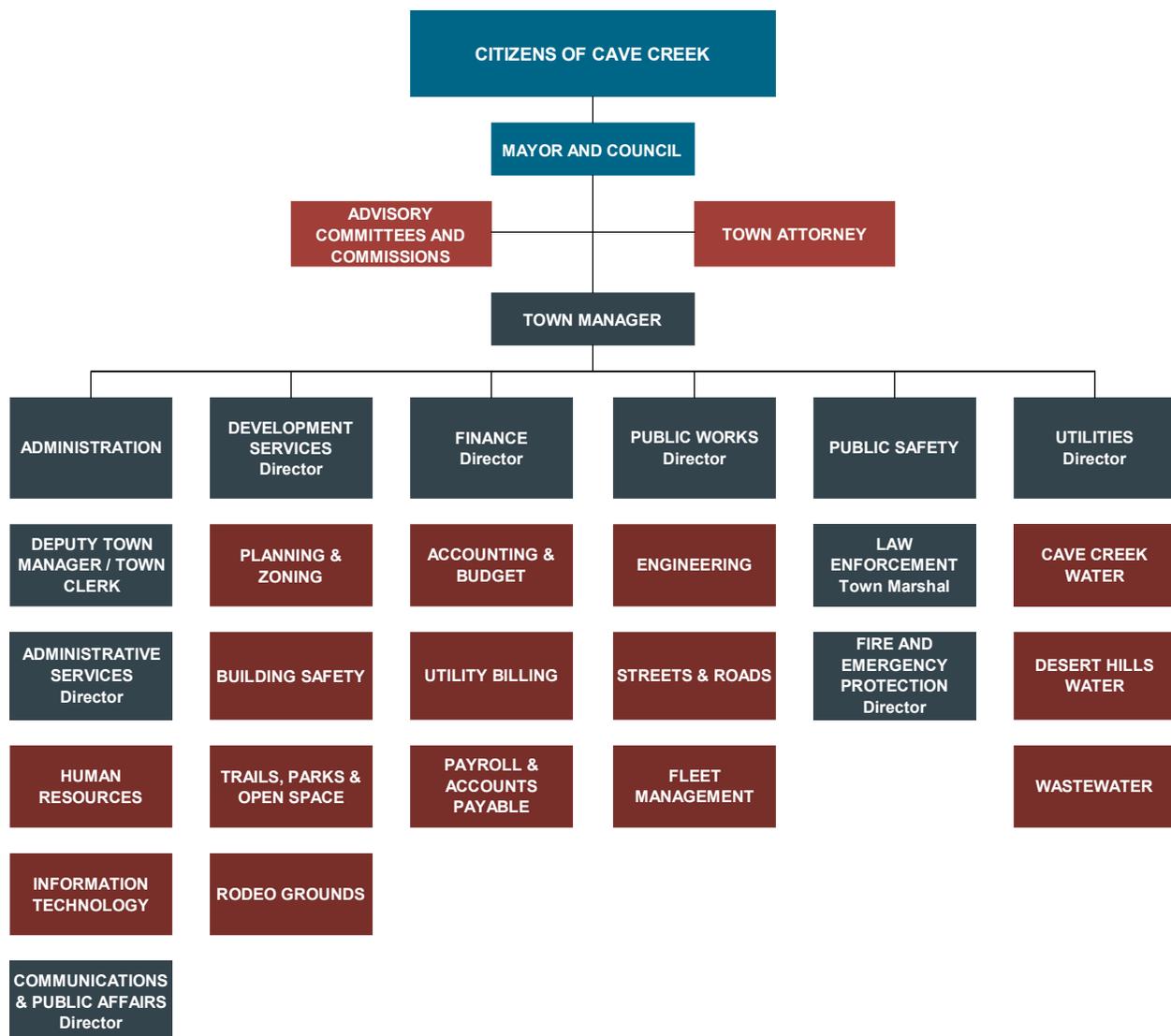
1. The strategic action plan will be updated annually during the retreat process.
2. The Town Council and the Town Manager commit to making sure that staff has the time and resources to complete the projects in the plan.
3. If new project(s) are added to the strategic plan after it is approved during the fiscal year, the Town Council will work with the Town Manager to determine what project(s) currently in the plan need to be reprioritized and moved to a future fiscal year.
4. Changing external conditions that require immediate action (new projects) after the strategic plan is approved, again, the Town Council will work with the Town Manager to determine what existing project(s) will need to be reprioritized and moved to a future fiscal year.





Annual Budget FY 2025 – 2026

Organizational Chart





Annual Budget FY 2025 – 2026

A Brief History of the Town of Cave Creek

The Town of Cave Creek incorporated as a self-governing community in 1986. The Town is named for the Cave Creek Wash, a stream that originates in the remote areas about 25 miles to the north. It flows through the Town and continues south into Phoenix. The stream derives its name from a high, overhanging bluff along its west bank that forms a wide open-mouth cavern north of the Historic Town Core.

Native Americans were living in these foothills long before any Europeans came. Various tribes of prehistoric Native Americans came into the area periodically to hunt game and gather wild foods. The Hohokam settled permanently in small villages along Cave Creek Wash and nearby springs to irrigate their fields. They occupied the land from about 800 A.D. until 1400 A.D. and left the area due to a changing climate. They left behind the crumbling remains of their irrigation ditches and the foundations of their small houses.

After the departure of the Hohokam, the Tonto Apache claimed the land. The Tontos did not build villages but roamed central Arizona in small groups from their homeland in the Tonto Basin east of the Verde River. Their dominance over the land was ended by events elsewhere.

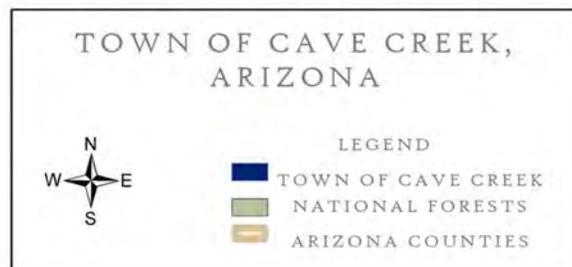
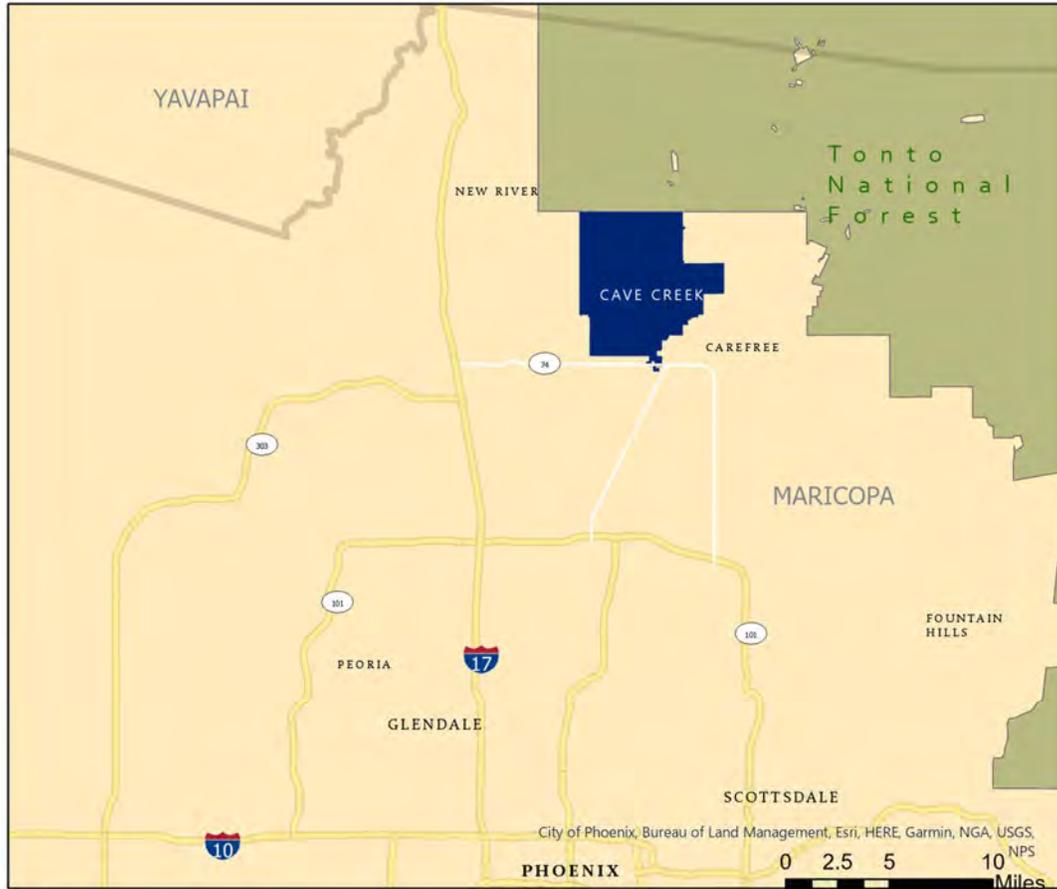
The discovery of gold in California in 1848 brought thousands of miners to the West. In 1863 central Arizona had its turn at gold rush days. As prospectors explored mostly eastward from California, the Tontos resisted their influence and raided their mining camps. To protect the miners, the U.S. Army established Fort McDowell in 1865 on the west bank of the Verde River.

The Town of Cave Creek can trace its beginnings to the Army's decision. In 1870, following a Native American trail through the Cave Creek area, the military forces built the first wagon road through present Town of Cave Creek. This road connected Fort McDowell with Fort Whipple in Prescott. In 1873, Cave Creek Road was built from the small village of Phoenix northward to join the Army's road near the flowing springs on the east bank of Cave Creek Wash.



Annual Budget FY 2025 – 2026

Town Profile



Cave Creek is a dynamic, safe, and well-maintained community where growth and preservation are balanced, and public needs and challenges are met. With a population of approximately 5,200 residents in an area encompassing approximately 38 square miles, the rugged and natural beauty of the Southwest can be admired and enjoyed anywhere in town.

Cave Creek citizens are focused on maintaining the western heritage that is defined by their passion for open space and low-density residential development. Outdoor lifestyles include equestrian, hiking and biking activities. Dramatic views, trails, open spaces, and wildlife habitats are the hallmarks of the quality-of-life residents seek and desire to protect. Cave Creek's trails weave through picturesque Sonoran residential neighborhoods, connecting pedestrians to County and Federal parks and preserves nearby, as well as the Town Core. Average residential lot sizes tend to be 2-plus acres, with public access to approximately 50 miles of non-motorized trails. Town Core entertainment draws a dynamic crowd and features Southwestern architecture, foodie-friendly culinary delights, good old-fashioned country cooking, plenty of live entertainment, and an assortment of artist studios and galleries. Cave Creek; a place for Southwestern enjoyment!

Government

Cave Creek has a Council-Manager form of government. The Town Council consists of a Mayor, Vice-Mayor and five Council members. The Town Manager manages the day-to-day operations of the Town, including utility services, engineering and public works, development services, finance, municipal clerk, and public safety with the support of department directors. The Town also hosts the location of the consolidated magistrate court for the Town of Carefree and Town of Cave Creek, while Carefree manages the operations via an intergovernmental agreement.

Attractions

Cave Creek is a lively, adventurous, and pedestrian-friendly nature-lovers town. Ideal weather from autumn through spring allows for many outdoor events which include art festivals and specialty gatherings like Hidden in the Hills (artist studio tours) and ongoing live music and entertainment which are set within casual Sonoran spaces. Many of the events hosted within the town are volunteer-powered, and the proceeds raised go to support valued community causes. The town is a volunteer and charity-driven community with many resident-fueled groups, nonprofit organizations, and community-driven initiatives such as Cave Creek Rodeo Days. Other nonprofit organizations them include the Desert Foothills Library, Foothills Caring Corps, Foothills Food Bank, and the Cave Creek Museum.

If buzzing crowds and evening wildlife aren't your cup of tea, then one can appreciate the quiet enjoyment that Cave Creek's expansive outdoor spaces have to offer; lace up your hiking boots or oil up the chain on your mountain bike and hit the trails for a desert adventure in the foothills, unlike any other. Although trails with heaviest traffic are maintained by paid contractors, much of the more remote trails are cared for by resident-volunteers and groups like the Desert Foothills Mountain Bike Association.

In keeping with the western style, Cave Creek has local horseback tour guide outfitters that can accommodate all ages for an unequalled view of the desert while on the back of a trail-horse. Horseback riding and western living is a way of life for many in Cave Creek and an attraction that brings visitors to the area from around the globe.

Cave Creek boasts three crown jewels when it comes to open space preserves: Cave Creek Regional Park (2,922 acres), Desert Awareness Park (26 acres), and Spur Cross Ranch Conservation Area (2,154 acres). Spur Cross Ranch Conservation Area (Spur Cross) was purchased by the Town, Maricopa County and the State; the Town's portion was funded through a voter-led and approved property tax. Spur Cross serves as the "front porch" to the Tonto National Forest preserve and is also where Cave Creek Wash enters the Town's boundary. Cave Creek Regional Park is owned and managed by Maricopa County Parks and contains a multi-purpose nature center, campgrounds, and guided tours of ancient petroglyphs and geological sites of intrigue.

Economy

The Town of Cave Creek does not currently levy a property tax to its residents, rather it relies on sales or transaction privilege taxes generated from commerce. Even with economic limitations which occurred last decade, the town has leveraged commercial development by being selective with granting entitlements to commercial developments that fill a void in the community through the goods and services they provide. Cave Creek strives to be a community where all its residents' needs can be met within the municipal boundary. This is a lofty goal for a small town, but if there is one lesson that the history of the town teaches us – it is that no goal is unattainable.

According to Maricopa Association of Governments (MAG) Commute Shed data, there are approximately 4,000 employers totaling more than 106,000 jobs within a 30-minute commute radius of the Town of Cave Creek. The top 6 employers within the town, per current MAG employer data (<https://geo.azmag.gov/maps/azemployer>), are Walmart with over 200 employees, Dos Amigos Investments with 100 employees, Sprouts Farmers Market with 90 employees, Harold's Restaurant with 70 employees, Chipotle Mexican Grill with 40 employees, and Worldwide Supply Network with 50 employees.

Health & Safety

Cave Creek is prime for those pursuing a healthy lifestyle; outdoor recreation and appreciation of our environment are part of the town's core personality. The low-density lifestyle is unparalleled and affords residents here a sense of calm and tranquility most times of the year. Nearby spas, wellness centers, and farmers markets also contribute to the town's general wellbeing.

Law enforcement is provided through an intergovernmental agreement (IGA) with the Maricopa County Sheriff's Office, and the support of a Town Marshal. Emergency fire and medical services are provided through an IGA with the Daisy Mountain Fire District. This agreement has allowed for the Town of Cave Creek to be admitted into the regional automatic-aid response system. The IGA also addresses current emergency service levels and ongoing items needed to increase the fire and medical service infrastructure. An emergency center provides the community with convenient follow-up emergency care and additional health services.

Utilities

The Town of Cave Creek provides wastewater services to properties within the town's municipal boundary. In 1993, the Town purchased the Cave Creek Sewer Company to provide wastewater services within the Town Core.

In 2010, a new wastewater treatment facility was constructed at 44th Street and Carefree Highway to allow the wastewater system to be expanded and provide service to more properties, including commercial sites along Carefree Highway. The associated sewer collection system is available to properties within the vicinity of Cave Creek Road and west along Carefree Highway to 44th Street. The Town's wastewater collection system has approximately 950 accounts, of which approximately 80% are residential or multifamily.

The Cave Creek Utilities Department serves water customers within the Town of Cave Creek and unincorporated areas of Maricopa County to the west of Cave Creek. In 2006, the Town acquired the assets of the Desert Hills Water Company, located directly west of the Town's municipal limits. In 2007, the Town acquired the Cave Creek Water Company and incorporated both water operations into the Town's municipal services. In 2021, the Town of Carefree started the process of separating the water system that is physically located within their municipal boundary. Over 500 accounts have been transitioned to Carefree from Cave Creek supplied water. It is anticipated that the approximately 20 remaining accounts will be transferred to Carefree during FY 2026.

The Cave Creek water system is only supplied with treated Central Arizona Project (CAP) surface water. The Desert Hills area is served by three groundwater wells and treated surface water from Cave Creek. CAP surface water is used to provide blending for naturally occurring arsenic in the groundwater. The Town provides water service to approximately 2,600 accounts through the Cave Creek water system and approximately 1,850 through the Desert Hills water system. Additionally, the Town has a small number of residents that receive hauled water from two water standpipes, one located in Cave Creek and the other in Desert Hills. Within both the Cave Creek and Desert Hills service areas, there are many homes and businesses with private wells that are not connected to the Town's water systems.

Electricity is provided through Arizona Public Service Company, natural gas is provided on a limited basis by Southwest Gas Corporation, and telecommunication is provided by CenturyLink and Cox Communication.

Quick Facts

Land area: 37.91 square miles

Elevation range: 1,804-3,924 feet

Population (est. 2025): 5,238

Age:

Under 20 years: 12.5%

65 years and over: 41.5%

Median: 60.3 years

Gender:

Male: 48.3%

Female: 51.7%

Education level:

High school graduate: 20.4%

Associate degree: 5.2%

Bachelor's degree: 26.5%

Graduate degree: 23.6%

Household income:

Less than \$49,999: 32.3%

\$50,000 - \$99,999: 24.2%

\$100,000 - \$199,999: 28.2%

\$200,000 or more: 21.9%

Median: \$102,589



Annual Budget FY 2025 – 2026

Budget Process

Strategic Planning

In November 2023, the Town Council approved the 2023 Strategic Plan after many months of collaborative effort by the Town Council and the Town's leadership team. This all-encompassing plan serves as a guiding beacon, illuminating the path toward the realization of the Town's vision. It affirms the commitment to implement projects essential for the Town's future. The strategic commitment was concentrated in five Focus Areas:

- ❖ Fiscal Sustainability
- ❖ Economic Vitality
- ❖ Safe and Vibrant Community
- ❖ Innovative and High-Performing Organization
- ❖ Infrastructure

For each of these Focus Areas, the Town Council and the Town's leadership team established goals and set objectives. These focus areas, goals and strategies from the Strategic Plan provide the framework to guide management and staff on the budget priorities over the next few years. In February 2025, the Town Council held a retreat and reviewed the progress made to date. No adjustments to the goals and objectives in the Strategic Plan were made.

The 2023 Strategic Plan affirms the Town's commitment to implementing components of the legally required 2021 Cave Creek General Plan and projects essential for the Town's future. The Cave Creek General Plan is the community's long-range guide for future physical, economic, and social development decisions over the next 20+ years. The General Plan contains a vision statement, along with plans, goals, policies, and implementation strategies that address issues such as land use, growth, circulation, open space, and the environment. Collectively, all of the general plan components serve as a policy document for the Town outlining the future envisioned by the public. State law mandates that each city and town in Arizona adopt a "comprehensive, long-range general plan for the development of the municipality." These plans must also be updated and adopted by voters every ten years.

The 2021 General Plan is organized into themes, topics, goals, policies, and actions. The themes and topics include:

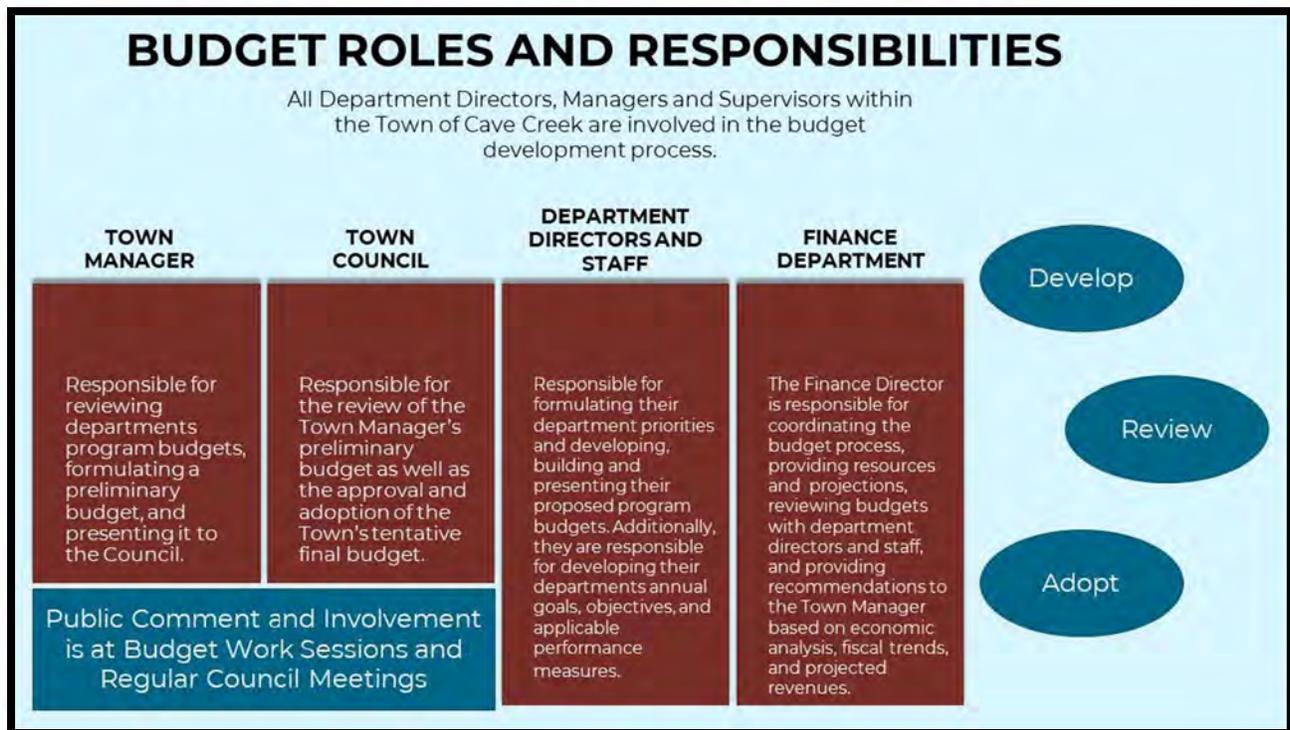
- ❖ A Distinctive Town: Rich History & Eclectic Culture, Sense of Community, and Neighborhood Preservation

- ❖ Sensitive Development and Balanced Growth: Land Use & Growth and Cost of Development
- ❖ Vital Environment: Natural Resources, Open Spaces, and Water Resources
- ❖ A Safe, Responsive & Connected Community: Hazard Mitigation, Community Facilities & Services, and Efficient Mobility

For the full version of the 2021 Cave Creek General Plan, visit www.cavecreekaz.gov.

With the assistance of strategic planning consultants, the Town developed performance measurements for each department. In July 2024, the Town Council formally approved those performance measures. The measures have been incorporated into the development of the FY 2026 budget, including FY 2025 estimates and targets for FY 2026. Information for additional years will be added in the future.

Budget Development



The budget for the Town of Cave Creek is based on a fiscal year beginning July 1st and ending June 30th and is developed using a conservative approach. Both historical data and department director input are used to estimate revenues, expenditures, and trends in each department. In January 2025, the Finance Department provided budget guidelines to all department directors to begin assessing needs, current conditions, and service level standards of their departments. The Finance Department, with the aid of economic consultants, began preparing revenue projections and long-range forecasts, which were continuously updated through the budget adoption in June 2025.

The budget for the Town of Cave Creek is based on a fiscal year beginning July 1st and ending June 30th and is developed using a conservative approach. Both historical data and department director input are used to estimate revenues, expenditures, and trends in each department.

In January 2025, the Finance Department provided budget guidelines to all department directors to begin assessing needs, current conditions, and service level standards of their departments. The Finance Department, with the aid of economic consultants, began preparing revenue forecasts, which were continuously updated through the budget adoption in June 2025.

In December 2024, department directors developed their initial five-year capital improvement program (CIP) project requests. Department directors began prioritizing projects or needed equipment and submitted these requests to the Finance Department. The project description, justification, Strategic Plan area, and source(s) of funding were submitted by Department Directors for each project. The Finance Department then compiled a preliminary CIP program report for Town Manager review in January 2025. Year one of the CIP is included in the upcoming fiscal year budget.

In December 2024, department directors also developed any supplemental budget requests. Supplemental budget requests represent operating budgetary needs over and above the base budget amounts and typically result in one-time needs or new ongoing programs or services.

In January 2025, department directors developed operating base budgets requests, current year estimates, and any supplemental budget requests. Operating base budget amounts include operating budget requirements to maintain current programs and service levels. Supplemental budget requests represent operating budgetary needs over and above the base budget amounts and typically result in one-time needs or new ongoing programs or services. The Finance Department compiled this information on a program level, an overall department level, and fund level for review and analysis.

At the Council Retreat in February 2025, preliminary budget and forecast information was presented to the Town Council for direction regarding priorities.

Budget Review and Adoption

In February 2025, Finance staff provided the compiled department director requests to the Town Manager for review. Budget review meetings were held in March 2025 for the department directors to present their budget requests to the Town Manager and Finance staff. Discussions are held regarding the requests and direction is given regarding any adjustments to ensure needed services are provided while the budget is balanced.

By State statute, the Town's budget must be balanced. This means that expenditures may not exceed anticipated or available financial resources. While debt may be incurred for the purpose of long-range capital improvements, it may not be used for ongoing operations.

In April 2025, an Open House was held for public input regarding the proposed budget. A high-level discussion was held regarding the budget status, supplemental requests and significant CIP projects included, comparisons to prior years, and upcoming budget meetings. Citizen recommendations were presented to the Town Council during the budget work sessions.

Budget and long-range forecast work sessions were held in April 2025 with the Town Council at which time the Town Manager, Finance Director and department directors explained the budget recommendations and underlying justification for the requests. At this time, the Council may request adding new items for consideration, as well as amending or removing existing staff recommended budget items. The public is welcome to attend and give input. Incorporating the Town Council's revisions to the Town Manager's recommended budget, Finance compiles and finalizes the proposed Tentative Budget.

In May 2025, the Tentative Budget was presented to the Town Council at a regular Council meeting for adoption, at which time the public is once again welcome to attend and give input. The Tentative Budget sets the expenditure cap for the fiscal year. Once adopted, the Tentative Budget is published in a local newspaper along with the notice of the final budget adoption meeting and public hearing and placed on the Town's website. The tentative budget was also made available at the Desert Foothills Library, at Town Hall, and on the Town's website.

In June 2025, the public hearing was held regarding the final budget, and the final budget is adopted. The adopted budget is then submitted to the Arizona State Auditor General's Office and posted on the Town's website.

Although there were several changes from the release of the Town Manager's recommended budget book until the tentative budget vote by Town Council, there were only a few changes from the proposed tentative budget to the approved final budget as follows:

- ❖ Certain capital improvement projects were delayed to later years and estimated debt financing proceeds reduced.
- ❖ Possible grant funding for capital improvement projects and reduction of estimated debt financing proceeds.
- ❖ Adjustments to allocation of sales tax revenues exceeding costs for the Spur Cross Conservation Area and estimated debt financing proceeds reduced.

SUMMARY OF BUDGET CHANGES FROM TENTATIVE TO ADOPTED			
	Tentative Budget	Adjustments	Adopted Budget
Estimated Fund Balances as of July 1, 2025	\$ 31,862,962	\$ -	\$ 31,862,962
Estimated Revenues	37,942,097	115,000	38,057,097
Budgeted Expenditures	(76,196,547)	(575,000)	(75,621,547)
Estimated Debt Financing Proceeds	30,648,618	(189,630)	30,458,988
Estimated Fund Balances as of June 30, 2025	\$ 24,227,130	\$ 500,370	\$ 24,727,500

Expenditure Limitation

Provisions of the state-imposed expenditure limitation appear in both the State Constitution and the Arizona Revised Statutes. The constitution sets forth the framework in some detail for the expenditure limit and the remaining details are provided in State law.

Any city or town can adopt its own alternative expenditure limitation, referred to as Home Rule, that is free from any ties to the state-imposed limitation if a majority of the qualified electors voting on the issue at a city/town regular election vote in favor of the alternative limitation.

The Town of Cave Creek has operated under Home Rule since fiscal year 1999-2000. On July 30, 2024, voters again approved the Home Rule option, which is effective through the 2028-29 budget year. Home Rule allows the Town Council to set its budget locally, rather than basing the Town's budget on the state-imposed expenditure limitation.

Budget Monitoring and Amendment

Throughout the year, the Town Manager monitors departmental objectives in relationship to overall Town goals, and each director monitors their budgets, which are overseen by the Finance Director.

The Town Council can amend the total appropriations for an individual fund; however, when one fund's total appropriation increases, another fund's total appropriation must decrease by an equal amount. The Town adopts a budget by department for the General Fund and in total by fund for all other funds. As such, General Fund department budgets and fund budgets for all other funds cannot be exceeded without Town Council approval.

Because detailed budgets are a planning tool and guide for department directors, departments have some degree of flexibility in establishing and adjusting such detail including major expenditure categories. To provide such flexibility, the following budget amendment and transfer of funds apply:

- ❖ **Formal action by the Town Council:** Transfers between funds, departments, operating and CIP categories, or from contingency budgets.
- ❖ **Town Manager approval:** Transfers between line items.

The use of contingency budgets is defined in the Town's financial policy. All requests for use of contingency budgets will require justification and an explanation of the fiscal impact which is reviewed by the Town Manager, Town Attorney, and Finance Director before being presented to Council for approval. Contingency budgets are available for unanticipated increases in service delivery costs, emergencies, and needs that may arise throughout the fiscal year.

Fund Balance

The Town of Cave Creek operates under a balanced budget requirement per State statute, but this does not mean that revenues must equal expenditures. Available fund balances (i.e., not set aside as reserve balances) can supplement revenues to cover expenditures, or revenues can exceed expenditures and grow fund balances. As a sound management and financial practice, the Town has established a goal of not budgeting available fund balances to support long term, ongoing expenditures, but alternatively using available fund balances for any of the following purposes:

- ❖ **Eliminate shortfalls in related funds:** Any General Fund positive remaining available fund balance shall be transferred to cover shortfalls within Streets, Capital Improvement or any other fund initiated by the Town to provide Town services. Any proprietary fund positive remaining available fund balance shall be transferred to the respective fund's capital reserve.
- ❖ **Reduction or avoidance of debt:** If there is short- or long-term debt within the fund, the positive remaining available fund balance may be applied to reduce or eliminate the debt if financial analysis proves this to be advantageous for the Town. If a borrowing is scheduled, the positive remaining available fund balance may be used to reduce the principal amount the Town needs to obtain if financial analysis proves this to be advantageous for the Town.
- ❖ **One-time capital needs:** If a one-time capital expenditure has been identified, but not already funded through an appropriation, the positive remaining available fund balance may be appropriated for this use.
- ❖ **Tax, fee, or rate stabilization:** Positive remaining available fund balance may be designated for stabilization in order to avoid raising taxes, fees, or rates related to the fund in subsequent years. For instance, a positive remaining available fund balance in a proprietary fund may trigger reevaluation and possible reduction of rate increases in the future.

A strong and healthy fund balance is important to ensure the Town can cover unanticipated drops in revenue or increases in expenditures. Operating reserves, in addition to other reserves such as capital reserves and debt services reserves, are budgeted in accordance with policy requirements equal to 3 months operating expenditures.



Annual Budget FY 2025 – 2026

Budget Calendar

2025-2026 Budget Calendar		
Date	Description	Legal Requirements
DECEMBER 2024		
12/16/2024	Staff Kickoff Meeting - CIP Projects & Supplementals	
JANUARY 2025		
1/8/2025	Staff Kickoff Meeting - Operating Base Budget & Department Narratives	
1/13/2025	CIP Projects & Supplementals due to Finance	
1/30/2025	Operating Base Budget & Department Narratives due to Finance	
FEBRUARY 2025		
2/6/2025	Town Council Retreat	
MARCH 2025		
3/20-25/2025	Town Manager meetings with Departments	
APRIL 2025		
4/3/2025	3:00 PM - 5:00 PM Town Council Long-Range Forecast Work Session	
4/8/2025	5:00 PM - 7:00 PM Open House for public input	
4/10/2025	Town Manager's Recommended Budget Distributed to Town Council	
4/14-15/2025	3:00 PM - 5:00 PM Town Council Budget Work Sessions	
MAY 2025		
5/12/2025	Post Tentative Budget on website	A.R.S. §42-17103 - for at least 60 months
5/19/2025	Adopt Tentative Budget	A.R.S. §42-17101 - on or before the third Monday in July
5/28-6/4/2025	Publish Public Notice	A.R.S. §42-17103 - once a week for 2 consecutive weeks
JUNE 2025		
6/12/2025	Post Final Budget on website	A.R.S. §42-17103 - for at least 60 months
6/16/2025	Hold Public Hearing and adopt Final Budget	A.R.S. §42-17105 - must convene in special meeting (Since the Town has no property tax levy, no timelines are specified.)
JULY 2025		
7/1/2025	Beginning of Fiscal Year 2025-2026	



Annual Budget FY 2025 – 2026

Long-Range Financial Planning

Long-range financial planning involves projection of revenues and expenditures over multiple years and understanding of the financial impact of economic trends and risk factors on the budget. The Town can attribute past fiscal stability to diligence adherence to prudent fiscal policies and practices, conservative revenue and expenditure budgeting, constant evaluation for operational efficiencies, and maintaining adequate fund balances.

The Town uses a conservative approach when projecting revenues and expenditures, keeping in mind end-of-year actuals, trends, assumptions on economic factors, legislation, and other variables. With the direction of Town Council, this approach has helped the Town to achieve long-term fiscal stability while exceeding service goals and mitigating financial challenges.

The five-year Capital Improvement Plan highlights the long-term capital projects and Town priorities. The funding sources for these projects are also reflected as part of the Capital Improvement Plan to show a balanced picture of how projects will be supported. Additionally, the Town carefully analyzes current capital projects' ongoing costs to ensure long-term sustainability.

The Strategic Plan encompasses three years of planning, growth, and development. The Strategic Plan was finalized in November 2023, and the long-range financial planning process includes the Town's plans to implement strategies in accompaniment with the strategic plan, capital improvement planning process, and budgeting.

Long-range forecasts are prepared for all funds for up to 10 years or more. Summaries of the baseline forecasts for the first 5 years of the significant funds are presented here.

BASELINE FORECASTS

General Fund

The baseline forecast for the General Fund includes a transfer of \$10 million to establish the new Capital Improvements Fund in FY 2025-26, resulting in an ending fund balance of \$13.8 million for the year. By FY 2029-30, the ending fund balance is projected to grow to \$14.5 million.

Modest growth was projected for revenues based mostly on inflationary increases. Only minor economic growth was projected. A mild recession was projected for FY 2025-26 with slight influence on FY 2026-27, moderate recovery in FY 2027-28, and return to historic trends in the remaining years. With the inflationary levels experienced during the preparation of the long-range forecasts, expenditures were projected to increase an average of 3%.

GENERAL FUND BASELINE FORECAST					
	FY2026	FY 2027	FY 2028	FY 2029	FY 2030
Ongoing revenues	\$12,929,802	\$13,193,532	\$13,577,413	\$13,869,145	\$14,166,763
Ongoing expenditures	11,734,068	12,082,827	12,441,870	12,811,498	13,192,021
Net ongoing	1,195,734	1,110,705	1,135,543	1,057,648	974,742
One-time revenues	1,769,339	1,786,587	1,808,362	1,834,819	1,861,673
Transfers from other funds	977,250	1,001,681	1,036,740	1,437,659	1,464,225
One-time expenditures	1,181,749	100,000	100,000	100,000	100,000
Transfer to Streets Fund	2,338,906	2,447,665	2,561,482	2,680,590	2,805,238
Transfer to Trails Fund	134,953	141,228	147,795	154,668	161,860
Transfer to Capital Impr. Fund	9,966,796	-	-	-	-
Transfers to Utility Funds	2,355,017	500,000	-	-	-
Net change in fund balance	(12,035,098)	(270,769)	116,547	150,045	403,720
Beginning fund balance	25,872,250	13,837,152	13,566,383	13,682,930	14,132,975
Ending fund balance	\$13,837,152	\$13,566,383	\$13,682,930	\$14,132,975	\$14,536,695
Reserves	\$4,531,887	\$4,506,572	\$4,510,954	\$4,541,898	\$4,509,319

Cave Creek Water Fund

The baseline forecast for the Cave Creek Water Fund includes continued subsidies from the General Fund and debt proceeds for capital improvement projects. Ending budgetary fund balance is projected to grow from \$1.3 million to \$3 million; however, the balance is not projected to be sufficient to cover the reserve requirements.

Rate revenues were projected as 6% annual increases. Most operating expenditures were projected to increase an average of 2%; however, some categories such as fuel and electricity were projected to increase an average of 4%. Capital improvement costs were projected to increase an average of 3.75%. Future debt service costs were projected at an average rate of 5%.

CAVE CREEK WATER FUND BASELINE FORECAST					
	FY2026	FY 2027	FY 2028	FY 2029	FY 2030
Ongoing revenues	\$6,306,535	\$6,635,588	\$7,076,605	\$7,564,603	\$8,243,322
Ongoing expenditures	4,641,159	4,691,727	4,817,837	4,948,754	5,084,767
Net ongoing	1,665,376	1,943,861	2,258,768	2,615,849	3,158,555
One-time revenues	1,534,822	294,419	298,175	301,979	305,832
Debt proceeds	8,421,434	9,535,996	12,824,187	3,896,465	1,673,555
Transfer from General Fund	750,000	500,000	-	-	-
Transfer from Spur Cross Fund	977,250	996,795	1,016,731	1,037,066	1,057,807
One-time expenditures	13,160,425	13,346,008	15,733,463	7,410,049	5,706,306
Net change in fund balance	188,457	(74,937)	664,398	441,309	489,443
Beginning fund balance	1,336,541	1,524,998	1,450,060	2,114,458	2,555,768
Ending fund balance	\$1,524,998	\$1,450,060	\$2,114,458	\$2,555,768	\$3,045,211
Reserves	\$1,995,788	\$2,685,037	\$2,274,963	\$2,565,618	\$3,059,400

Desert Hills Water Fund

The baseline forecast for the Desert Hills Water Fund includes debt proceeds for capital improvement projects. Ending budgetary fund balance is projected to grow from \$0.5 million to \$1.8 million and sufficient to cover the reserve requirements.

Rate revenues were projected as 9% in FY 2025-26 and 8%, 6%, 5% and 3% in each of the following years. Most operating expenditures were projected to increase an average of 2%; however, some categories such as fuel and electricity were projected to increase an average of 4%. Capital improvement costs were projected to increase an average of 3.75%. Future debt service costs were projected at an average rate of 5%.

DESERT HILLS WATER FUND BASELINE FORECAST					
	FY2026	FY 2027	FY 2028	FY 2029	FY 2030
Ongoing revenues	\$4,088,106	\$4,431,271	\$4,717,470	\$4,975,700	\$5,173,228
Ongoing expenditures	3,078,704	3,149,973	3,289,492	3,436,721	3,592,141
Net ongoing	1,009,402	1,281,298	1,427,978	1,538,979	1,581,086
Debt proceeds	1,095,600	3,308,345	1,652,822	1,798,225	1,045,827
One-time expenditures	2,051,275	4,214,799	2,771,863	2,975,196	2,413,387
Net change in fund balance	53,727	374,844	308,937	362,008	213,527
Beginning fund balance	493,988	547,725	922,569	1,231,506	1,593,514
Ending fund balance	\$ 547,725	\$ 922,569	\$1,231,506	\$1,593,514	\$1,807,041
Reserves	\$465,919	\$520,447	\$677,196	\$790,964	\$981,554

Wastewater Fund

The baseline forecast for the Wastewater Fund includes continued subsidies from the General Fund and debt proceeds for capital improvement projects. Ending budgetary fund balance is projected to grow from \$0 to \$3.3 million and sufficient to cover the reserve requirements.

Rate revenues were projected as 6% annual increases. Most operating expenditures were projected to increase an average of 2%; however, some categories such as fuel and electricity were projected to increase an average of 4%. Capital improvement costs were projected to increase an average of 3.75%. Future debt service costs were projected at an average rate of 5%.

WASTEWATER FUND BASELINE FORECAST					
	FY2026	FY 2027	FY 2028	FY 2029	FY 2030
Ongoing revenues	\$3,610,293	\$3,827,500	\$3,963,787	\$4,133,328	\$4,311,072
Ongoing expenditures	2,100,335	2,145,339	2,203,566	2,264,159	2,327,276
Net ongoing	1,509,958	1,682,161	1,760,221	1,869,169	1,983,796
One-time revenues	215,600	328,287	330,738	332,207	333,695
Debt proceeds	-	1,141,250	1,291,688	1,451,803	2,838,694
Transfer from General Fund	1,605,017	-	-	-	-
One-time expenditures	3,295,372	2,695,960	2,820,664	3,208,771	3,333,785
Net change in fund balance	35,203	456,738	561,982	444,407	1,822,399
Beginning fund balance	-	35,203	491,941	1,053,923	1,498,330
Ending fund balance	\$ 35,203	\$ 491,941	\$1,053,923	\$1,498,330	\$3,320,729
Reserves	\$-	\$56,100	\$117,300	\$223,483	\$266,992

Other Forecast Scenarios

The other forecast scenarios presented to the Town Council included a slightly more severe recession with recovery in FY 2028-29. A utility rate study is in progress and additional forecast scenarios of delayed capital improvement projects and a variety of rate increase options with varying General Fund subsidies were modeled.



Annual Budget FY 2025 – 2026

Fund Types

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

General Fund is the primary operating fund of the Town and is used to account for the day-to-day operations and services traditionally associated with local government. These operations and services include Administration, Development Services, Finance, Law Enforcement, Fire and Emergency Protection, and Public Works. The majority of revenues come from state shared revenues, local sales tax, intergovernmental revenue, licenses and permits, and miscellaneous revenues.

Special Revenue Funds are used to account for proceeds of specific revenue sources legally restricted to expenditures for specified purposes. The Town's three Special Revenue Funds include the Grants & Other Restricted, Spur Cross Ranch Conservation, and Streets Funds. These funds are supported through dedicated taxes, state shared revenues, grants, or other restricted revenue sources.

Capital Projects Funds are used to account for financial resources used for acquisition, construction, and reconstruction of major maintenance projects, other than those financed by proprietary funds. The Town has one Capital Projects Funds, the Capital Improvements Fund. The fund was initiated in the FY 2025-26 budget process with a transfer of capital reserves from the General Fund. The fund is also supported by taxes and debt proceeds.

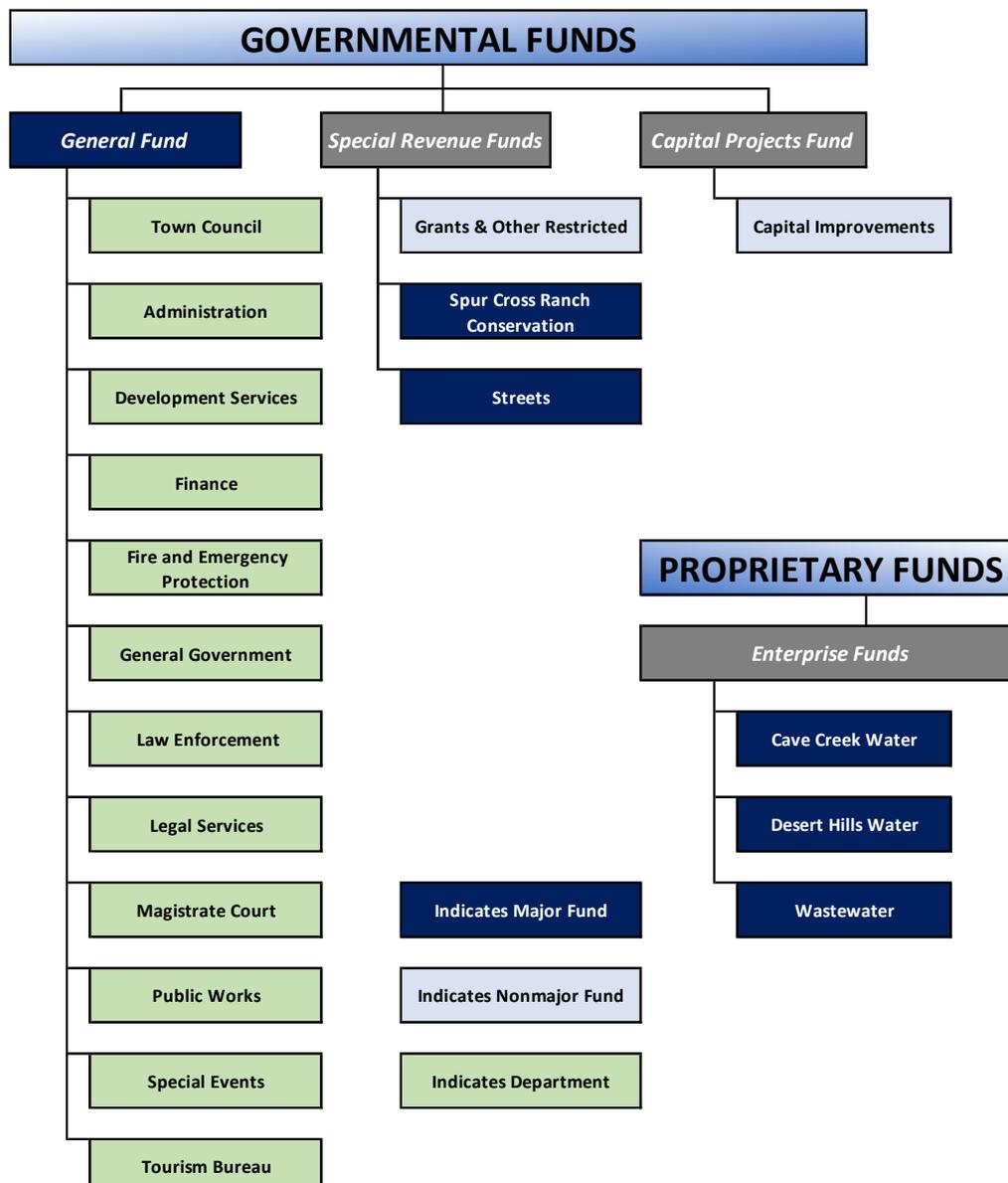
Enterprise Funds are used to account for operations, including debt service, which are financed and operated similarly to private business enterprises. The Town maintains three Enterprise Funds for Cave Creek Water, Desert Hills Water, and Wastewater. The intent is that services are self-sufficient with all costs supported predominantly by user rates, fees, and charges which are periodically reviewed to ensure adequate coverage of necessary expenses.



Annual Budget FY 2025 – 2026

Fund Structure

The Town uses funds to report its financial position and the results of its operations. Each fund is defined as a fiscal accounting entity with a self-balancing set of accounts which are created and maintained for a specific purpose. This approach is unique to the government sector. The Town's accounting and budget structure is organized into funds and the fund structure conforms to generally accepted accounting principles (GAAP).





Annual Budget FY 2025 – 2026

Department / Fund Relationship

DEPARTMENT/FUND RELATIONSHIP														
Fund Type	Fund	Town Council	Administration	Development Services	Finance	Fire and Emergency	General Government	Law Enforcement	Legal Services	Magistrate Court	Public Works	Special Events	Tourism Bureau	Utilities
General Fund		X	X	X	X	X	X	X	X	X	X	X	X	
Special Revenue Funds	Grants & Other Restricted			X		X	X	X						
	Spur Cross Ranch Conservation			X										
	Streets										X			
Capital Projects Fund	Capital Improvements			X			X				X			
Enterprise Funds	Cave Creek Water													X
	Desert Hills Water													X
	Wastewater													X

All Town Funds are appropriated in the FY 2026 Budget and included in the Town's Annual Comprehensive Financial Report.



Annual Budget FY 2025 – 2026

Basis of Budgeting

The basis of budgeting (or basis of accounting) refers to the timing of when revenues and expenditures/expenses are recognized and reported. The Town utilizes the modified accrual basis of accounting and the full accrual basis of accounting. The recognition of revenues and expenditures/expenses under each method are described below.

REVENUES AND EXPENDITURES RECOGNITION		
Basis of Accounting	Revenues	Expenditures/Expenses
Modified Accrual	<p>Recognized in the fiscal year when become both “measurable” and “available” to finance expenditures of that year.</p> <p>Revenues considered available when collected within the fiscal year or soon enough thereafter to pay liabilities of that year. The Town considers revenues to be available if collected within 60 days of the end of the fiscal year.</p>	<p>Generally recorded when liability is incurred; however, debt service expenditures and expenditures related to compensated absences and claims and judgments are recognized to extent they are due and payable.</p>
Full Accrual	<p>Recorded when earned (whether or not cash is received in that year)</p>	<p>Recorded when goods/services received (whether or not cash payments are made in that year)</p>

The basis of accounting methods used for each of the funds in the Town's budget and the Town's financial statements are as follows:

COMPARISON OF BASIS OF ACCOUNTING BY REPORT TYPE		
Funds	Budget Basis	Financial Statement Basis
Cave Creek and Desert Hills Water, Wastewater	Modified Accrual	Full Accrual
All Other Funds	Modified Accrual	Modified Accrual

The budgetary basis of accounting for the Cave Creek Water, Desert Hills Water, Wastewater Funds differs from the financial statement basis of accounting primarily due to State laws. The major differences are as follows:

- ❖ Depreciation expense is not included in the budget.
- ❖ Capital outlays are budgeted as expenditures. They are reported as assets in the Town's financial statements.
- ❖ Principal payments on debt are budgeted as expenditures. They are reported as reductions of the liability in the Town's financial statements.



Annual Budget FY 2025 – 2026

Financial Policies

FINANCIAL POLICY STATUS		
Policy	Status	Town Council Adoption
Fiscal Planning & Budget	In Compliance	Amended May 5, 2025
Fund Balance	In Compliance	Amended May 5, 2025
Investments	In Compliance	Amended October 7, 2024
Debt Management	In Compliance	Amended June 2, 2025

SUMMARY OF FINANCIAL POLICIES & PROCEDURES

Fiscal Planning & Budget

The purpose of this policy is to provide guidance on the Town's budget process and development to ensure sound financial management and application of best practices in budgeting and fiscal planning.

- ❖ **Balanced Budget:** The annual budget balances approved expenditures with anticipated revenue and estimated fund balances.
- ❖ **Financial Forecast:** A five-year financial forecast will be prepared early on each year during the budget process that will incorporate both revenue and expenditure estimates for the Town's major operating funds.
- ❖ **Structural Balance:** The operating budget will be based on the principle that ongoing operating expenditures and debt service, will be funded with ongoing revenues.
- ❖ **Monitoring:** The Town shall establish appropriate management controls to monitor expenditure budgets to ensure they do not exceed authorizations.

Fund Balance

The purpose of this policy is to establish reserve targets and fund balance, the conditions under which the reserves and fund balance may be spent, and the method by which the reserves and fund balance will be restored.

- ❖ **Operating Reserves:** The Town will maintain a portion of fund balance designated as operating reserves equal to 3 months operating expenditures for the General Fund, Streets Fund, and each proprietary fund. If the fund balance of the Streets Fund or any proprietary fund is insufficient to fully fund the operating reserve, an amount equivalent to the unfunded portion of the operating reserve will be set aside as a separate reserve in the General Fund.
- ❖ **Vehicle/Equipment Replacement Reserves:** Reserves for vehicle/equipment replacement will be established and based on an annual allocation of equipment costs over the useful life of the asset.
- ❖ **Debt Service Reserves:** Debt service reserves required by any debt covenants shall be established to meet those legal requirements in the fund issuing the debt.
- ❖ **Capital Reserves:** At a minimum, the fiscal year-end capital reserve balance, coupled with estimated revenues for the ensuing fiscal year, must be sufficient to fund the “pay-as-you-go” capital improvement obligations for the next fiscal year.

Investments

The purpose of this policy is to ensure the Town's fiduciary responsibility over public funds, including the on-going management and monitoring of treasury and investment activities, and guidance for the investment of funds while maintaining the primary objectives of safety of principal, liquidity and yield, in priority order.

- ❖ **Authorized Investment Types:** Monies of the Town may be invested in the investments authorized by Arizona Revised Statutes.
- ❖ **Diversification:** No more than 5% of market value of the portfolio shall be invested in securities issued by a single corporation and its subsidiaries/ affiliates or municipality.
- ❖ **Maximum Maturities:** To the extent possible, the Town shall attempt to match investments with anticipated cash flow requirements. The Town will not directly invest in securities maturing more than 5 years from the date of purchase.
- ❖ **Collateralization:** Any eligible depository account must be collateralized at 102% of the deposit balance exceeding the amount insured by federal deposit insurance.

Debt Management

The purpose of this policy is to ensure the Town remains a financially stable organization by maintaining appropriate policies on debt limits, debt structuring, debt issuance and debt management.

- ❖ **Debt Limits:** The Town will comply with State limitations on general obligation bonds. All debt backed by revenues, such as general excise taxes, will have revenues equal to the times coverage of related debt service payments as required by debt covenants.
- ❖ **Financing Alternatives:** Cash funding is recommended for purchases of assets whose lives are shorter than five years, recurring maintenance expenditures, and when market conditions are unstable or present difficulties in achieving acceptable interest rates. Debt financing is recommended for projects with useful lives of ten years or longer.

For the full adopted policies, email finance@cavecreekaz.gov.



Annual Budget FY 2025 – 2026

Fund Balance

Fund balance is the amount of the Town's assets/deferred outflows of resources in excess of year-end liabilities/deferred inflows of resources. It is the accumulation of revenues and other financing sources over expenditures and other financing uses. Fund balance is an important indicator of the Town's financial position. Adequate fund balances must be maintained to allow the Town to continue providing services to the community in the case of economic downturns or unexpected emergencies and to maintain or enhance the Town's financial position.

FY 2026 CHANGE IN FUND BALANCES									
(in Thousands)									
	General Fund	Special Revenue Funds			Cap. Proj. Fund	Enterprise Funds			
		Grants & Other Restricted	Streets	Spur Cross Ranch Conservation	Capital Improvements	Cave Creek Water	Desert Hills Water	Waste-water	Rodeo Grounds
Beginning Fund Balances	\$ 27,467	\$ 41	\$ -	\$ -	\$ 1,558	\$ 2,357	\$ 410	\$ -	\$ -
Net Ongoing	2,943	(30)	(2,276)	1,856	72	1,744	1,100	(484)	(91)
Net One-Time	(1,318)	(12)	(120)	245	(20,622)	(14,763)	(2,037)	(3,633)	(138)
Other Financing Sources (Uses)	(15,128)	-	2,396	(2,101)	27,492	12,058	866	4,147	229
Ending Fund Balances	\$ 13,964	\$ -	\$ -	\$ -	\$ 8,999	\$ 1,396	\$ 339	\$ 29	\$ -

General Fund

The General Fund fund balance is estimated to decrease \$13.5 million or 49%. The decrease is a result of a projected one-time transfer of \$10.0 million in capital reserves to the new Capital Improvements Fund and projected one-time subsidies to the Cave Creek Water and Wastewater Funds of \$4.1 million.

The Town's Financial Policies require the General Fund operating reserve to be equal to 3 months of operating expenditures. Any use of the operating reserve must comply with criteria specified in the policy. In addition, the General Fund must set aside an amount equivalent to any unfunded operating reserves in other funds. Appropriation of a contingency of \$1.2 million has also been included in the General Fund operating budget to provide for emergencies.

Operating Reserve – The General Fund is estimated to have \$14.0 million in fund balance at the end of Fiscal Year 2025-26. Of this amount, \$3.0 million is set aside to meet the operating reserve requirement. In addition, \$3.1 million has been set aside for unfunded operating reserves of other funds.

Equipment Replacement Reserve – Starting Fiscal Year 2025-26, the Town initiated an equipment replacement reserve. The estimated balance for this reserve is approximately \$43,000.

Reserve for Southwest Gas Capital – The franchise agreement with Southwest Gas requires the Town to set aside amounts collected for capital expenditures incurred by Southwest Gas. Southwest Gas may present its capital expenditure documentation to the Town for reimbursement within in 30 days of the end of the anniversary year (March 31). The estimated balance for this reserve at June 30, 2026 is approximately \$8,000.

Reserved for Desert Hills Water Loan – The Town Council has not authorized subsidies to the Desert Hills Water Fund; however, the fund has incurred negative cash balances in the cash and investment pool. The estimated negative cash balance to be covered by the General Fund's share of the cash and investment pool is approximately \$502,000.

Remaining Available Fund Balance – The projected remaining available fund balance at the end of Fiscal Year 2025-26 is \$7.3 million. This includes an estimated remaining available fund balance of \$3.5 million at the end of Fiscal Year 2024-25. The actual remaining available fund at the end of Fiscal Year 2024-25 will be available for appropriation by the Town Council in accordance with the fund balance policy during the Fiscal Year 2026-27 budget process. The policy authorized allocation of positive remaining available fund balance to eliminate shortfalls in other funds, to reduce or avoid debt, for one-time capital needs, or for tax, fee, or rate stabilization.

Special Revenue Funds

Grants & Other Restricted Fund – The Grants & Other Restricted Fund fund balance is estimated to decrease approximately \$41,000 or 100%. The decrease is a result of a budgeting practice to budget for the full amount available in case a need arises to expend these funds in accordance with the legal restrictions placed on them.

Streets Fund – The Town's fund balance policy (as revised in May 2025) requires an operating reserve equal to 3 months of operating expenditures to be accumulated over time. The General Fund is required to set aside an amount equivalent to any unfunded operating reserve. The General Fund set-aside for the unfunded Streets Fund operating reserve at the end of Fiscal Year 2025-26 is approximately \$669,000. Calculation of the annual General Fund subsidy of \$2.4 million was based on covering the projected fund deficit. Any surplus of the budgeted subsidy amount will be used to fund the Streets Fund operating reserve requirement.

Spur Cross Ranch Conservation Fund – A half-cent of the Town's sales tax was dedicated to operation, maintenance, and protection and restoration of historical and archaeological sites in the Spur Cross Conservation Area (Spur Cross) as agreed upon in an intergovernmental agreement with Maricopa County in 2001. Annual revenues from the half-cent sales tax in excess of the costs for Spur Cross (as revised by the Town Council in June 2025) are transferred as follows: 1) the first \$500,000 to be used for open space acquisition and 2) the remainder to be transferred to the General Fund. As a result, of these transfers, the balance of the Spur Cross Ranch Conservation Fund remains at \$0 each year.

Capital Projects Fund

Capital Improvements Fund – The Capital Improvements Fund fund balance is estimated to increase \$7.4 million or 478%. The increase is a result of the establishment of the new fund and the transfer of \$10.0 million of capital reserves from the General Fund, as well as the consolidation with the former Open Space Acquisition Fund. The new fund is intended to account for resources used for the Town's major capital costs, other than those accounted for in the utility funds.

The Town has relied on available General Fund balances as one of the primary funding sources for capital improvement projects. Starting Fiscal Year 2025-26, one half of the one-time construction sales tax revenues has been allocated to the new Capital Improvements Fund.

- ❖ **Capital Reserve** – The Town's fund balance policy (as revised in May 2025) requires, at a minimum, the fiscal year-end fund balance, coupled with estimated revenues for the ensuing fiscal year, to be sufficient to fund the pay-as-you-go capital improvement obligations for the next fiscal year. Pay-as-you-go capital needs for Fiscal Year 2026-27 are projected as \$7.2 million. The estimated capital reserve balance at the end of Fiscal Year 2025-26 is \$8.2 million.
- ❖ **Equipment Replacement Reserve** – Starting Fiscal Year 2025-26, the Town initiated an equipment replacement reserve. The estimated balance for this reserve is approximately \$830,000. The reserve balance includes replacement of the following fire vehicles in approximately 10 years, totaling an estimated \$4.2 million:
 - **Fire Engines** – One fire engine to replace the one purchased for the Town's Fire Station No.1 just completed in Fiscal Year 2024-25. One fire engine to replace the one to be purchased by Daisy Mountain Fire District for the new Regional Fire Station No. 144 expected to be completed in Fiscal Year 2025-26. The Town agreed to sharing in some of the start-up costs and 50% of ongoing operational costs, and to alternate the replacement of fire vehicles.

- **Fire Water Tender Truck** – One fire water tender truck to replace the one purchased for the Town's Fire Station No.1 just completed in Fiscal Year 2024-25.
- **Fire Brush Truck** – One fire brush truck to replace the one to be purchased by Daisy Mountain Fire District for the new Regional Fire Station No. 144.

Enterprise Funds

Cave Creek Water Fund – The Cave Creek Water Fund fund balance is estimated to decrease approximately \$961,000 or 41%. The decrease is a result of the projected use of the former Cave Creek Water Infrastructure Fund fund balance which has been consolidated with the Cave Creek Water Fund in the Fiscal Year 2025-26 Budget. Previously, a portion of the annual revenues from the Spur Cross half-cent sales tax in excess of the costs for Spur Cross were transferred to the Cave Creek Water Infrastructure Fund. The dedications of the sales tax revenues were revised by the Town Council in June 2025 and the portion previously transferred to the Cave Creek Water Infrastructure Fund was eliminated.

- ❖ **Operating Reserve** – The Town's fund balance policy (as revised in May 2025) requires an operating reserve equal to 3 months of operating expenditures to be accumulated over time. The General Fund is required to set aside an amount equivalent to any unfunded operating reserve. The General Fund set-aside for the unfunded Cave Creek Water Fund operating reserve at the end of Fiscal Year 2025-26 is \$1.1 million. Calculation of the Fiscal Year 2025-26 General Fund subsidy of \$1.2 million was based on covering the projected fund deficit after funding of the required debt service reserve and the equipment replacement reserve. The actual General Fund subsidy for Fiscal Year 2025-26 will be based on actual results in the Cave Creek Water Fund for the year. A utility rate study is in process with one of the goals to work toward self-supporting status.
- ❖ **Equipment Replacement Reserve** – Starting Fiscal Year 2025-26, the Town initiated an equipment replacement reserve. The estimated balance for this reserve is approximately \$59,000.
- ❖ **Debt Service Reserve** – Debt service reserve requirements are established by the Water Infrastructure Financing Authority of Arizona (WIFA). The estimated balance for this reserve is \$1.3 million.

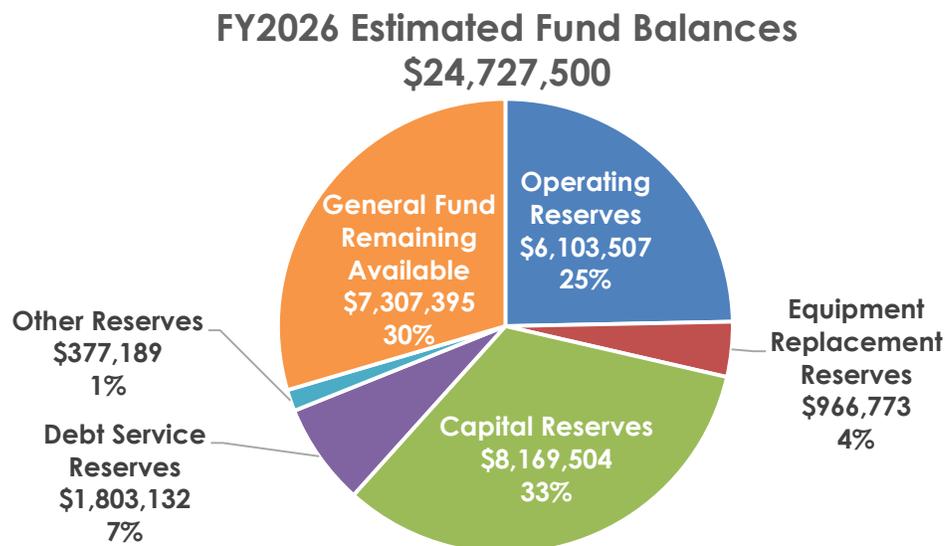
Desert Hills Water Fund – The Desert Hills Water Fund fund balance is estimated to decrease approximately \$71,000 or 17%. The decrease is a result of the insufficiency of revenues to cover the full costs of the system. A utility rate study is in process with one of the goals to work toward self-supporting status.

- ❖ **Operating Reserve** – The Town's fund balance policy (as revised in May 2025) requires an operating reserve equal to 3 months of operating expenditures to be accumulated over time. The General Fund is required to set aside an amount equivalent to any unfunded operating reserve. The General Fund set-aside for the unfunded Desert Hills Water Fund operating reserve at the end of Fiscal Year 2025-26 is approximately \$756,000.

- ❖ **Equipment Replacement Reserve** – Starting Fiscal Year 2025-26, the Town initiated an equipment replacement reserve. The estimated balance for this reserve is approximately \$5,000.
- ❖ **Debt Service Reserve** – Debt service reserve requirements are established by the Water Infrastructure Financing Authority of Arizona (WIFA). The estimated balance for this reserve is approximately \$467,000.
- ❖ **Remaining Available Fund Balance** – The projected remaining available fund balance at the end of Fiscal Year 2025-26 is approximately a negative \$133,000. This includes an estimated remaining available fund balance of approximately a negative \$57,000 at the end of Fiscal Year 2024-25. The Town Council has not authorized subsidies to the Desert Hills Water Fund; however, the fund has incurred negative cash balances in the cash and investment pool. The estimated negative cash balance to be covered by the General Fund's share of the cash and investment pool at the end of Fiscal Year 2024-25 is approximately \$502,000.

Wastewater Fund – The Wastewater Fund fund balance is estimated to increase approximately \$29,000. The increase is a result of a portion of the General Fund subsidy covering the new equipment replacement reserve.

- ❖ **Operating Reserve** – The Town's fund balance policy (as revised in May 2025) requires an operating reserve equal to 3 months of operating expenditures to be accumulated over time. The General Fund is required to set aside an amount equivalent to any unfunded operating reserve. The General Fund set-aside for the unfunded Wastewater Fund operating reserve at the end of Fiscal Year 2025-26 is approximately \$526,000. Calculation of the Fiscal Year 2025-26 General Fund subsidy of \$2.9 million was based on covering the projected fund deficit after funding of the equipment replacement reserve. The actual General Fund subsidy for Fiscal Year 2025-26 will be based on actual results in the Wastewater Fund for the year. A utility rate study is in process with one of the goals to work toward self-supporting status.
- ❖ **Equipment Replacement Reserve** – Starting Fiscal Year 2025-26, the Town initiated an equipment replacement reserve. The estimated balance for this reserve is approximately \$29,000.



Fund Summary

	Grants & Other		Spur Cross Ranch		Capital Improvements	Wastewater	Cave Creek Water	Desert Hills Water	Rodeo Grounds	FY2026 Final Budget
	General Fund	Restricted	Streets	Conservation						
Ongoing Revenues										
Town Sales Tax	\$ 9,954,630	\$ -	\$ -	\$ 1,990,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,945,560
Bed Tax	227,930	-	-	-	-	-	-	-	-	227,930
Franchise Fees	348,420	-	-	-	-	-	-	-	-	348,420
State Shared Sales Tax	794,850	-	-	-	-	-	-	-	-	794,850
Urban Revenue Sharing	1,025,150	-	-	-	-	-	-	-	-	1,025,150
Vehicle License Tax	267,020	-	-	-	-	-	-	-	-	267,020
Highway User Tax	-	-	389,650	-	-	-	-	-	-	389,650
Intergovernmental	-	28,444	-	-	-	-	-	-	-	28,444
Licenses & Permits	841,635	-	-	-	-	-	-	-	-	841,635
Charges for Services	109,984	-	-	700	-	1,605,129	6,191,889	4,087,417	14,730	12,009,849
Rents	163,947	-	-	-	-	-	-	-	20,800	184,747
Investment Earnings	1,100,000	1,600	12,000	80,000	72,000	15,000	120,000	20,000	-	1,420,600
Miscellaneous	1,750	-	-	-	-	-	21,775	16,222	-	39,747
Total Ongoing Revenues	14,835,316	30,044	401,650	2,071,630	72,000	1,620,129	6,333,664	4,123,639	35,530	29,523,602
Ongoing Expenditures										
Town Council	119,400	-	-	-	-	-	-	-	-	119,400
Administration	2,135,077	-	-	-	-	-	-	-	-	2,135,077
Finance	969,397	-	-	-	-	-	-	-	-	969,397
Legal Services	200,000	-	-	-	-	-	-	-	-	200,000
Development Services	1,730,717	12,430	-	216,000	-	-	-	-	-	1,959,147
Tourism Bureau	51,038	-	-	-	-	-	-	-	-	51,038
Magistrate Court	211,760	-	-	-	-	-	-	-	-	211,760
Law Enforcement	1,435,566	-	-	-	-	-	-	-	-	1,435,566
Fire & Emergency Protection	4,666,077	46,985	-	-	-	-	-	-	-	4,713,062
General Government	415,849	-	-	-	-	-	-	-	-	415,849
Public Works	869,444	-	2,677,258	-	-	-	-	-	-	3,546,702
Wastewater	-	-	-	-	-	1,843,507	-	-	-	1,843,507
Cave Creek Water	-	-	-	-	-	-	4,127,843	-	-	4,127,843
Desert Hills Water	-	-	-	-	-	-	-	2,786,235	-	2,786,235
Rodeo Grounds	-	-	-	-	-	-	-	-	103,360	103,360
Special Events	71,500	-	-	-	-	-	-	-	-	71,500
Indirect Cost Allocations	(983,257)	-	-	-	-	260,746	461,764	237,774	22,973	-
Total Ongoing Expenditures	11,892,568	59,415	2,677,258	216,000	-	2,104,253	4,589,607	3,024,009	126,333	24,689,443
Net Ongoing	2,942,748	(29,371)	(2,275,608)	1,855,630	72,000	(484,124)	1,744,057	1,099,630	(90,803)	4,834,159
One-Time										
One-Time Revenues:										
Construction Sales Tax	980,430	-	-	245,110	1,225,530	-	-	-	-	2,451,070
Intergovernmental	-	3,000,000	1,324,000	-	-	-	1,000,000	115,000	-	5,439,000
Charges for Services	-	-	-	-	-	-	76,858	-	-	76,858
Capacity Fees	-	-	-	-	-	-	131,960	-	-	131,960
Debt Financing	-	-	-	-	17,500,000	1,240,000	10,852,988	866,000	-	30,458,988
Other Revenues	44,559	-	-	-	40,000	-	350,048	-	-	434,607
Total One-Time Revenues	1,024,989	3,000,000	1,324,000	245,110	18,765,530	1,240,000	12,411,854	981,000	-	38,992,483
One-Time Expenditures:										
Administration	33,000	-	-	-	-	-	-	-	-	33,000
Legal Services	150,000	-	-	-	-	-	-	-	-	150,000
Development Services	36,500	-	-	-	-	-	-	-	-	36,500
Law Enforcement	23,000	11,849	-	-	-	-	-	-	-	34,849
Fire & Emergency Protection	781,249	-	-	-	-	-	-	-	-	781,249
General Government	25,000	-	-	-	-	-	-	-	-	25,000
Public Works	80,000	-	1,444,000	-	-	-	-	-	-	1,524,000
Wastewater	-	-	-	-	-	11,000	-	-	-	11,000
Cave Creek Water	-	-	-	-	-	-	71,000	-	-	71,000
Desert Hills Water	-	-	-	-	-	-	-	61,000	-	61,000
Rodeo Grounds	-	-	-	-	-	-	-	-	23,000	23,000
Land Acquisition	-	-	-	-	19,987,994	-	-	-	-	19,987,994
Capital Improvements	-	-	-	-	1,255,000	1,327,500	13,060,510	981,000	100,000	16,724,010
Capital Equipment	-	-	-	-	645,000	-	300,000	-	-	945,000
Master Plans/Studies	-	-	-	-	-	400,000	244,000	100,000	15,000	759,000
Debt Service	14,450	-	-	-	-	1,894,747	2,646,668	1,009,637	-	5,565,502
Contingency	1,200,000	3,000,000	-	-	-	-	-	-	-	4,200,000
Total One-Time Expenditures	2,343,199	3,011,849	1,444,000	-	21,887,994	3,633,247	16,322,178	2,151,637	138,000	50,932,104
Net One-Time	(1,318,210)	(11,849)	(120,000)	245,110	(3,122,464)	(2,393,247)	(3,910,324)	(1,170,637)	(138,000)	(11,939,621)
Transfers										
Transfer from General Fund	-	-	2,395,608	-	9,991,796	2,906,795	1,205,610	-	228,803	16,728,612
Transfer from Spur Cross	1,600,740	-	-	-	500,000	-	-	-	-	2,100,740
Transfer to General Fund	-	-	-	(1,600,740)	-	-	-	-	-	(1,600,740)
Transfer to Streets Fund	(2,395,608)	-	-	-	-	-	-	-	-	(2,395,608)
Transfer to Capital Improvements	(9,991,796)	-	-	(500,000)	-	-	-	-	-	(10,491,796)
Transfer to Wastewater Fund	(2,906,795)	-	-	-	-	-	-	-	-	(2,906,795)
Transfer to Cave Creek Water Fund	(1,205,610)	-	-	-	-	-	-	-	-	(1,205,610)
Transfer to Rodeo Grounds Fund	(228,803)	-	-	-	-	-	-	-	-	(228,803)
Net Transfers	(15,127,872)	-	2,395,608	(2,100,740)	10,491,796	2,906,795	1,205,610	-	228,803	-
Net Change in Fund Balance	(13,503,334)	(41,220)	-	-	7,441,332	29,424	(960,657)	(71,007)	-	(7,105,462)
Fund Balance										
Beginning Fund Balance	27,467,487	41,220	-	-	1,557,994	-	2,356,563	409,698	-	31,832,962
Ending Fund Balance:										
Operating Reserve	2,973,142	-	-	-	-	-	-	-	-	2,973,142
Operating Reserve for Other Funds	3,130,365	-	-	-	-	-	-	-	-	3,130,365
Equipment Replacement Reserve	42,800	-	-	-	829,822	29,424	59,365	5,362	-	966,773
Capital Reserve	-	-	-	-	8,169,504	-	-	-	-	8,169,504
Debt Service Reserve	-	-	-	-	-	-	1,336,541	466,591	-	1,803,132
Reserve for SW Gas Capital	8,414	-	-	-	-	-	-	-	-	8,414
Reserve for Desert Hills Water Loan	502,037	-	-	-	-	-	-	-	-	502,037
Remaining Available Fund Balance	7,307,395	-	-	-	-	-	-	(133,262)	-	7,174,133
Total Ending Fund Balance	\$ 13,964,153	\$ -	\$ -	\$ -	\$ 8,999,326	\$ 29,424	\$ 1,395,906	\$ 338,691	\$ -	\$ 24,727,500
Total Expenditure Budget	\$ 14,235,767	\$ 3,071,264	\$ 4,121,258	\$ 216,000	\$ 21,887,994	\$ 5,737,500	\$ 20,911,785	\$ 5,175,646	\$ 264,333	\$ 75,621,547
CIP Budget	\$ -	\$ -	\$ -	\$ -	\$ 21,887,994	\$ 1,727,500	\$ 13,604,510	\$ 1,081,000	\$ 115,000	\$ 38,416,004
Operating Budget	\$ 14,235,767	\$ 3,071,264	\$ 4,121,258	\$ 216,000	\$ -	\$ 4,010,000	\$ 7,307,275	\$ 4,094,646	\$ 149,333	\$ 37,205,543

All Funds

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget	FY2026 Final Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.	
Ongoing Revenues								
Town Sales Tax	\$ 11,299,344	\$ 11,365,824	\$ 11,814,710	\$ 448,886	4%	\$ 11,945,560	5%	1%
Bed Tax	228,878	-	227,930	227,930	∞	227,930	∞	0%
Franchise Fees	358,842	403,140	345,600	(57,540)	-14%	348,420	-14%	1%
State Shared Sales Tax	776,506	783,473	786,980	3,507	0%	794,850	1%	1%
Urban Revenue Sharing	1,360,731	1,102,798	1,095,974	(6,824)	-1%	1,025,150	-7%	-6%
Vehicle License Tax	254,515	262,507	267,020	4,513	2%	267,020	2%	0%
Highway User Tax	378,603	393,589	385,800	(7,789)	-2%	389,650	-1%	1%
Intergovernmental	46,465	25,446	27,540	2,094	8%	28,444	12%	3%
Licenses & Permits	988,166	751,877	853,802	101,925	14%	841,635	12%	-1%
Charges for Services	10,781,008	12,538,137	11,429,803	(1,108,334)	-9%	12,009,849	-4%	5%
Rents	154,050	187,074	161,731	(25,343)	-14%	184,747	-1%	14%
Investment Earnings	1,944,850	1,846,459	1,577,326	(269,133)	-15%	1,420,600	-23%	-10%
Miscellaneous	59,546	27,562	39,443	11,881	43%	39,747	44%	1%
Total Ongoing Revenues	28,631,506	29,687,886	29,013,659	(674,227)	-2%	29,523,602	-1%	2%
Ongoing Expenditures								
Town Council	167,760	35,900	35,887	(13)	0%	119,400	233%	233%
Administration	1,786,563	1,620,751	1,719,238	97,487	6%	2,135,077	32%	24%
Finance	765,907	685,363	717,732	32,369	5%	969,397	41%	35%
Legal Services	91,407	200,000	121,200	(76,800)	-39%	200,000	0%	65%
Development Services	1,912,648	2,013,680	1,901,421	(112,259)	-6%	1,959,147	-3%	3%
Tourism Bureau	26,620	-	26,000	26,000	∞	51,038	∞	96%
Magistrate Court	195,055	203,750	206,586	2,836	1%	211,760	4%	3%
Law Enforcement	1,267,335	1,416,585	1,418,714	2,129	0%	1,435,566	1%	1%
Fire & Emergency Protection	2,763,579	3,105,148	3,045,732	(59,416)	-2%	4,713,062	52%	55%
General Government	-	324,649	321,630	(3,019)	-1%	415,849	28%	29%
Public Works	1,314,100	1,481,656	1,406,146	(75,510)	-5%	3,546,702	139%	152%
Wastewater	1,545,525	1,698,579	1,675,637	(22,942)	-1%	1,843,507	9%	10%
Cave Creek Water	3,966,748	3,919,850	3,858,306	(61,544)	-2%	4,127,843	5%	7%
Desert Hills Water	2,492,752	2,747,279	2,687,118	(60,161)	-2%	2,786,235	1%	4%
Rodeo Grounds	-	-	-	-	N/A	103,360	∞	∞
Special Events	19,512	71,500	67,500	(4,000)	-6%	71,500	0%	6%
Total Ongoing Expenditures	18,315,510	19,524,690	19,207,847	316,843	2%	24,689,443	26%	29%
Net Ongoing	10,315,996	10,163,196	9,805,812	(991,070)	-10%	4,834,159	-52%	-51%
One-Time								
One-Time Revenues:								
Construction Sales Tax	1,651,562	1,867,585	2,451,070	583,485	31%	2,451,070	31%	0%
Intergovernmental	2,176,098	5,900,000	1,253,000	(4,647,000)	-79%	5,439,000	-8%	334%
Charges for Services	64,782	-	74,619	74,619	∞	76,858	∞	3%
Capacity Fees	497,996	633,927	239,786	(394,141)	-62%	131,960	-79%	-45%
Debt Financing	-	7,887,787	4,442,951	(3,444,836)	-44%	30,458,988	286%	586%
Other Revenues	9,629	-	291,031	291,031	∞	434,607	∞	49%
Total One-Time Revenues	4,400,067	16,289,299	8,752,457	(7,536,842)	-46%	38,992,483	139%	346%
One-Time Expenditures:								
Administration	-	250,000	-	(250,000)	-100%	33,000	-87%	∞
Legal Services	-	150,000	-	(150,000)	-100%	150,000	0%	∞
Development Services	-	-	-	-	N/A	36,500	∞	∞
Law Enforcement	-	-	2,489	2,489	∞	34,849	∞	1300%
Fire & Emergency Protection	-	-	-	-	N/A	781,249	∞	∞
General Government	-	-	-	-	N/A	25,000	∞	∞
Public Works	-	400,000	-	(400,000)	-100%	1,524,000	281%	∞
Wastewater	-	-	-	-	N/A	11,000	∞	∞
Cave Creek Water	-	-	-	-	N/A	71,000	∞	∞
Desert Hills Water	-	-	-	-	N/A	61,000	∞	∞
Rodeo Grounds	-	-	-	-	N/A	23,000	∞	∞
Land Acquisition	-	1,554,695	-	(1,554,695)	-100%	19,987,994	1186%	∞
Capital Improvements	8,272,798	25,160,575	18,511,709	(6,648,866)	-26%	16,724,010	-34%	-10%
Capital Equipment	210,772	1,420,740	1,365,425	(55,315)	-4%	945,000	-33%	-31%
Master Plans/Studies	142,687	120,000	265,000	145,000	121%	759,000	533%	186%
Debt Service	4,904,571	4,904,719	5,085,342	180,623	4%	5,565,502	13%	9%
Contingency	-	3,826,818	-	(3,826,818)	-100%	4,200,000	10%	∞
Total One-Time Expenditures	13,530,829	37,787,547	25,229,965	12,557,582	33%	50,932,104	35%	102%
Net One-Time	(9,130,762)	(21,498,248)	(16,477,508)	(12,633,092)	59%	(11,939,621)	-44%	-28%
Transfers								
Transfer from General Fund	1,817,691	2,636,298	2,879,599	243,301	9%	16,728,612	535%	481%
Transfer from Spur Cross	2,348,321	1,759,100	2,082,912	323,812	18%	2,100,740	19%	1%
Transfer to General Fund	(1,224,161)	(929,550)	(1,091,456)	(161,906)	17%	(1,600,740)	72%	47%
Transfer to Grants & Other Restricted	(6,012)	-	-	-	N/A	-	N/A	N/A
Transfer to Streets Fund	-	-	(53,958)	(53,958)	∞	(2,395,608)	∞	4340%
Transfer to Capital Improvements	-	-	-	-	N/A	(10,491,796)	∞	∞
Transfer to Wastewater Fund	(1,673,942)	(1,358,140)	(341,951)	1,016,189	-75%	(2,906,795)	114%	750%
Transfer to Cave Creek Water Fund	(1,261,898)	(2,107,708)	(3,475,146)	(1,367,438)	65%	(1,205,610)	-43%	-65%
Transfer to Rodeo Grounds Fund	-	-	-	-	N/A	(228,803)	∞	∞
Net Transfers	-	-	-	-	N/A	-	N/A	N/A
Net Change in Fund Balance	1,185,234	(11,335,052)	(6,671,696)	4,663,356	-41%	(7,105,462)	-37%	7%
Fund Balance								
Beginning Fund Balance	37,319,424	37,527,915	38,504,658	976,743	3%	31,832,962	-15%	-17%
Ending Fund Balance:								
Operating Reserve	2,641,815	2,919,120	2,821,083	(98,037)	-3%	2,973,142	2%	5%
Operating Reserve for Other Funds	-	-	-	-	N/A	3,130,365	∞	∞
Equipment Replacement Reserve	-	-	-	-	N/A	966,773	∞	∞
Capital Reserve	26,561,443	21,389,051	21,698,885	309,834	1%	8,169,504	-62%	-62%
Debt Service Reserve	1,803,132	1,803,132	1,803,132	-	0%	1,803,132	0%	0%
Reserve for Open Space Acquisition	1,482,994	-	1,557,994	1,557,994	∞	-	N/A	-100%
Reserve for SW Gas Capital	8,414	-	8,414	8,414	∞	8,414	∞	0%
Reserve for Desert Hills Water Loan	368,775	-	425,668	425,668	∞	502,037	∞	18%
Reserve for Law Enforcement	8,780	-	9,044	9,044	∞	-	N/A	-100%
Reserve for Opioid Settlement	39,712	-	32,176	32,176	∞	-	N/A	-100%
Prepaid Balance	751,879	-	-	-	N/A	-	N/A	N/A
Remaining Available Fund Balance	4,837,714	81,560	3,476,566	3,395,006	4163%	7,174,133	8696%	106%
Total Ending Fund Balance	\$ 38,504,658	\$ 26,192,863	\$ 31,832,962	\$ 5,640,099	22%	\$ 24,727,500	-6%	-22%
Total Expenditure Budget	\$ 31,846,339	\$ 57,312,237	\$ 44,437,812	\$ 75,621,547				
CIP Budget	\$ 8,626,258	\$ 28,256,010	\$ 20,142,134	\$ 38,416,004				
Operating Budget	\$ 23,220,081	\$ 29,056,227	\$ 24,295,678	\$ 37,205,543				

SUMMARY OF OVERALL BUDGET CHANGES

	Operating Budget	CIP Budget	Totals
Comparison to FY2025 Revised			
FY 2025 Adopted Revised	\$29,059,037	\$28,334,760	\$57,393,797
<u>Significant Changes:</u>			
Decrease in Cave Creek Water capital projects (portion of Phoenix Interconnect completed in FY2025)		(\$2,796,025)	(\$2,796,025)
Water conservation program (initial setup plus \$100,000 ongoing program costs)	\$200,000		\$200,000
Pavement preservation program moved from CIP to Operating	\$2,114,200	(\$2,114,200)	\$0
One-time grant funded pavement management projects	\$1,444,000		\$1,444,000
Decrease in Fire & Emergency Protection capital projects (fire station completed in FY2025)		(\$2,699,000)	(\$2,699,000)
Placeholder for potential State Land acquisition		\$18,000,000	\$18,000,000
Increase in Fire & Emergency Protection non-personnel ongoing costs (50% share of regional station added)	\$1,601,878		\$1,601,878
Fire & Emergency Protection one-time costs (50% share of regional station added)	\$781,249		\$781,249
Positions added - Procurement Manager, part-time Management Analyst, and Civil Engineer for utilities project management	\$396,735		\$396,735
Other supplemental requests (includes \$260,500 of one-time costs for Rodeo Grounds, Desert Awareness Park, vehicle, and equipment)	\$292,500		\$292,500
Increase in personnel costs (total 5.7% increase)	\$404,424		\$404,424
Increase in debt service payments (WIFA loan payments for Phoenix Interconnect to begin)	\$660,783		\$660,783
Other miscellaneous changes	\$250,737	(\$309,531)	(\$58,794)
FY2026 Final Budget	\$37,205,543	\$38,416,004	\$75,621,547
% Change	28%	36%	32%

General Fund

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget	FY2026 Final Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.	
Ongoing Revenues								
Town Sales Tax	\$ 6,892,870	\$ 7,577,224	\$ 7,876,470	\$ 299,246	4%	\$ 9,954,630	31%	26%
Bed Tax	228,878	-	227,930	227,930	∞	227,930	∞	0%
Franchise Fees	358,842	403,140	345,600	(57,540)	-14%	348,420	-14%	1%
State Shared Sales Tax	776,506	783,473	786,980	3,507	0%	794,850	1%	1%
Urban Revenue Sharing	1,360,731	1,102,798	1,095,974	(6,824)	-1%	1,025,150	-7%	-6%
Vehicle License Tax	254,515	262,507	267,020	4,513	2%	267,020	2%	0%
Licenses & Permits	988,166	751,877	853,802	101,925	14%	841,635	12%	-1%
Charges for Services	147,042	159,495	135,133	(24,362)	-15%	109,984	-31%	-19%
Rents	154,050	187,074	161,731	(25,343)	-14%	163,947	-12%	1%
Investment Earnings	1,432,368	1,384,059	1,151,297	(232,762)	-17%	1,100,000	-21%	-4%
Miscellaneous	9,490	11,562	1,750	(9,812)	-85%	1,750	-85%	0%
Total Ongoing Revenues	12,603,458	12,623,209	12,903,687	280,478	2%	14,835,316	18%	15%
Ongoing Expenditures								
Town Council	167,760	35,900	35,887	13	0%	119,400	233%	233%
Administration	1,786,563	1,620,751	1,718,238	(97,487)	-6%	2,135,077	32%	24%
Finance	765,907	685,363	717,732	(32,369)	-5%	969,397	41%	35%
Legal Services	91,407	200,000	121,200	78,800	39%	200,000	0%	65%
Development Services	1,684,218	1,782,680	1,672,991	109,689	6%	1,730,717	-3%	3%
Tourism Bureau	26,620	-	26,000	(26,000)	∞	51,038	∞	96%
Magistrate Court	195,055	203,750	206,586	(2,836)	-1%	211,760	4%	3%
Law Enforcement	1,267,335	1,416,585	1,418,714	(2,129)	0%	1,435,566	1%	1%
Fire & Emergency Protection	2,760,607	3,064,199	3,024,383	39,816	1%	4,666,077	52%	54%
General Government	-	324,649	321,630	3,019	1%	415,849	28%	29%
Public Works	1,314,100	1,481,656	1,406,146	75,510	5%	869,444	-41%	-38%
Special Events	19,512	71,500	67,500	4,000	6%	71,500	0%	6%
Indirect Cost Allocations	-	-	-	-	N/A	(983,257)	∞	∞
Total Ongoing Expenditures	10,079,082	10,887,033	10,737,007	150,026	1%	11,892,568	9%	11%
Net Ongoing	2,524,376	1,736,176	2,166,680	130,452	8%	2,942,748	69%	36%
One-Time								
One-Time Revenues:								
Construction Sales Tax	1,651,562	1,867,585	1,960,850	93,265	5%	980,430	-48%	-50%
Other Revenues	-	-	290,984	290,984	∞	44,559	∞	-85%
Total One-Time Revenues	1,651,562	1,867,585	2,251,834	384,249	21%	1,024,989	-45%	-54%
One-Time Expenditures:								
Administration	-	-	-	-	N/A	33,000	∞	∞
Legal Services	-	150,000	-	150,000	100%	150,000	0%	∞
Development Services	-	-	-	-	N/A	36,500	∞	∞
Law Enforcement	-	-	-	-	N/A	23,000	∞	∞
Fire & Emergency Protection	-	-	-	-	N/A	781,249	∞	∞
General Government	-	-	-	-	N/A	25,000	∞	∞
Public Works	-	-	-	-	N/A	80,000	∞	∞
Capital Improvements	4,103,828	6,308,890	5,172,846	1,136,044	18%	-	-100%	-100%
Capital Equipment	145,924	1,210,740	1,184,325	26,415	2%	-	-100%	-100%
Debt Service	-	-	-	-	N/A	14,450	∞	∞
Contingency	-	774,519	-	774,519	100%	1,200,000	55%	∞
Total One-Time Expenditures	4,249,752	8,444,149	6,357,171	2,086,978	25%	2,343,199	-72%	-63%
Net One-Time	(2,598,190)	(6,576,564)	(4,105,337)	(2,011,468)	31%	(1,318,210)	-80%	-68%
Transfers								
Transfer from Spur Cross	1,224,161	929,550	1,091,456	161,906	17%	1,600,740	72%	47%
Transfer to Grants & Other Restricted	(6,012)	-	-	-	N/A	-	N/A	N/A
Transfer to Streets Fund	-	-	(53,958)	(53,958)	∞	(2,395,608)	∞	4340%
Transfer to Capital Improvements	-	-	-	-	N/A	(9,991,796)	∞	∞
Transfer to Wastewater Fund	(1,673,942)	(1,358,140)	(341,951)	1,016,189	-75%	(2,906,795)	114%	750%
Transfer to Cave Creek Water Fund	(137,737)	(1,278,158)	(2,483,690)	(1,205,532)	94%	(1,205,610)	-6%	-51%
Transfer to Rodeo Grounds Fund	-	-	-	-	N/A	(228,803)	∞	∞
Net Transfers	(593,530)	(1,706,748)	(1,788,143)	(81,395)	5%	(15,127,872)	786%	746%
Net Change in Fund Balance	(667,344)	(6,547,136)	(3,726,800)	2,820,336	-43%	(13,503,334)	106%	262%
Fund Balance								
Beginning Fund Balance	31,861,631	30,454,792	31,194,287	739,495	2%	27,467,487	-10%	-12%
Ending Fund Balance:								
Operating Reserve	2,641,815	2,821,083	2,821,083	-	0%	2,973,142	5%	5%
Operating Reserve for Other Funds	-	-	-	-	N/A	3,130,365	∞	∞
Equipment Replacement Reserve	-	-	-	-	N/A	42,800	∞	∞
Capital Reserve	22,828,557	20,678,863	20,678,863	-	0%	-	-100%	-100%
Reserve for SW Gas Capital	8,414	-	8,414	8,414	∞	8,414	∞	0%
Reserve for Desert Hills Water Loan	368,775	-	425,668	425,668	∞	502,037	∞	18%
Prepaid Balance	751,879	-	-	-	N/A	-	N/A	N/A
Remaining Available Fund Balance	4,594,847	407,710	3,533,459	3,125,749	767%	7,307,395	1692%	107%
Total Ending Fund Balance	\$ 31,194,287	\$ 23,907,656	\$ 27,467,487	\$ 3,559,831	15%	\$ 13,964,153	-42%	-49%

Grants & Other Restricted Fund

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Final Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Ongoing Revenues								
Intergovernmental	\$ 46,465	\$ 25,446	\$ 27,540	\$ 2,094	8%	\$ 28,444	12%	3%
Investment Earnings	835	400	1,456	1,056	264%	1,600	300%	10%
Total Ongoing Revenues	47,301	25,846	28,996	3,150	12%	30,044	16%	4%
Ongoing Expenditures								
Development Services	12,430	15,000	12,430	2,570	17%	12,430	-17%	0%
Fire & Emergency Protection	2,972	40,949	21,349	19,600	48%	46,985	15%	120%
Total Ongoing Expenditures	15,402	55,949	33,779	22,170	40%	59,415	6%	76%
Net Ongoing	31,898	(30,103)	(4,783)	(19,020)	63%	(29,371)	-2%	514%
One-Time								
One-Time Revenues:								
Intergovernmental	-	3,650,000	-	(3,650,000)	-100%	3,000,000	-18%	∞
Total One-Time Revenues	-	3,650,000	-	(3,650,000)	-100%	3,000,000	-18%	∞
One-Time Expenditures:								
Administration	-	250,000	-	250,000	100%	-	-100%	N/A
Law Enforcement	-	-	2,489	(2,489)	∞	11,849	∞	376%
Public Works	-	400,000	-	400,000	100%	-	-100%	N/A
Contingency	-	3,000,000	-	3,000,000	100%	3,000,000	0%	∞
Total One-Time Expenditures	-	3,650,000	2,489	3,647,511	100%	3,011,849	-17%	120906%
Net One-Time	-	-	(2,489)	(3,647,511)	∞	(11,849)	∞	376%
Transfers								
Transfer from General Fund	6,012	-	-	-	N/A	-	N/A	N/A
Net Transfers	6,012	-	-	-	N/A	-	N/A	N/A
Net Change in Fund Balance	37,910	(30,103)	(7,272)	22,831	-76%	(41,220)	37%	467%
Fund Balance								
Beginning Fund Balance	10,582	30,103	48,492	18,389	61%	41,220	37%	-15%
Ending Fund Balance:								
Reserve for Law Enforcement	8,780	-	9,044	9,044	∞	-	N/A	-100%
Reserve for Opioid Settlement	39,712	-	32,176	32,176	∞	-	N/A	-100%
Total Ending Fund Balance	\$ 48,492	\$ -	\$ 41,220	\$ 41,220	∞	\$ -	N/A	-100%

Spur Cross Ranch Conservation Fund

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Final Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Ongoing Revenues								
Town Sales Tax	\$ 2,203,237	\$ 1,894,300	\$ 1,969,120	\$ 74,820	4%	\$ 1,990,930	5%	1%
Charges for Services	678	800	704	(96)	-12%	700	-13%	-1%
Investment Earnings	87,051	80,000	83,978	3,978	5%	80,000	0%	-5%
Total Ongoing Revenues	2,290,966	1,975,100	2,053,802	78,702	4%	2,071,630	5%	1%
Ongoing Expenditures								
Development Services	216,000	216,000	216,000	-	0%	216,000	0%	0%
Total Ongoing Expenditures	216,000	216,000	216,000	-	0%	216,000	0%	0%
Net Ongoing	2,074,966	1,759,100	1,837,802	78,702	4%	1,855,630	5%	1%
One-Time								
One-Time Revenues:								
Construction Sales Tax	-	-	245,110	245,110	∞	245,110	∞	0%
Total One-Time Revenues	-	-	245,110	245,110	∞	245,110	∞	0%
Total One-Time Expenditures	-	-	-	-	N/A	-	N/A	N/A
Net One-Time	-	-	245,110	-	N/A	245,110	∞	0%
Transfers								
Transfer to General Fund	(1,224,161)	(929,550)	(1,091,456)	(161,906)	17%	(1,600,740)	72%	47%
Transfer to Capital Improvements	-	-	-	-	N/A	(500,000)	∞	∞
Transfer to Cave Creek Water Fund	(1,124,161)	(829,550)	(991,456)	(161,906)	20%	-	-100%	-100%
Net Transfers	(2,348,321)	(1,759,100)	(2,082,912)	(323,812)	18%	(2,100,740)	19%	1%
Net Change in Fund Balance	(273,355)	-	-	-	N/A	-	N/A	N/A
Fund Balance								
Beginning Fund Balance	273,355	-	-	-	N/A	-	N/A	N/A
Ending Fund Balance:								
Remaining Available Fund Balance	-	-	-	-	N/A	-	N/A	N/A
Total Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	N/A	N/A

Streets Fund

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Final Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Ongoing Revenues								
Highway User Tax	\$ 378,603	\$ 393,589	\$ 385,800	\$ (7,789) -2%		\$ 389,650	-1%	1%
Investment Earnings	15,520	15,000	12,480	(2,520) -17%		12,000	-20%	-4%
Total Ongoing Revenues	394,123	408,589	398,280	(10,309) -3%		401,650	-2%	1%
Ongoing Expenditures								
Public Works	-	-	-	- N/A		2,677,258	∞	∞
Total Ongoing Expenditures	-	-	-	- N/A		2,677,258	∞	∞
Net Ongoing	394,123	408,589	398,280	(10,309) -3%		(2,275,608)	-657%	-671%
One-Time								
One-Time Revenues:								
Intergovernmental	-	-	-	- N/A		1,324,000	∞	∞
Total One-Time Revenues	-	-	-	- N/A		1,324,000	∞	∞
One-Time Expenditures:								
Public Works	-	-	-	- N/A		1,444,000	∞	∞
Capital Improvements	507,879	681,150	681,143	7 0%		-	-100%	-100%
Contingency	-	39,359	-	39,359 100%		-	-100%	N/A
Total One-Time Expenditures	507,879	720,509	681,143	39,366 5%		1,444,000	100%	112%
Net One-Time	(507,879)	(720,509)	(681,143)	(39,366) 5%		(120,000)	-83%	-82%
Transfers								
Transfer from General Fund	-	-	53,958	53,958 ∞		2,395,608	∞	4340%
Net Transfers	-	-	53,958	53,958 ∞		2,395,608	∞	4340%
Net Change in Fund Balance	(113,757)	(311,920)	(228,905)	83,015 -27%		-	-100%	-100%
Fund Balance								
Beginning Fund Balance	342,662	203,807	228,905	25,098 12%		-	-100%	-100%
Ending Fund Balance:								
Operating Reserve	-	98,037	-	(98,037) -100%		-	-100%	N/A
Remaining Available Fund Balance	228,905	(206,150)	-	206,150 -100%		-	-100%	N/A
Total Ending Fund Balance	\$ 228,905	\$(108,113)	\$ -	\$ 108,113 -100%		\$ -	-100%	N/A

Capital Improvements Fund

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget	FY2026 Final Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Ongoing Revenues							
Investment Earnings	\$ 77,398	\$ 72,000	\$ 75,000	\$ 3,000 4%	\$ 72,000	0%	-4%
Total Ongoing Revenues	77,398	72,000	75,000	3,000 4%	72,000	0%	-4%
Ongoing Expenditures							
Total Ongoing Expenditures	-	-	-	- N/A	-	N/A	N/A
Net Ongoing	77,398	72,000	75,000	3,000 4%	72,000	0%	-4%
One-Time							
One-Time Revenues:							
Construction Sales Tax	-	-	-	- N/A	1,225,530	∞	∞
Debt Financing	-	-	-	- N/A	17,500,000	∞	∞
Other Revenues	-	-	-	- N/A	40,000	∞	∞
Total One-Time Revenues	-	-	-	- N/A	18,765,530	∞	∞
One-Time Expenditures:							
Land Acquisition	-	1,554,695	-	1,554,695 100%	19,987,994	1186%	∞
Capital Improvements	-	-	-	- N/A	1,255,000	∞	∞
Capital Equipment	-	-	-	- N/A	645,000	∞	∞
Total One-Time Expenditures	-	1,554,695	-	1,554,695 100%	21,887,994	1308%	∞
Net One-Time	-	(1,554,695)	-	(1,554,695) 100%	(3,122,464)	101%	∞
Transfers							
Transfer from General Fund	-	-	-	- N/A	9,991,796	∞	∞
Transfer from Spur Cross	-	-	-	- N/A	500,000	∞	∞
Net Transfers	-	-	-	- N/A	10,491,796	∞	∞
Net Change in Fund Balance	77,398	(1,482,695)	75,000	1,557,695 -105%	7,441,332	-602%	9822%
Fund Balance							
Beginning Fund Balance	1,405,596	1,482,695	1,482,994	299 0%	1,557,994	5%	5%
Ending Fund Balance:							
Equipment Replacement Reserve	-	-	-	- N/A	829,822	∞	∞
Capital Reserve	-	-	-	- N/A	8,169,504	∞	∞
Reserve for Open Space Acquisition	1,482,994	-	1,557,994	1,557,994 ∞	-	N/A	-100%
Remaining Available Fund Balance	-	-	-	- N/A	-	N/A	N/A
Total Ending Fund Balance	\$ 1,482,994	\$ -	\$ 1,557,994	\$ 1,557,994 ∞	\$ 8,999,326	∞	478%

Cave Creek Water Fund

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Final Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Ongoing Revenues								
Charges for Services	\$ 5,538,603	\$ 6,369,705	\$ 5,901,148	\$ (468,557)	-7%	\$ 6,191,889	-3%	5%
Investment Earnings	306,210	275,000	212,374	(62,626)	-23%	120,000	-56%	-43%
Miscellaneous	16,129	10,000	21,485	11,485	115%	21,775	118%	1%
Total Ongoing Revenues	5,860,941	6,654,705	6,135,007	(519,698)	-8%	6,333,664	-5%	3%
Ongoing Expenditures								
Cave Creek Water	3,966,748	3,919,850	3,858,306	61,544	2%	4,127,843	5%	7%
Indirect Cost Allocations	-	-	-	-	N/A	461,764	∞	∞
Total Ongoing Expenditures	3,966,748	3,919,850	3,858,306	61,544	2%	4,589,607	17%	19%
Net Ongoing	1,894,193	2,734,855	2,276,701	(581,242)	-21%	1,744,057	-36%	-23%
One-Time								
One-Time Revenues:								
Intergovernmental	2,176,098	2,250,000	1,253,000	(997,000)	-44%	1,000,000	-56%	-20%
Charges for Services	64,782	-	74,619	74,619	∞	76,858	∞	3%
Capacity Fees	283,957	457,332	131,960	(325,372)	-71%	131,960	-71%	0%
Debt Financing	-	7,887,787	4,442,951	(3,444,836)	-44%	10,852,988	38%	144%
Other Revenues	9,629	-	47	47	∞	350,048	∞	744683%
Total One-Time Revenues	2,534,466	10,595,119	5,902,577	(4,692,542)	-44%	12,411,854	17%	110%
One-Time Expenditures:								
Cave Creek Water	-	-	-	-	N/A	71,000	∞	∞
Capital Improvements	2,985,190	16,070,535	11,860,220	4,210,315	26%	13,060,510	-19%	10%
Capital Equipment	-	210,000	181,100	28,900	14%	300,000	43%	66%
Master Plans/Studies	71,343	120,000	145,000	(25,000)	-21%	244,000	103%	68%
Debt Service	2,000,345	2,000,345	2,180,968	(180,623)	-9%	2,646,668	32%	21%
Total One-Time Expenditures	5,056,878	18,400,880	14,367,288	4,033,592	22%	16,322,178	-11%	14%
Net One-Time	(2,522,412)	(7,805,761)	(8,464,711)	(4,033,592)	52%	(3,910,324)	-50%	-54%
Transfers								
Transfer from General Fund	137,737	1,278,158	2,483,690	1,205,532	94%	1,205,610	-6%	-51%
Transfer from Spur Cross	1,124,161	829,550	991,456	161,906	20%	-	-100%	-100%
Net Transfers	1,261,898	2,107,708	3,475,146	1,367,438	65%	1,205,610	-43%	-65%
Net Change in Fund Balance	633,679	(2,963,198)	(2,712,864)	250,334	-8%	(960,657)	-68%	-65%
Fund Balance								
Beginning Fund Balance	4,435,748	4,889,927	5,069,427	179,500	4%	2,356,563	-52%	-54%
Ending Fund Balance:								
Equipment Replacement Reserve	-	-	-	-	N/A	59,365	∞	∞
Capital Reserve	3,732,886	710,188	1,020,022	309,834	44%	-	-100%	-100%
Debt Service Reserve	1,336,541	1,336,541	1,336,541	-	0%	1,336,541	0%	0%
Remaining Available Fund Balance	-	(120,000)	-	120,000	-100%	-	-100%	N/A
Total Ending Fund Balance	\$ 5,069,427	\$ 1,926,729	\$ 2,356,563	\$ 429,834	22%	\$ 1,395,906	-28%	-41%

Desert Hills Water Fund

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Final Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Ongoing Revenues								
Charges for Services	\$ 3,677,738	\$ 4,519,200	\$ 3,866,686	\$ (652,514) -14%		\$ 4,087,417	-10%	6%
Investment Earnings	25,468	20,000	23,907	3,907 20%		20,000	0%	-16%
Miscellaneous	33,887	6,000	15,749	9,749 162%		16,222	170%	3%
Total Ongoing Revenues	3,737,094	4,545,200	3,906,342	(638,858) -14%		4,123,639	-9%	6%
Ongoing Expenditures								
Desert Hills Water	2,492,752	2,747,279	2,687,118	60,161 2%		2,786,235	1%	4%
Indirect Cost Allocations	-	-	-	- N/A		237,774	∞	∞
Total Ongoing Expenditures	2,492,752	2,747,279	2,687,118	60,161 2%		3,024,009	10%	13%
Net Ongoing	1,244,342	1,797,921	1,219,224	(699,019) -39%		1,099,630	-39%	-10%
One-Time								
One-Time Revenues:								
Intergovernmental	-	-	-	- N/A		115,000	∞	∞
Capacity Fees	14,565	-	14,902	14,902 ∞		-	N/A	-100%
Debt Financing	-	-	-	- N/A		866,000	∞	∞
Total One-Time Revenues	14,565	-	14,902	14,902 ∞		981,000	∞	6483%
One-Time Expenditures:								
Desert Hills Water	-	-	-	- N/A		61,000	∞	∞
Capital Improvements	72,076	775,000	285,000	490,000 63%		981,000	27%	244%
Master Plans/Studies	35,672	-	10,000	(10,000) ∞		100,000	∞	900%
Debt Service	1,010,263	1,009,981	1,009,981	- 0%		1,009,637	0%	0%
Contingency	-	12,940	-	12,940 100%		-	-100%	N/A
Total One-Time Expenditures	1,118,011	1,797,921	1,304,981	492,940 27%		2,151,637	20%	65%
Net One-Time	(1,103,446)	(1,797,921)	(1,290,079)	(492,940) 27%		(1,170,637)	-35%	-9%
Net Change in Fund Balance	140,896	-	(70,855)	(70,855) ∞		(71,007)	∞	0%
Fund Balance								
Beginning Fund Balance	339,657	466,591	480,553	13,962 3%		409,698	-12%	-15%
Ending Fund Balance:								
Equipment Replacement Reserve	-	-	-	- N/A		5,362	∞	∞
Debt Service Reserve	466,591	466,591	466,591	- 0%		466,591	0%	0%
Remaining Available Fund Balance	13,962	-	(56,893)	(56,893) ∞		(133,262)	∞	134%
Total Ending Fund Balance	\$ 480,553	\$ 466,591	\$ 409,698	\$ (56,893) -12%		\$ 338,691	-27%	-17%

Wastewater Fund

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget	FY2026 Final Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Ongoing Revenues							
Town Sales Tax	\$ 2,203,237	\$ 1,894,300	\$ 1,969,120	\$ 74,820 4%	\$ -	-100%	-100%
Charges for Services	1,416,948	1,488,937	1,526,132	37,195 2%	1,605,129	8%	5%
Investment Earnings	-	-	16,834	16,834 ∞	15,000	∞	-11%
Miscellaneous	40	-	459	459 ∞	-	N/A	-100%
Total Ongoing Revenues	3,620,225	3,383,237	3,512,545	129,308 4%	1,620,129	-52%	-54%
Ongoing Expenditures							
Wastewater	1,545,525	1,698,579	1,675,637	22,942 1%	1,843,507	9%	10%
Indirect Cost Allocations	-	-	-	- N/A	260,746	∞	∞
Total Ongoing Expenditures	1,545,525	1,698,579	1,675,637	22,942 1%	2,104,253	24%	26%
Net Ongoing	2,074,699	1,684,658	1,836,908	106,366 6%	(484,124)	-129%	-126%
One-Time							
One-Time Revenues:							
Construction Sales Tax	-	-	245,110	245,110 ∞	-	N/A	-100%
Capacity Fees	199,474	176,595	92,924	(83,671) -47%	-	-100%	-100%
Debt Financing	-	-	-	- N/A	1,240,000	∞	∞
Total One-Time Revenues	199,474	176,595	338,034	161,439 91%	1,240,000	602%	267%
One-Time Expenditures:							
Wastewater	-	-	-	- N/A	11,000	∞	∞
Capital Improvements	603,825	1,325,000	512,500	812,500 61%	1,327,500	0%	159%
Master Plans/Studies	35,672	-	110,000	(110,000) ∞	400,000	∞	264%
Debt Service	1,893,963	1,894,393	1,894,393	- 0%	1,894,747	0%	0%
Total One-Time Expenditures	2,598,308	3,219,393	2,516,893	702,500 22%	3,633,247	13%	44%
Net One-Time	(2,398,834)	(3,042,798)	(2,178,859)	(702,500) 23%	(2,393,247)	-21%	10%
Transfers							
Transfer from General Fund	1,673,942	1,358,140	341,951	(1,016,189) -75%	2,906,795	114%	750%
Net Transfers	1,673,942	1,358,140	341,951	(1,016,189) -75%	2,906,795	114%	750%
Net Change in Fund Balance	1,349,807	-	-	- N/A	29,424	∞	∞
Fund Balance							
Beginning Fund Balance	(1,349,807)	-	-	- N/A	-	N/A	N/A
Ending Fund Balance:							
Equipment Replacement Reserve	-	-	-	- N/A	29,424	∞	∞
Remaining Available Fund Balance	-	-	-	- N/A	-	N/A	N/A
Total Ending Fund Balance	\$ -	\$ -	\$ -	\$ - N/A	\$ 29,424	∞	∞

Rodeo Grounds Fund

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget	FY2026 Final Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Ongoing Revenues							
Charges for Services	\$ -	\$ -	\$ -	\$ - N/A	\$ 14,730	∞	∞
Rents	-	-	-	- N/A	20,800	∞	∞
Total Ongoing Revenues	-	-	-	- N/A	35,530	∞	∞
Ongoing Expenditures							
Rodeo Grounds	-	-	-	- N/A	103,360	∞	∞
Indirect Cost Allocations	-	-	-	- N/A	22,973	∞	∞
Total Ongoing Expenditures	-	-	-	- N/A	126,333	∞	∞
Net Ongoing	-	-	-	- N/A	(90,803)	∞	∞
One-Time							
Total One-Time Revenues	-	-	-	- N/A	-	N/A	N/A
One-Time Expenditures:							
Rodeo Grounds	-	-	-	- N/A	23,000	∞	∞
Capital Improvements	-	-	-	- N/A	100,000	∞	∞
Master Plans/Studies	-	-	-	- N/A	15,000	∞	∞
Total One-Time Expenditures	-	-	-	- N/A	138,000	∞	∞
Net One-Time	-	-	-	- N/A	(138,000)	∞	∞
Transfers							
Transfer from General Fund	-	-	-	- N/A	228,803	∞	∞
Net Transfers	-	-	-	- N/A	228,803	∞	∞
Net Change in Fund Balance	-	-	-	- N/A	-	N/A	N/A
Fund Balance							
Beginning Fund Balance	-	-	-	- N/A	-	N/A	N/A
Ending Fund Balance:							
Remaining Available Fund Balance	-	-	-	- N/A	-	N/A	N/A
Total Ending Fund Balance	\$ -	\$ -	\$ -	\$ - N/A	\$ -	N/A	N/A



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Town Council

Department Description

The Mayor and six Town Council members are the elected representatives of the Town of Cave Creek. In collaboration, they promote active public participation in shaping and communicating Town policies and offering a platform for citizen input. The Town Council is committed to providing open and responsive government, ensuring fiscal responsibility, and supporting the community through effective management of public services, all while preserving the distinctive Southwestern way of life.

Town Council

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Personnel								
Employee benefits	384	400	387	13	3%	400	0%	3%
Total Personnel	384	400	387	13	3%	400	0%	3%
Ongoing Non-Personnel								
Professional services	112,733	25,000	25,000	-	0%	100,000	300%	300%
Operational supplies	1,212	5,000	5,000	-	0%	5,000	0%	0%
Training and Travel	13,180	5,500	5,500	-	0%	14,000	155%	155%
Community grants	40,250	-	-	-	N/A	-	N/A	N/A
Total Ongoing Non-Personnel	167,375	35,500	35,500	-	0%	119,000	235%	235%
Total Town Council	167,760	35,900	35,887	13	0%	119,400	233%	233%

Department/Authorized Positions	2023-24	2024-25	2025-26	Change from 2024-25 to 2025-26
Town Council				
Mayor	1.00	1.00	1.00	-
Vice Mayor	1.00	1.00	1.00	-
Council Members	5.00	5.00	5.00	-
Total	7.00	7.00	7.00	-



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Administration

Department Description

The Town Manager's Office provides clear centralized direction and leadership for the effective administration and operation of all municipal services for the Town of Cave Creek. The Town Manager serves as the focal point for administrative direction, communication and coordination of the Town's departmental operations as directed by the Mayor and Town Council. The priority of the Town Manager Department is to use the Town's policies and principles to effectively and efficiently guide the Town's operations and activities.

The Town Clerk's Office supports the Council's goals of promoting accessible and responsive government by preparing agendas and keeping the minutes of Town Council meetings; overseeing the timely and accurate accumulation, preservation, and accessibility of public records; conducting fair and open municipal elections; facilitation of liquor licenses, business licenses, short term rentals, special events, contracts, and ensuring legal compliance of all official postings, public notices, and related advertising. The Clerk's Office strives to create outstanding value for those we serve through shared vision, superior service and sustainable practices.

The Administrative Services Department for the Town of Cave Creek plays a crucial role in supporting the efficient operation of local government services by overseeing three key internal service divisions: Human Resources, Information Technology, and Risk Management. Each division is dedicated to ensuring that the Town operates smoothly, supports its employees, and mitigates risks that could impact the Town.

- **Human Resources:** This division is responsible for managing employee relations, recruitment, benefits, training, and compliance with labor laws. The Human Resources team strives to foster a positive and productive work environment for all Town employees, ensuring that the Town remains an employer of choice.
- **Information Technology (IT):** The IT division is responsible for maintaining and enhancing the Town's technology infrastructure. This includes supporting the Town's network, managing software and hardware resources, ensuring cybersecurity, voice and data services, Council audio/video support, and facilitating the efficient use of technology across all Town departments.
- **Risk Management:** The Risk Management division focuses on identifying, assessing, and mitigating risks that could negatively impact the Town's operations or assets. This includes managing insurance programs, safety protocols, and emergency preparedness, while striving to minimize financial and operational risks.

The Communications and Public Affairs department mission is to be the official source of information by accurately communicating news and information to Cave Creek residents, elected officials, customers, employees, and news media via internal and external communication sources.

Together, these divisions work to provide essential support to the Town of Cave Creek, ensuring that services are delivered efficiently, safely, and effectively for the benefit of staff and residents.

Current Year Accomplishments - Town Clerk

- 2024 Primary Election
- Moved to paperless agenda packets and iPads for Town Council
- Moved to new agenda management system
- First complete year of short-term rental registration - renewals in November 2024
- Implemented electronic signature software

Current Year Accomplishments - Administrative Services

- Expanded the Employee Learning Management System course catalog to include Stormwater Management and additional Safety training.
- Expanded the use of the NeoGov applicant system to include electronic application review, e-forms for onboarding, and other elements to introduce more efficiency to the employee recruitment and onboarding processes.
- Pilot program launched for the Arizona Governmental Training Service (AGTS) Supervisor's Academy.
- Benefits Study recommendations adopted by Council in 2024, July 2024 enhancements to employee benefits included a more robust dental insurance and an additional health plan offering. For FY25-26 additional enhancements under consideration with cost savings.
- Personnel manual under review, some administrative policies have been clarified, it has been determined that an outside consultant will be engaged to ensure full compliance and updates based on more recent case law, statutes, etc. A supplemental budget request will be offered for Council consideration and future engagement.
- Implementation of BlueInk, a secure e-signature platform.
- Upgrade of Internet Service at Water Plant with failover service.
- Rodeo Grounds tech review in cooperation with PRCA staff to formulate upgrade roadmap upon completion of skybox.
- Update of the Town's website with improved navigation, refreshed content, and using a consultant and software tools to ensure ADA compliance.
- Upgrade of secondary Internet Link at Town Hall to fiber optic.
- Berkley Risk conducted a safety inspection for Town Hall, water plant, and wastewater buildings with no major findings. There were some smaller findings related to housekeeping and chemical labels that have since been remediated.

Current Year Accomplishments - Communications and Public Affairs

- Created the 2024 Annual Report, the new Prospector community newsletter, State of the Town annual video, media releases, social media, community meetings.

Goals and Strategies - Town Clerk

STRATEGIC PLAN FOCUS AREA: Economic Vitality

GOALS WITHIN THE STRATEGIC PLAN FOCUS AREA:

Ensure Town services are continually streamlined, efficient, customer focused and responsive to support appropriate residential and business growth, and the long-term success of existing local businesses and residents.

OBJECTIVE RELATED TO GOAL:

Public records requests completed, Records and Information Management training, short term rental registration and licensing requirements.

STRATEGIC PLAN FOCUS AREA: Fiscal Sustainability

GOALS WITHIN THE STRATEGIC PLAN FOCUS AREA:

Implement innovative and integrated technology initiatives to support Town business processes and customer service.

OBJECTIVE RELATED TO GOAL:

Enterprise - Wide Software

STRATEGIC PLAN FOCUS AREA: Safe and Vibrant Community

GOALS WITHIN THE STRATEGIC PLAN FOCUS AREA:

Foster Town wide initiatives, policies and Town codes that support a clean, well-maintained and sustainable community.

OBJECTIVE RELATED TO GOAL:

Town Ordinance and Code Review

Goals and Strategies - Administrative Services

STRATEGIC PLAN FOCUS AREA: Fiscal Sustainability

GOALS WITHIN THE STRATEGIC PLAN FOCUS AREA:

3 - Implement fiscally sustainable initiatives that allow the Town to proactively plan for, recruit, grow and retain to human resources.

OBJECTIVE RELATED TO GOAL:

Staffing and Process Improvement Study, Benefit Study, Enterprise-Wide Software.

STRATEGIC PLAN FOCUS AREA: Innovative and High Performing Organization

GOALS WITHIN THE STRATEGIC PLAN FOCUS AREA:

3 - Create a professional, value-oriented, accountable, and responsive work environment with opportunities for mentoring, coaching, education, advancement and job fulfillment.

5 - Implement initiatives that enhance communication, collaboration, and transparency for Town employees.

OBJECTIVE RELATED TO GOAL:

Employee Training Needs Assessment, Employee Training Programs, Personnel Manual updates

Goals and Strategies - Communications and Public Affairs

- Raise public awareness of decisions made by Town Council
- Crisis Communications planning and action as needed
- Share Town information via the web, social media, printed newsletters and news media
- Utilize video, digital, and multimedia content to enhance communication

STRATEGIC PLAN FOCUS AREA: Economic Vitality

GOALS WITHIN THE STRATEGIC PLAN FOCUS AREA:

3 - Target economic development pursuits that encourage recreation, tourism, build demand for supporting existing businesses and/or generate additional revenues.

4 - Ensure community engagement through continuous focused outreach and strategic utilization of various communication methods.

6 - Promote and support diverse recreational activities and events that serve all ages, abilities and interests. Support and collaborate for the lawful and respectful use of parks, trails, community facilities and public art within our community to further the quality of life.

OBJECTIVE RELATED TO GOAL:

STRATEGIC PLAN FOCUS AREA: Innovative and High Performing Organization-The Town of Cave Creek strives to be a preferred employer by fostering an inclusive culture and a safe working environment that attracts and retains a high performing and engaged workforce. The Town is committed to providing outstanding and valuable service.

Infrastructure - The Town of Cave Creek will strategically plan, implement, and maintain current and future infrastructure and facilities which support the community's quality of life and economic viability to protect our environment.

GOALS WITHIN THE STRATEGIC PLAN FOCUS AREA:

4 - Optimize responsible water and wastewater management policies and practices.

Performance Measurements - Town Clerk

PERFORMANCE MEASUREMENTS	FY2025 ESTIMATES	FY2026 TARGETS
Percentage of Public Records Requests Completed within the stated goal of ten business days	90%*	95%
Annual training and periodic policy updates for Records and Information Management Guidelines	1 per year	1 per year
Percentage of Short-term rental registration/business license compliance	100%	100%

***100% of public records requests received communication within 10 days but 10% needed additional work/research to fulfill request.**

Performance Measurements - Administrative Services

PERFORMANCE MEASUREMENTS	FY2025 ESTIMATES	FY2026 TARGETS
HUMAN RESOURCES - INNOVATIVE HR Retention rate of regular full-time employees in initial probationary period	90%	80%
PERFORMANCE MEASUREMENTS	FY2025 ESTIMATES	FY2026 TARGETS
HUMAN RESOURCES - INNOVATIVE HR Maintain personnel turnover at or below the national average for state and local governments.	Town - 13.64% State and Local - 16.1%	10%
PERFORMANCE MEASUREMENTS	FY2025 ESTIMATES	FY2026 TARGETS
RISK MANAGEMENT - INNOVATIVE Track the number of preventable accidents	0	0
PERFORMANCE MEASUREMENTS	FY2025 ESTIMATES	FY2026 TARGETS
RISK MANAGEMENT - INNOVATIVE Track the number of working days lost due to work-related injuries	0	0

Significant Changes - Town Clerk

The Town Clerk Department was part of an internal reorganization resulting in human resources, information technology (IT), risk management and fleet management moving to other departments. Will be working to transition business licensing and short-term rentals to finance in upcoming fiscal year.

Significant Changes - Administrative Services

This Department was newly created through an internal reorganization focused on centralizing the functions noted, creating efficiencies in the provision of these internal services, and streamlining and focusing the work being performed in other Departments to Council priorities.

Significant Changes - Communications and Public Affairs

The Communications and Public Affairs Department updated the Town's newsletter. The new tabloid style publication is now called the Cave Creek Prospector and is delivered to every Cave Creek residence and business. Other communication department upgrades are media relations, raising awareness in the Phoenix market, and an increase in community relations with community non-profits and business leaders.

Administration

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Town Manager Division								
Personnel								
Salaries & wages	245,368	214,500	222,700	(8,200)	-4%	340,958	59%	53%
Employee benefits	97,178	52,905	68,082	(15,177)	-29%	105,497	99%	55%
Total Personnel	342,546	267,405	290,782	(23,377)	-9%	446,455	67%	54%
Ongoing Non-Personnel								
Professional services	53,500	19,000	-	19,000	100%	21,300	12%	∞
Office supplies	-	-	-	-	N/A	200	∞	∞
Operational supplies	83	500	-	500	100%	-	-100%	N/A
Fuel and oil	1,898	2,500	200	2,300	92%	-	-100%	-100%
Utilities	538	-	-	-	N/A	-	N/A	N/A
Training and Travel	8,056	6,500	1,024	5,476	84%	6,500	0%	535%
Other miscellaneous	-	1,500	400	1,100	73%	2,000	33%	400%
Total Ongoing Non-Personnel	64,075	30,000	1,624	28,376	95%	30,000	0%	1747%
Total Town Manager Division	406,621	297,405	292,406	4,999	2%	476,455	60%	63%

Town Clerk Division

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Town Clerk Division								
Personnel								
Salaries & wages	403,495	360,021	370,125	(10,104)	-3%	240,717	-33%	-35%
Employee benefits	147,789	134,182	138,601	(4,419)	-3%	69,216	-48%	-50%
Total Personnel	551,284	494,203	508,726	14,523	3%	309,933	-37%	-39%
Ongoing Non-Personnel								
Professional services	5,851	35,000	35,000	-	0%	35,000	0%	0%
Other contracted services	44,295	45,000	45,000	-	0%	39,800	-12%	-12%
Office supplies	-	-	-	-	N/A	5,000	∞	∞
Operational supplies	28,627	30,000	30,000	-	0%	3,000	-90%	-90%
Fuel and oil	-	300	300	-	0%	300	0%	0%
Utilities	54,786	50,000	50,000	-	0%	-	-100%	-100%
Computer Software Subscriptions	357	900	900	-	0%	-	-100%	-100%
Property and general liability insurance	160,021	-	-	-	N/A	-	N/A	N/A
Training and Travel	8,443	7,500	12,000	(4,500)	-60%	5,500	-27%	-54%
Other miscellaneous	-	-	-	-	N/A	3,000	∞	∞
Total Ongoing Non-Personnel	302,381	168,700	173,200	(4,500)	-3%	91,600	-46%	-47%
Total Town Clerk Division	853,665	662,903	681,926	(19,023)	-3%	401,533	-39%	-41%

Administration Fleet Services Division

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Administration Fleet Services Division								
Ongoing Non-Personnel								
Other contracted services	76,135	-	-	(76,135)	-100%	-	-100%	N/A
Operational supplies	1,646	-	-	(1,646)	-100%	-	-100%	N/A
Total Ongoing Non-Personnel	77,781	-	-	-	N/A	-	N/A	N/A
Total Administration Fleet Services Division	77,781	-	-	-	N/A	-	N/A	N/A

Administrative Services Division

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Administrative Services Division								
Personnel								
Salaries & wages	-	-	-	-	N/A	262,610	∞	∞
Employee benefits	-	-	-	-	N/A	97,405	∞	∞
Total Personnel	-	-	-	-	N/A	360,015	∞	∞
Ongoing Non-Personnel								
Professional services	-	-	-	-	N/A	5,000	∞	∞
Other contracted services	-	-	-	-	N/A	11,500	∞	∞
Office supplies	-	-	-	-	N/A	1,000	∞	∞
Training and Travel	-	-	-	-	N/A	24,000	∞	∞
Other miscellaneous	-	-	-	-	N/A	1,000	∞	∞
Total Ongoing Non-Personnel	-	-	-	-	N/A	42,500	∞	∞
Total Administrative Services Division	-	-	-	-	N/A	402,515	∞	∞

Administration

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Admin. Services - Information Technology								
Personnel								
Salaries & wages	89,788	93,445	93,578	(133)	0%	96,426	3%	3%
Employee benefits	44,591	51,119	57,769	(6,650)	-13%	44,727	-13%	-23%
Total Personnel	134,379	144,564	151,347	(6,783)	-5%	141,153	-2%	-7%
Ongoing Non-Personnel								
Professional services	28,475	40,000	40,000	-	0%	40,000	0%	0%
Other contracted services	5,246	-	-	-	N/A	-	N/A	N/A
Operational supplies	27,901	41,000	41,000	-	0%	46,000	12%	12%
Utilities	-	-	-	-	N/A	54,200	∞	∞
Computer Software Subscriptions	252,496	270,000	270,000	-	0%	320,000	19%	19%
Training and Travel	-	1,000	1,000	-	0%	1,000	0%	0%
Total Ongoing Non-Personnel	314,117	352,000	352,000	-	0%	461,200	31%	31%
One-Time Non-Personnel								
Operational supplies	-	-	-	-	N/A	18,000	∞	∞
Debt Service	-	-	-	-	N/A	14,450	∞	∞
Total One-Time Non-Personnel	-	-	-	-	N/A	32,450	∞	∞
Total Admin. Services - Information Technology Division	448,496	496,564	503,347	(6,783)	-1%	634,803	28%	26%

Communications and Public Affairs Division

Personnel								
Salaries & wages	-	84,619	110,906	(26,287)	-31%	140,606	66%	27%
Employee benefits	-	49,260	45,753	3,507	7%	54,641	11%	19%
Total Personnel	-	133,879	156,659	(22,780)	-17%	195,247	46%	25%
Ongoing Non-Personnel								
Professional services	-	-	-	-	N/A	9,300	∞	∞
Office supplies	-	-	1,300	(1,300)	∞	5,200	∞	300%
Operational supplies	-	-	1,600	(1,600)	∞	1,000	∞	-38%
Training and Travel	-	-	4,500	(4,500)	∞	4,474	∞	-1%
Other miscellaneous	-	30,000	76,500	(46,500)	-155%	37,000	23%	-52%
Total Ongoing Non-Personnel	-	30,000	83,900	(53,900)	-180%	56,974	90%	-32%
One-Time Non-Personnel								
Professional services	-	-	-	-	N/A	15,000	∞	∞
Total One-Time Non-Personnel	-	-	-	-	N/A	15,000	∞	∞
Total Communications and Public Affairs Division	-	163,879	240,559	(76,680)	-47%	267,221	63%	11%
Grand Total Administration	1,786,563	1,620,751	1,718,238	(97,487)	-6%	2,182,527	35%	27%

Department/Authorized Positions	2023-24	2024-25	2025-26	Change from 2024-25 to 2025-26
Administration				
Town Manager	1.00	1.00	1.00	-
Deputy Town Manager/Town Clerk	1.00	1.00	1.00	-
Administrative Services Director	-	1.00	1.00	-
Communications and Public Affairs Director	-	-	1.00	1.00
Procurement Manager	-	-	1.00	1.00
Deputy Town Clerk/HR Specialist	1.00	-	-	-
Executive Administrative Assistant	-	-	1.00	1.00
Information Technology Coordinator	1.00	1.00	1.00	-
Digital Communications Specialist	1.00	1.00	-	-1.00
Administrative Assistant	1.00	1.00	1.00	-
Total	6.00	6.00	8.00	2.00



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Development Services

Department Description

The Development Services Department houses two (2) divisions (Building Safety and Planning) which manages and supports the community, other departments and outside agencies with needs related to the overall development of the Town. Under the direction of the Development Services Director, the department also manages the volunteer-led Tourism Bureau office and tourism marketing related functions for the Town. The Department also manages the maintenance and improvements related to facilities including public trails, Desert Awareness Park, Town Hall and the Rodeo Grounds. The chief priority of the Department is to ensure that new development meets all Town-adopted Building & Fire Codes in keeping with the health, safety and welfare of the public as well as the Zoning Ordinance to guide, manage and regulate future growth.

Current Year Accomplishments

- Managed the rebuild of the Skybox at the Cave Creek Rodeo Grounds
- Scanned and archived all paper permits and plans
- Initiated digital plan reviews, permitting and inspection programs
- Completed and adopted the Town Core Plan
- Improved pathways within the Town Core including, but not limited to Buffalo Chip, the old Town Dump property and CC Building Supply
- Worked with landowner to increase parking inventory adjacent to Buffalo Chip
- Negotiated a new lease for tenant space to house the Tourism Bureau Office beginning in July 2025
- Worked with State Land Department to extend Development Agreements to 2039
- Facilitated the Morningstar Trail Ad Hoc committee to approve acceptance of a 1/4-mile long non-motorized trail easement
- Worked with the Town Engineer to develop and implement median enhancements
- Recognized 5 public parks and facilities as Cave Creek Local Landmarks
- FY to date have issued 228 permits totaling \$28,138,121 in valuation
- Prepared and published an interactive Town Zoning Map for use by the general public
- With the Deputy Town Manager, worked with an architect to design a Town Hall remodel and addition
- Negotiated purchase of an adjacent parcel, currently leased by the Town, in order to design an expansion of Town Hall
- Partnered with Cave Creek Rodeo Days to bring the Turquoise Circuit Finals Rodeo to Cave Creek

Goals and Strategies

STRATEGIC PLAN FOCUS AREA: Safe and Vibrant Community/Economic Vitality

GOALS WITHIN THE STRATEGIC PLAN FOCUS AREA:

Preserve, conserve and promote the historic and cultural identity/resources that reflect the values and traditions of the community/State Trust Land - Evaluate options for purchase

OBJECTIVE RELATED TO GOAL:

Extension of current agreements with the State Land Department to allow the Town the ability to plan for and budget the acquisition of Open Space Zone properties currently owned by the State Land Department.

STRATEGIC PLAN FOCUS AREA: Fiscal Sustainability

GOALS WITHIN THE STRATEGIC PLAN FOCUS AREA:

Implement fiscally sustainable initiatives that allow the Town to proactively plan for, recruit, grow and retain top human resources

OBJECTIVE RELATED TO GOAL:

Reduce staff turnover and increase employee training and education opportunities

STRATEGIC PLAN FOCUS AREA: Economic Vitality/Innovative and High Performing Organization

GOALS WITHIN THE STRATEGIC PLAN FOCUS AREA:

Ensure Town services are continually streamlined, efficient, customer focused and responsive to support appropriate residential and business growth, and long-term success of existing local businesses and residents. Create a professional, value-orientated, accountable, and responsive work environment with opportunities for mentoring, coaching, education, advancement, and job fulfillment

OBJECTIVE RELATED TO GOAL:

Examine additional opportunities to grow staff to meet the increase in permitting and comprehensive plan review needs

STRATEGIC PLAN FOCUS AREA: Safe and Vibrant Community

GOALS WITHIN THE STRATEGIC PLAN FOCUS AREA:

Support and create public/private partnerships with community organizations

OBJECTIVE RELATED TO GOAL:

Continue to work with various non-profit organizations to identify programs and funding opportunities that can be shared and implemented.

PERFORMANCE MEASUREMENTS	FY2025 ESTIMATES	FY2026 TARGETS
Average days for initial plan review for single family	EBL*	20
Average days for initial plan review for commercial	EBL*	30
Percentage of permits issued within two reviews	EBL*	80%
Percentage of second review cases that include new items (third review with new items also)	EBL*	10%
Percentage of pre-application conference reviews within 30 days	80%	90%
Percentage of Zoning Case applications to Planning Commission or public meeting within 100 days	80%	90%
Percentage of complaints (Building Code Enforcement) action initiated within 30 days	100%	100%
Percentage of complaints (Zoning Code Enforcement) action initiated within 30 days	100%	100%

*Establishing Base Line

Significant Changes

The Development Services Department is proposing additional staff to better support other departments and the general public with the processing of construction permits. Development Services is also proposing additional funding be allocated for staff training and education. Also proposed are overdue maintenance projects with Desert Awareness Park and security upgrades at Desert Awareness Park and the Rodeo Grounds. Marketing and Advertising funding is also proposed as the Town begins to market itself more on social media platforms.

Development Services

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Development Services								
Personnel								
Salaries & wages	827,138	853,831	798,431	55,400	6%	736,132	-14%	-8%
Employee benefits	342,655	402,349	399,060	3,289	1%	276,349	-31%	-31%
Total Personnel	1,169,793	1,256,180	1,197,491	58,689	5%	1,012,481	-19%	-15%
Ongoing Non-Personnel								
Professional services	138,399	85,000	85,000	-	0%	85,000	0%	0%
Other contracted services	86,909	68,000	65,000	3,000	4%	29,000	-57%	-55%
Operational supplies	48,202	30,000	40,000	(10,000)	-33%	12,000	-60%	-70%
Fuel and oil	11,497	14,000	12,000	2,000	14%	8,700	-38%	-28%
Utilities	38,402	35,000	35,000	-	0%	-	-100%	-100%
Computer Software Subscriptions	2,364	3,000	2,500	500	17%	-	-100%	-100%
Leases and Rentals	34,014	45,000	35,000	10,000	22%	-	-100%	-100%
Training and Travel	11,778	18,000	10,000	8,000	44%	18,000	0%	80%
Other miscellaneous	-	-	-	-	N/A	5,000	∞	∞
Total Ongoing Non-Personnel	371,566	298,000	284,500	13,500	5%	157,700	-47%	-45%
Total Development Services	1,541,359	1,554,180	1,481,991	72,189	5%	1,170,181	-25%	-21%

Development Services - Trails Division

Personnel								
Salaries & wages	-	-	-	-	N/A	33,261	∞	∞
Employee benefits	-	-	-	-	N/A	6,692	∞	∞
Total Personnel	-	-	-	-	N/A	39,953	∞	∞
Ongoing Non-Personnel								
Professional services	5,475	10,000	10,000	-	0%	10,000	0%	0%
Other contracted services	43,581	182,000	80,000	102,000	56%	182,000	0%	128%
Operational supplies	13,333	-	9,500	(9,500)	∞	-	N/A	-100%
Utilities	1,326	3,000	3,000	-	0%	3,000	0%	0%
Total Ongoing Non-Personnel	63,715	195,000	102,500	92,500	47%	195,000	0%	90%
Total Development Services - Trails Division	63,715	195,000	102,500	92,500	47%	234,953	20%	129%

Development Services - Rodeo Grounds Division

Ongoing Non-Personnel								
Professional services	-	5,000	5,000	5,000	∞	-	N/A	-100%
Other contracted services	17,915	7,000	17,000	(10,915)	-61%	-	-100%	-100%
Operational supplies	48,766	15,000	50,000	(33,766)	-69%	-	-100%	-100%
Utilities	12,447	5,000	15,000	(7,447)	-60%	-	-100%	-100%
Leases and Rentals	-	1,500	1,500	1,500	∞	-	N/A	-100%
Total Ongoing Non-Personnel	79,129	33,500	88,500	(55,000)	-164%	-	-100%	-100%
One-Time Non-Personnel								
Total Development Services - Rodeo Grounds Division	79,129	33,500	88,500	(55,000)	-164%	-	-100%	-100%

Development Services - Facilities Division

Personnel								
Salaries & wages	-	-	-	-	N/A	95,043	∞	∞
Employee benefits	-	-	-	-	N/A	58,240	∞	∞
Total Personnel	-	-	-	-	N/A	153,283	∞	∞
Ongoing Non-Personnel								
Other contracted services	-	-	-	-	N/A	64,000	∞	∞
Operational supplies	-	-	-	-	N/A	23,000	∞	∞
Fuel and oil	-	-	-	-	N/A	5,300	∞	∞
Utilities	-	-	-	-	N/A	35,000	∞	∞
Leases and Rentals	-	-	-	-	N/A	45,000	∞	∞
Total Ongoing Non-Personnel	-	-	-	-	N/A	172,300	∞	∞
One-Time Non-Personnel								
Operational supplies	-	-	-	-	N/A	25,000	∞	∞
Other contracted services	-	-	-	-	N/A	4,000	∞	∞
Capital Improvement projects	-	-	-	-	N/A	7,500	∞	∞
Total One-Time Non-Personnel	-	-	-	-	N/A	36,500	∞	∞
Total Development Services - Facilities Division	-	-	-	-	N/A	362,083	∞	∞

Development Services

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget	FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Rodeo Grounds Fund							
Personnel							
Salaries & wages	-	-	-	-	N/A	31,681	∞
Employee benefits	-	-	-	-	N/A	18,179	∞
Total Personnel	-	-	-	-	N/A	49,860	∞
Ongoing Non-Personnel							
Professional services	-	-	-	-	N/A	5,000	∞
Other contracted services	-	-	-	-	N/A	17,000	∞
Operational supplies	-	-	-	-	N/A	15,000	∞
Utilities	-	-	-	-	N/A	15,000	∞
Leases and Rentals	-	-	-	-	N/A	1,500	∞
Indirect cost allocations	-	-	-	-	N/A	22,973	∞
Total Ongoing Non-Personnel	-	-	-	-	N/A	76,473	∞
One-Time Non-Personnel							
Other contracted services	-	-	-	-	N/A	8,000	∞
Capital outlay	-	-	-	-	N/A	15,000	∞
Total One-Time Non-Personnel	-	-	-	-	N/A	23,000	∞
Total Rodeo Grounds Fund	-	-	-	-	N/A	149,333	∞
Spur Cross Ranch Conservation Fund							
Ongoing Non-Personnel							
Professional services	216,000	216,000	216,000	-	0%	-	-100%
Other contracted services	-	-	-	-	N/A	216,000	∞
Total Ongoing Non-Personnel	216,000	216,000	216,000	-	0%	216,000	0%
Total Spur Cross Ranch Conservation Fund	216,000	216,000	216,000	-	0%	216,000	0%
Grand Total Development Services	1,900,203	1,998,680	1,888,991	109,689	5%	2,132,550	7%

Department/Authorized Positions	2023-24	2024-25	2025-26	Change from 2024-25 to 2025-26
Development Services				
Development Services Director	1.00	1.00	1.00	-
Chief Building Official	-	-	1.00	1.00
Building and Fire Official	1.00	1.00	-	-1.00
Senior Planner	-	1.00	1.00	-
Planner	1.00	-	1.00	1.00
Planner and Trails Coordinator	1.00	-	-	-
Plans Examiner/Building Inspector	-	-	1.00	1.00
Associate Planner	1.00	1.00	-	-1.00
Building Inspector	1.00	1.00	1.00	-
Plans Examiner	1.00	1.00	-	-1.00
Planner Trainee	0.50	0.50	0.50	-
Trails Coordinator	-	0.50	0.50	-
Parks and Facilities Supervisor	-	-	1.00	1.00
Permit Technician	1.00	1.00	1.00	-
Facility Worker II	1.00	1.00	-	-1.00
Facility Worker I	1.00	1.00	1.00	-
Total	10.50	10.00	10.00	-



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Finance

Department Description

The Finance Department is responsible for all financial-related areas for the Town including financial reporting, debt management, treasury services, budget development and monitoring, payroll, accounts payable, utility billing, and cash receipting functions. The Department prepares the Annual Budget and Annual Comprehensive Financial Report (ACFR) and facilitates the completion of the annual audit. The priority of the Finance Department is to provide accurate and timely financial reporting and fiscal oversight to maintain financial viability.

Current Year Accomplishments

- Implemented new banking services, including a new online portal for accepting utility payments
- Revised financial policies, including policies regarding investments, fund balances, workers compensation for volunteers, and water service adjustments
- Coordinated with consultants and completed a user fee study for non-utility user fees and revised applicable Town Code sections
- Coordinated with consultants and updated the Town's long-range forecast model
- Coordinated with consultants and completed economic impact analyses for the Cave Creek Rodeo and Bike Week events
- Coordinated with consultants and completed economic impact analyses for the Cave Creek Rodeo and Bike Week events
- Revised budget process and reporting methodologies for the FY2026 budget
- Implemented presentation of quarterly financial and investment reports to the Town Council
- Revised Town Code sections related to cooperative purchasing and purchasing authority thresholds
- Received the GFOA Distinguished Budget Award for the FY2025 Budget
- Received the GFOA Certificate of Achievement Award for the FY2024 ACFR

Goals and Strategies

STRATEGIC PLAN FOCUS AREA: Fiscal Sustainability

GOALS WITHIN THE STRATEGIC PLAN FOCUS AREA:

- Demonstrate and provide fiscal responsibility through established financial policies, budgeting practices and financial standards.
- Implement and execute business processes and operational efficiencies to streamline the delivery of governmental services, including the identification of cost of services, cost recovery policies, and performance measurements.

- Implement innovative and integrated technology initiatives to support Town business processes and customer service.
- Create, pursue, and maintain collaborative partnerships to maximize Town resources and serve our residents.
- Enhance and protect existing revenue sources while continuously exploring new and diverse options to ensure the Town can adapt to changing economic conditions.

OBJECTIVE RELATED TO GOAL:

- Implement monthly financial reporting
- Evaluate expenditure limitation options
- Select and implement investment advisory services
- Evaluate budgeting software options
- Implement features not currently utilized in the accounting software
- Evaluate a possible life-line program for utility customers
- Transition business licensing and short-term rental licensing functions to the Finance Department
- Continue to develop and revise financial policies

PERFORMANCE MEASUREMENTS	FY2025 ESTIMATES	FY2026 TARGETS
GFOA Certificate of Achievement for Excellence in Financial Reporting Award	Yes	Yes
GFOA Budget Presentation Award	Yes	Yes
Percentage of A/P invoices processed within 30 days	98%	100%
Percentage of delinquent utility accounts over 60 days	6%	6%
Rate of Return on investments compared to average annual yield on a 3-year Treasury note	+/- 0.5%	+/- 0.5%

Significant Changes

Staff turnover.

Finance

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Personnel								
Salaries & wages	454,979	380,840	380,840	-	0%	563,568	48%	48%
Employee benefits	163,930	178,973	149,714	29,259	16%	211,814	18%	41%
Total Personnel	618,909	559,813	530,554	29,259	5%	775,382	39%	46%
Ongoing Non-Personnel								
Professional services	134,431	90,000	146,863	(56,863)	-63%	90,000	0%	-39%
Other contracted services	9,013	18,100	20,865	(2,765)	-15%	85,015	370%	307%
Office supplies	-	450	450	-	0%	2,000	344%	344%
Operational supplies	1,292	2,000	2,000	-	0%	-	-100%	-100%
Training and Travel	2,030	15,000	15,000	-	0%	15,000	0%	0%
Other miscellaneous	231	-	2,000	(2,000)	∞	2,000	∞	0%
Total Ongoing Non-Personnel	146,998	125,550	187,178	(61,628)	-49%	194,015	55%	4%
Total Finance	765,907	685,363	717,732	(32,369)	-5%	969,397	41%	35%

Department/Authorized Positions	2023-24	2024-25	2025-26	Change from 2024-25 to 2025-26
Finance				
Finance Director	1.00	1.00	1.00	-
Accounting Manager	1.00	1.00	1.00	-
Special Projects Manager	1.00	-	-	-
Management Analyst	-	1.00	-	-1.00
Accountant II	-	-	1.00	1.00
Accountant I	1.00	1.00	-	-1.00
Accounting Specialist Lead	-	-	1.00	1.00
Utility Billing Specialist Lead	1.00	1.00	-	-1.00
Accounting Specialist	-	-	1.00	1.00
Utility Billing Specialist	1.00	1.00	-	-1.00
Total	6.00	6.00	5.00	-1.00



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Fire Protection and Emergency Services

Department Description

The Fire and Emergency Medical Services Division is responsible for the development of the prevention, preparation, delivery, and recovery strategies that support the operation of an "All Hazard" emergency response system. The top priority of this Division is to locally provide a high level of community emergency services to help protect and serve the residents, visitors, and businesses of Cave Creek.

Current Year Accomplishments

- Completion of the Town's new Fire Station. This Fire Station provides a new state-of-the-art facility that can safely and properly house the Town's emergency response crews and emergency equipment.
- Took delivery of the Town's new E/One Fire Engine. This vehicle has a 1500 gallon per minute pump, along with the ability to properly carry the needed emergency equipment.
- Identified and was able to obtain a new FOUTS 3,000 gallon water tender. This vehicle can support emergency fire operations on wildland fire incidents and in areas of the town without fire hydrants.
- Maintained the Town's status as a member of the Regional Emergency Dispatch and Response System.
- Provided Quarterly Town and Daisy Mountain Fire reports and updates that allows the Council and Residents to follow the activities and accomplishments of the Town's local fire services.

Goals and Strategies

STRATEGIC PLAN FOCUS AREA: Safe and Vibrant Community, Innovative and High Performing Organization, Community Culture

GOALS WITHIN THE STRATEGIC PLAN FOCUS AREA:

Community awareness, engagement, and providing critical emergency services. Evaluate & Update the Community Wildland plan and continue to implement best practices for improving fire preparedness. Evaluate TOCC Water System capabilities to identify potential extra resources/equipment for fire needs. Per the IGA with DMFD, help to fund the operational and equipment needs for the new DMFD Fire Station at 24th & Cloud. These new resources will result in improvements to the emergency services for the Westside of Cave Creek.

OBJECTIVE RELATED TO GOAL:

Use outreach programs that will educate & inform the Town on needed safety measures - Opioids, Code Red, & Def. Space. Work with local partners to improve safety levels in Town - Regional resp, water infrastructure & Bldg Safety.

PERFORMANCE MEASUREMENTS	FY2025 ESTIMATES	FY2026 TARGETS
Fire - Safe and Vibrant Community Track and Evaluate the impact of all Town Brush Fires that Occur Number, Size/Acreage, Structures Impacted or Saved and Citations Issued	95%	90%
PERFORMANCE MEASUREMENTS	FY2025 ESTIMATES	FY2026 TARGETS
Fire - Safe and Vibrant Community Record the number, type and scope of all major structural fires and impact on the Town Percentage of structure fires contained to the building of origin	100%	90%
PERFORMANCE MEASUREMENTS	FY2025 ESTIMATES	FY2026 TARGETS
Fire - Safe and Vibrant Community Electronically track and evaluate the treatment of Stroke, STEMI and Heart Patients for compliance with AHA/DHS Standards of Care Annual target of 75% for required treatment measures (as confirmed and evaluated by AHA)	75%	75%

Significant Changes

Per the IGA with Daisy Mountain Fire District, a new fire station is being designed and placed into service during Budget Year 25/26. The Station will be located at Cloud & 24th Street and is expected to be open Dec 2025. DMFD will be responsible for the const. and the Town will split the operating and start-up costs. This action will bring additional & improved emergency services to the Town residents on our western border.

Continue to work with and monitor the progress of the significant improvements to the TOCC Water System. To include master planning, interconnect progress, storage/pumping capabilities and new hydrant installations.

Fire & Emergency Protection Services

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Fire & Emergency Protection - Administration								
Personnel								
Salaries & wages	123,358	128,028	134,752	(6,724)	-5%	144,026	12%	7%
Employee benefits	29,413	28,909	32,511	(3,602)	-12%	31,020	7%	-5%
Total Personnel	152,771	156,937	167,263	(10,326)	-7%	175,046	12%	5%
Ongoing Non-Personnel								
Professional services	2,550,909	2,728,362	2,698,362	30,000	1%	-	-100%	-100%
Other contracted services	19,824	6,000	5,500	500	8%	-	-100%	-100%
Operational supplies	16,742	133,000	117,500	15,500	12%	1,000	-99%	-99%
Fuel and oil	2,598	20,000	2,000	18,000	90%	2,000	-90%	0%
Utilities	17,687	17,900	32,240	(14,340)	-80%	-	-100%	-100%
Training and Travel	-	1,000	1,443	(443)	-44%	1,000	0%	-31%
Other miscellaneous	75	1,000	75	925	93%	1,000	0%	1233%
Total Ongoing Non-Personnel	2,607,836	2,907,262	2,857,120	50,142	2%	5,000	-100%	-100%
Total Fire & Emergency Protection -Admin	2,760,607	3,064,199	3,024,383	39,816	1%	180,046	-94%	-94%
Fire and Emergency Station #1								
Ongoing Non-Personnel								
Professional services	-	-	-	-	N/A	2,693,262	∞	∞
Other contracted services	-	-	-	-	N/A	6,000	∞	∞
Operational supplies	-	-	-	-	N/A	232,000	∞	∞
Fuel and oil	-	-	-	-	N/A	26,000	∞	∞
Utilities	-	-	-	-	N/A	55,000	∞	∞
Total Ongoing Non-Personnel	-	-	-	-	N/A	3,012,262	∞	∞
Total Fire and Emergency Station #1	-	-	-	-	N/A	3,012,262	∞	∞
Fire & Emergency Regional Station #144								
Ongoing Non-Personnel								
Professional services	-	-	-	-	N/A	1,373,769	∞	∞
Operational supplies	-	-	-	-	N/A	100,000	∞	∞
Total Ongoing Non-Personnel	-	-	-	-	N/A	1,473,769	∞	∞
One-Time Non-Personnel								
Professional services	-	-	-	-	N/A	543,249	∞	∞
Operational supplies	-	-	-	-	N/A	238,000	∞	∞
Total One-Time Non-Personnel	-	-	-	-	N/A	781,249	∞	∞
Total Fire & Emergency Regional Station #144	-	-	-	-	N/A	2,255,018	∞	∞
Grand Total Fire & Emergency Protection Services	2,763,579	3,105,148	3,045,732	59,416	2%	5,494,311	77%	80%

Department/Authorized Positions	2023-24	2024-25	2025-26	Change from 2024-25 to 2025-26
Fire and Emergency Medical Protection				
Community Risk Reduction Director	1.00	1.00	1.00	-
Total	1.00	1.00	1.00	-



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General Government

Department Description

General Government was established as an accounting unit in order to capture the various “non-departmental” and other centralized expenses providing support to the general operation of the Town. It is not a department, but rather an account that supports contingencies not associated with other departments and general Council needs. These include service contracts with townwide memberships, townwide liability and other insurances.

General Government

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Personnel								
Salaries & wages	-	69,149	69,149	-	0%	69,149	0%	0%
Total Personnel	-	69,149	69,149	-	0%	69,149	0%	0%
Ongoing Non-Personnel								
Professional services	-	-	-	-	N/A	60,000	∞	∞
Other contracted services	-	30,000	30,000	-	0%	41,200	37%	37%
Office supplies	-	-	-	-	N/A	18,800	∞	∞
Leases and Rentals	-	-	-	-	N/A	1,200	∞	∞
Property and general liability insurance	-	148,500	148,500	-	0%	148,500	0%	0%
Volunteer and employee appreciation	-	17,500	17,500	-	0%	17,500	0%	0%
Community grants	-	40,000	40,000	-	0%	40,000	0%	0%
Other miscellaneous	-	19,500	16,481	3,019	15%	19,500	0%	18%
Total Ongoing Non-Personnel	-	255,500	252,481	3,019	1%	346,700	36%	37%
One-Time Non-Personnel								
Other contracted services	-	-	-	-	N/A	25,000	∞	∞
Total One-Time Non-Personnel	-	-	-	-	N/A	25,000	∞	∞
Total General Government	-	324,649	321,630	3,019	1%	440,849	36%	37%
Grand Total General Government	-	324,649	321,630	3,019	1%	440,849	36%	37%



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Law Enforcement

Department Description

The Marshal's Office provides Law Enforcement to the residents and visitors to the Town of Cave Creek. The Marshal oversees the MCSO Law Enforcement Contract and ensures the town's goals and priorities are addressed appropriately through effective law enforcement. The Marshal specializes in the enforcement of the Cave Creek Town Code and Zoning Ordinance as well as enforcement of Arizona Revised Statutes. The Marshal is the Town of Cave Creek's Emergency Manager.

Current Year Accomplishments

- Updates to the 2024 Cave Creek Flood Response Plan.
- Successful Management of the Town's Annual Bike Week event, resulting in no serious injuries to any participants and visitors. No Arrests.
- Successful Management of the Town's annual Rodeo Day's Parade, resulting in no arrests and no injuries. Roadway was re-opened in a record best for Marshal Stein after the parade completion.
- Successfully provided Law Enforcement Services at the annual rodeo. No arrests, no injuries.
- Completed over 150 investigations and Background Checks.
- Helped Locate a Missing Elderly resident.
- Initiated over (85) traffic stops resulting in (57) citations issued.
- Fingerprinted over 220 residents for background investigations.

Goals and Strategies

To reduce crime and traffic violations within the Town of Cave Creek. To reduce traffic collisions within the Town Core. To safely and effectively manage high profile special events within the Town of Cave Creek that bring economic benefits and vitality to our community.

STRATEGIC PLAN FOCUS AREA: Safe and Vibrant Community

GOALS WITHIN THE STRATEGIC PLAN FOCUS AREA: Promote Public Safety and help bring economic opportunities via successful management of public safety at town events.

OBJECTIVE RELATED TO GOAL: Reduce Traffic Collisions throughout Town Core.
Increase pedestrian safety while walking within Town Core.
Short Term Rental Complaint Resolution within (24) Hours.

PERFORMANCE MEASUREMENTS	FY2025 ESTIMATES	FY2026 TARGETS
Short Term Rental Complaint Resolution within (24) hours	100%	100%
Number of Traffic (speed) related citations issued (current trend estimates)	55% increase	45%
Number of Pedestrian and Cyclist vehicle accidents	25% increase	25%
Violent Crime Clearance Rates	Pending	

Significant Changes

Increased focus on traffic infractions within the town core to decrease collisions.

Law Enforcement

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Personnel								
Salaries & wages	134,316	135,350	135,543	(193)	0%	144,872	7%	7%
Employee benefits	44,448	109,550	111,486	(1,936)	-2%	115,009	5%	3%
Total Personnel	178,763	244,900	247,029	(2,129)	-1%	259,881	6%	5%
Ongoing Non-Personnel								
Professional services	1,047,054	1,052,185	1,052,185	-	0%	993,185	-6%	-6%
Other contracted services	751	33,500	33,500	-	0%	72,500	116%	116%
Operational supplies	6,334	29,000	29,000	-	0%	53,000	83%	83%
Fuel and oil	6,575	11,000	11,000	-	0%	11,000	0%	0%
Computer Software Subscriptions	26,041	43,000	43,000	-	0%	43,000	0%	0%
Training and Travel	1,816	2,000	2,000	-	0%	2,000	0%	0%
Other miscellaneous	-	1,000	1,000	-	0%	1,000	0%	0%
Total Ongoing Non-Personnel	1,088,571	1,171,685	1,171,685	-	0%	1,175,685	0%	0%
One-Time Non-Personnel								
Capital outlay	-	-	-	-	N/A	23,000	∞	∞
Total One-Time Non-Personnel	-	-	-	-	N/A	23,000	∞	∞
Total Law Enforcement	1,267,335	1,416,585	1,418,714	(2,129)	0%	1,458,566	3%	3%
Grand Total Law Enforcement	1,267,335	1,416,585	1,418,714	(2,129)	0%	1,458,566	3%	3%

Department/Authorized Positions	2023-24	2024-25	2025-26	Change from 2024-25 to 2025-26
Law Enforcement				
Town Marshal	1.00	1.00	1.00	-
Total	1.00	1.00	1.00	-



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Legal Services

Department Description

The Town Attorney's firm is responsible for representing and advising on all legal matters. This includes representation of the Mayor and Council, consulting with the Town Manager and Department Directors, furnishing oral and written legal opinions on legal matters. The Town Attorney is appointed by and reports directly to the Town Council. The Town Attorney is to represent and advise the Town of Cave Creek on all legal matters in a timely and proactive manner in order for the Town to operate in the best interests of its residents.

Current Year Accomplishments

Worked with Town Manager, Department Directors, and Town Council on the Drought Management Plan, Emergency Operations Plan and a variety of water service-related concerns as we received applications for water service, so we maintain compliance with the Town's Water Policy. They also reviewed and provided legal advice on Town Code and Zoning Ordinance changes and land use cases that came before the Planning Commission and the Town Council.

Goals and Strategies

STRATEGIC PLAN FOCUS AREA: Safe and Vibrant Community

GOALS WITHIN THE STRATEGIC PLAN AREA:

Provide regular communication and sound legal advice to the Town Council pertaining to active litigation cases.

OBJECTIVE RELATED TO GOAL:

Work with the Town Manager, Development Services Director, and Planning Commissions to bring forth updated zoning code regulations for adoption as determined by the Town Council.

Work with the Town Manager and Department Directors to review and recommend updates to the Town Code to the Mayor and Town Council.

Obtain the most favorable judgments in civil cases filed against the Town or on behalf of the Town.

Significant Changes

None

Legal Services

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Ongoing Non-Personnel								
Professional services	91,407	200,000	121,200	78,800	39%	200,000	0%	65%
Total Ongoing Non-Personnel	91,407	200,000	121,200	78,800	39%	200,000	0%	65%
One-Time Non-Personnel								
Settlements	-	150,000	-	150,000	100%	150,000	0%	∞
Total One-Time Non-Personnel	-	150,000	-	150,000	100%	150,000	0%	∞
Total Legal Services	91,407	350,000	121,200	228,800	65%	350,000	0%	189%



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Magistrate Court

Department Description

The Cave Creek-Carefree Municipal Court is a joint court through an Intergovernmental Agreement that is funded by both the respective Towns. This departmental budget represents the amounts agreed upon as the Town of Cave Creek's share of the joint courts annual operating expenses.

The joint court is a part of Arizona's integrated judicial department, and as such has the same rights, duties, and responsibilities to operate and administer justice in a fair and impartial manner by Rule of Law, Equal Protection and Due Process as do all other trial courts in Arizona. Although funded by the Towns it is protected from unwarranted interference from the executive and legislative branches of Town government by the separation of powers doctrine contained in the Constitution of the State of Arizona. The Cave Creek-Carefree Municipal Court exists to maintain the integrity and the independence of the court to enable justice, guarantee liberty, and enhance social order. The Court Administrator is certified by the Arizona Supreme Court as a Civil Traffic Hearing Judge. The Presiding Magistrate is appointed by the Carefree Town Council.

Current Year Accomplishments

Record and process all criminal misdemeanors, criminal traffic, civil traffic violations, and Town Code violations within both Towns.

Significant Changes

None

Magistrate Court

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Ongoing Non-Personnel								
Professional services	192,639	200,350	200,346	4	0%	208,360	4%	4%
Other contracted services	1,306	2,200	4,400	(2,200)	-100%	2,200	0%	-50%
Utilities	1,110	1,200	1,840	(640)	-53%	1,200	0%	-35%
Total Ongoing Non-Personnel	195,055	203,750	206,586	(2,836)	-1%	211,760	4%	3%
Total Magistrate Court	195,055	203,750	206,586	(2,836)	-1%	211,760	4%	3%



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Public Works

Department Description

The Public Works Department is comprised of four divisions Engineering, Roads, Streets (New FY2026) and Fleet. The Engineering division provides review for commercial development, inspections and project management. The Roads division maintains the Town's roadways and right of ways and drainage facilities, The Streets division conducts repairs and budgeted roadway improvements. The Fleet department acquires and maintains vehicles and equipment necessary to achieve the Town's business. The priority of the Public Works department is to provide compliance and oversight for development projects in the Town and well-maintained roads and right of ways for the safety of the community.

Current Year Accomplishments

- In FY 2025 the Town's Public Works Department had many accomplishments. They included: The Drainage and Road Improvements for Tally Ho and Tandem; Mill and Pave of northbound Cave Creek Road south of Carefree Highway; 13 roadway segments of existing chip sealed roadways that were resurfaced, and repaving of 32nd Street, the Cloud Road intersection, School House Road south of Cave Creek Road; and roads within Red Dog Ranch.
- The Public Works Department also installed three lighted pedestrian crossings in the Town Core complete with Rectangular Rapid Flashing Beacons. This included an updated crossing between Harolds and the Roadhouse on the east end of town, a new crosswalk between Kiwanis and Dairy Queen, and a relocation of the crosswalk at Hidden Valley Drive. The crosswalk installations included handicap ramps that meet ADA requirements.
- The Public Works Department worked with the Town's Development Services Department to perform median enhancements throughout the Town Core. The work included the transplanting of approximately 200 desert plants (including Saguaros), scarifying of the median areas, addition of native rock, addition of 15 trees, and hydro-seeding of the medians with native desert seed materials.
- The Town received bids and awarded the tenant improvement of the new Public Works and Utility shell space at the Town's Water Ranch. The Town's space is part of the Foothills Foodbank building constructed on a leased portion of the Town' property. The Tow's Utility and Public Works staffs are expected to move out of the existing trailer and into the new space in the fall of 2025.
- The Town of Cave Creek applied for a Federal grant from the Maricopa Association of Government for the paving of unpaved roads. The grant was applied for the paving / chip sealing of Morningstar Road, 54th Street, and Spur Cross Road from the end of the existing pavement near Honda Bow Road to the Town's parking lot at the Spur Cross Recreation area. The grant request was for \$1.41 million with an estimated \$1.32 being supplied by the grant and \$90,000 being the responsibility of the Town. The Town would also be responsible for administrative fees of approximately \$30,000 with ADOT to administer the grant. We were

notified on March 4, 2025, that we had been selected to receive full funding for our grant based upon our application.

- The Town also awarded a study to IMS Infrastructure Management to update the Town's Pavement Management Plan. The last update to the plan was in August 2020. The plan serves as a basis to determine which roads are prioritized for maintenance / reconstruction during a five year period.

Goals and Strategies

The Public Works Department falls under three of the Strategic Plan groups, Safe and Vibrant Community, Fiscal Sustainability, and Infrastructure.

STRATEGIC PLAN FOCUS AREA: Safe and Vibrant Community - The strategic Plan focus of Safe and Vibrant Community is addressed through our Pedestrian Safety.

Fiscal Sustainability - The Fiscal Sustainability focus is based upon the Capital Improvement Program (CIP) and evaluating the percentage of projects completed on time and within the contracted amount. The goal for this focus area is to be as close to 100 percent as possible.

Infrastructure - This focus area is related to our improvements to our roads and medians. This area will be impacted by the grant received from MAG and the federal government that will allow us to place a hard surface on approximately 2.5 miles of unpaved roadway. We will also be performing work identified on our 2020 Pavement management plan to improve the quality of the roads used by our residents.

GOALS WITHIN THE STRATEGIC PLAN FOCUS AREA:

Achieve measurable improvement to the overall inventory of Cave Creek's roads. Measurements performed using Pavement Condition Index (PCI). Goal of overall Pavement condition to be 71 or better with Backlog (Roads at less than PCI =40) at less than 10 percent.

OBJECTIVE RELATED TO GOAL:

Pavement maintenance projects necessary to preserve or repair the Town's streets and roadways

PERFORMANCE MEASUREMENTS	FY2025 ESTIMATES	FY2026 TARGETS
Pavement Condition to be a PCI of 71 or better	66 (2020)	71
Backlog (PCI less than 40) to be at 10 percent or less	6% (2020)	6%
FLEET - Prepare annual operating costs per vehicle.	Varies	Information
CIP - Percentage of projects completed on time and within contracted amount	100%	100%

Significant Changes

The largest significant change in FY 2026 will be the creation of the Streets Division. In the past the Roadway projects were divided into HURF funded projects and projects paid for by the General Fund (ROADS). The Streets Division will take over the maintenance and roadway projects of the Town. The Streets Division will combine the designated HURF funded projects with those funded by the General Fund into one division dedicated to the maintenance of our streets.

A new pavement management study is underway. The Town will also obtain software related to the New Pavement management Study that will allow us to update the PCI index of the roads based upon time and improvements conducted. The software will allow for analysis of the progress to the Strategic Plan Focus areas, as projects are considered or performed.

Public Works

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
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Public Works - Engineering

Personnel									
Salaries & wages	106,882	130,694	125,538	5,156	4%	137,507	5%	10%	
Employee benefits	43,829	53,806	53,126	680	1%	44,909	-17%	-15%	
Total Personnel	150,710	184,500	178,664	5,836	3%	182,416	-1%	2%	
Ongoing Non-Personnel									
Professional services	-	50,000	-	50,000	100%	50,000	0%	∞	
Other contracted services	14	-	-	-	N/A	-	N/A	N/A	
Operational supplies	449	300	300	-	0%	300	0%	0%	
Fuel and oil	775	1,000	550	450	45%	900	-10%	64%	
Computer Software Subscriptions	-	200	301	(101)	-51%	-	-100%	-100%	
Training and Travel	356	500	500	-	0%	500	0%	0%	
Other miscellaneous	-	-	-	-	N/A	300	∞	∞	
Total Ongoing Non-Personnel	1,593	52,000	1,651	50,349	97%	52,000	0%	3050%	
Total Public Works - Engineering	152,303	236,500	180,315	56,185	24%	234,416	-1%	30%	

Public Works - Roads

Personnel									
Salaries & wages	378,640	415,841	410,801	5,040	1%	288,338	-31%	-30%	
Employee benefits	218,846	249,315	277,030	(27,715)	-11%	134,190	-46%	-52%	
Total Personnel	597,486	665,156	687,831	22,675	3%	422,528	-36%	-39%	
Ongoing Non-Personnel									
Professional services	40,105	10,000	10,000	-	0%	20,000	100%	100%	
Other contracted services	256,014	260,000	260,000	-	0%	57,000	-78%	-78%	
Operational supplies	165,873	130,000	60,000	70,000	54%	-	-100%	-100%	
Fuel and oil	37,125	46,000	46,000	-	0%	2,000	-96%	-96%	
Utilities	38,402	42,000	42,000	-	0%	42,000	0%	0%	
Leases and Rentals	22,429	25,000	25,000	-	0%	-	-100%	-100%	
Training and Travel	4,362	5,000	5,000	-	0%	6,000	20%	20%	
Total Ongoing Non-Personnel	564,311	518,000	448,000	70,000	14%	127,000	-75%	-72%	
Total Public Works - Roads	1,161,797	1,183,156	1,135,831	47,325	4%	549,528	-54%	-52%	

Public Works - Fleet

Ongoing Non-Personnel									
Other contracted services	-	47,000	80,000	47,000	∞	80,000	∞	70%	
Operational supplies	-	15,000	10,000	15,000	∞	5,500	∞	-63%	
Total Ongoing Non-Personnel	-	62,000	90,000	(28,000)	-45%	85,500	38%	-5%	
One-Time Non-Personnel									
Capital outlay	-	-	-	-	N/A	80,000	∞	∞	
Total One-Time Non-Personnel	-	-	-	-	N/A	80,000	∞	∞	
Total Public Works - Fleet	-	62,000	90,000	(28,000)	-45%	165,500	167%	84%	

Public Works

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget	FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Streets Fund							
Personnel							
Salaries & wages	-	-	-	-	N/A	162,686	∞
Employee benefits	-	-	-	-	N/A	116,572	∞
Total Personnel	-	-	-	-	N/A	279,258	∞
Ongoing Non-Personnel							
Other contracted services	-	-	-	-	N/A	2,052,000	∞
Operational supplies	-	-	-	-	N/A	130,000	∞
Fuel and oil	-	-	-	-	N/A	46,000	∞
Leases and Rentals	-	-	-	-	N/A	25,000	∞
Total Ongoing Non-Personnel	-	-	-	-	N/A	2,398,000	∞
One-Time Non-Personnel							
Other contracted services	-	-	-	-	N/A	1,444,000	∞
Total One-Time Non-Personnel	-	-	-	-	N/A	1,444,000	∞
Total Streets Fund	-	-	-	-	N/A	4,121,258	∞
Grand Total Public Works	1,314,100	1,481,656	1,406,146	75,510	5%	5,070,702	242%

Department/Authorized Positions	2023-24	2024-25	2025-26	Change from 2024-25 to 2025-26
Public Works				
Public Works Director/Town Engineer	1.00	1.00	1.00	-
Deputy Public Works Director	1.00	1.00	1.00	-
Civil Engineer/Project Manager	0.20	-	-	-
Utility Assistant and Compliance Coordinator	0.10	0.10	0.10	-
Public Works Worker II	2.00	2.00	2.00	-
Public Works Worker I	3.00	3.00	3.00	-
Total	7.30	7.10	7.10	-



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Special Events

Department Description

The Special Events Department is under the oversight of the Town Marshal. The department is responsible to account for special events that the Town of Cave Creek conducts or supports. Special events create opportunities for community building, activities for residents and promotion of the Town.

Current Year Accomplishments

- Provided Law Enforcement and Traffic Barricades for the annual Cave Creek Rodeo Day's Parade.
- Provided Law Enforcement and traffic control throughout the Cave Creek Rodeo.
- Special Events included a Rodeo Parade and Rodeo as well as Bike Week and has helped support the Dark Sky initiative.

Goals and Strategies

STRATEGIC PLAN FOCUS AREA: Economic Vitality- Targeting economic development that encourages recreation & tourism and increases the town's supported parade and rodeo events.

GOALS WITHIN THE STRATEGIC PLAN FOCUS AREA:

Provide for a Safe and Vibrant Community by effectively managing public safety and traffic control at town sponsored special events.

OBJECTIVE RELATED TO GOAL:

To help support safe and vibrant events that benefit our residents and businesses. Support Cave Creek Rodeo Day's Parade and Cave Creek Rodeo Days.

PERFORMANCE MEASUREMENTS	FY2025 ESTIMATES	FY2026 TARGETS
Decreased overall Law Enforcement Costs for FY2025 Rodeo Days	30%	3%
Increase operational efficiencies by safely expediting traffic egress after rodeo completion.	30 MINUTES	25 MINUTES

Significant Changes

None

Special Events

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget	FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
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Special Events

Ongoing Non-Personnel

Other contracted services	582	1,000	1,000	-	0%	71,500	7050%	7050%
Total Ongoing Non-Personnel	582	1,000	1,000	-	0%	71,500	7050%	7050%
Total Special Events	582	1,000	1,000	-	0%	71,500	7050%	7050%

Special Events - Parades

Ongoing Non-Personnel

Other contracted services	12,686	49,000	49,000	-	0%	-	-100%	-100%
Total Ongoing Non-Personnel	12,686	49,000	49,000	-	0%	-	-100%	-100%
Total Special Events - Parades	12,686	49,000	49,000	-	0%	-	-100%	-100%

Special Events - Rodeo

Ongoing Non-Personnel

Other contracted services	6,244	21,500	17,500	15,256	244%	-	-100%	-100%
Total Ongoing Non-Personnel	6,244	21,500	17,500	4,000	19%	-	-100%	-100%
Total Special Events - Rodeo	6,244	21,500	17,500	4,000	19%	-	-100%	-100%
Grand Total Special Events	19,512	71,500	67,500	4,000	6%	71,500	0%	6%



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Tourism Bureau

Department Description

The Tourism Bureau is moving to a new location within the Town Core along Cave Creek Road frontage just west of the Dairy Queen restaurant. The Tourism Bureau is staffed by volunteers managed by a Tourism Bureau Coordinator who is also unpaid. The Tourism Bureau promotes the Town of Cave Creek to visitors as well as through the Town's website and a monthly e-newsletter. Bi-annually the Tourism Bureau hosts valley concierge professionals for a tour of the Town. The Town budgets and pays for the Concierge Tour as well as an annual training and season kick off dinner for the volunteers. Also, under this department budget the Town includes print and electronic media advertising publication fees.

Current Year Accomplishments

- Secured a lease with a new landlord in a new, more prominent location.
- Hosted the second Concierge Tour
- Met with various advertisers to discuss options and opportunities for additional advertising streams

Goals and Strategies

ECONOMIC VITALITY: Target economic development pursuits that encourage recreation, tourism, build demand for supporting existing business and/or generate additional revenues.

Nurture and Support existing businesses and entrepreneurial efforts in the Town.

Tourism Bureau

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Personnel								
Employee benefits	-	-	-	-	N/A	1,038	∞	∞
Total Personnel	-	-	-	-	N/A	1,038	∞	∞
Ongoing Non-Personnel								
Other contracted services	525	-	1,000	(1,000)	∞	1,000	∞	0%
Leases and Rentals	-	-	-	-	N/A	24,000	∞	∞
Other miscellaneous	26,095	-	25,000	(25,000)	∞	25,000	∞	0%
Total Ongoing Non-Personnel	26,620	-	26,000	(26,000)	∞	50,000	∞	92%
Total Tourism Bureau	26,620	-	26,000	(26,000)	∞	51,038	∞	96%



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Cave Creek Water

Department Description

The Cave Creek Water Enterprise Fund is responsible for operating the CAP pipeline, water treatment plant, reservoir/booster sites and distribution system. Ensures compliance with all Federal, State and local regulations. Allows for the repair and maintenance of the treatment sites and the distribution system.

Current Year Accomplishments

- Installed new 6" water line and fire hydrant on Tandem Rd to replace the existing sub-standard 2" water line.
- Completed the water meter replacement project to replace aged water meters and upgrade the system to an Neptune AMI metering system. The project will greatly aid the Town's water conservation efforts. The project was partially funded by a federal WaterSMART Grant.
- Continued work on the Phoenix Interconnect Project. The project is within budget and on schedule to be completed by Summer 2026.
- Staff closed a gap in the water system at 52nd Street and Cloud Rd to improve system control and reduce customer disruptions during main line breaks in the area.
- Rehabilitated and tested 3 of the Town's existing wells to evaluate and determine viability as additional potable water sources to supplement the CAP allotment.
- Completed Integrated Utility Master Plan which identified system deficiencies, future improvements, and how to address future water resource shortages.
- Completed safety and operational improvements to the Water Treatment Plant for continued compliance and treatment enhancements.
- Completed initial lead service line inventory to identify any lead service lines in the system and meet EPA compliance.

Goals and Strategies

STRATEGIC PLAN FOCUS AREA: Provide safe, dependable, high quality, and cost effective water services through the securing of new water resources and water conservation.

GOALS WITHIN THE STRATEGIC PLAN FOCUS AREA:

Identify viable options for securing new water resources to the Town.

Improve water conservation through improved water metering/monitoring and customer outreach.

OBJECTIVE RELATED TO GOAL:

Evaluate and begin implementing treatment options for Town owned wells for potable water use. Implement and roll out new Neptune My360 customer portal.

PERFORMANCE MEASUREMENTS	FY2025 ESTIMATES	FY2026 TARGETS
Cost of water production and deliver (less capital repairs or upgrades) <i>Annual expenditures per 1,000 gallons treated (without CAP Water Cost)</i>	\$258	\$258
Average Water consumption per account <i>Residential Accounts (average gallons per account) (FY26 est. of 5% reduction)</i>	124,786	118,547
<i>Non-Residential Accounts (average gallons per account) (FY26 est. of 5% reduction)</i>	321,941	305,844
<i>Identify Water Loss (Water Production vs. Non-Revenue Water)</i>	13%	10%
Ensure compliance with water regulations	100%	100%
Percentage of Capital projects completed on time and within contract amount	75%	100%
Key Department Performance Indicators		
Respond to after-hours emergency requests within 2 hours	100%	100%
Respond to customer service requests within 1 business day	100%	100%
Average time to address unplanned water service disruptions	3.8 hrs.	< 4 hrs.
Inspect each fire hydrant annually	100%	100%

Significant Changes

Started to develop short and long-term water resource solutions to help address the expected reduction in Colorado River water rights expected to start in 2027.

Cave Creek Water System

	FY2024	FY2025	FY2025	FY2025 Est.		FY2026	FY2026	FY2026
	Actuals	Revised Budget	Est. Actuals	over/(under) budget		Adopted Budget	Inc. over FY2025 Budget	Inc. over FY2025 Est.
Personnel								
Salaries & wages	870,898	932,216	850,724	81,492	9%	1,012,091	9%	19%
Employee benefits	373,425	442,082	455,030	(12,948)	-3%	438,514	-1%	-4%
Total Personnel	1,244,323	1,374,298	1,305,754	68,544	5%	1,450,605	6%	11%
Ongoing Non-Personnel								
Professional services	285,969	120,000	130,000	(10,000)	-8%	155,000	29%	19%
Other contracted services	305,900	235,500	240,500	(5,000)	-2%	235,500	0%	-2%
Office supplies	17,418	20,000	18,000	2,000	10%	20,000	0%	11%
Operational supplies	515,957	570,000	570,000	-	0%	570,000	0%	0%
Purchased water	714,194	765,000	765,000	-	0%	805,000	5%	5%
Fuel and oil	15,564	20,000	15,000	5,000	25%	15,000	-25%	0%
Utilities	728,543	720,000	720,000	-	0%	764,000	6%	6%
Computer Software Subscriptions	46,849	24,200	24,200	-	0%	39,500	63%	63%
Leases and Rentals	30,477	5,000	5,000	-	0%	500	-90%	-90%
Property and general liability insurance	52,153	58,852	58,852	-	0%	64,738	10%	10%
Training and Travel	6,015	7,000	6,000	1,000	14%	7,000	0%	17%
Other miscellaneous	-	-	-	-	N/A	1,000	∞	∞
Indirect cost allocations	-	-	-	-	N/A	461,764	∞	∞
Total Ongoing Non-Personnel	2,719,038	2,545,552	2,552,552	(7,000)	0%	3,139,002	23%	23%
One-Time Non-Personnel								
Other contracted services	-	-	-	-	N/A	50,000	∞	∞
Operational supplies	-	-	-	-	N/A	1,000	∞	∞
Capital outlay	-	-	-	-	N/A	20,000	∞	∞
Capital improvement projects	3,056,533	16,400,535	12,186,320	4,214,215	26%	14,104,510	-14%	16%
Debt Service	2,000,345	2,000,345	2,180,968	(180,623)	-9%	2,646,668	32%	21%
Total One-Time Non-Personnel	5,056,878	18,400,880	14,367,288	4,033,592	22%	16,822,178	-9%	17%
Total Cave Creek Water System	9,020,239	22,320,730	18,225,594	4,095,136	18%	21,411,785	-4%	17%
Grand Total Cave Creek Water System	9,020,239	22,320,730	18,225,594	4,095,136	18%	21,411,785	-4%	17%

Department/Position	2023-24	2024-25	2025-26	Change from 2024-25 to 2025-26
Utilities				
Cave Creek Water Systems				
Utility Director	0.50	0.50	0.50	-
Deputy Utilities Director	-	0.50	0.50	-
Civil Engineer/Project Manager	0.40	-	-	-
Civil Engineer	-	-	0.40	0.40
Management Analyst	-	-	0.25	0.25
Utility Field Operations Supervisor	0.50	0.50	0.50	-
Utility Maintenance Supervisor	0.50	-	-	-
Water Treatment and Maintenance Supervisor	-	0.50	0.50	-
Water Treatment Supervisor	0.90	-	-	-
Utility Assistant and Compliance	0.40	0.40	0.40	-
Utility Worker Lead	0.50	0.50	0.50	-
Water Treatment Operator III	3.00	3.00	3.00	-
Lead Utility Mechanic	-	-	0.50	0.50
Utility Mechanic	1.00	1.00	0.50	-0.50
Utility Worker II	0.50	0.50	0.50	-
Utility Worker I	1.00	1.50	1.50	-
Water Treatment Operator (temporary positions)	-	0.50	0.50	-
Total	9.20	9.40	10.05	0.65



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Desert Hills Water

Department Description

The Desert Hills Water Enterprise Fund is responsible for operating the groundwater wells, reservoirs/booster sites and distribution system. Ensures compliance with all Federal, State and local regulations. Allows for the repair and maintenance of the treatment sites and the distribution system.

Current Year Accomplishments

- Completed design for the steel tank rehabilitation at the Joy Ranch well and booster site.
- Completed Integrated Utility Master Plan, which identified system deficiencies and future improvements.
- Replaced failed butterfly valves at 3 intersections on Galvin Rd to allow for improved flows and proper system control.
- Started to replace old water meters and work to upgrade the system to the new Neptune AMI system.
- Completed initial lead service line inventory to identify any lead service lines in the system and meet EPA compliance.
- Continued work replacing sub-standard service lines throughout the system.
- Completed numerous main line and service line repairs.
- Worked with a developer to complete a significant loop of the water system from 12th Street and Carefree Hwy to 14th Street and Carefree Hwy, which provided a second water supply point for over 125 customers.

Goals and Strategies

STRATEGIC PLAN FOCUS AREA: Provide safe, dependable, high quality, and cost effective water services through enhancements to the water system and water conservation.

GOALS WITHIN THE STRATEGIC PLAN FOCUS AREA:

Improve the reliability and production of wells and booster stations.

Improve water conservation through improved water metering/monitoring and customer outreach.

OBJECTIVE RELATED TO GOAL:

Complete upgrades to the Joy Ranch water site and improvements to the distribution system.

Implement and roll out new Neptune My360 customer portal.

PERFORMANCE MEASUREMENTS	FY2025 ESTIMATES	FY2026 TARGETS
Cost of water production and deliver (less capital repairs or upgrades) <i>Annual expenditures per 1,000 gallons treated (without CAP Water Cost)</i>	\$11.20	\$11.20
Average Water consumption per account <i>Residential Accounts (average gallons per account) (FY26 est. of 5% reduction)</i>	129,654	123,171
<i>Non-Residential Accounts (average gallons per account) (FY26 est. of 5% reduction)</i>	812,166	771,558
<i>Identify Water Loss (Water Production vs. Non-Revenue Water)</i>	5%	5%
Ensure compliance with water regulations	100%	100%
Percentage of Capital projects completed on time and within contract amount	50%	100%
Key Department Performance Indicators		
Respond to after-hours emergency requests within 2 hours	100%	100%
Respond to customer service requests within 1 business day	100%	100%
Average time to address unplanned water service disruptions	3.8 hrs.	< 4 hrs.
Inspect each fire hydrant annually	100%	100%

Significant Changes

Started to develop short and long-term water resource solutions to help address the expected reduction in Colorado River water rights expected to start in 2027.

Desert Hills Water System

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Personnel								
Salaries & wages	431,942	506,492	458,508	47,984	9%	482,927	-5%	5%
Employee benefits	252,488	266,111	274,284	(8,173)	-3%	229,708	-14%	-16%
Total Personnel	684,430	772,603	732,792	39,811	5%	712,635	-8%	-3%
Ongoing Non-Personnel								
Professional services	76,606	52,000	49,000	3,000	6%	105,000	102%	114%
Other contracted services	98,945	96,000	96,750	(750)	-1%	96,000	0%	-1%
Office supplies	10,861	10,000	11,000	(1,000)	-10%	11,000	10%	0%
Operational supplies	21,786	60,000	43,500	16,500	28%	49,000	-18%	13%
Purchased water	1,448,252	1,578,976	1,583,376	(4,400)	0%	1,610,000	2%	2%
Fuel and oil	14,956	17,000	12,000	5,000	29%	14,000	-18%	17%
Utilities	101,799	106,000	106,000	-	0%	116,000	9%	9%
Computer Software Subscriptions	19,861	14,200	14,000	200	1%	31,000	118%	121%
Leases and Rentals	16,671	4,000	4,000	-	0%	1,000	-75%	-75%
Property and general liability insurance	25,626	34,000	34,000	-	0%	37,400	10%	10%
Training and Travel	526	2,500	700	1,800	72%	2,700	8%	286%
Other miscellaneous	-	-	-	-	N/A	500	∞	∞
Indirect cost allocations	-	-	-	-	N/A	237,774	∞	∞
Total Ongoing Non-Personnel	1,835,890	1,974,676	1,954,326	20,350	1%	2,311,374	17%	18%
One-Time Non-Personnel								
Other contracted services	-	-	-	-	N/A	50,000	∞	∞
Operational supplies	-	-	-	-	N/A	1,000	∞	∞
Capital outlay	-	-	-	-	N/A	10,000	∞	∞
Capital improvement projects	107,748	775,000	295,000	480,000	62%	1,156,000	49%	292%
Debt Service	1,010,263	1,009,981	1,009,981	-	0%	1,009,637	0%	0%
Contingencies	-	12,940	-	12,940	100%	-	-100%	N/A
Total One-Time Non-Personnel	1,118,011	1,797,921	1,304,981	492,940	27%	2,226,637	24%	71%
Total Wastewater System	3,638,331	4,545,200	3,992,099	553,101	12%	5,250,646	16%	32%
Grand Total Desert Hills Water System	3,638,331	4,545,200	3,992,099	553,101	12%	5,250,646	16%	32%

Department/Position	2023-24	2024-25	2025-26	Change from 2024-25 to 2025-26
Desert Hills Water Systems				
Utility Director	0.25	0.25	0.25	-
Deputy Utilities Director	-	0.25	0.25	-
Civil Engineer/Project Manager	0.20	-	-	-
Civil Engineer	-	-	0.40	0.40
Management Analyst	-	-	0.13	0.13
Utility Field Operations Supervisor	0.50	0.50	0.50	-
Utility Maintenance Supervisor	0.25	-	-	-
Water Treatment and Maintenance Supervisor	-	0.25	0.25	-
Water Treatment Supervisor	0.10	-	-	-
Utility Assistant and Compliance	0.40	0.40	0.40	-
Utility Worker Lead	0.50	0.50	0.50	-
Utility Mechanic	0.50	0.50	0.25	-0.25
Lead Utility Mechanic	-	-	0.25	0.25
Utility Worker II	0.50	0.50	0.50	-
Utility Worker I	1.00	1.50	1.50	-
Total	4.20	4.65	5.18	0.53



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Cave Creek Wastewater

Department Description

The Wastewater Enterprise Fund is responsible for operating the Wastewater Collection system, Wastewater Treatment Plant (WWTP) and reclaimed water system. Ensures compliance with all Federal, State and local regulations. Allows for system maintenance and repairs.

Current Year Accomplishments

- Completed digital scans of 115 manholes to better evaluate needed repairs and rate criticality.
- Rehabilitated over 25 manhole bases in the Town Core and fully rebuilt one manhole in Carefree Highway.
- Completed Chuparosa Lift Station rehabilitation and installed a new emergency pump bypass.
- Installed sewer pipelines into a failing section of Ductile Iron gravity sewer line.
- Completed repairs to the on-site WWTP effluent reuse line that is used as process water to conserve potable water.
- Continued to clean and inspect the collection system.
- Completed the update to the Pretreatment Program and continued to improve compliance through routine inspections.
- Completed Integrated Utility Master Plan, which identified system deficiencies and future improvements.

Goals and Strategies

STRATEGIC PLAN FOCUS AREA: Provide high quality, cost efficient wastewater services while using treated effluent water as responsibly as possible.

GOALS WITHIN THE STRATEGIC PLAN FOCUS AREA:

Successfully operate and maintain the Cave Creek wastewater treatment plant and collection system.

Explore options for using treated effluent water more effectively.

OBJECTIVE RELATED TO GOAL:

Complete needed repairs to the Town's wastewater system.

Continue work on water exchange options to create a new water resource for the Town.

PERFORMANCE MEASUREMENTS	FY2025 ESTIMATES	FY2026 TARGETS
Cost of wastewater collection and treatment (less capital repairs or upgrades) <i>Annual expenditures per 1,000 gallons treated</i>	\$24.17	\$23.69
Ensure compliance with wastewater regulations <i>Maintain compliance with regulatory standards</i>	100%	100%
<i>Ensure compliance with Pretreatment (FOG) Program</i>	100%	100%
Monitor septic system failures <i>The number of new septic letter requests for existing septic systems</i>	29	N/A
<i>The number of new septic letter requests for new development</i>	24	N/A
Percentage of Capital projects completed on time and within contract amount	73%	100%
Key Department Performance Indicators		
Number of sanitary sewer overflows	0	0
Respond to customer service requests within 1 business day	100%	100%
Video Inspect 20% of all sewer line (5 year inspection cycle)	10%	20%
Clean 33% of all sewer lines annually	20%	33%

Significant Changes

Obtained full staffing to operate and maintain the treatment plant and collection system.

Wastewater System

	FY2024 Actuals	FY2025 Revised Budget	FY2025 Est. Actuals	FY2025 Est. over/(under) budget		FY2026 Adopted Budget	FY2026 Incr. over FY2025 Budget	FY2026 Incr. over FY2025 Est.
Personnel								
Salaries & wages	428,790	527,739	472,534	55,205	10%	603,671	14%	28%
Employee benefits	183,746	256,240	253,003	3,237	1%	259,736	1%	3%
Total Personnel	612,535	783,979	725,537	58,442	7%	863,407	10%	19%
Ongoing Non-Personnel								
Professional services	83,221	52,000	40,500	11,500	22%	52,000	0%	28%
Other contracted services	235,952	279,200	256,100	23,100	8%	280,100	0%	9%
Office supplies	-	500	-	500	100%	500	0%	∞
Operational supplies	320,380	313,900	311,000	2,900	1%	313,000	0%	1%
Fuel and oil	3,014	5,000	9,000	(4,000)	-80%	4,000	-20%	-56%
Utilities	248,517	212,000	251,000	(39,000)	-18%	274,000	29%	9%
Computer Software Subscriptions	32,551	15,000	15,000	-	0%	15,000	0%	0%
Leases and Rentals	3,336	5,000	5,000	-	0%	5,000	0%	0%
Property and general liability insurance	19,659	30,000	60,000	(30,000)	-100%	33,000	10%	-45%
Training and Travel	499	2,000	2,500	(500)	-25%	3,000	50%	20%
Other miscellaneous	-	-	-	-	N/A	500	∞	∞
Indirect cost allocations	-	-	-	-	N/A	260,746	∞	∞
Total Ongoing Non-Personnel	947,129	914,600	950,100	(35,500)	-4%	1,240,846	36%	31%
One-Time Non-Personnel								
Operational supplies	-	-	-	-	N/A	1,000	∞	∞
Capital outlay	-	-	-	-	N/A	10,000	∞	∞
Capital improvement projects	704,345	1,325,000	622,500	702,500	53%	1,727,500	30%	178%
Debt Service	1,893,963	1,894,393	1,894,393	-	0%	1,894,747	0%	0%
Total One-Time Non-Personnel	2,598,308	3,219,393	2,516,893	702,500	22%	3,633,247	13%	44%
Total Wastewater System	4,157,972	4,917,972	4,192,530	725,442	15%	5,737,500	17%	37%
Grand Total Wastewater System	4,157,972	4,917,972	4,192,530	725,442	15%	5,737,500	17%	37%

Department/Position	2023-24	2024-25	2025-26	Change from 2024-25 to 2025-26
Utilities				
Wastewater Systems				
Utility Director	0.25	0.25	0.25	-
Deputy Utilities Director	-	0.25	0.25	-
Civil Engineer/Project Manager	0.20	-	-	-
Civil Engineer	-	-	0.20	0.20
Management Analyst	-	-	0.13	0.13
Utility Maintenance Supervisor	0.25	-	-	-
Wastewater Supervisor	1.00	1.00	1.00	-
Water Treatment and Maintenance Supervisor	-	0.25	0.25	-
Utility Assistant and Compliance	0.10	0.10	0.10	-
Wastewater Operator III	1.00	3.00	3.00	-
Lead Utility Mechanic	-	-	0.25	0.25
Utility Mechanic	0.50	0.50	0.25	-0.25
Wastewater Operator I	1.00	-	-	-
Total	4.30	5.35	5.48	0.33



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Personnel Schedule

The Personnel Schedule identifies the authorized positions and full-time equivalents (FTEs) by department and in total, with comparative information for the previous two budget years.

The Town staffing changes for the Fiscal Year 2025-26 Budget were based on analyses of departmental needs and funding allocations. The changes include the following:

- ❖ Two full-time positions were added:
 - A Procurement Manager position was added to the Administration Department. Currently, the Town relies on a decentralized procurement system. A centralized procurement process will improve management of the Town's purchasing and contract management needs. Procurement professionals bring a level of expertise that does not currently exist within the Town's staffing that can improve operational efficiency, develop better supplier relationships, increase cost efficiency, and provide better adherence to procurement processes and regulations.
 - A Civil Engineer position was added to the Utilities Department. The 2024 Integrated Utility Master Plan identified more new capital projects than the existing Utilities administrative staff can efficiently and effectively manage for the next few years. Also, for the next few years, staff must focus on developing new long-term water resource solutions for the Town. Additional staff resources are required to help complete the numerous planned capital projects and to assist with operational and development projects.
- ❖ One part-time position was added:
 - A part-time Management Analyst position was added to the Utilities Department. With the current staffing, the Utilities Department has been unable to efficiently complete all of the necessary financial reporting and tracking activities. This position will provide a variety of professional-level technical and administrative support functions including coordinating budget and procurement activities and coordinating contracts for all commodities and services. The position will also help assist with analyzing water usage data generated by the new automatic metering infrastructure (AMI) water meter system.

- ❖ The following position was transferred to another department:
 - The FTE for a Management Analyst position in the Finance Department was transferred to the Town Manager's Office as an Executive Administrative Assistant position. When the Management Analyst position was requested in the FY 2024-25 budget process, it was planned as a shared position with the Town Manager's Office. The new Executive Administrative Assistant position will include some functions of the former Management Analyst position.

- ❖ The Town Council has authorized staffing changes to address workload pressures due to significant turnover, difficulties with recruiting, better fit for the Town's needs, and recognition of staff growth and contribution levels. The following changes were made to positions:
 - The Digital Communications Specialist position was restructured as a Communications and Public Affairs Director position.
 - The Building and Fire Official position was restructured as a Chief Building Official position.
 - The Associate Planner position was restructured as a Planner position.
 - The Plans Examiner position was restructured as a Plans Examiner/Building Inspector position.
 - The Facility Worker II position was restructured as a Parks and Facilities Supervisor position.
 - The Accountant I position was restructured as an Accountant II position.
 - The Utility Billing Specialist Lead position was restructured as an Accounting Specialist Lead position.
 - The Utility Billing Specialist position was restructured as an Accounting Specialist position.
 - The Utility Mechanic position was restructured as a Lead Utility Mechanic position.

PERSONNEL SCHEDULE				
Department/Authorized Positions	2023-24	2024-25	2025-26	Change from 2024-25 to 2025-26
Town Council				
Mayor	1.00	1.00	1.00	-
Vice Mayor	1.00	1.00	1.00	-
Council Members	5.00	5.00	5.00	-
Total	7.00	7.00	7.00	-
Administration				
Town Manager	1.00	1.00	1.00	-
Deputy Town Manager/Town Clerk	1.00	1.00	1.00	-
Administrative Services Director	-	1.00	1.00	-
Communications and Public Affairs Director	-	-	1.00	1.00
Procurement Manager	-	-	1.00	1.00
Deputy Town Clerk/HR Specialist	1.00	-	-	-
Executive Administrative Assistant	-	-	1.00	1.00
Information Technology Coordinator	1.00	1.00	1.00	-
Digital Communications Specialist	1.00	1.00	-	-1.00
Administrative Assistant	1.00	1.00	1.00	-
Total	6.00	6.00	8.00	2.00
Development Services				
Development Services Director	1.00	1.00	1.00	-
Chief Building Official	-	-	1.00	1.00
Building and Fire Official	1.00	1.00	-	-1.00
Senior Planner	-	1.00	1.00	-
Planner	1.00	-	1.00	1.00
Planner and Trails Coordinator	1.00	-	-	-
Plans Examiner/Building Inspector	-	-	1.00	1.00
Associate Planner	1.00	1.00	-	-1.00
Building Inspector	1.00	1.00	1.00	-
Plans Examiner	1.00	1.00	-	-1.00
Planner Trainee	0.50	0.50	0.50	-
Trails Coordinator	-	0.50	0.50	-
Parks and Facilities Supervisor	-	-	1.00	1.00
Permit Technician	1.00	1.00	1.00	-
Facility Worker II	1.00	1.00	-	-1.00
Facility Worker I	1.00	1.00	1.00	-
Total	10.50	10.00	10.00	-

PERSONNEL SCHEDULE				
Department/Authorized Positions	2023-24	2024-25	2025-26	Change from 2024-25 to 2025-26
Finance				
Finance Director	1.00	1.00	1.00	-
Accounting Manager	1.00	1.00	1.00	-
Special Projects Manager	1.00	-	-	-
Management Analyst	-	1.00	-	-1.00
Accountant II	-	-	1.00	1.00
Accountant I	1.00	1.00	-	-1.00
Accounting Specialist Lead	-	-	1.00	1.00
Utility Billing Specialist Lead	1.00	1.00	-	-1.00
Accounting Specialist	-	-	1.00	1.00
Utility Billing Specialist	1.00	1.00	-	-1.00
Total	6.00	6.00	5.00	-1.00
Fire and Emergency Medical Protection				
Community Risk Reduction Director	1.00	1.00	1.00	-
Total	1.00	1.00	1.00	-
Law Enforcement				
Town Marshal	1.00	1.00	1.00	-
Total	1.00	1.00	1.00	-
Public Works				
Public Works Director/Town Engineer	1.00	1.00	1.00	-
Deputy Public Works Director	1.00	1.00	1.00	-
Civil Engineer/Project Manager	0.20	-	-	-
Utility Assistant and Compliance Coordinator	0.10	0.10	0.10	-
Public Works Worker II	2.00	2.00	2.00	-
Public Works Worker I	3.00	3.00	3.00	-
Total	7.30	7.10	7.10	-

PERSONNEL SCHEDULE				
Department/Authorized Positions	2023-24	2024-25	2025-26	Change from 2024-25 to 2025-26
Utilities				
Utility Director	1.00	1.00	1.00	-
Deputy Utilities Director	-	1.00	1.00	-
Civil Engineer/Project Manager	0.80	-	-	-
Civil Engineer	-	-	1.00	1.00
Management Analyst	-	-	0.50	0.50
Utility Field Operations Supervisor	1.00	1.00	1.00	-
Utility Maintenance Supervisor	1.00	-	-	-
Wastewater Supervisor	1.00	1.00	1.00	-
Water Treatment and Maintenance Supervisor	-	1.00	1.00	-
Water Treatment Supervisor	1.00	-	-	-
Utility Assistant and Compliance Coord.	0.90	0.90	0.90	-
Utility Worker Lead	1.00	1.00	1.00	-
Wastewater Operator III	1.00	3.00	3.00	-
Water Treatment Operator III	3.00	3.00	3.00	-
Lead Utility Mechanic	-	-	1.00	1.00
Utility Mechanic	2.00	2.00	1.00	-1.00
Wastewater Operator I	1.00	-	-	-
Utility Worker II	1.00	1.00	1.00	-
Utility Worker I	2.00	3.00	3.00	-
Water Treatment Operator (temporary positions)	-	0.50	0.50	-
Total	17.70	19.40	20.90	1.50
Grand Total	56.50	57.50	60.00	2.50



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Debt Obligations

The objective of the Town's debt management is to maintain the Town's ability to incur present and future debt at the most beneficial interest rates for financing the adopted Capital Improvement Plan without adversely affecting the Town's ability to pay for essential Town services.

The Town's debt management policies will be followed when considering or issuing new debt. Analysis of every new debt issuance will be performed to ensure adequate debt capacity, as well as the Town's ability to repay the debt. Long-term debt will not be issued to finance current operations.

The Town has no immediate plans to issue general obligation (G.O.) bonds; however, this may be considered for future open space land acquisition. While the Town utilizes pay-as-you-go for financing a portion of the Capital Improvement Plan projects, pledged revenue and excise tax debt has been issued in prior years for utility projects and will be pursued again for FY 2025-26 projects.

Debt Capacity Analysis – Arizona Constitutional Limits

Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, artificial light, sewers, for the acquisition and development of land for open space preserves, parks, playgrounds, and recreational facilities, public safety, law enforcement, fire and emergency service facilities and streets and transportation facilities purposes may not exceed 20% of a municipality's net assessed full cash value, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of a municipality's net assessed full cash value. The Town of Cave Creek has no outstanding general obligation debt at this time.

FY 2025-26 Net Assessed Full Cash Value = \$370,697,376

20% Debt Margin Limit	\$74,139,475
Bonded Debt Outstanding	-
Unused 20% Limitation Borrowing Capacity	\$74,139,475
6% Debt Margin Limit	\$22,241,843
Bonded Debt Outstanding	-
Unused 6% Limitation Borrowing Capacity	\$22,241,843

Water and Wastewater Loans

The Water Infrastructure Finance Authority of Arizona (WIFA) is an independent agency of the State of Arizona authorized to finance the construction, rehabilitation, and improvement of drinking water, wastewater, wastewater reclamation, and other water quality projects. Generally, WIFA offers borrowers below-market interest rates on loans for up to 100% of eligible project costs. The Town has the following outstanding WIFA loans.

1. An excise tax revenue loan was approved in 2007 with a maximum principal of \$20.1 million. In 2013 for loan covenant purposes, the loan balance was split into two loans, 2007A and 2007B. The loan was issued to finance the purchase of a local water company.
 - a. The 2007A portion is secured by the net operating revenues of the Cave Creek water system.
 - b. The 2007B portion is secured by excise tax and State shared revenues of the Town.
2. A water system revenue loan was approved in 2007 with a maximum principal of \$6.6 million. The loan was issued to acquire a local water company and finance improvements to the water system infrastructure acquired. The debt is secured by the net operating revenues of the Desert Hills water system.
3. A water system revenue loan was approved in 2008 with a maximum principal of \$5.5 million. The loan was issued to finance water infrastructure construction projects. The debt is secured by the net operating revenues of the Cave Creek water system.
4. A water system revenue loan was approved in 2011 with a maximum principal of \$1.4 million. The loan was issued to finance water line improvements. The debt is secured by the net operating revenues of the Cave Creek water system.

On March 25, 2021, the Town issued \$5.4 million in Excise Tax Revenue Refunding Obligations, Series 2021, for the continued improvement of wastewater plant expansion and water infrastructure in the Desert Hills water system. The private placement refunding paid off previous WIFA loans approved in 2007 and 2008 with a maximum principal of \$6.5 million and \$5.5 million, respectively. The debt is secured by excise tax revenues and State shared revenues of the Town and net operating revenues of the Desert Hills water system.

On August 1, 2021, the Town issued \$10.6 million in Excise Tax Revenue Refunding Obligations, Series 2021B, for the continued improvement of the wastewater plant. The private placement refunding paid off a previous WIFA loan approved in 2009 with a maximum principal of \$23 million. The debt is secured by excise tax revenues and State shared revenues of the Town.

The following tables summarize the outstanding loans and future debt service payments.

	Interest Rates	Final Maturity	Outstanding Balances
Cave Creek Water			
WIFA 2007A 920120-07A	3.604%	7/1/2027	\$1,659,147
WIFA 2007B 920120-07B	3.604%	7/1/2027	\$1,256,477
WIFA 2008 920138-08	3.038%	7/1/2028	\$1,048,610
WIFA 2011 920205-11	2.625%	7/1/2030	\$427,138
WIFA 2024 920372-24	2.967%	7/1/2053	\$12,177,500
			\$16,568,872
Desert Hills Water			
WIFA 2007 920117-07	3.519%	7/1/2027	\$886,139
PP Series 2021 DHW	1.180%	7/1/2028	\$1,130,000
			\$2,016,139
Wastewater			
PP Series 2021 WW	1.180%	7/1/2026	\$486,000
PP Series 2021B WW	1.250%	7/1/2029	\$5,441,000
			\$5,927,000
Grand Total			\$24,512,011

Fiscal Years	Cave Creek Water			Desert Hills Water						Wastewater		
	WIFA Loans			WIFA Loan			Private Placement Bond			Private Placement Bonds		
	Principal	Interest	Totals	Principal	Interest	Totals	Principal	Interest	Totals	Principal	Interest	Totals
2026	\$2,137,273	\$509,394	\$2,646,667	\$435,408	\$31,183	\$466,591	\$372,000	\$13,334	\$385,334	\$1,821,000	\$73,747	\$1,894,747
2027	\$2,209,770	\$436,897	\$2,646,667	\$450,730	\$15,861	\$466,592	\$377,000	\$8,944	\$385,944	\$1,351,700	\$51,325	\$1,403,025
2028	\$747,661	\$361,920	\$1,109,581				\$381,000	\$4,496	\$385,496	\$1,368,600	\$34,429	\$1,403,029
2029	\$398,819	\$339,775	\$738,594							\$1,385,700	\$17,321	\$1,403,021
2030	\$410,351	\$328,243	\$738,594									
2031-2035	\$1,750,555	\$1,481,060	\$3,231,616									
2036-2040	\$2,026,075	\$1,205,540	\$3,231,616									
2041-2045	\$2,344,959	\$886,656	\$3,231,616									
2046-2050	\$2,714,033	\$517,583	\$3,231,616									
2051-2053	\$1,829,375	\$109,594	\$1,938,969									
Totals	\$16,568,872	\$6,176,663	\$22,745,536	\$886,139	\$47,044	\$933,183	\$1,130,000	\$26,774	\$1,156,774	\$5,927,000	\$176,822	\$6,103,822

Leases and Subscription Liabilities

The Town entered into a lease agreement effective June 2025 for office space for the Tourism Bureau. The initial lease term is 5 years with an option to extend for another 5 years. The initial lease liability recorded was \$161,870.

The Town entered into a subscription agreement effective July 2025 for budgeting software. The subscription term is 3 years. The initial subscription liability recorded was \$123,574.

The following tables summarize the outstanding lease and subscription liabilities and future debt service payments.

Other Debt	Interest Rates (stated or imputed)	Final Payment (incl. reasonably certain extensions)	Outstanding Balances
General Fund			
Lease - Tourism Bureau Office	3.085%	5/31/2035	\$157,099
Subscription - Budget Software	2.876%	7/1/2027	\$81,209
			<u>\$238,308</u>
		Grand Total	\$238,308

Fiscal Years	General Fund		
	Leases & Subscriptions		
	Principal	Interest	Totals
2026	\$9,982	\$3,533	\$13,515
2027	\$53,880	\$6,680	\$60,560
2028	\$55,649	\$5,092	\$60,742
2029	\$15,108	\$3,453	\$18,561
2030	\$15,769	\$2,977	\$18,746
2031-2035	\$87,919	\$7,006	\$94,925
Totals	\$238,308	\$28,740	\$267,049



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Capital Improvement Program Overview

The Town's Capital Improvement Program (CIP) is a five-year plan to provide and maintain public facilities for the citizens and businesses of Cave Creek, balanced against the constraints of timing and available resources.

Capital improvements require the expenditure of public funds for acquisition, construction or replacement of infrastructure and vehicles. Planning for these expenditures requires an estimation of resources necessary to finance the projected expenditures. Capital planning is critical to continuation of essential public services, as well as being an important component of the Town's future growth.

The creation and update of a multi-year capital plan allows for the community to plan for the current and long-term needs of constituents. This plan is integrated with the maintenance needs and funding sources that will provide for the delivery of necessary services to the Town. The five-year CIP Plan includes a listing of proposed capital projects, estimated costs for the completion of each project, the project timelines, and the impact on operating budgets.

Capital projects differ from the operating budget of the Town, as they often represent large financial obligations that may span more than one year. The CIP Plan considers all projects at a single time to adequately plan the use of funding resources.

All potential funding resources are evaluated to measure the impact of capital spending on the Town's overall financial position, and to ensure equity of funding for the CIP. Equity is achieved if the beneficiaries of a project or service pay for it. For example, general tax revenue and/or grants pay for projects that benefit the public as a whole.

The Capital Improvement Plan is prepared with the following elements:

1. Identification of needs and strategic plans, using input from Town citizens.
2. Determination of the nature of each project, whether it involves construction, replacement, maintenance, or repair.
3. Recognition of the revenue sources that will be utilized to fund the planned project.
4. Determining if the project requires debt issuance for realization of the project.
5. Identification of the need for policy updates or creation.

It is critical that the full cost of projects be developed as well as the timing and coordination of the project with other entities. The planning process that brings all the impacted parties into play will result in a program that can clearly detail not only the original construction or acquisition costs, but future year maintenance and operational costs, as well as any budgetary savings. With this information as a base, the future year plans can be evaluated based on more consistent and reliable information.

The philosophy of the Town of Cave Creek is that new projects should not be constructed if operating revenues are not available to cover the operating costs. Expenditures categorized as a CIP item typically involve financial commitments over one or more years, are infrequent in nature, and have a budget of at least \$100,000.

The Town's CIP Plan lists the projects scheduled for the upcoming five years and details the activities for the Town funds involved. The plan is prepared by Town staff and submitted to the Town Council for modification and approval. The plan will then be utilized by staff for the long-range planning and budget needs of the Town.

Relationship to the Annual Budget

The first year of the CIP Plan is incorporated into the annual budget. Subsequent years of the CIP are provided on a planning basis only and require appropriation authority in each of the future fiscal years.

The capital and operating budgets for the Town have a direct relationship. The capital projects for the current fiscal year are represented in the capital portion of the annual budget. Budget appropriations lapse at the end of the fiscal year, but individual CIP projects are re-budgeted in subsequent years until the project is complete and capitalized. As CIP projects are completed, any applicable costs for the operations and maintenance (O&M) of the new capital project are included in the operating budget.

Process

Reinvestment for the replacement, maintenance or increased efficiency of existing systems will take priority over the expansion of existing systems or the provision of new facilities and services. All projects submitted for the 2026-2030 CIP Plan have been prepared and ranked for priority by the department directors and presented as part of this document to the Town Council. Priority rankings include:

- ❖ **Priority I: IMPERATIVE (Must-Do)** – Projects that cannot reasonably be postponed in order to avoid harmful or otherwise undesirable consequences.
 - Corrects a condition dangerous to public health or safety
 - Satisfies a legal obligation
 - Alleviates an emergency service disruption or deficiency
 - Prevents irreparable damage to a valuable public facility
 - If the project can be delayed, it is most likely not Priority I.

- ❖ **Priority II: ESSENTIAL (Should-Do)** – Projects that address clearly demonstrated needs or objectives.
 - Rehabilitates or replaces an obsolete public facility or attachment thereto
 - Supports the goals of the Strategic Plan
 - Maintains existing natural resources
 - Reduces future operating and maintenance costs
 - Leverages available state or federal funding or other restricted funding with near-term expirations

- ❖ **Priority III: IMPORTANT (Could-Do)** – Projects that benefit the community but may be delayed without detrimental effects to basic services.
 - Provides a new or expanded level of service
 - Stimulates economic growth and private capital investment
 - Promotes intergovernmental cooperation
 - Enhances cultural or natural resources

- ❖ **Priority IV: DESIRABLE (Other Year)** – Desirable projects that are not included within the first 3 to 4 years of the CIP Plan because of funding and/or staffing limitations

This rating system is assigned by staff and is not necessarily reflective of overall priorities and sequencing of projects approved by the Town Council. The rating is provided to allow a quick reference categorizing the general need for the project.

Capital Outlay in the Operating Budget

In addition to the Capital Improvement Program, the Town funds a vehicle and equipment replacement reserve in the General Fund, Capital Improvements Fund, Cave Creek Water Fund, Desert Hills Water Fund, and Wastewater Fund. These reserves provide replacements for capital equipment such as vehicles, technology-related items, and other equipment as the existing equipment meets its useful life. Fiscal Year 2025-26 is the first year these reserves were established. Previously, the replacement of equipment was simply added to the budgets of the applicable funds. Over time, the Town expects to build up the vehicle and equipment replacement reserves, so all vehicle and equipment replacement needs are fully funded.

Outside of the CIP, the Town also funds a streets maintenance plan for pavement preservation and streets rehabilitation within the Town, accounted for in the Streets Fund. The streets maintenance program is funded from a combination of dedicated Highway User Revenue Funds (HURF), grants, and Town general funds. The HURF funds are restricted for use in public rights-of-way and are provided to the Town based on a population formula that accounts for the Town, county, and state ratio. Prior to Fiscal Year 2025-26, these costs were budgeted in the CIP Plan.

Significant FY 2026 Capital Projects

The fiscal year 2025-26 CIP includes 39 separate capital projects. Some of the more significant projects include the following:

❖ Municipal Facilities

- **FC 25014102 – Town Hall Remodel & Addition (\$0.9 million in FY 2026, \$6.4 million total):** Town Hall is a repurposed multi-tenant office/retail building constructed prior to the Town's incorporation in 1986. A needs assessment has been completed which identified the current building as too small and the configuration of offices and staff locations as inefficient. Construction drawings for the remodel and addition are budgeted for FY 2026. Acquisition of adjacent land for the addition is also budgeted in FY 2026. Once architectural services are complete, a more refined construction cost projection will be made and budgeted in FY 2027.

❖ Land Acquisition

- **OS 19011001 – Land Acquisition (\$19.6 million in FY 2026, \$19.6 million total):** A placeholder has been included in the FY 2026 budget, which includes \$18 million for potential future purchase of approximated 4,000 acres of State Land, as well as \$1.6 million of reserves from previous sales tax revenues dedicated between 2014 and 2017.

❖ Cave Creek Water

- **CC 23505001 – Phoenix Water Interconnect (\$8.7 million in FY 2026, \$21.9 million total):** To improve the reliability of the Town's water supply, the Town Council entered into an agreement with the City of Phoenix to treat and deliver a portion of the Town's water supply from the Central Arizona Project (CAP). The Interconnect Project will significantly improve the Town's ability to eliminate interruptions in water service if the water treatment plan or the CAP pipeline has an outage. The FY 2026 budget includes \$8.7 million for the continued construction to be completed by the end of FY 2026.
- **CC 24505007 – Cave Creek Well Rehab Program (\$1.4 million in FY 2026, \$1.7 million total):** The Cave Creek water system has several nonfunctional groundwater wells. As the Town prepares for a projected 25% cut in the CAP water supply in 2027, this project will evaluate if the existing wells can be brought back into operation as a temporary solution until other long-term water resources are secured. Three wells were evaluated in FY 2025. The FY 2026 budget includes \$1.4 million to re-equip up to three existing well sites.
- **CC 25505004 – Pressure Zone 9 Fire Booster (\$0.9 million in FY 2026, \$1.0 million total):** The Town is working with a developer to jointly upgrade the Pressure Zone 9 booster site to provide adequate fire flows. A development agreement was executed and identified the developer's share of the costs was \$350,000. The FY 2026 budget includes \$0.9 million to upgrade the site with a fire booster pump along with related piping, control, and electrical upgrades. This project is expected to be completed in FY 2026.

Impact on the Operating Budget

The Town's operating budget is directly affected by the CIP. When certain types of capital projects are developed and completed, they also have ongoing financial impacts. For example, if the Town were to construct a new park, the operating budget would increase to include capacity for any new staff, equipment, utilities, supplies, etc. that would be necessary to maintain and operate the new facility.

In the Fiscal Years 2026-2030 Capital Improvement Program, the individual projects include an estimated future operating budget impact, if it is possible to identify the cost at this time in the project's lifecycle. The Town carefully considers these operating costs when deciding which projects move forward in the Town.

The following summarizes the FY 2025-26 projects, other than those expected to have a minimal or no impact on the operating budget:

FY 2026 CIP IMPACTS ON OPERATING BUDGET	
FY 2026 Projects	Impact
FM 25016500 – Fleet Replacement Program	Likely to reduce costs – approx. \$31k spent in past 3-4 years and projected \$75k in deferred maintenance
RG 25014104 Rodeo Grounds – Electrical Service Upgrade	Any additional costs would be covered by facility rental income
OS 19011001 – Land Acquisition	Budget placeholder – any impacts will be determined when more information is available
CC 24505007 – Cave Creek Well Rehab Program	Evaluation in process – any impacts will be determined when more information is available
CC 25505009 – Bartlett Dam New Storage Volume	Feasibility study in process – any impacts will be determined when more information is available
CC 50010009 – Phoenix ASR Recharge Storage	Operating costs to recover and deliver the stored water will be incurred – costs will be determined when more information is available
CC 50010012 – New Neary Booster Pumps	Cost savings are anticipated but not determined yet
CC 50010017 – Harquahala Groundwater	Evaluation to be performed – any impacts will be determined when more information is available

FY 2026 - FY 2030 Capital Improvement Project List by Major Program

Project Name	Priority	Page #	Prior Years Estimate	FY2026	FY2027	FY2028	FY2029	FY2030	Totals (excluding Prior Years Estimate)
Fleet									
FM 25016500 - Fleet Replacement Program	Essential	126	\$0	\$645,000	\$875,000	\$625,000	\$255,000	\$190,000	\$2,590,000
FM 29016503 - Asphalt Patch Trailer	Desirable	128	\$0	\$0	\$0	\$0	\$115,000	\$0	\$115,000
Fleet Subtotal			\$0	\$645,000	\$875,000	\$625,000	\$370,000	\$190,000	\$2,705,000
Municipal Facilities									
26010000 - New Water Ranch Office	Imperative	129	\$713,880	\$250,000	\$0	\$0	\$0	\$0	\$250,000
FC 25014102 - Town Hall - Remodel & Addition	Essential	130	\$0	\$930,000	\$5,500,000	\$0	\$0	\$0	\$6,430,000
FC 25014103 - Desert Awareness Park - Shared Parking Agreement	Important	131	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
FC 25014105 Spur Cross Bathrooms	Essential	132	\$0	\$80,000	\$800,000	\$0	\$0	\$0	\$880,000
Municipal Facilities Subtotal			\$713,880	\$1,360,000	\$6,300,000	\$0	\$0	\$0	\$7,660,000
Rodeo Grounds									
RG 25014104 Rodeo Grounds - Electrical Service Upgrade	Imperative	133	\$0	\$115,000	\$0	\$0	\$0	\$0	\$115,000
RG 27015301 - Rodeo Grounds Improvements to VIP Area	Important	135	\$0	\$0	\$800,000	\$0	\$0	\$0	\$800,000
Rodeo Grounds Subtotal			\$0	\$115,000	\$800,000	\$0	\$0	\$0	\$915,000
Land Acquisition									
OS 19011001 - Land Acquisition	Important	136	\$0	\$19,557,994	\$0	\$0	\$0	\$0	\$19,557,994
Land Acquisition Subtotal			\$0	\$19,557,994	\$0	\$0	\$0	\$0	\$19,557,994
Streets									
PW 24011601 - Implement Pedestrian Safety Study Recommendations	Imperative	137	\$115,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
PW 24011611 - Cave Creek Road Median Enhancements	Essential	138	\$207,663	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
PW 25011606 - 40th Street and Galvin - Mill, Pave and Widening	Essential	139	\$0	\$0	\$250,000	\$0	\$0	\$0	\$250,000
PW 25011616 - Carefree Highway IGA with Scottsdale	Important	140	\$0	\$300,000	\$0	\$0	\$0	\$0	\$300,000
PW 27011601 - Military Road & Southern Bypass – New Road Connection	Important	142	\$0	\$0	\$700,000	\$0	\$0	\$0	\$700,000
Streets Subtotal			\$322,663	\$500,000	\$1,150,000	\$200,000	\$200,000	\$200,000	\$2,250,000
Drainage									
PW 26201601 - Desert Awareness Park Galloway Wash	Important	143	\$0	\$0	\$500,000	\$900,000	\$0	\$0	\$1,400,000
Drainage Subtotal			\$0	\$0	\$500,000	\$900,000	\$0	\$0	\$1,400,000

FY 2026 - FY 2030 Capital Improvement Project List by Major Program

Project Name	Priority	Page #	Prior Years Estimate	FY2026	FY2027	FY2028	FY2029	FY2030	Totals (excluding Prior Years Estimate)
Cave Creek Water									
CC 23505001 - Phoenix Water Interconnect	Imperative	144	\$13,193,214	\$8,677,510	\$0	\$0	\$0	\$0	\$8,677,510
CC 24505004 - WTP Upgrades and Improvements	Imperative	145	\$256,399	\$700,000	\$0	\$0	\$0	\$0	\$700,000
CC 24505007 - Cave Creek Well Rehab Program	Imperative	146	\$284,296	\$1,400,000	\$0	\$0	\$0	\$0	\$1,400,000
CC 25505001 - Vehicle Replacement Program - Utilities	Essential	147	\$63,100	\$0	\$75,000	\$252,500	\$80,000	\$115,000	\$522,500
CC 25505003 - 38th Street Booster Replacement	Imperative	148	\$80,000	\$0	\$0	\$500,000	\$0	\$0	\$500,000
CC 25505004 - Pressure Zone 9 Fire Booster	Imperative	149	\$80,000	\$888,500	\$0	\$0	\$0	\$0	\$888,500
CC 25505005 - CAP Booster Station and Pipeline Upgrades	Imperative	150	\$250,000	\$300,000	\$300,000	\$250,000	\$0	\$0	\$850,000
CC 25505006 - Rehab 6" Waterline Across Cave Creek Wash	Essential	151	\$25,000	\$0	\$0	\$0	\$75,000	\$750,000	\$825,000
CC 25505007 - Water System Improvement Program	Imperative	152	\$398,910	\$0	\$150,000	\$150,000	\$150,000	\$150,000	\$600,000
CC 25505009 - Bartlett Dam New Storage Volume (VRSMP)	Imperative	153	\$120,000	\$44,000	\$2,519,000	\$4,950,000	\$2,475,000	\$0	\$9,988,000
CC 25505010 - Zone 1 Pipeline Improvements	Imperative	154	\$86,000	\$0	\$0	\$631,000	\$0	\$0	\$631,000
CC 50010000 - Rebuild Zone 6 PRV and Replace 2" Waterline	Imperative	155	\$0	\$307,000	\$0	\$0	\$0	\$0	\$307,000
CC 50010001 - Upgrades at Carol Heights Booster Site	Essential	156	\$0	\$0	\$0	\$524,900	\$0	\$0	\$524,900
CC 50010002 - Zone 9 Pipeline Improvements	Imperative	157	\$0	\$150,000	\$0	\$0	\$0	\$400,000	\$550,000
CC 50010003 - Zone 8 Pipeline Improvements	Imperative	158	\$0	\$0	\$50,000	\$150,000	\$500,000	\$500,000	\$1,200,000
CC 50010004 - Galloway Booster Station Upgrades	Essential	159	\$0	\$50,000	\$250,000	\$0	\$0	\$0	\$300,000
CC 50010005 - Zone 4 to 1 PRV Improvements	Imperative	160	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
CC 50010006 - WTP Process Upgrade to Membranes	Essential	161	\$0	\$0	\$0	\$0	\$0	\$250,000	\$250,000
CC 50010007 - Aeration System for Phoenix Interconnect Reservoir	Imperative	162	\$0	\$0	\$750,000	\$0	\$0	\$0	\$750,000
CC 50010008 - Evaluate Additional Groundwater Wells - CCW & DHW	Essential	163	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
CC 50010009 - Phoenix ASR Recharge Storage	Imperative	164	\$0	\$400,000	\$0	\$0	\$0	\$0	\$400,000
CC 50010010 - New Colorado River Water Rights	Imperative	165	\$0	\$0	\$0	\$0	\$0	\$5,700,000	\$5,700,000
CC 50010011 - Rockaway Reservoir Aeration System	Essential	166	\$0	\$0	\$0	\$500,000	\$0	\$0	\$500,000
CC 50010012 - New Neary Booster Pumps	Imperative	167	\$0	\$250,000	\$0	\$0	\$0	\$0	\$250,000
CC 50010013 - New West Cave Creek Waterline - Phase 1	Imperative	168	\$0	\$100,000	\$250,000	\$1,600,000	\$1,600,000	\$0	\$3,550,000
CC 50010014 - Rehab 8" Waterline Across Cave Creek Wash	Essential	169	\$0	\$50,000	\$600,000	\$0	\$0	\$0	\$650,000
CC 50010015 - Integrated Utility Master Plan	Imperative	170	\$316,541	\$0	\$0	\$250,000	\$0	\$0	\$250,000
CC 50010016 - Cave Creek Road Pipeline Improvements	Imperative	171	\$0	\$0	\$0	\$0	\$400,000	\$400,000	\$800,000
CC 50010017 - Harquahala Groundwater	Essential	172	\$0	\$100,000	\$4,000,000	\$0	\$0	\$0	\$4,100,000
Cave Creek Water Subtotal			\$15,153,460	\$13,617,010	\$8,944,000	\$9,758,400	\$5,280,000	\$8,265,000	\$45,864,410
Desert Hills Water									
DH 23555001 - Water System Improvement Program	Imperative	173	\$136,200	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
DH 24555001 - Steel Storage Tank Reconditioning/Upgrades	Imperative	174	\$60,654	\$506,000	\$523,510	\$380,000	\$452,000	\$0	\$1,861,510
DH 25555001 - Desert Hills Water Meter Replacements	Essential	175	\$50,000	\$250,000	\$300,000	\$0	\$0	\$0	\$550,000
DH 25555002 - Desert Hills Service Line Replacements	Imperative	176	\$75,000	\$75,000	\$75,000	\$150,000	\$150,000	\$150,000	\$600,000
DH 25555003 - Well Head Arsenic Treatment System	Imperative	177	\$0	\$0	\$75,000	\$1,900,000	\$0	\$0	\$1,975,000
DH 55010000 - Galvin Well Improvements	Essential	178	\$0	\$0	\$0	\$0	\$0	\$470,000	\$470,000
DH 55010001 - 3rd Avenue Well Improvements	Imperative	179	\$0	\$0	\$0	\$0	\$0	\$100,000	\$100,000
Desert Hills Water Subtotal			\$321,854	\$981,000	\$1,123,510	\$2,580,000	\$752,000	\$870,000	\$6,306,510

FY 2026 - FY 2030 Capital Improvement Project List by Major Program

Project Name	Priority	Page #	Prior Years Estimate	FY2026	FY2027	FY2028	FY2029	FY2030	Totals (excluding Prior Years Estimate)
Wastewater									
WW 23402101 - Manhole Rehabilitation Program	Imperative	180	\$376,502	\$150,000	\$150,000	\$150,000	\$150,000	\$50,000	\$650,000
WW 23402102 - WW Collection System Improvement	Imperative	181	\$594,901	\$350,000	\$150,000	\$150,000	\$150,000	\$150,000	\$950,000
WW 25402101 - Reclaimed water exchange with Phoenix	Imperative	182	\$0	\$125,000	\$800,000	\$0	\$0	\$0	\$925,000
WW 25402102 - WWTP Equipment Improvements	Imperative	183	\$50,000	\$100,000	\$0	\$100,000	\$0	\$100,000	\$300,000
WW 25402103 - Retrofit Existing Neighborhoods with Sewer Lines	Important	184	\$0	\$0	\$50,000	\$0	\$150,000	\$2,150,000	\$2,350,000
WW 25402104 - Chuparosa Lift Station Improvements	Imperative	185	\$0	\$140,000	\$0	\$0	\$0	\$0	\$140,000
WW 40010001 - Force Main Assessments and Cleaning	Imperative	186	\$0	\$200,000	\$0	\$0	\$0	\$0	\$200,000
WW 40010002 - Replace WWTP Odor Control Units	Important	187	\$0	\$0	\$0	\$725,000	\$0	\$0	\$725,000
WW 40010003 - Rancho Manana Irrigation Efficiency Upgrades Study	Essential	188	\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000
WW 40010004 - Inspect Dry Sewer Areas	Essential	189	\$0	\$0	\$0	\$0	\$100,000	\$0	\$100,000
WW 40010006 - Chuparosa Lift Station Force Main Improvements	Essential	190	\$0	\$0	\$0	\$75,000	\$850,000	\$0	\$925,000
WW 40010007 - Rancho Mañana Lift Station Improvements	Essential	191	\$0	\$375,000	\$0	\$0	\$0	\$0	\$375,000
WW 40010008 - Collection System Evaluation	Imperative	192	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000
Wastewater Subtotal			\$1,021,403	\$1,640,000	\$1,150,000	\$1,200,000	\$1,400,000	\$2,450,000	\$7,840,000
TOTAL ALL PROJECTS			\$17,533,259	\$38,416,004	\$20,842,510	\$15,263,400	\$8,002,000	\$11,975,000	\$94,498,914
FUNDING SOURCES SUMMARY									
Capital Reserves				\$2,290,000	\$7,175,000	\$425,000	\$315,000	\$200,000	\$10,405,000
Debt Financing				\$30,458,988	\$10,891,760	\$11,835,900	\$7,252,000	\$11,470,000	\$71,908,648
Desert Hills Water Revenues				\$0	\$0	\$50,000	\$0	\$0	\$50,000
General Fund Cash Loan				\$100,000	\$0	\$0	\$0	\$0	\$100,000
General Fund Subsidy				\$934,000	\$444,000	\$200,000	\$0	\$0	\$1,578,000
Grants				\$1,115,000	\$513,000	\$1,400,000	\$0	\$0	\$3,028,000
Open Space Dedicated TPT Revenues				\$2,057,994	\$0	\$0	\$0	\$0	\$2,057,994
Outside Participation				\$390,000	\$818,750	\$475,000	\$0	\$0	\$1,683,750
Utilities Vehicle/Equip Repl Reserve				\$0	\$75,000	\$340,000	\$80,000	\$115,000	\$610,000
Vehicle/Equip Repl Reserve				\$0	\$875,000	\$537,500	\$255,000	\$190,000	\$1,857,500
Wastewater Revenues				\$0	\$50,000	\$0	\$100,000	\$0	\$150,000
Water Infrastructure Dedicated TPT Revenues				\$1,070,022	\$0	\$0	\$0	\$0	\$1,070,022
TOTAL FUNDING SOURCES				\$38,416,004	\$20,842,510	\$15,263,400	\$8,002,000	\$11,975,000	\$94,498,914



FY 2026 - 2030 Capital Improvements Plan

FM 25016500 - Fleet Replacement Program

Department: Public Works - Fleet Management

Contact: Public Works Director

Category: Vehicles

Useful Life: 10 Years

Priority: Essential

Strategic Plan Area: Innovative and High Performing Organization

Description

The FY2026 budget requests are for the purchase of a new skid-steer loader for \$100,000, a new water truck for \$275,000, and a new roll off truck for \$270,000.

The FY2027 budget requests are for the purchase of a new road grader for \$600,000 and a new dump truck for \$275,000.

The FY2028 budget requests are for the purchase of a new steel drum roller for \$100,000, a new vehicle to replace the 2014 Chevrolet Tahoe for \$100,000, a new backhoe for \$175,000, and a new water truck for \$250,000.

The FY2029 budget requests are for the purchase of a new vehicle to replace the 2018 Ford F-250 4X4 for \$125,000 and a new vehicle to replace the 2018 Ford F-350 4X4 for \$130,000.

The FY2030 budget requests are for the purchase of a new backhoe for \$190,000.

Justification

FY2026:

The 2008 Bobcat T300 Skid-Steer loader has cost the Town over \$16,800 in repairs and maintenance over the past three years and is well past its useful life cycle.

The 1999 Freightliner FL80 water truck has cost the Town over \$4,000 in repairs and maintenance over the past four years and is well past its useful life cycle. Truck has about \$75,000 in deferred maintenance required to restore it.

The 2009 International 4400 3-ton roll-off truck has cost the Town over \$10,500.00 in repairs and maintenance over the past four years and is past its useful life cycle.

FY2027:

The 1993 Caterpillar 140G (Grader) has cost the Town over \$17,396 in repairs and maintenance over the past three years and is well past its useful life cycle.

The 2012 Freightliner dump truck has cost the Town over \$10,914 in repairs and maintenance over the past three years and is well past its useful life cycle.

FY2028:

The DD-24 Roller - Steel Drum is well past its useful life cycle.

The 2006 Case backhoe has cost the Town over \$9,100 in repairs and maintenance over the past three years and is past its useful life cycle.

The 2014 Chevrolet Tahoe has cost the Town over \$11,009 in repairs and maintenance over the past 9 years and is past its useful life cycle.

The 2019 Freightliner water truck has cost the Town over \$2,543 in repairs and maintenance over the past three years and is past its useful life cycle.

FY2029:

The 2018 Ford F-250 has cost the Town over \$6,221 (amount will change as we get closer to 2029) in repairs and maintenance over the past 9 years and is past its useful life cycle.

The 2018 Ford F-350 has cost the Town over \$10,042 in repairs and maintenance over the past 9 years and is past its useful life cycle.

FY2030:

The 2019 Caterpillar backhoe has cost the Town over \$14,877 in repairs and maintenance over the past three years and is past its useful life cycle.

Impact on Operating Budget

Operating costs will likely decrease due to savings in repairs and maintenance costs.

Expenditures & Funding Sources

FM 25016500

		FY26-30 CAPITAL IMPROVEMENT PLAN BUDGET SUMMARY					
	Prior Year Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Equipment	\$0	\$645,000	\$875,000	\$625,000	\$255,000	\$190,000	\$2,590,000
EXPENDITURES TOTAL	\$0	\$645,000	\$875,000	\$625,000	\$255,000	\$190,000	\$2,590,000
Funding Sources							
Vehicle/Equip Repl Reserve	\$0	\$0	\$875,000	\$537,500	\$255,000	\$190,000	\$1,857,500
Capital Reserves	\$0	\$645,000	\$0	\$0	\$0	\$0	\$645,000
Utilities Vehicle/Equip Repl Reserve	\$0	\$0	\$0	\$87,500	\$0	\$0	\$87,500
FUNDING SOURCES TOTAL	\$0	\$645,000	\$875,000	\$625,000	\$255,000	\$190,000	\$2,590,000



FY 2026 - 2030 Capital Improvements Plan

FM 29016503 - Asphalt Patch Trailer

Department: Public Works - Fleet Management

Contact: Public Works Director

Category: Equipment

Useful Life: 15 Years

Priority: Desirable

Strategic Plan Area: Innovative and High Performing Organization

Description

This budget request is for the purchase of a new asphalt patch trailer.

Justification

The Town is requesting the purchase of a new asphalt patch trailer for Public Works. The purchase of this new fleet item would assist the Public Works and Utilities Departments in providing minor repairs of asphalt thus saving the Town from paying contractors to perform the work.

Impact on Operating Budget

Minimal impact to operating costs anticipated.

Expenditures & Funding Sources

FM 29016503

	FY26-30 CAPITAL IMPROVEMENT PLAN BUDGET SUMMARY						Grand Total
	Prior Year Est.	FY2026	FY2027	FY2028	FY2029	FY2030	
Expenditures							
Capital Equipment	\$0	\$0	\$0	\$0	\$115,000	\$0	\$115,000
EXPENDITURES TOTAL	\$0	\$0	\$0	\$0	\$115,000	\$0	\$115,000
Funding Sources							
Capital Reserves	\$0	\$0	\$0	\$0	\$115,000	\$0	\$115,000
FUNDING SOURCES TOTAL	\$0	\$0	\$0	\$0	\$115,000	\$0	\$115,000



FY 2026 - 2030 Capital Improvements Plan

New Water Ranch Office

Department: Cave Creek Water

Contact: Utilities Director

Category: Buildings

Useful Life: 30 Years

Priority: Imperative

Strategic Plan Area: Innovative and High Performing Organization

Description

The Town has entered into a lease with the Foothills Foodbank to allow them to construct a new building on the Water Ranch parcel located at 44th Street and Carefree Highway. As part of the land lease, the Foodbank will build a 3,000 square foot area in the building for the Town to use. This new building will allow Town staff to relocate from the existing double-wide trailer at the Water Ranch. This project will provide a portion of the funding needed to purchase and install the furniture and equipment needed for the new building space.

Justification

Currently the Public Works, Water Distribution and Wastewater Treatment Plant staff are all housed in a single double-wide trailer at the Water Ranch. The building has only one bathroom and does not contain meeting / training areas or offices for the supervisors. The new building will better accommodate the current and future staffing needs for the Town. It will provide new bathroom and locker areas, space for dedicated training / meeting area and allow the wastewater treatment lab to be housed in a room separated from staff workspace. The existing double-wide trailer can still be used as a secure parts storage and workshop area for staff.

Impact on Operating Budget

Expenditures & Funding Sources

26010000

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$813,880	\$250,000	\$0	\$0	\$0	\$0	\$1,063,880
EXPENDITURES TOTAL	\$813,880	\$250,000	\$0	\$0	\$0	\$0	\$1,063,880
Funding Sources							
Wastewater Revenues	\$13,880	\$0	\$0	\$0	\$0	\$0	\$13,880
Capital Reserves	\$200,000	\$75,000	\$0	\$0	\$0	\$0	\$275,000
General Fund Subsidy	\$600,000	\$175,000	\$0	\$0	\$0	\$0	\$775,000
FUNDING SOURCES TOTAL	\$813,880	\$250,000	\$0	\$0	\$0	\$0	\$1,063,880



FY 2026 - 2030 Capital Improvements Plan

FC 25014102 - Town Hall Admin. Building Remodel & Addition

Department: Facilities**Contact:****Category:** Buildings**Useful Life:** 50 Years**Priority:** Essential**Strategic Plan Area:** Infrastructure

Description

Cave Creek Town Hall is a repurposed multi-tenant office retail building constructed many years ago while the Council Chambers were initially constructed nearly 25 years ago. This proposal spans multiple years. Staff is currently working with a professional architect where a needs assessment of the current administrative building has been completed. The upcoming year, staff will move into construction drawings for a proposed remodel and addition of Town Hall and the final year would be build out. The estimated range for construction is \$5-\$7 million. Once architectural services are complete, a more refined construction cost projection will be made. Project cost also includes acquisition of land as approved by the Town Council on January 21, 2025.

Justification

Town Hall is a retrofitted building, constructed prior to incorporation and, as has staffing needs have changed, the building currently serves staff above it's capacity. Staff solicited professionals to assess the current service level of the building, discussed with longer term staffing needs and provided a determination that the current building is too small and the configuration of current offices and staff locations is inefficient. Staff is working with the consulting professionals to develop a space plan in order to begin construction design drawings to remodel and expand the current footprint.

List Town's strategic goals this project will support

Infrastructure: 3) Continue long-term planning, prioritization and investment strategies for future infrastructure and facilities that improve the quality of life for the community while being affordable and sustainable. Stated Action: "Evaluate options for redesign and redevelopment of Town Hall."

Expenditures & Funding Sources

FC 25014102

FY26-30 CAPITAL IMPROVEMENT PLAN BUDGET SUMMARY							
	Prior Year Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$500,000	\$5,500,000	\$0	\$0	\$0	\$6,000,000
Capital Land	\$0	\$430,000	\$0	\$0	\$0	\$0	\$430,000
EXPENDITURES TOTAL	\$0	\$930,000	\$5,500,000	\$0	\$0	\$0	\$6,430,000
Funding Sources							
Capital Reserves	\$0	\$930,000	\$5,500,000	\$0	\$0	\$0	\$6,430,000
FUNDING SOURCES TOTAL	\$0	\$930,000	\$5,500,000	\$0	\$0	\$0	\$6,430,000



FY 2026 - 2030 Capital Improvements Plan

FC 25014103 - Desert Awareness Park - Shared Parking Agreement

Department: Facilities**Contact:** Development Services Director**Category:** Improvements**Useful Life:** 10 Years**Priority:** Important**Strategic Plan Area:** Infrastructure

Description

A parking expansion at Desert Awareness Park jointly fund, through a public/private partnership.

Justification

Over the previous 18 months, staff has been in discussions with the Stagecoach Village Association to examine projects of mutual benefit and interest. Representatives of Stagecoach Village have expressed interest with working alongside the Town to expand parking in close proximity to Stagecoach Village. Desert Awareness Park has land suitable to add parking east where it is adjacent to Stagecoach Village. The Town also has land east of Stagecoach Village - dedicated to the Town by Stagecoach Village, that may also be suitable for additional overflow event parking. Stagecoach Village and the Town of Cave Creek would prepare and enter into a shared parking agreement where, in general terms, Stagecoach Village would be responsible for the design and planning phases of the project, any legal documents associated with the agreement and easements necessary while the Town would assist in construction costs for an amount not to exceed \$100,000. According to the Stagecoach Village Association, the ability to host events such as the Taste of Cave Creek, the Belgian Waffle Bicycle Race and other planned large-regional events will increase tourism and associated sales taxes. Increasing adjacent parking opportunities will allow for greater use of the venue for such events.

Impact on Operating Budget

Minimal operating costs anticipated and would be absorbed into existing budget capacity.

Expenditures & Funding Sources

25014103

	FY26-30 CAPITAL IMPROVEMENT PLAN BUDGET SUMMARY						Grand Total
	Prior Year Est.	FY2026	FY2027	FY2028	FY2029	FY2030	
Expenditures							
Capital Improvements	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
EXPENDITURES TOTAL	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Funding Sources							
Capital Reserves	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
FUNDING SOURCES TOTAL	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000



FY 2026 - 2030 Capital Improvements Plan

Spur Cross Ranch Conservation Area Bathroom/Office

Department: Development Services**Contact:** Luke Kautzman**Category:** Buildings**Useful Life:** 30 Years**Priority:** Essential**Strategic Plan Area:** Fiscal Responsibility

Description

The Town of Cave Creek and Maricopa County Parks and Recreation have discussed the feasibility of improving the entrance to Spur Cross Ranch Conservation Area to include restroom/relief station, visitor check-in and ranger office. This project would also include a water reservoir for emergency purposes and a septic system for waste.

Justification

Currently the entrance to SCRCA consists of a shed for visitor check-in and payment, a metal storage container serving as the park ranger office and port-o-lets. Working in partnership with Maricopa County Parks and Recreation to design and construct a building to house these components will create a more attractive and welcoming entrance to the park will benefit both organizations.

Impact on Operating Budget

The facility would be staffed and generally maintained by Maricopa County Parks employees. Should this request be approved where further design and planning could occur, an amended and restated intergovernmental agreement would be considered to specifically identify responsibilities for the ongoing maintenance of the structure as a component of the cost sharing of the construction.

Expenditures & Funding Sources

FC 25014105

	FY26-30 CAPITAL IMPROVEMENT PLAN BUDGET SUMMARY						Grand Total
	Prior Year Est.	FY2026	FY2027	FY2028	FY2029	FY2030	
Expenditures							
Capital Improvements	\$0	\$80,000	\$800,000	\$0	\$0	\$0	\$880,000
EXPENDITURES TOTAL	\$0	\$80,000	\$800,000	\$0	\$0	\$0	\$880,000
Funding Sources							
Outside Participation	\$0	\$40,000	\$400,000	\$0	\$0	\$0	\$440,000
Capital Reserves	\$0	\$40,000	\$400,000	\$0	\$0	\$0	\$440,000
FUNDING SOURCES TOTAL	\$0	\$80,000	\$800,000	\$0	\$0	\$0	\$880,000



FY 2026 - 2030 Capital Improvements Plan

RG 25014104 Rodeo Grounds - Electrical Service Upgrade

Department: Development Services - Rodeo Grounds

Useful Life: 25 Years

Contact: Development Services Director

Priority: Imperative

Category: Improvements

Strategic Plan Area: Infrastructure

Description

The Cave Creek Rodeo Grounds has undergone significant upgrades in recent years. In this current year, the Town has done an internal audit of the existing power supply and electric service components and has identified several components which pose significant risk, worst case, and insufficient or unreliable power supply at best. Staff is requesting that Town Council allocate \$100,000 in order to increase the available power service through APS and rewire the facility.

Justification

The Town has completed the Restrooms and Skybox rebuild. Both of those projects identified deficiencies with the current electrical service and infrastructure on the site. In the case of both projects, the Town was able to work with the respective contractor to move the project forward without significant overhaul of the entire electrical service system. With this request, staff is requesting the ability to complete a comprehensive look for the Rodeo facility's current and long-term electrical needs and bring existing non-conforming or unsafe infrastructure up to code. Staff has already identified several service sub panels and wiring that is unsafe. Panel boxes have been replaced by staff but the circuits and wiring pose risk. There is also a need to increase the available panel capacity above what is currently at the facility in order to meet the ongoing and growing needs of the facility and relieve the necessity for users of the facility to rely upon generators to run event apparatus such as jumbo screens and sound systems. Staff would solicit bid proposals to upgrade the existing service amperage and rewire the facility as well as extend conduit for future electrical service needs, e.g. future light poles within the parking area. The work, if awarded would be conducted over the summer when the facility is utilized less than other periods of the year. A safe and reliable electric supply is critical to any public facility. The costs associated with repairs and maintaining an inadequate electrical system continue to cause delay in planned improvements and place users of the facility at risk.

Impact on Operating Budget

Any additional operating costs would be covered by facility rental income.

Expenditures & Funding Sources

RG 25014104

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
CIP Master Plans/Studies	\$0	\$15,000	\$0	\$0	\$0	\$0	\$15,000
Capital Improvements	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
EXPENDITURES TOTAL	\$0	\$115,000	\$0	\$0	\$0	\$0	\$115,000
Funding Sources							
General Fund Subsidy	\$0	\$115,000	\$0	\$0	\$0	\$0	\$115,000
FUNDING SOURCES TOTAL	\$0	\$115,000	\$0	\$0	\$0	\$0	\$115,000



FY 2026 - 2030 Capital Improvements Plan

RG 27015301 - Rodeo Grounds Improvements to VIP Area

Department: Development Services - Rodeo Grounds

Useful Life: 20 Years

Contact: Development Services Director

Priority: Important

Category: Improvements

Strategic Plan Area: Safe and Vibrant Community

Description

Improvement of the VIP area by replacing the existing covered area and constructing a new covered viewing, kitchen and serving area. The project's estimated cost represents the Town's share of the total estimated cost of the rebuild. The project would include additional restrooms tied into the recently completed restroom facility and connect to a new Crows Nest allowing spectator access from both sides of the arena. The Cave Creek Rodeo Days is currently planning to rebuild the Crows Nest which was lost due to a storm event. Cave Creek Rodeo Days will also provide monies in the form of a grant to reduce the overall cost to construct the new VIP improvements.

Justification

The new VIP venue would increase the viability of the facility for a variety of new events in addition to the Rodeo/Equestrian centric events currently hosted. The facility would provide a much-needed covered area and a serving kitchen. It is anticipated that once the construction is completed demand for use of the venue will increase and rental revenues associated with the arena would significantly increase.

Impact on Operating Budget

Expenditures & Funding Sources

RG 27015301

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$0	\$800,000	\$0	\$0	\$0	\$800,000
EXPENDITURES TOTAL	\$0	\$0	\$800,000	\$0	\$0	\$0	\$800,000
Funding Sources							
Outside Participation	\$0	\$0	\$400,000	\$0	\$0	\$0	\$400,000
General Fund Subsidy	\$0	\$0	\$400,000	\$0	\$0	\$0	\$400,000
FUNDING SOURCES TOTAL	\$0	\$0	\$800,000	\$0	\$0	\$0	\$800,000



FY 2026 - 2030 Capital Improvements Plan

OS 19011001 - Land Acquisition

Department: Open Space Acquisition Fund

Useful Life: 30 Years

Contact:

Priority: Important

Category: Land

Strategic Plan Area: Infrastructure

Description

Project includes placeholder for acquisition of open space property as it becomes available based on balance of dedicated Open Space Acquisition funding.

Project also includes a placeholder for possible state land acquisition and assumed issuance of general obligation bonds. Appraisals will need to be updated for a more accurate estimate. Placeholder includes costs for land, legal services, appraisals, application process, master planning, and incidentals associated with securing/managing the land (e.g., fencing, etc.).

Justification

Impact on Operating Budget

Expenditures & Funding Sources

OS 19011001

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Land	\$0	\$19,557,994	\$0	\$0	\$0	\$0	\$19,557,994
EXPENDITURES TOTAL	\$0	\$19,557,994	\$0	\$0	\$0	\$0	\$19,557,994
Funding Sources							
Debt Financing	\$0	\$17,500,000	\$0	\$0	\$0	\$0	\$17,500,000
Open Space Dedicated TPT Revenues	\$0	\$2,057,994	\$0	\$0	\$0	\$0	\$2,057,994
FUNDING SOURCES TOTAL	\$0	\$19,557,994	\$0	\$0	\$0	\$0	\$19,557,994



FY 2026 - 2030 Capital Improvements Plan

PW 24011601 - Implement Pedestrian Safety Study Recommendations

Department: Public Works - Streets

Contact: Public Works Director

Category: Street Improvements

Useful Life: 25 Years

Priority: Imperative

Strategic Plan Area: Safe and Vibrant Community

Description

Implement recommendations of the MAG funded Pedestrian Safety Study to include warning lighting at cross walk locations, Hawk at Basin Road and Cave Creek Road, pedestrian activated crossings, and potential other recommendations.

Justification

The pedestrian traffic interface in our Town core has been an issue for many years. This prompted the pedestrian safety study funded by MAG. The goal is to make this interface more workable to improve commerce for businesses and a better controlled pedestrian pattern.

Impact on Operating Budget

Minimal increases in operating costs anticipated.

Expenditures & Funding Sources

PW 24011601

	FY26-30 CAPITAL IMPROVEMENT PLAN BUDGET SUMMARY						Grand Total
	Prior Year Est.	FY2026	FY2027	FY2028	FY2029	FY2030	
Expenditures							
Capital Improvements	\$115,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$615,000
EXPENDITURES TOTAL	\$115,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$615,000
Funding Sources							
Capital Reserves	\$115,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$615,000
FUNDING SOURCES TOTAL	\$115,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$615,000



FY 2026 - 2030 Capital Improvements Plan

PW 24011611 - Cave Creek Road Median Enhancements

Department: Public Works - Streets

Contact: Public Works Director

Category: Street Improvements

Useful Life: 10 Years

Priority: Essential

Strategic Plan Area: Infrastructure

Description

This request will include the design and installation of additional plantings within the Town's medians in the Town Core.

Justification

As plant material has been removed over time for various reasons, the Town has not planned for replacement material.

Impact on Operating Budget

Minimal impacts to operating costs anticipated.

Expenditures & Funding Sources

PW 24011611

	FY26-30 CAPITAL IMPROVEMENT PLAN BUDGET SUMMARY						
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$213,803	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$713,803
EXPENDITURES TOTAL	\$213,803	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$713,803
Funding Sources							
Capital Reserves	\$207,663	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$707,663
FUNDING SOURCES TOTAL	\$213,803	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$713,803



FY 2026 - 2030 Capital Improvements Plan

PW 25011606 - 40th Street and Galvin - Mill, Pave and Widening

Department: Public Works - Streets**Contact:** Public Works Director**Category:** Street Improvements**Useful Life:** 10 Years**Priority:** Essential**Strategic Plan Area:** Infrastructure

Description

Mill and pave 40th Street between Via Cassandra Way and Galvin Street as well as Galvin Street from 40th Street about 800 feet East of 40th Street. Full width mill and pave with a two to three inch overlay.

Justification

Currently rated as poor by the Pavement Management Analysis. The Town has spent recent money to repair edges and fix potholes. This project will bring overall quality of the road up and limit the need to patch and improve the use of the road. The road is used by many people with horse trailers.

Impact on Operating Budget

Expenditures & Funding Sources

PW 25011606

	FY26-30 CAPITAL IMPROVEMENT PLAN BUDGET SUMMARY						Grand Total
	Prior Year Est.	FY2026	FY2027	FY2028	FY2029	FY2030	
Expenditures							
Capital Improvements	\$0	\$0	\$250,000	\$0	\$0	\$0	\$250,000
EXPENDITURES TOTAL	\$0	\$0	\$250,000	\$0	\$0	\$0	\$250,000
Funding Sources							
Capital Reserves	\$0	\$0	\$250,000	\$0	\$0	\$0	\$250,000
FUNDING SOURCES TOTAL	\$0	\$0	\$250,000	\$0	\$0	\$0	\$250,000



FY 2026 - 2030 Capital Improvements Plan

Carefree Highway Improvement IGA with City of Scottsdale

Department: Public Works - Streets

Contact: Hal Marron

Category: Street Improvements

Useful Life: 30 Years

Priority: Important

Strategic Plan Area: Infrastructure

Description

The City of Scottsdale has a project under design that will widen Carefree Highway from Cave Creek Road to Scottsdale Road / Tom Darlington. The City of Scottsdale has applied for a grant that will pay 70 percent of the costs of the improvement with the remaining 30 percent being paid by local funds.

The Town of Cave Creek owns the right of way of Carefree Highway between Cave Creek Road and the centerline of 56th Street. The City of Scottsdale is unable to expend their funds for the local fund matching requirement for our portion of the roadway. The budget item would provide the funding to cover the Town of Cave Creek's share of the local funding requirement.

The City of Scottsdale will bid and control the project. The Town of Cave Creek will have review abilities and other authorities that will be spelled out in an Intergovernmental agreement between the two municipalities for the work. We are currently awaiting the draft IGA for review.

Justification

The City of Scottsdale is undertaking the project and has secured funding to cover a majority of the costs associated with the project. They are paying for the design of the project. With the funding in place and the economy of scale associated with the entire project, the providing of local funds to complete our portion of the road makes this a very reasonable undertaking.

Currently the narrowing of Carefree Highway east of 56th Street back traffic up into the intersection of Cave Creek Road and Carefree Highway. This creates a very bad Level of Service for the roadway that needs to be addressed. This improvement project will address this issue.

Impact on Operating Budget

The operating impact will simply to supply the funds to the City of Scottsdale to cover the Town's share of the local funding required to perform the project. The City of Scottsdale will provide an Intergovernmental Agreement that will be entered into by both municipalities. The City of Scottsdale will provide the design, bidding services, construction management and inspection services necessary for the completion of the entire project.

Currently we expect the project to be completed in FY2026 but it could extend into FY2027 based upon the City of Scottsdale and its funding mechanisms.

Expenditures & Funding Sources

FY26-30 CAPITAL IMPROVEMENT PLAN BUDGET SUMMARY							
	Prior Year Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$300,000	\$0	\$0	\$0	\$0	\$300,000
EXPENDITURES TOTAL	\$0	\$300,000	\$0	\$0	\$0	\$0	\$300,000
Funding Sources							
Capital Reserves	\$0	\$300,000	\$0	\$0	\$0	\$0	\$300,000
FUNDING SOURCES TOTAL	\$0	\$300,000	\$0	\$0	\$0	\$0	\$300,000



FY 2026 - 2030 Capital Improvements Plan

PW 27011601 - Military Road & Southern Bypass – New Road Connection

Department: Public Works - Streets**Contact:** Public Works Director**Category:** Street Improvements**Useful Life:** 25 Years**Priority:** Important**Strategic Plan Area:** Infrastructure

Description

The project involves a southern East / West bypass around Cave Creek Road. The work would include acquisition and condemnation of right of way to complete the alignment and construction of a new roadway and overlay of connected roadways from South School House Road to Bella Vista Drive.

Justification

The project has been recommended in many planning studies.

Impact on Operating Budget

Expenditures & Funding Sources

PW 27011601

	FY26-30 CAPITAL IMPROVEMENT PLAN BUDGET SUMMARY						Grand Total
	Prior Year Est.	FY2026	FY2027	FY2028	FY2029	FY2030	
Expenditures							
Capital Improvements	\$0	\$0	\$700,000	\$0	\$0	\$0	\$700,000
EXPENDITURES TOTAL	\$0	\$0	\$700,000	\$0	\$0	\$0	\$700,000
Funding Sources							
Capital Reserves	\$0	\$0	\$700,000	\$0	\$0	\$0	\$700,000
FUNDING SOURCES TOTAL	\$0	\$0	\$700,000	\$0	\$0	\$0	\$700,000



FY 2026 - 2030 Capital Improvements Plan

PW 26201601 - Desert Awareness Park Galloway Wash

Department: Public Works - Streets**Contact:** Public Works Director**Category:** Street Improvements**Useful Life:** 25 Years**Priority:** Important**Strategic Plan Area:** Infrastructure

Description

Design completed in FY 2022 exceeded available funding. New grant request being prepared as either a SPAP (75 percent grant possible up to \$1,000,000) or capital improvement project (65 percent grant possible). Project will not be able to proceed without grant funding.

Justification

Major bank erosion in area with loss of use of Desert Awareness Park and amenities.

Impact on Operating Budget

Expenditures & Funding Sources

PW 26201601

FY26-30 CAPITAL IMPROVEMENT PLAN BUDGET SUMMARY							
	Prior Year Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$0	\$500,000	\$900,000	\$0	\$0	\$1,400,000
EXPENDITURES TOTAL	\$0	\$0	\$500,000	\$900,000	\$0	\$0	\$1,400,000
Funding Sources							
Capital Reserves	\$0	\$0	\$125,000	\$225,000	\$0	\$0	\$350,000
Grants	\$0	\$0	\$375,000	\$675,000	\$0	\$0	\$1,050,000
FUNDING SOURCES TOTAL	\$0	\$0	\$500,000	\$900,000	\$0	\$0	\$1,400,000



FY 2026 - 2030 Capital Improvements Plan

CC 23505001 - Phoenix Water Interconnect

Department: Cave Creek Water**Contact:** Utilities Director**Category:** Improvements**Useful Life:** 30 Years**Priority:** Imperative**Strategic Plan Area:** Infrastructure

Description

The Town has an agreement with the City of Phoenix to treat and deliver a portion of the Town's CAP water supply. By the summer of 2026, Phoenix will be able to deliver up to 1,000 gallons per minute (1.44 MGD) to the Town. In FY 2020, the Town completed a study to analyze the interconnect and purchase a site. In FY 2021, funding was used to start the design of the interconnect. Construction will occur in FY 2024 to FY 2026 to match the completion of the Phoenix distribution system improvements.

Justification

This project will significantly improve the reliability of the Town's water supply project by creating a second way to treat and deliver the Town's CAP water supplies. The project will also replace one of the four CAP booster sites on the Town's raw water pipeline. If not approved, the Town's water supply will continue to be vulnerable to interruptions in service if either the Water Treatment Plant or CAP pipeline has an outage.

Impact on Operating Budget

The new interconnect site can be operated by the existing staff members, with no FTE increase required. The cost of operating the site will be largely offset by the reduction in the costs of delivering and treating water at the Town's Water Treatment Plant.

Expenditures & Funding Sources

CC 23505001

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Professional Services	\$1,280	\$0	\$0	\$0	\$0	\$0	\$1,280
Capital Improvements	\$15,445,749	\$8,677,510	\$0	\$0	\$0	\$0	\$24,123,259
EXPENDITURES TOTAL	\$15,447,029	\$8,677,510	\$0	\$0	\$0	\$0	\$24,124,539
Funding Sources							
Water Infrastructure Dedicated TPT Revenues	\$4,645,068	\$0	\$0	\$0	\$0	\$0	\$4,645,068
Cave Creek Water Revenues	\$1,155,419	\$0	\$0	\$0	\$0	\$0	\$1,155,419
Debt Financing	\$6,696,766	\$7,677,510	\$0	\$0	\$0	\$0	\$14,374,276
Grants	\$2,949,776	\$1,000,000	\$0	\$0	\$0	\$0	\$3,949,776
FUNDING SOURCES TOTAL	\$15,447,029	\$8,677,510	\$0	\$0	\$0	\$0	\$24,124,539



FY 2026 - 2030 Capital Improvements Plan

CC 24505004 - WTP Upgrades and Improvements

Department: Cave Creek Water
Contact: Utilities Director
Category: Water Treatment

Useful Life: 20 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

In 2020, the Town purchased two (2) Pall filter units with a capacity of 2 MGD to address water treatment issues. The existing Trident filters were kept in operation and the permitted plant capacity is still 3 MGD. This project will fund improvements to: allow the Pall filters to become a more permanent part of the treatment process; update the Trident filters with new process media and control upgrades; and complete site improvements to address safety and accessibility issues.

Justification

The plant operating permit with Maricopa County considers the Pall filters to be part of a temporary membrane integration project. Making the Pall filters a permanent part of the plant will allow the Town to produce the best quality water for our customers. Keeping the Trident filters will allow the plant capacity to remain at 3 MGD and provide a backup to the Pall filters.

Impact on Operating Budget

The project should not have any ongoing operational impacts.

Expenditures & Funding Sources

CC 24505004

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$256,399	\$700,000	\$0	\$0	\$0	\$0	\$956,399
EXPENDITURES TOTAL	\$256,399	\$700,000	\$0	\$0	\$0	\$0	\$956,399
Funding Sources							
Water Infrastructure Dedicated TPT Revenues	\$0	\$231,522	\$0	\$0	\$0	\$0	\$231,522
Cave Creek Water Revenues	\$81,399	\$0	\$0	\$0	\$0	\$0	\$81,399
Debt Financing	\$0	\$468,478	\$0	\$0	\$0	\$0	\$468,478
General Fund Subsidy	\$175,000	\$0	\$0	\$0	\$0	\$0	\$175,000
FUNDING SOURCES TOTAL	\$256,399	\$700,000	\$0	\$0	\$0	\$0	\$956,399



FY 2026 - 2030 Capital Improvements Plan

CC 24505007 - Cave Creek Well Rehab Program

Department: Cave Creek Water

Contact: Utilities Director

Category: Water Resources

Useful Life: 20 Years

Priority: Imperative

Strategic Plan Area: Infrastructure

Description

The Cave Creek water system has several non-functional groundwater well. As the Town prepares for a reduction in our Colorado River water resources, we need to evaluate if the existing wells can be brought back into operation. In FY2025, three wells were evaluated to determine the water quality and flows available. The FY2026 funds are to re-equip up to three existing well sites.

Justification

The Town is expecting to receive a cut in the CAP M&I water supplies starting in 2027. Re-equipping some of the existing Cave Creek groundwater wells could help to meet the expected reductions in CAP water supplies. The wells are not expected to be a long-term water supply solution, but they can help provide the Town with time to secure new long-term water resources. This project was identified in the 2024 Integrated Utility Master Plan.

Impact on Operating Budget

The operational impacts of the project are unknown at this time.

Expenditures & Funding Sources

CC 24505007

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$284,296	\$1,400,000	\$0	\$0	\$0	\$0	\$1,684,296
EXPENDITURES TOTAL	\$284,296	\$1,400,000	\$0	\$0	\$0	\$0	\$1,684,296
Funding Sources							
Cave Creek Water Revenues	\$48,296	\$0	\$0	\$0	\$0	\$0	\$48,296
Debt Financing	\$0	\$1,400,000	\$0	\$0	\$0	\$0	\$1,400,000
General Fund Subsidy	\$236,000	\$0	\$0	\$0	\$0	\$0	\$236,000
FUNDING SOURCES TOTAL	\$284,296	\$1,400,000	\$0	\$0	\$0	\$0	\$1,684,296



FY 2026 - 2030 Capital Improvements Plan

CC 25505001 - Vehicle Replacement Program - Utilities

Department: Cave Creek Water
Contact: Utilities Director
Category: Vehicles

Useful Life: 10 Years
Priority: Essential
Strategic Plan Area: Infrastructure

Description

This funding will replace existing work trucks in the Utilities vehicle fleet. These vehicles are used to carry parts and equipment required to maintain the Town's treatment plants, utility sites, water distribution system, and wastewater collection system.

FY 2025 – Replace existing 2008 Pickup used by the WTP. This vehicle will be upgraded to a service body truck and used by the distribution staff. Another pickup in the fleet will be assigned to the treatment plant.

FY 2027 – Replace existing 2018 Crane Truck. Replace an existing 2019 single-cab pickup truck used by the Wastewater Treatment Plant and Collections staff with a new service body vehicle.

FY 2028 – Replace two existing 2019 ½-Ton Pickups and half the cost of a Backhoe shared with Public Works.

FY 2029 – Replace two existing 2021 Service Body Trucks.

FY2030 – Replace the existing 2023 wastewater service body vehicle.

Justification

The Town's vehicle replacement program considers the mileage, age, condition, and ongoing repair costs to evaluate when to replace a vehicle. This program provides funding to replace vehicles in the Utility fleet as they meet the criteria for replacement.

Impact on Operating Budget

The project should not any significant direct ongoing operational impacts.

Expenditures & Funding Sources

CC 25505001

	FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY						
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
CAPITAL VEHICLES	\$63,100	\$0	\$0	\$0	\$0	\$0	\$63,100
Capital Equipment	\$0	\$0	\$75,000	\$252,500	\$80,000	\$115,000	\$522,500
EXPENDITURES TOTAL	\$63,100	\$0	\$75,000	\$252,500	\$80,000	\$115,000	\$585,600
Funding Sources							
Utilities Vehicle/Equip Repl Reserve	\$0	\$0	\$75,000	\$252,500	\$80,000	\$115,000	\$522,500
General Fund Subsidy	\$63,100	\$0	\$0	\$0	\$0	\$0	\$63,100
FUNDING SOURCES TOTAL	\$63,100	\$0	\$75,000	\$252,500	\$80,000	\$115,000	\$585,600



FY 2026 - 2030 Capital Improvements Plan

CC 25505003 - 38th Street Booster Replacement

Department: Cave Creek Water
Contact: Utilities Director
Category: Improvements

Useful Life: 25 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

This project will upgrade the existing single pump booster station that supplies 21 homes on 38th Street, North of Cloud Road. The upgraded site will contain dual booster pumps designed to handle the current and future growth in the service area. The existing site is located within the public right-of-way on 38th Street, so the purchase of new land is not required. The project will also look to install a new 500 gpm fire pump at the site.

Justification

The existing 38th Street Booster site was built in 2007 to help provide water to homes located at higher elevations on 38th Street, North of Cloud Road. The existing site only contains a single booster pump. This puts customers at risk for water outages if there are any problems with the pump, motor or electric drive unit. The new site will also be designed to meet the expected growth in the pressure zone, which could increase from 21 to 40 homes. The project will also look to install a new 500 gpm fire pump or fire pump connection at the site to help meet fire demands in the service area.

Impact on Operating Budget

The project should not have any direct ongoing operational impacts.

Expenditures & Funding Sources

CC 25505003

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$80,000	\$0	\$0	\$500,000	\$0	\$0	\$580,000
EXPENDITURES TOTAL	\$80,000	\$0	\$0	\$500,000	\$0	\$0	\$580,000
Funding Sources							
Debt Financing	\$0	\$0	\$0	\$500,000	\$0	\$0	\$500,000
General Fund Subsidy	\$80,000	\$0	\$0	\$0	\$0	\$0	\$80,000
FUNDING SOURCES TOTAL	\$80,000	\$0	\$0	\$500,000	\$0	\$0	\$580,000



FY 2026 - 2030 Capital Improvements Plan

CC 25505004 - Pressure Zone 9 Fire Booster

Department: Cave Creek Water
Contact: Utilities Director
Category: Water Distribution

Useful Life: 25 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

The Town's existing Pressure Zone 9 booster site has two pumps with a maximum flow of 60 gpm. This project will upgrade the site to add a 500 gpm fire booster pump. Adding the booster will require piping and control modifications. If the existing APS electrical service cannot be adequately upsized, the new fire pump may need to be powered by a diesel power generator.

Justification

The Town is working with the developer of the Continental Mountain Estates subdivision (LS & SS Properties) to jointly upgrade the Pressure Zone 9 booster site. At the September 13, 2024, meeting, Council approved Resolution No. R2024-12 authorizing the Town to enter into a Development Agreement with LS & SS Properties to share in the cost of upgrading the Town's existing Zone 9 water booster station to provide fire flows. The project cost estimate is \$968,500. The developer will be providing \$350,000 towards the project, with the Town funding the remainder.

Impact on Operating Budget

The project should not have any direct ongoing operational impacts.

Expenditures & Funding Sources

CC 25505004

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$80,000	\$888,500	\$0	\$0	\$0	\$0	\$968,500
EXPENDITURES TOTAL	\$80,000	\$888,500	\$0	\$0	\$0	\$0	\$968,500
Funding Sources							
Water Infrastructure Dedicated TPT Revenues	\$0	\$538,500	\$0	\$0	\$0	\$0	\$538,500
Outside Participation	\$0	\$350,000	\$0	\$0	\$0	\$0	\$350,000
General Fund Subsidy	\$80,000	\$0	\$0	\$0	\$0	\$0	\$80,000
FUNDING SOURCES TOTAL	\$80,000	\$888,500	\$0	\$0	\$0	\$0	\$968,500



FY 2026 - 2030 Capital Improvements Plan

CC 25505005 - CAP Booster Station and Pipeline Upgrades

Department: Cave Creek Water

Contact: Utilities Director

Category: Water Distribution

Useful Life: 20 Years

Priority: Imperative

Strategic Plan Area: Infrastructure

Description

This project will fund necessary upgrades and improvements at the booster sites. The upgrades will include replacing the pump isolation and check valves, replace pumps, installing new pump bypass connections and replacing air release valves along the pipeline.

Justification

The Town has four (4) booster pump stations to convey raw water from the CAP canal to the Water Treatment Plant. The Town uses CAP water as its main source of water and the delivery pipeline is critical to the Town's water system. Water is pumped over 12 miles from the CAP canal to the Town's Water Treatment Plant by four (4) pump stations working in series. The loss of equipment in any one pump station would prevent the delivery of water to the Water Treatment Plant. This project will fund upgrades at the CAP booster sites to make them more reliable.

Impact on Operating Budget

The project should not have any direct ongoing operational impacts.

Expenditures & Funding Sources

CC 25505005

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$250,000	\$300,000	\$300,000	\$250,000	\$0	\$0	\$1,100,000
EXPENDITURES TOTAL	\$250,000	\$300,000	\$300,000	\$250,000	\$0	\$0	\$1,100,000
Funding Sources							
Water Infrastructure Dedicated TPT Revenues	\$0	\$300,000	\$0	\$0	\$0	\$0	\$300,000
Debt Financing	\$0	\$0	\$300,000	\$250,000	\$0	\$0	\$550,000
General Fund Subsidy	\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000
FUNDING SOURCES TOTAL	\$250,000	\$300,000	\$300,000	\$250,000	\$0	\$0	\$1,100,000



FY 2026 - 2030 Capital Improvements Plan

CC 25505006 - Rehab 6" Waterline Across Cave Creek Wash

Department: Cave Creek Water

Contact: Utilities Director

Category: Water Distribution

Useful Life: 20 Years

Priority: Essential

Strategic Plan Area: Infrastructure

Description

This project will look to replace a 1,000-foot section of 6-inch waterline crossing Cave Creek Wash. In FY2025, an evaluation determined it was not feasible to install a liner to repair the line due to several issues. It was recommended that the Town install a new 1,830-foot waterline across 52nd St/Creek Canyon Road and abandon the existing line crossing Cave Creek wash. Project Design and Permitting will be completed in FY2027, with Construction scheduled for FY2028.

Justification

This waterline crossing Cave Creek Wash has had numerous past breaks due to the low-pressure class of pipe used and poor installation. Any breaks are hard to locate and repair due to the pipe depth and location in the wash. This has also caused large water losses in the distribution system and impacted water service to customers. If not approved, the Town's water system will continue to be vulnerable to interruptions in service as the line continues to fail.

Impact on Operating Budget

Not replacing this line will have a negative impact on the operating budget as staff will continue to spend time and materials repairing line breaks.

Expenditures & Funding Sources

CC 25505006

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
CIP Master Plans/Studies	\$25,000	\$0	\$0	\$0	\$0	\$0	\$25,000
Capital Improvements	\$0	\$0	\$0	\$0	\$75,000	\$750,000	\$825,000
EXPENDITURES TOTAL	\$25,000	\$0	\$0	\$0	\$75,000	\$750,000	\$850,000
Funding Sources							
Debt Financing	\$0	\$0	\$0	\$0	\$75,000	\$750,000	\$825,000
General Fund Subsidy	\$25,000	\$0	\$0	\$0	\$0	\$0	\$25,000
FUNDING SOURCES TOTAL	\$25,000	\$0	\$0	\$0	\$75,000	\$750,000	\$850,000



FY 2026 - 2030 Capital Improvements Plan

CC 25505007 - Water System Improvement Program

Department: Cave Creek Water

Contact: Utilities Director

Category: Improvements

Useful Life: 25 Years

Priority: Imperative

Strategic Plan Area: Infrastructure

Description

The Cave Creek water system has old/poor condition piping, Undersized pipes, gaps in the distribution system and non-working system valves. This project will provide staff with funding to address the required improvements including adding new fire hydrants as required.

Justification

If older lines, system gaps or failed water valves are not addressed, the water distribution system will become increasingly vulnerable to interruptions in service. Gaps in the water system can also have a negative impact on water quality.

Impact on Operating Budget

The project should not have any ongoing operational impacts.

Expenditures & Funding Sources

CC 25505007

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$398,910	\$0	\$150,000	\$150,000	\$150,000	\$150,000	\$998,910
EXPENDITURES TOTAL	\$398,910	\$0	\$150,000	\$150,000	\$150,000	\$150,000	\$998,910
Funding Sources							
Cave Creek Water Revenues	\$214,910	\$0	\$0	\$0	\$0	\$0	\$214,910
Debt Financing	\$0	\$0	\$150,000	\$150,000	\$150,000	\$150,000	\$600,000
General Fund Subsidy	\$184,000	\$0	\$0	\$0	\$0	\$0	\$184,000
FUNDING SOURCES TOTAL	\$398,910	\$0	\$150,000	\$150,000	\$150,000	\$150,000	\$998,910



FY 2026 - 2030 Capital Improvements Plan

CC 25505009 - Bartlett Dam New Storage Volume (VRSMP)

Department: Cave Creek Water

Contact: Utilities Director

Category: Water Resources

Useful Life: 50 Years

Priority: Imperative

Strategic Plan Area: Infrastructure

Description

SRP and 22 municipal, tribal, and agricultural partners are working with the Bureau of Reclamation to complete a feasibility study evaluating how to expand the Bartlett Dam. The new storage volume created by the expanded dam could provide the Town with a new long-term water resource. The Town has been admitted as a non-voting member of the project. By joining the project, the Town is financially committed through the completion of the feasibility study, which is expected to cost \$208,000 through FY2027. Once the project construction is approved, the Town would still have to elect to move forward. However, the Town is required to show that we have the financial capacity to participate in the construction. Construction is expected to cost \$3,000/AF for the 1,000 AF of storage being requested – for a total of \$3,000,000.

Justification

The Town staff are working on several options to help meet the reductions in CAP water supplies expected to start in 2027. However, most of the options are only expected to last for a few years. The Town still needs to secure new long-term water resources to cover the expected growth in the water systems and to prevent shortages impacting the current customers.

Impact on Operating Budget

The ongoing operating impacts are unknown at this time.

Expenditures & Funding Sources

CC 25505009

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
CIP Master Plans/Studies	\$120,000	\$44,000	\$44,000	\$0	\$0	\$0	\$208,000
Capital Improvements	\$0	\$0	\$2,475,000	\$4,950,000	\$2,475,000	\$0	\$9,900,000
EXPENDITURES TOTAL	\$120,000	\$44,000	\$2,519,000	\$4,950,000	\$2,475,000	\$0	\$10,108,000
Funding Sources							
Debt Financing	\$0	\$0	\$2,475,000	\$4,950,000	\$2,475,000	\$0	\$9,900,000
General Fund Subsidy	\$120,000	\$44,000	\$44,000	\$0	\$0	\$0	\$208,000
FUNDING SOURCES TOTAL	\$120,000	\$44,000	\$2,519,000	\$4,950,000	\$2,475,000	\$0	\$10,108,000



FY 2026 - 2030 Capital Improvements Plan

CC 25505010 - Zone 1 Pipeline Improvements

Department: Cave Creek Water
Contact: Utilities Director
Category: Water Distribution

Useful Life: 25 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

The project will replace the existing deficient 8-inch waterline on New River Road between Cave Creek Road and 50th Street.

Justification

The Town has experienced numerous breaks on the 8-inch waterline on New River Road between Cave Creek Road and 50th Street. When the line breaks, many customers are impacted as the existing butterfly valves do not fully close and isolate the break location. Replacing the line and the isolation valves will improve the overall reliability of the water distribution system in the area. The project was identified in the 2024 Integrated Utility Master Plan.

Impact on Operating Budget

Not replacing the line will have a negative impact on the operating budget as staff will continue to spend time and materials repairing line breaks.

Expenditures & Funding Sources

CC 25505010

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$86,000	\$0	\$0	\$631,000	\$0	\$0	\$717,000
EXPENDITURES TOTAL	\$86,000	\$0	\$0	\$631,000	\$0	\$0	\$717,000
Funding Sources							
Debt Financing	\$0	\$0	\$0	\$631,000	\$0	\$0	\$631,000
General Fund Subsidy	\$86,000	\$0	\$0	\$0	\$0	\$0	\$86,000
FUNDING SOURCES TOTAL	\$86,000	\$0	\$0	\$631,000	\$0	\$0	\$717,000



FY 2026 - 2030 Capital Improvements Plan

CC 50010000 - Rebuild Zone 6 PVR and Replace 2" Waterline

Department: Cave Creek Water
Contact: Utilities Director
Category: Water Distribution

Useful Life: 25 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

This project will rebuild the Zone 6 Pressure Reducing Valve (PRV) that was abandoned several years ago. The pressure zone covers the Andorra Hills neighborhood. Without this PRV, the system pressures at the southwest end of the neighborhood operate above 120 psi, which puts stress on the waterlines. The project will also replace 1,200-feet of 2-inch galvanized waterline with a new 6-inch waterline

Justification

The waterline in Pressure Zone 6 has had numerous past breaks due to its age and poor installation. Rebuilding the PRV will lower the operating pressures. Replacing the 1,200-foot section of 2-inch galvanized waterline with a new 6-inch line will allow new fire hydrants to be installed to protect the neighborhood. If the project occurs in FY2026, it will be coordinated with the neighborhood plans to repave their private roadway, lowering the project cost for the Town.

Impact on Operating Budget

The project should not have any direct ongoing operational impacts.

Expenditures & Funding Sources

CC 50010000

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$307,000	\$0	\$0	\$0	\$0	\$307,000
EXPENDITURES TOTAL	\$0	\$307,000	\$0	\$0	\$0	\$0	\$307,000
Funding Sources							
Debt Financing	\$0	\$307,000	\$0	\$0	\$0	\$0	\$307,000
FUNDING SOURCES TOTAL	\$0	\$307,000	\$0	\$0	\$0	\$0	\$307,000



FY 2026 - 2030 Capital Improvements Plan

CC 50010001 - Upgrades at Carol Heights Booster Site

Department: Cave Creek Water

Contact: Utilities Director

Category: Water Distribution

Useful Life: 25 Years

Priority: Essential

Strategic Plan Area: Infrastructure

Description

This project will upgrade the Carol Heights booster to provide better control and monitoring of the filling process for the Rockaway Reservoir. This will be accomplished by upgrading the Carol Heights to Rockaway fill valves and adding a flow meter. Additionally, the project will replace the three existing Zone 7 pumps and pump header, as the Town cannot get spare parts for the existing Zone 7 pumps. The project will also install an emergency generator to support the Zone 8 booster pumps.

Justification

The Carol Heights booster controls how the Town fills the Rockaway Reservoir. The existing control valves and lack of a flow meter provide Staff with limited control over the fill process. The existing Carol Height Zone 7 pumps both backup the Neary booster pumps and are needed to draw water out of the Rockaway reservoir. The existing three Zone 7 pumps are no longer supported and need to be replaced with newer units. Adding a generator will provide emergency power for the Zone 8 pumps. The project was identified in the 2024 Integrated Utility Master Plan.

Impact on Operating Budget

The project should not any significant direct ongoing operational impacts.

Expenditures & Funding Sources

CC 50010001

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Equipment	\$0	\$0	\$0	\$524,900	\$0	\$0	\$524,900
EXPENDITURES TOTAL	\$0	\$0	\$0	\$524,900	\$0	\$0	\$524,900
Funding Sources							
Debt Financing	\$0	\$0	\$0	\$524,900	\$0	\$0	\$524,900
FUNDING SOURCES TOTAL	\$0	\$0	\$0	\$524,900	\$0	\$0	\$524,900



FY 2026 - 2030 Capital Improvements Plan

CC 50010002 - Zone 9 Pipeline Improvements

Department: Cave Creek Water
Contact: Utilities Director
Category: Water Distribution

Useful Life: 25 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

This project will construct a new 680-foot section of 6-inch waterline in Pressure Zone 9, across parcel 216-16-014. This will complete a section of a future new waterline loop in the pressure zone. The section is being completed before the parcel is developed.

Justification

The 2024 Integrated Master Plan identified the need to install a new 6-inch waterline loop in Pressure Zone 9. The new waterline loop needs to cross one private parcel. As a condition of granting the waterline easement, the owner asked the Town to complete the new waterline section prior to a home being constructed on the parcel. The project will also install a new fire hydrant that will protect several existing homes.

Impact on Operating Budget

The project should not have any ongoing operational impacts.

Expenditures & Funding Sources

CC 50010002

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$150,000	\$0	\$0	\$0	\$400,000	\$550,000
EXPENDITURES TOTAL	\$0	\$150,000	\$0	\$0	\$0	\$400,000	\$550,000
Funding Sources							
Debt Financing	\$0	\$150,000	\$0	\$0	\$0	\$400,000	\$550,000
FUNDING SOURCES TOTAL	\$0	\$150,000	\$0	\$0	\$0	\$400,000	\$550,000



FY 2026 - 2030 Capital Improvements Plan

CC 50010003 - Zone 8 Pipeline Improvements

Department: Cave Creek Water
Contact: Utilities Director
Category: Water Distribution

Useful Life: 25 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

This project will replace the existing smaller diameter (4-inch and below) waterlines in the Town's Pressure Zone 8. The project will also look to create more loops in the water system, replace nonfunctional system valves and install new fire hydrants. Waterlines and meters will be removed from the rear lot easements in the Azure Hills Neighborhood to allow for better maintenance by Town staff. Project design will be completed in FY30, and construction will occur in FY31 and 32.

Justification

The Town's Pressure Zone 8 has numerous existing smaller diameter waterline (4-inch and smaller) that do not allow for fire flows. Also, many of the lines are not looped, which also restricts flows and creates water quality issues. The project was identified in the 2024 Integrated Utility Master Plan.

Impact on Operating Budget

Not replacing the line will have a negative impact on the operating budget as staff will continue to spend time and materials repairing line breaks.

Expenditures & Funding Sources

CC 50010003

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$0	\$50,000	\$150,000	\$500,000	\$500,000	\$1,200,000
EXPENDITURES TOTAL	\$0	\$0	\$50,000	\$150,000	\$500,000	\$500,000	\$1,200,000
Funding Sources							
Debt Financing	\$0	\$0	\$50,000	\$150,000	\$500,000	\$500,000	\$1,200,000
FUNDING SOURCES TOTAL	\$0	\$0	\$50,000	\$150,000	\$500,000	\$500,000	\$1,200,000



FY 2026 - 2030 Capital Improvements Plan

CC 50010004 - Galloway Booster Station Upgrades

Department: Cave Creek Water
Contact: Utilities Director
Category: Water Distribution

Useful Life: 25 Years
Priority: Essential
Strategic Plan Area: Infrastructure

Description

This project will add a fourth booster pump, replace the existing flow meter with a MAG meter and install a new PLC at the site.

Justification

The Galloway booster is located at the east end of the Town Core and supplies Pressure Zone 10. The booster site supplies Stagecoach Village and other commercial areas. The site currently has three booster pumps with some provisions to add a fourth. If one of the current pumps is out of service, the site cannot supply required fire flows. Adding a fourth booster pump will improve the overall reliability. The existing flow meter does not work correctly and needs to be replaced with a new MAG meter for staff to correctly monitor the site. The site doesn't have a PLC computer. Adding a PLC will allow for better overall control of the four booster pumps. The project was identified in the 2024 Integrated Utility Master Plan.

Impact on Operating Budget

The project should not have any direct ongoing operational impacts.

Expenditures & Funding Sources

CC 50010004

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Equipment	\$0	\$50,000	\$250,000	\$0	\$0	\$0	\$300,000
EXPENDITURES TOTAL	\$0	\$50,000	\$250,000	\$0	\$0	\$0	\$300,000
Funding Sources							
Debt Financing	\$0	\$50,000	\$250,000	\$0	\$0	\$0	\$300,000
FUNDING SOURCES TOTAL	\$0	\$50,000	\$250,000	\$0	\$0	\$0	\$300,000



FY 2026 - 2030 Capital Improvements Plan

CC 50010005 - Zone 4 to 1 PRV Improvements

Department: Cave Creek Water
Contact: Utilities Director
Category: Water Distribution

Useful Life: 25 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

This project will relocate the existing Zone 4 to 1 pressure reducing valve (PRV) located at Cave Creek Road and Canyon Ridge Drive north to Stagecoach Pass Road. The new PRV site will have a new MAG flow meter and a Mission system to monitor flow and pressures. The area waterlines will be modified to create better looping of the distribution system.

Justification

Once the City of Phoenix Interconnect is completed, the existing Zone 4 to 1 PRV on the 16-inch line in Cave Creek Road at Canyon Ridge Drive will be eliminated. This will leave the existing PRV on the parallel 8-inch waterline at the same intersection. The 8-inch PRV site will be located too close to the new booster pumps at the Pheonix Interconnect site to function correctly. Also, moving the site north to Stagecoach Pass Road will allow staff to better loop the distribution system. Currently the Zone 1 and 4 waterlines both dead-end at the southwest corner of Cave Creek Road and Stagecoach Pass Road. The new PRV site will allow staff to monitor the flows and pressures in the distribution system between Zone 4 and 1, which will be increasingly important once the new City of Phoenix interconnect site is completed in 2026. The project was identified in the 2024 Integrated Utility Master Plan.

Impact on Operating Budget

The project should not have any direct ongoing operational impacts.

Expenditures & Funding Sources

CC 50010005

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
EXPENDITURES TOTAL	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Funding Sources							
Debt Financing	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
FUNDING SOURCES TOTAL	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000



FY 2026 - 2030 Capital Improvements Plan

CC 50010006 - WTP Process Upgrade to Membranes

Department: Cave Creek Water**Contact:** Utilities Director**Category:** Water Treatment**Useful Life:** 25 Years**Priority:** Essential**Strategic Plan Area:** Infrastructure

Description

This project will look at evaluating if the WTP capacity needs to be increased to 4.5 mgd to ensure system demands can be met without the operation of the City of Phoenix Interconnect. Upgrading the plant capacity would also require upgrading the capacity of the in-line booster stations on the CAP pipeline as well as converting the plant to a full Pall Unit facility. Even if the capacity increase is not required, the Town may need to remove the Trident filters and add an additional 1 mgd of Pall filters.

Justification

The WTP has a current permitted capacity of 3 mgd. The capacity is made up of three 1 mgd Trident filters and two 1 mgd Pall membrane filter units. Upgrading the plant beyond the current capacity would require removing the Trident filters inside the building and adding new membrane filters. Increasing the plant capacity may be required to ensure the Town can meet system demands without the operation of the City of Phoenix Interconnect. Even if the capacity increase is not required, the Town may need to remove the Trident filters and add a new membrane filters to ensure the plant can meet water quality standards and operational permit requirement. The project was identified in the 2024 Integrated Utility Master Plan.

Impact on Operating Budget

This project will look at evaluating if the WTP capacity needs to be increased to 4.5 mgd to ensure system demands can be met without the operation of the City of Phoenix Interconnect. Upgrading the plant capacity would also require upgrading the capacity of the in-line booster stations on the CAP pipeline as well as converting the plant to a full membrane treatment facility. Even if the capacity increase is not required, the Town may need to remove the Trident filters and add a new membrane filters to ensure the plant can meet water quality standards.

Expenditures & Funding Sources

CC 50010006

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY								
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total	
Expenditures								
Capital Improvements	\$0	\$0	\$0	\$0	\$0	\$250,000	\$250,000	
EXPENDITURES TOTAL	\$0	\$0	\$0	\$0	\$0	\$250,000	\$250,000	
Funding Sources								
Debt Financing	\$0	\$0	\$0	\$0	\$0	\$250,000	\$250,000	
FUNDING SOURCES TOTAL	\$0	\$0	\$0	\$0	\$0	\$250,000	\$250,000	



FY 2026 - 2030 Capital Improvements Plan

CC 50010007 - Aeration System for Phoenix Interconnect Reservoir

Department: Cave Creek Water

Contact: Utilities Director

Category: Water Treatment

Useful Life: 25 Years

Priority: Imperative

Strategic Plan Area: Infrastructure

Description

This project will add a new aeration system in the City of Phoenix water interconnect reservoir. The system will help with the removal of TTHM (total trihalomethanes). The aeration system will air-strip the incoming water, which then requires the water to be re-chlorinated. The site will already have a re-chlorination system, and the reservoir was designed to accommodate the addition of the aeration equipment.

Justification

Cave Creek will be connecting at the top of the Phoenix water system. If left untreated, the age of the Phoenix water in the Town's water system could lead to water quality issues such as the formation of TTHMs. Waiting until the year after the Phoenix Interconnect site is operational will allow staff to evaluate the impacts to the water system and better design the aeration system.

Impact on Operating Budget

The ongoing operating impacts have not been determined yet. It is expected the system will have added electrical costs, but this may be offset to the cost needed for staff to flush the water system due to water age/quality issues.

Expenditures & Funding Sources

CC 50010007

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$0	\$750,000	\$0	\$0	\$0	\$750,000
EXPENDITURES TOTAL	\$0	\$0	\$750,000	\$0	\$0	\$0	\$750,000
Funding Sources							
Debt Financing	\$0	\$0	\$750,000	\$0	\$0	\$0	\$750,000
FUNDING SOURCES TOTAL	\$0	\$0	\$750,000	\$0	\$0	\$0	\$750,000



FY 2026 - 2030 Capital Improvements Plan

CC 50010008 - Evaluate Additional Groundwater Wells - CCW & DHW

Department: Cave Creek Water

Contact: Utilities Director

Category: Water Resources

Useful Life: 25 Years

Priority: Essential

Strategic Plan Area: Infrastructure

Description

This project will fund a groundwater study to evaluate if additional wells can be added to the Town's water systems in Cave Creek and Desert Hills. The study will need to look at predicted water volumes, water quality issues and the need for treatment. It will also have to evaluate any permit issues due to the number of existing private wells in both Cave Creek and Desert Hills areas.

Justification

Adding new groundwater wells will provide additional redundant water supplies in the event of a CAP outage or drought reduction. Any new wells are not expected to be a long-term water supply solution, but they can help provide the Town with time to secure new long-term water resources or address operational issues. This project was identified in the 2024 Integrated Utility Master Plan.

Impact on Operating Budget

The project should not have any direct ongoing operational impacts.

Expenditures & Funding Sources

CC 50010008

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
CIP Master Plans/Studies	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
EXPENDITURES TOTAL	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Funding Sources							
General Fund Subsidy	\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000
General Fund Cash Loan	\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000
FUNDING SOURCES TOTAL	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000



FY 2026 - 2030 Capital Improvements Plan

CC 50010009 - Phoenix ASR Recharge Storage

Department: Cave Creek Water

Contact: Utilities Director

Category: Water Resources

Useful Life: 20 Years

Priority: Imperative

Strategic Plan Area: Infrastructure

Description

This project will fund the cost of the Town storing some or all of our current unused Colorado River water allocation in the next year in the City of Phoenix Aquifer Storage and Recovery (ARS) wells. For the past few years, the Town has been storing our unused Colorado River water in Central Arizona Project Recharge facilities and the cost is built into the current operating budget. This project will fund the increased cost of storing the water with Phoenix. The rate is set by our IGA with Phoenix.

Justification

There is currently no physical way to recover the water stored in the Central Arizona Project Recharge facilities. The Town has been looking at ways to exchange our Storage Credits to obtain wet water. As the Town is preparing for a reduction in our Colorado River water resources in 2027, we need to evaluate all options for getting wet water into the system. By recharging our unused 2025 Colorado River water with the City of Phoenix, the Town will have a way to physically recover that water once the Phoenix Interconnect site is completed. This water could be a short-term water solution for the Town.

Impact on Operating Budget

There will be additional operating costs for Phoenix to recover and deliver the stored water for the Town. Staff will request one-time operating budget supplementals to cover these future costs.

Expenditures & Funding Sources

CC 50010009

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$400,000	\$0	\$0	\$0	\$0	\$400,000
EXPENDITURES TOTAL	\$0	\$400,000	\$0	\$0	\$0	\$0	\$400,000
Funding Sources							
Debt Financing	\$0	\$400,000	\$0	\$0	\$0	\$0	\$400,000
FUNDING SOURCES TOTAL	\$0	\$400,000	\$0	\$0	\$0	\$0	\$400,000



FY 2026 - 2030 Capital Improvements Plan

CC 50010010 - New Colorado River Water Rights

Department: Cave Creek Water

Contact: Utilities Director

Category: Water Resources

Useful Life: 50 Years

Priority: Imperative

Strategic Plan Area: Infrastructure

Description

The Town needs to secure 805 AF of new water resources to cover the Town's expected growth out till 2050. This shortage is due to an expected 25% cut in CAP M&I water supplies set to start in 2027. This also assumes that CAP NIA water is not available each year and that the water capacity of the existing groundwater wells continues to decline. To make up this shortage, it is expected that the Town will need to secure 320 AF of new water resources by 2029 and another 320 AF by 2035. We are planning for the water to cost \$30,000 per AF and the cost being split between Cave Creek Water and Desert Hills Water

Justification

The Town staff are working on several options to help meet the reductions in CAP water supplies expected to start in 2027. However, most of the options are only expected to last for a few years. The Town still needs to secure new long-term water resources to cover the expected growth in the water systems and to prevent shortages impacting the current customers.

Impact on Operating Budget

The ongoing operating impacts will depend on the final solution or combination of solutions selected. Estimated annual wheeling cost is \$100,000.

Expenditures & Funding Sources

CC 50010010

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Water Rights	\$0	\$0	\$0	\$0	\$0	\$5,700,000	\$5,700,000
EXPENDITURES TOTAL	\$0	\$0	\$0	\$0	\$0	\$5,700,000	\$5,700,000
Funding Sources							
Debt Financing	\$0	\$0	\$0	\$0	\$0	\$5,700,000	\$5,700,000
FUNDING SOURCES TOTAL	\$0	\$0	\$0	\$0	\$0	\$5,700,000	\$5,700,000



FY 2026 - 2030 Capital Improvements Plan

CC 50010011 - Rockaway Reservoir Aeration System

Department: Cave Creek Water

Contact: Utilities Director

Category: Improvements

Useful Life: 25 Years

Priority: Essential

Strategic Plan Area: Infrastructure

Description

The Rockaway site is the Town's largest water storage reservoir. The site is located in the Northeastern portion of the distribution system. The water age in this reservoir is often elevated due to its size and location, which can lead to increased water age in the distribution system and water quality issues. The project will fund installing a new aeration system to help with TTHM removal at the reservoir.

Justification

Not completing these improvements could have a negative impact on the water quality in the Northeast portion of the distribution system. The project is being timed to be completed in the same year as the new water interconnect with the City of Phoenix is complete. The updated water system models show that once the Town starts to use water from the interconnect, water age will become harder to manage at the Rockaway site. The project was identified in the 2024 Integrated Utility Master Plan.

Impact on Operating Budget

The aeration system will have some electrical costs to operate and require staff time to maintain. Staff thinks that this will largely be offset by the reduction in the water that needs to be flushed out of the system to ensure water quality standards.

Expenditures & Funding Sources

CC 50010011

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$0	\$0	\$500,000	\$0	\$0	\$500,000
EXPENDITURES TOTAL	\$0	\$0	\$0	\$500,000	\$0	\$0	\$500,000
Funding Sources							
Debt Financing	\$0	\$0	\$0	\$500,000	\$0	\$0	\$500,000
FUNDING SOURCES TOTAL	\$0	\$0	\$0	\$500,000	\$0	\$0	\$500,000



FY 2026 - 2030 Capital Improvements Plan

CC 50010012 - New Neary Booster Pumps

Department: Cave Creek Water
Contact: Utilities Director
Category: Water Distribution

Useful Life: 20 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

This project will fund adding two new smaller capacity booster pumps at the Neary Booster site to make it run more efficiently. The three existing 1,500 gpm Neary booster pumps will not run efficiently once the Phoenix Interconnect site is complete. The site was originally constructed with two empty pump cans to allow for future pump additions.

Justification

The water produced by the Town's Water Treatment Plant must pass through the Neary Booster before entering the distribution system. After the connection with Phoenix is complete, the Neary site won't be the only supply of water to the area South of the Town Core. The current three boosters can pump up to 1,500 gpm each but are not efficient at lower flows. The existing booster pumps will still be needed to provide fire protection. The new smaller capacity pumps will allow the Neary site to be better integrated with the new Phoenix Interconnect site.

Impact on Operating Budget

The ongoing operating impacts have not been determined yet. It is expected that the smaller booster pumps will lower the electrical costs at the site.

Expenditures & Funding Sources

CC 50010012

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Equipment	\$0	\$250,000	\$0	\$0	\$0	\$0	\$250,000
EXPENDITURES TOTAL	\$0	\$250,000	\$0	\$0	\$0	\$0	\$250,000
Funding Sources							
Debt Financing	\$0	\$250,000	\$0	\$0	\$0	\$0	\$250,000
FUNDING SOURCES TOTAL	\$0	\$250,000	\$0	\$0	\$0	\$0	\$250,000



FY 2026 - 2030 Capital Improvements Plan

CC 50010013 - New West Cave Creek Waterline - Phase 1

Department: Cave Creek Water

Contact: Utilities Director

Category: Water Distribution

Useful Life: 25 Years

Priority: Imperative

Strategic Plan Area: Infrastructure

Description

The project will fund a new waterline to supply the west side of the Cave Creek water system and the connection with Desert Hills water. The 2024 Integrated Utility Master Plan identified alternatives for the new waterline. This project will fund a routing study to determine the best alignment. Once the alignment is selected, detailed design can begin followed by the first phase of construction. The project is being divided into two phases for construction due to the overall expected cost.

Justification

The 2024 Integrated Utility Master Plan identified the single 8-inch waterline on Cloud Road as being a significant restriction in the Town's water distribution system. The existing waterline has had numerous past breaks due to the low-pressure class of pipe used and poor installation. When the line does break there are significant interruptions to a large number of customers. If not approved, the Town's water system will continue to be vulnerable to interruptions in service as the existing 8-inch waterline continues to fail. Also, the restrictions in the water system caused by this line will continue to increase due to projected growth of the west side of the system, causing the distribution system to run inefficiently.

Impact on Operating Budget

The project should not have any direct ongoing operational cost impacts.

Expenditures & Funding Sources

CC 50010013

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
CIP Master Plans/Studies	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Capital Improvements	\$0	\$0	\$250,000	\$1,600,000	\$1,600,000	\$0	\$3,450,000
EXPENDITURES TOTAL	\$0	\$100,000	\$250,000	\$1,600,000	\$1,600,000	\$0	\$3,550,000
Funding Sources							
Debt Financing	\$0	\$0	\$250,000	\$1,600,000	\$1,600,000	\$0	\$3,450,000
General Fund Subsidy	\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000
General Fund Cash Loan	\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000
FUNDING SOURCES TOTAL	\$0	\$100,000	\$250,000	\$1,600,000	\$1,600,000	\$0	\$3,550,000



FY 2026 - 2030 Capital Improvements Plan

CC 50010014 - Rehab 8" Waterline Across Cave Creek Wash

Department: Cave Creek Water
Contact: Utilities Director
Category: Improvements

Useful Life: 25 Years
Priority: Essential
Strategic Plan Area: Infrastructure

Description

This project will place a liner in an existing 4,200 foot long, 8-inch distribution line crossing Cave Creek Wash, located on the New River and Cloud Road alignments. This waterline has had numerous past breaks due to the low-pressure class of pipe used and poor installation.

Justification

Due to the location of this line, any breaks are hard to locate and repair. This line is one of two that extends to the West side of the Town's distribution system. When this line must be taken out of service for repairs, the Town sees large pressure increases in Pressure Zone 1, putting additional stresses on the surrounding distribution lines. If not approved, the Town's water system will continue to be vulnerable to interruptions in service as the line continues to fail.

Impact on Operating Budget

The project should not have any ongoing operational impacts.

Expenditures & Funding Sources

CC 50010014

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$50,000	\$600,000	\$0	\$0	\$0	\$650,000
EXPENDITURES TOTAL	\$0	\$50,000	\$600,000	\$0	\$0	\$0	\$650,000
Funding Sources							
Debt Financing	\$0	\$50,000	\$600,000	\$0	\$0	\$0	\$650,000
FUNDING SOURCES TOTAL	\$0	\$50,000	\$600,000	\$0	\$0	\$0	\$650,000



FY 2026 - 2030 Capital Improvements Plan

CC 50010015 - Integrated Utility Master Plan

Department: Cave Creek Water
Contact: Utilities Director
Category: Improvements

Useful Life: 10 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

This project will update the Town's 2024 Integrated Utility Master Plan. The update will address both the Town's water and wastewater systems. Once completed, the master plan will help identify areas and projects that the Town needs to focus on to improve the utility systems to address water supply, growth and operational issues. The funding will be split between the three (3) Utility Enterprise Funds.

Justification

The Town's Utility Master Plans need to be updated on a five-year schedule. This keeps the plans from becoming outdated, making it harder for staff to make good planning decisions for improvement projects, development proposals or operational issues like water supply changes.

Impact on Operating Budget

The project should not have any direct ongoing operational impacts.

Expenditures & Funding Sources

CC 50010015

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
CIP Master Plans/Studies	\$0	\$0	\$0	\$250,000	\$0	\$0	\$250,000
Capital Improvements	\$316,541	\$0	\$0	\$0	\$0	\$0	\$316,541
EXPENDITURES TOTAL	\$316,541	\$0	\$0	\$250,000	\$0	\$0	\$566,541
Funding Sources							
Cave Creek Water Revenues	\$140,770	\$0	\$0	\$0	\$0	\$0	\$140,770
Wastewater Revenues	\$70,386	\$0	\$0	\$0	\$0	\$0	\$70,386
General Fund Subsidy	\$25,000	\$0	\$0	\$200,000	\$0	\$0	\$225,000
Desert Hills Water Revenues	\$70,386	\$0	\$0	\$50,000	\$0	\$0	\$120,386
General Fund Cash Loan	\$10,000	\$0	\$0	\$0	\$0	\$0	\$10,000
FUNDING SOURCES TOTAL	\$316,542	\$0	\$0	\$250,000	\$0	\$0	\$566,542



FY 2026 - 2030 Capital Improvements Plan

CC 50010016 - Cave Creek Road Pipeline Improvements

Department: Cave Creek Water**Contact:** Utilities Director**Category:** Water Distribution**Useful Life:** 25 Years**Priority:** Imperative**Strategic Plan Area:** Infrastructure

Description

The project will replace existing sections of 4 and 6-inch waterlines on the north side of Cave Creek Road, east of School House Road, that have had numerous breaks. These lines are also undersized and most of the in-line valves do not function. This project will move all the service connections to the existing 8-inch line on the south side of Cave Creek Road and add in-fill fire hydrates along this section of Cave Creek Road.

Justification

The 2024 Integrated Utility Master Plan identified several sections of existing 4 and 6-inch waterlines on the north side of Cave Creek Road, east of School House Road, that have had numerous breaks. These lines are also undersized and most of the in-line valves do not function. This project will improve the water system by moving all of the service connections to the existing 8-inch line on the south side of Cave Creek Road. The project will also add in-fill fire hydrates along Cave Creek Road to improve fire protection.

Impact on Operating Budget

Not replacing these lines will have a negative impact on the operating budget as staff will continue to spend time and materials repairing line breaks.

Expenditures & Funding Sources

CC 50010016

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$0	\$0	\$0	\$400,000	\$400,000	\$800,000
EXPENDITURES TOTAL	\$0	\$0	\$0	\$0	\$400,000	\$400,000	\$800,000
Funding Sources							
Debt Financing	\$0	\$0	\$0	\$0	\$400,000	\$400,000	\$800,000
FUNDING SOURCES TOTAL	\$0	\$0	\$0	\$0	\$400,000	\$400,000	\$800,000



FY 2026 - 2030 Capital Improvements Plan

CC 50010017 - Harquahala Groundwater

Department: Cave Creek Water
Contact: Utilities Director
Category: Water Resources

Useful Life: 25 Years
Priority: Essential
Strategic Plan Area: Infrastructure

Description

This project will fund the cost of the Town purchasing groundwater rights in Harquahala Valley. By purchasing a plot of land from the Harquahala Valley Landowners, LLC, the Town would also secure a 100-year supply of groundwater. The water could be transported via the CAP canal to be treated by the Town's water treatment plant or by the City of Phoenix and delivered via the new interconnect site. This project could both increase the Town's water resources and diversify water supplies.

Justification

The 2024 Integrated Utility Master Plan identified the need for the Town to secure new water resources for expected 25% cut in CAP M&I water (2,228 AF reduced to 1,671 AF), Zero NIA CAP water and a decline in groundwater wells.

Impact on Operating Budget

The operational impacts of the project are unknown at this time.

Expenditures & Funding Sources

CC 50010017

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
CIP Master Plans/Studies	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Water Rights	\$0	\$0	\$4,000,000	\$0	\$0	\$0	\$4,000,000
EXPENDITURES TOTAL	\$0	\$100,000	\$4,000,000	\$0	\$0	\$0	\$4,100,000
Funding Sources							
Debt Financing	\$0	\$0	\$4,000,000	\$0	\$0	\$0	\$4,000,000
General Fund Subsidy	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
FUNDING SOURCES TOTAL	\$0	\$100,000	\$4,000,000	\$0	\$0	\$0	\$4,100,000



FY 2026 - 2030 Capital Improvements Plan

DH 23555001 - Water System Improvement Program

Department: Desert Hills Water
Contact: Utilities Director
Category: Improvements

Useful Life: 25 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

The Desert Hills water system has old/poor condition piping, undersized pipes, gaps in the distribution system and non-working system valves. This project will provide staff with funding to address the required improvements including adding new fire hydrants as required.

Justification

If older lines, system gaps or failed water valves are not addressed, the water distribution system will become increasingly vulnerable to interruptions in service. Gaps in the water system can also have a negative impact on water quality.

Impact on Operating Budget

The project should not have any ongoing operational impacts

Expenditures & Funding Sources

DH 23555001

	FY26-30 CAPITAL IMPROVEMENT PLAN BUDGET SUMMARY						Grand Total
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	
Expenditures							
Capital Improvements	\$136,200	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$886,200
EXPENDITURES TOTAL	\$136,200	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$886,200
Funding Sources							
Debt Financing	\$0	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
Desert Hills Water Revenues	\$136,200	\$0	\$0	\$0	\$0	\$0	\$136,200
FUNDING SOURCES TOTAL	\$136,200	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$886,200



FY 2026 - 2030 Capital Improvements Plan

DH 24555001 - Steel Storage Tank Reconditioning/Upgrades

Department: Desert Hills Water**Contact:** Utilities Director**Category:** Water Distribution**Useful Life:** 20 Years**Priority:** Imperative**Strategic Plan Area:** Infrastructure

Description

The Desert Hills Water System has four active storage reservoirs. A 2022 condition assessment identified specific improvements for each site and prioritized the upgrades. The FY 2025 funding will complete the design for the 3rd Avenue/Joy Ranch reservoir, with construction to occur in FY 2026. The order of the next upgrades is 10th Street/Carefree Highway reservoir, 7th Street/Joy Ranch reservoir and finally the 14th Street/Cloud Road reservoir.

Justification

If the storage reservoirs have to be taken out of service or fail, the water distribution system will become increasingly vulnerable to interruptions in service.

Impact on Operating Budget

The project should not have any ongoing operational impacts.

Expenditures & Funding Sources

DH 24555001

	FY26-30 CAPITAL IMPROVEMENT PLAN BUDGET SUMMARY						
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$60,654	\$506,000	\$523,510	\$380,000	\$452,000	\$0	\$1,922,164
EXPENDITURES TOTAL	\$60,654	\$506,000	\$523,510	\$380,000	\$452,000	\$0	\$1,922,164
Funding Sources							
Debt Financing	\$0	\$506,000	\$523,510	\$380,000	\$452,000	\$0	\$1,861,510
Desert Hills Water Revenues	\$4,311	\$0	\$0	\$0	\$0	\$0	\$4,311
General Fund Cash Loan	\$56,343	\$0	\$0	\$0	\$0	\$0	\$56,343
FUNDING SOURCES TOTAL	\$60,654	\$506,000	\$523,510	\$380,000	\$452,000	\$0	\$1,922,164



FY 2026 - 2030 Capital Improvements Plan

DH 2555001 - Desert Hills Water Meter Replacements

Department: Desert Hills Water

Contact: Utilities Director

Category: Water Distribution

Useful Life: 15 Years

Priority: Essential

Strategic Plan Area: Infrastructure

Description

Currently, there are just over 1,900 water meters in the Desert Hills water system. In 2012, the Town started replacing the existing manual read meters with new Neptune drive-by read meters. By 2025, some of the meters will be nearing the end of their useful lives. The program will fund the annual replacement of a portion of the Desert Hills water meter inventory. It will also allow the system to be upgraded to an Automatic Metering Infrastructure (AMI) system to provide near real time water use data to the Town and our customers.

Justification

As the meters continue to age, the Town will be underbilling customers for their water use. This will have a negative impact on system revenues and water accounting. By upgrading to an AMI system, the Town and customers can quickly identify and correct leaks. The data can also help change water use patterns to lower overall water consumption.

Impact on Operating Budget

The project should not have any ongoing operational impacts.

Expenditures & Funding Sources

DH 2555001

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$50,000	\$250,000	\$300,000	\$0	\$0	\$0	\$600,000
EXPENDITURES TOTAL	\$50,000	\$250,000	\$300,000	\$0	\$0	\$0	\$600,000
Funding Sources							
Debt Financing	\$0	\$135,000	\$162,000	\$0	\$0	\$0	\$297,000
General Fund Cash Loan	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
Grants	\$0	\$115,000	\$138,000	\$0	\$0	\$0	\$253,000
FUNDING SOURCES TOTAL	\$50,000	\$250,000	\$300,000	\$0	\$0	\$0	\$600,000



FY 2026 - 2030 Capital Improvements Plan

DH 2555002 - Desert Hills Service Line Replacements

Department: Desert Hills Water
Contact: Utilities Director
Category: Water Distribution

Useful Life: 25 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

A majority of the 1,900 water meter service lines in Desert Hills were installed with polyethylene (poly) piping. This type of material is prone to failing. These failures cause both a loss of water and interruptions in service for customers. This program will provide funding to allow staff to identify areas with poly service lines and to proactively replace them before they break.

Justification

If replacement of poly service lines is not addressed, water service to customers will become increasingly vulnerable to interruptions. As staff spends a considerable amount of time repairing service lines, they are unable to complete other preventative maintenance tasks for the water system.

Impact on Operating Budget

Not replacing the service lines will have a negative impact on the operating budget as staff will continue to spend time and materials repairing the leaks.

Expenditures & Funding Sources

DH 2555002

	FY26-30 CAPITAL IMPROVEMENT PLAN BUDGET SUMMARY						Grand Total
	Prior Year Est.	FY2026	FY2027	FY2028	FY2029	FY2030	
Expenditures							
Capital Improvements	\$75,000	\$75,000	\$75,000	\$150,000	\$150,000	\$150,000	\$675,000
EXPENDITURES TOTAL	\$75,000	\$75,000	\$75,000	\$150,000	\$150,000	\$150,000	\$675,000
Funding Sources							
Debt Financing	\$0	\$75,000	\$75,000	\$150,000	\$150,000	\$150,000	\$600,000
Desert Hills Water Revenues	\$75,000	\$0	\$0	\$0	\$0	\$0	\$75,000
FUNDING SOURCES TOTAL	\$75,000	\$75,000	\$75,000	\$150,000	\$150,000	\$150,000	\$675,000



FY 2026 - 2030 Capital Improvements Plan

DH 25555003 - Well Head Arsenic Treatment System

Department: Desert Hills Water

Contact: Utilities Director

Category: Improvements

Useful Life: 25 Years

Priority: Imperative

Strategic Plan Area: Infrastructure

Description

This project will add an arsenic treatment system at the 3rd Avenue and Joy Ranch well site. This site has the highest capacity (220 gallons per minute) of the three Desert Hills wells. The arsenic levels are above the maximum allowed and treatment is required before the well water can enter the distribution system.

Justification

After Cave Creek purchased the Desert Hills water system, staff developed a solution for the high arsenic levels at the 3rd Avenue and Joy Ranch well site. The Town elected to construct new sections of waterlines and to close valves in the distribution system to allow treated CAP water from Cave Creek to be used to blend with the well water. While this system has worked for several years, the 2024 Integrated Utility Master Plan showed that the Desert Hills distribution system is being negatively impacted by the closed valves necessary for this arsenic blending system. Constructing a new well head treatment system for the 3rd Avenue and Joy Ranch well site will allow the closed valves in the distribution system to be opened, allowing for improved water flow throughout the Desert Hills water system. This will also allow the Town to better utilize the existing well and lower the use of CAP water resources from Cave Creek.

Impact on Operating Budget

Once completed there will be some staff time to monitor and operate the system and some ongoing costs to replace the treatment media. These costs have not yet been determined.

Expenditures & Funding Sources

DH 25555003

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$0	\$75,000	\$1,900,000	\$0	\$0	\$1,975,000
EXPENDITURES TOTAL	\$0	\$0	\$75,000	\$1,900,000	\$0	\$0	\$1,975,000
Funding Sources							
Outside Participation	\$0	\$0	\$18,750	\$475,000	\$0	\$0	\$493,750
Debt Financing	\$0	\$0	\$56,250	\$1,425,000	\$0	\$0	\$1,481,250
FUNDING SOURCES TOTAL	\$0	\$0	\$75,000	\$1,900,000	\$0	\$0	\$1,975,000



FY 2026 - 2030 Capital Improvements Plan

DH 55010000 - Galvin Well Improvements

Department: Desert Hills Water
Contact: Utilites Director
Category: Water Treatment

Useful Life: 20 Years
Priority: Essential
Strategic Plan Area: Infrastructure

Description

The Galvin well was constructed in 1982. When the Town purchased the Desert Hills water system in 2007, the well operated at 200 gpm. The site currently only produces 80 gpm. This project will redrill the well-casing with the goal of preventing any further loss in capacity and the hope of increased capacity.

Justification

Desert Hills currently has three operational wells. Any loss in well capacity will require Cave Creek to send more of its water resources to support the Desert Hills customers. This project was identified in the 2024 Integrated Utility Master Plan

Impact on Operating Budget

The project should not have any ongoing operational impacts.

Expenditures & Funding Sources

DH 55010000

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$0	\$0	\$0	\$0	\$470,000	\$470,000
EXPENDITURES TOTAL	\$0	\$0	\$0	\$0	\$0	\$470,000	\$470,000
Funding Sources							
Debt Financing	\$0	\$0	\$0	\$0	\$0	\$470,000	\$470,000
FUNDING SOURCES TOTAL	\$0	\$0	\$0	\$0	\$0	\$470,000	\$470,000



FY 2026 - 2030 Capital Improvements Plan

DH 55010001 - 3rd Avenue Well Improvements

Department: Desert Hills Water
Contact: Utilities Director
Category: Water Resources

Useful Life: 25 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

This project will fund the testing and water sampling needed to design a new well casing for the existing 3rd Ave well in Desert Hills. As the site ages, its capacity is expected to decrease. Also, the site has elevated arsenic levels. Drilling a new casing could help with water quality as well as prevent the loss of well capacity. The funding to drill and equip the new well casing would be in FY2031.

Justification

Desert Hills currently has three operational wells. Any loss in well capacity will require Cave Creek to send more of its water resources to support the Desert Hills customers. The 3rd Ave Well is currently the highest capacity well site in Desert Hills. Any increase in capacity would benefit the system. The improvements may extend the life of this site. This project was identified in the 2024 Integrated Utility Master Plan.

Impact on Operating Budget

The project should not have any ongoing operational impacts.

Expenditures & Funding Sources

DH 55010001

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
CIP Master Plans/Studies	\$0	\$0	\$0	\$0	\$0	\$100,000	\$100,000
EXPENDITURES TOTAL	\$0	\$0	\$0	\$0	\$0	\$100,000	\$100,000
Funding Sources							
Debt Financing	\$0	\$0	\$0	\$0	\$0	\$100,000	\$100,000
FUNDING SOURCES TOTAL	\$0	\$0	\$0	\$0	\$0	\$100,000	\$100,000



FY 2026 - 2030 Capital Improvements Plan

WW 23402101 - Manhole Rehabilitation Program

Department: Wastewater
Contact: Utilities Director
Category: Equipment

Useful Life: 25 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

The 2023 collection system assessment identified the need to improve or replace numerous manholes throughout the wastewater system. Work could include lining the interior of damaged manholes with an epoxy-type coating that protects the concrete interior against corrosive gas. Manhole bases may require rebuilding to correct flow issues. If the deterioration is severe enough, the manholes may require replacement.

Justification

If the damage to manholes is not addressed, the wastewater collection system will become increasing vulnerable to blockages, overflows, or failure.

Impact on Operating Budget

The project should not have any operational impacts.

Expenditures & Funding Sources

WW 23402101

	FY26-30 CAPITAL IMPROVEMENT PLAN BUDGET SUMMARY						
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$376,502	\$150,000	\$150,000	\$150,000	\$150,000	\$50,000	\$1,026,502
EXPENDITURES TOTAL	\$376,502	\$150,000	\$150,000	\$150,000	\$150,000	\$50,000	\$1,026,502
Funding Sources							
Wastewater Revenues	\$126,502	\$0	\$0	\$0	\$0	\$0	\$126,502
Debt Financing	\$0	\$150,000	\$150,000	\$150,000	\$150,000	\$50,000	\$650,000
General Fund Subsidy	\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000
FUNDING SOURCES TOTAL	\$376,502	\$150,000	\$150,000	\$150,000	\$150,000	\$50,000	\$1,026,502



FY 2026 - 2030 Capital Improvements Plan

WW 23402102 - WW Collection System Improvement

Department: Wastewater
Contact: Utilities Director
Category: Improvements

Useful Life: 25 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

The 2023 collection system assessment identified the need to rehabilitate or replace numerous lines throughout the wastewater system. The deficiencies include broken and misaligned sections of pipe. There are also a number of locations where Ductile Iron pipe was installed, and the interior coating of the pipes is failing.

Justification

If the damage to the wastewater lines is not addressed, the wastewater collection system will become increasingly vulnerable to blockages, overflows, or failure.

Impact on Operating Budget

The project should not have any operational impacts.

Expenditures & Funding Sources

WW 23402102

FY26-30 CAPITAL IMPROVEMENT PLAN BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$794,901	\$350,000	\$150,000	\$150,000	\$150,000	\$150,000	\$1,744,901
EXPENDITURES TOTAL	\$794,901	\$350,000	\$150,000	\$150,000	\$150,000	\$150,000	\$1,744,901
Funding Sources							
Wastewater Revenues	\$544,901	\$0	\$0	\$0	\$0	\$0	\$544,901
Debt Financing	\$0	\$350,000	\$150,000	\$150,000	\$150,000	\$150,000	\$950,000
General Fund Subsidy	\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000
FUNDING SOURCES TOTAL	\$794,901	\$350,000	\$150,000	\$150,000	\$150,000	\$150,000	\$1,744,901



FY 2026 - 2030 Capital Improvements Plan

WW 25402101 - Reclaimed water exchange with Phoenix

Department: Wastewater
Contact: Utilities Director
Category: Improvements

Useful Life: 20 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

This project will design a new connection between the Town's reclaimed waterline to the City of Phoenix collection system. It is anticipated that the connection will occur around the intersection of Cave Cree Road and Black Mountain Parkway.

Justification

Currently, all effluent generated at the wastewater treatment plant can only be sent to the Rancho Manana golf course for irrigation use. At certain times of the year, the golf course is unable to use all the water delivered, which leads to water overflowing their irrigation lakes. The overflow water provides no beneficial use to the Town. The 2024 Integrated Utility Master Plan identified a project to connect the Town's reclaimed waterline to the City of Phoenix collection system. Once completed, the Town can exchange reclaimed water for new potable water resources with Phoenix.

Impact on Operating Budget

Once completed, the project can be operated with existing staff resources/funding.

Expenditures & Funding Sources

WW 25402101

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$125,000	\$800,000	\$0	\$0	\$0	\$925,000
EXPENDITURES TOTAL	\$0	\$125,000	\$800,000	\$0	\$0	\$0	\$925,000
Funding Sources							
Debt Financing	\$0	\$125,000	\$800,000	\$0	\$0	\$0	\$925,000
FUNDING SOURCES TOTAL	\$0	\$125,000	\$800,000	\$0	\$0	\$0	\$925,000



FY 2026 - 2030 Capital Improvements Plan

WW 25402102 - WWTP Equipment Improvements

Department: Wastewater
Contact: Utilities Director
Category: Wastewater Treatment

Useful Life: 25 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

This project will fund equipment improvements at the wastewater treatment plant. As the plant ages, ongoing improvements are required to ensure it can continue to operate and remain in compliance with regulatory requirements.

Justification

The wastewater treatment plant was constructed in 2010 and operated continuously since. As the plant ages, ongoing improvements are required to ensure it can continue to operate and remain in compliance with regulatory requirements.

Impact on Operating Budget

Not completing ongoing equipment replacements and improvements will negatively impact the operating budget as staff will spend more time dealing with increasing reactive maintenance items.

Expenditures & Funding Sources

WW 25402102

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$50,000	\$100,000	\$0	\$100,000	\$0	\$100,000	\$350,000
EXPENDITURES TOTAL	\$50,000	\$100,000	\$0	\$100,000	\$0	\$100,000	\$350,000
Funding Sources							
Debt Financing	\$0	\$100,000	\$0	\$100,000	\$0	\$100,000	\$300,000
General Fund Subsidy	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
FUNDING SOURCES TOTAL	\$50,000	\$100,000	\$0	\$100,000	\$0	\$100,000	\$350,000



FY 2026 - 2030 Capital Improvements Plan

WW 25402103 - Retrofit Existing Neighborhoods with Sewer Lines

Department: Wastewater
Contact: Utilities Director
Category: Improvements

Useful Life: 25 Years
Priority: Important
Strategic Plan Area: Infrastructure

Description

The Estado de Cholla and Canyon Ridge Estates subdivisions were constructed with gravity sewer lines. These subdivisions were originally planned to be connected to the wastewater collection system. Phase 1 of the retrofitting of existing neighborhoods will construct a new gravity sewer line from the treatment plant east to 48th Street, to connect the existing Estado de Cholla sewer lines. Once complete, the homes within Estado de Cholla can be converted from septic systems. FY2030 includes \$150,000 to begin design of Phase 2.

Justification

Extending the Town's gravity sewer collection system will allow residents to connect to the sewer system if their septic system experience problems. This will increase flows to the Wastewater Treatment Plant and help lower the plant operating costs.

Impact on Operating Budget

Increasing the flow to the wastewater treatment plant will help lower the plant operating costs. There will be a slight increase in operating costs to clean and maintain the new sewer lines.

Expenditures & Funding Sources

WW 25402103

FY26-30 CAPITAL IMPROVEMENT PLAN BUDGET SUMMARY							
	Prior Year Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$0	\$50,000	\$0	\$150,000	\$2,150,000	\$2,350,000
EXPENDITURES TOTAL	\$0	\$0	\$50,000	\$0	\$150,000	\$2,150,000	\$2,350,000
Funding Sources							
Wastewater Revenues	\$0	\$0	\$50,000	\$0	\$0	\$0	\$50,000
Debt Financing	\$0	\$0	\$0	\$0	\$150,000	\$2,150,000	\$2,300,000
FUNDING SOURCES TOTAL	\$0	\$0	\$50,000	\$0	\$150,000	\$2,150,000	\$2,350,000



FY 2026 - 2030 Capital Improvements Plan

WW 25402104 - Chuparosa Lift Station Improvements

Department: Wastewater
Contact: Utilities Director
Category: Improvements

Useful Life: 25 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

The Chuparosa Lift Station was originally constructed in 1987 to serve 74 lots within the Rancho Manana development. Due to its age, the wet well needs to have a new epoxy coating installed to protect the concrete surfaces. The project would also construct a new bypass pump connection and install a new flow meter at the site.

Justification

If the damage to the lift station wet well coating is not addressed, the Chuparosa Lift Station will become increasingly vulnerable to failure and/or sewer overflows. The new bypass pump connection would allow staff to use a trailer mounted pump to keep the site functional in an emergency. The new flow meter would allow staff to monitor the performance of the pumps at the site.

Impact on Operating Budget

Once completed, the project can be operated with existing staff resources/funding.

Expenditures & Funding Sources

WW 25402104

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$140,000	\$0	\$0	\$0	\$0	\$140,000
EXPENDITURES TOTAL	\$0	\$140,000	\$0	\$0	\$0	\$0	\$140,000
Funding Sources							
Debt Financing	\$0	\$140,000	\$0	\$0	\$0	\$0	\$140,000
FUNDING SOURCES TOTAL	\$0	\$140,000	\$0	\$0	\$0	\$0	\$140,000



FY 2026 - 2030 Capital Improvements Plan

WW 40010001 - Force Main Assessments and Cleaning

Department: Wastewater
Contact: Utilities Director
Category: Wastewater Collections

Useful Life: 10 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

The Town has three wastewater lift station, with force mains ranging in size from 4 to 8-inches in diameter and lengths between 1,477 and 14,744 feet. In January 2024, the Town had a collapse of the 8-inch Ranch Manana force main at the intersection of Cave Creek Road and Carefree Highway. In Fiscal Year FY25, the Town completed a project to clean the three force mains. This project will provide funding to inspect the lines to determine if there are any areas of deterioration within the lines.

Justification

If damages to the wastewater force mains system is not properly identified and repaired, the system will become increasing vulnerable to failure. The project was identified in the 2024 Integrated Utility Master Plan

Impact on Operating Budget

The project can be completed with existing staff resources.

Expenditures & Funding Sources

WW 40010001

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
CIP Master Plans/Studies	\$0	\$200,000	\$0	\$0	\$0	\$0	\$200,000
EXPENDITURES TOTAL	\$0	\$200,000	\$0	\$0	\$0	\$0	\$200,000
Funding Sources							
General Fund Subsidy	\$0	\$200,000	\$0	\$0	\$0	\$0	\$200,000
FUNDING SOURCES TOTAL	\$0	\$200,000	\$0	\$0	\$0	\$0	\$200,000



FY 2026 - 2030 Capital Improvements Plan

WW 40010002 - Replace WWTP Odor Control Units

Department: Wastewater
Contact: Utilities Director
Category: Wastewater Treatment

Useful Life: 25 Years
Priority: Important
Strategic Plan Area: Infrastructure

Description

This project will replace the existing chemical odor scrubber units at the WWTP with units that use less chemicals and potable water. The project will replace one or both existing chemical odor scrubbers with biotrickling filter odor control units.

Justification

The two existing WWTP odor control units require a large amount of potable water and chemicals to operate. This makes the WWTP one of the Town's largest water users and adds to the plant's chemical costs. By changing one or both of the units to a biotrickling filter odor control unit, staff can reduce both the water and chemical usage of the plant. The project was identified in the 2024 Integrated Utility Master Plan.

Impact on Operating Budget

The operational costs of the project have not yet been determined.

Expenditures & Funding Sources

WW 40010002

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Equipment	\$0	\$0	\$0	\$725,000	\$0	\$0	\$725,000
EXPENDITURES TOTAL	\$0	\$0	\$0	\$725,000	\$0	\$0	\$725,000
Funding Sources							
Grants	\$0	\$0	\$0	\$725,000	\$0	\$0	\$725,000
FUNDING SOURCES TOTAL	\$0	\$0	\$0	\$725,000	\$0	\$0	\$725,000



FY 2026 - 2030 Capital Improvements Plan

WW - 40010003 Rancho Manana Irrigation Efficiency Upgrades Study

Department: Wastewater
Contact: Utilities Director
Category: Water Resources

Useful Life: 20 Years
Priority: Essential
Strategic Plan Area: Infrastructure

Description

The project will involve the Town staff working with the golf course to identify operational efficiencies for their irrigation lakes and irrigation system to reduce water use. Town records show that we typically deliver a total of 450 to 500 AF of water to the irrigation lakes annually but that only around 300 AF is used by the irrigation system. Any improvements in the efficiency of the lakes or the irrigation needs of the golf course will help free up water resources for the Town.

Justification

The Rancho Manana golf course is the largest water user in the Cave Creek water system. The Town staff are working on several options to help meet the reductions in CAP water supplies expected to start in 2027. However, most of the options are only expected to last for a few years. Any improvements to the water needs of the golf course would help extend the Town's long-term water resources. The project was identified in the 2024 Integrated Utility Master Plan.

Impact on Operating Budget

The project should not have any ongoing operational impacts.

Expenditures & Funding Sources

WW 40010003

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
CIP Master Plans/Studies	\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000
EXPENDITURES TOTAL	\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000
Funding Sources							
General Fund Subsidy	\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000
FUNDING SOURCES TOTAL	\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000



FY 2026 - 2030 Capital Improvements Plan

WW 40010004 - Inspect Dry Sewer Areas

Department: Wastewater
Contact: Utilities Director
Category: Improvements

Useful Life: 10 Years
Priority: Essential
Strategic Plan Area: Infrastructure

Description

This project will fund the inspection and evaluation of the dry gravity sewer lines constructed in the Estado de Cholla and Canyon Ridge Estates subdivisions. These subdivisions were originally planned to be connected to the wastewater collection system. The project will help determine the condition of the sewer lines installed between 2000 and 2005, to determine if any repairs are required before the lines can be tied into the Town's Wastewater Treatment Plant. Funding to start the project to connect the dry sewer areas to the wastewater treatment plant is planned to start in FY2027.

Justification

The Estado de Cholla and Canyon Ridge Estates subdivisions were originally planned to be connected to the wastewater collection system. Converting these lots from septic systems to the Town's collection systems would add additional flows to the treatment plant, allowing it to run more efficiently. Adding the new wastewater accounts would also help fund the wastewater system operating costs. This project was identified in the 2024 Integrated Utility Master Plan.

Impact on Operating Budget

The project should not have any operational impacts.

Expenditures & Funding Sources

WW 40010004

	FY26-30 CAPITAL IMPROVEMENT PLAN BUDGET SUMMARY						Grand Total
	Prior Year Est.	FY2026	FY2027	FY2028	FY2029	FY2030	
Expenditures							
CIP Master Plans/Studies	\$0	\$0	\$0	\$0	\$100,000	\$0	\$100,000
Capital Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EXPENDITURES TOTAL	\$0	\$0	\$0	\$0	\$100,000	\$0	\$100,000
Funding Sources							
Wastewater Revenues	\$0	\$0	\$0	\$0	\$100,000	\$0	\$100,000
FUNDING SOURCES TOTAL	\$0	\$0	\$0	\$0	\$100,000	\$0	\$100,000



FY 2026 - 2030 Capital Improvements Plan

WW 40010006 - Chuparosa Lift Station Force Main Improvements

Department: Wastewater

Contact: Utilities Director

Category: Wastewater Collections

Useful Life: 25 Years

Priority: Essential

Strategic Plan Area: Infrastructure

Description

The Chuparosa Lift Station was originally constructed in 1987 to serve 74 lots within the Rancho Manana development. The project will fund replacing a section of the force main exposed in Andorra Hills Wash and installing a liner in the remaining length of the line to improve the performance of the force main.

Justification

This project will ensure the continued safe operation of the Town's wastewater collection system.

Impact on Operating Budget

The project should not have any operational impacts.

Expenditures & Funding Sources

WW 40010006

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$0	\$0	\$75,000	\$850,000	\$0	\$925,000
EXPENDITURES TOTAL	\$0	\$0	\$0	\$75,000	\$850,000	\$0	\$925,000
Funding Sources							
Debt Financing	\$0	\$0	\$0	\$75,000	\$850,000	\$0	\$925,000
FUNDING SOURCES TOTAL	\$0	\$0	\$0	\$75,000	\$850,000	\$0	\$925,000



FY 2026 - 2030 Capital Improvements Plan

WW 40010007 Rancho Manana Lift Station Improvements

Department: Wastewater
Contact: Utilities Director
Category: Improvements

Useful Life: 20 Years
Priority: Essential
Strategic Plan Area: Infrastructure

Description

The site currently pumps over 90% of all wastewater flows in the Town. This project will fund installing new screening equipment at the site to address the ongoing issues with rags in the wastewater, that clog the pumps and check valves. The project will also add variable frequency drives (VFD) to the pumps to allow the site to better handle the wide range of incoming flows. Adding VFD's will also keep flows moving in the force main to help with odor control. The project will also add a PLC for better overall of the site.

Justification

This project will ensure the continued safe operation of the Town's wastewater collection system. The project was identified in the 2024 Integrated Utility Master Plan.

Impact on Operating Budget

Staff spend a considerable amount of time manually removing rags for the pumps and valves at the site. The project will reduce the amount of staff time required for this task.

Expenditures & Funding Sources

WW 40010007

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
Capital Improvements	\$0	\$375,000	\$0	\$0	\$0	\$0	\$375,000
EXPENDITURES TOTAL	\$0	\$375,000	\$0	\$0	\$0	\$0	\$375,000
Funding Sources							
Debt Financing	\$0	\$375,000	\$0	\$0	\$0	\$0	\$375,000
FUNDING SOURCES TOTAL	\$0	\$375,000	\$0	\$0	\$0	\$0	\$375,000



FY 2026 - 2030 Capital Improvements Plan

WW 40010008 - Collection System Evaluation

Department: Wastewater
Contact: Utilities Director
Category: Wastewater Collections

Useful Life: 25 Years
Priority: Imperative
Strategic Plan Area: Infrastructure

Description

This project will fund a consultant to update the 2022 assessment report of the Town's collections system. A CCTV inspection of the collection system will be completed. The inspection reports will be compiled, and new repair recommendations will be identified and prioritized.

Justification

If damages to the wastewater collection system is not properly identified and repaired, the system will become increasing vulnerable to failure.

Impact on Operating Budget

The project can be completed with existing staff resources.

Expenditures & Funding Sources

WW 40010008

FY26-30 CIP BUDGET TENTATIVE BUDGET SUMMARY							
	Prior Years Est.	FY2026	FY2027	FY2028	FY2029	FY2030	Grand Total
Expenditures							
CIP Master Plans/Studies	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000
EXPENDITURES TOTAL	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000
Funding Sources							
General Fund Subsidy	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000
FUNDING SOURCES TOTAL	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000



Annual Budget FY 2025 – 2026

Glossary

Accrual Basis of Accounting

A method of accounting in which revenues are recorded when measurable and earned, and expenditures (or expenses) are recognized when a good or service is used, regardless of the timing of related cash flows. It is also referred to as the full accrual basis of accounting.

Adopted Budget

Formal action made by the Town Council that sets the spending limits for the fiscal year.

Allocation

Assigning one or more items of cost or revenue to one or more segments of an organization according to benefits received, responsibilities, or other logical measures of use.

Annual Comprehensive Financial Report (ACFR)

A set of governmental financial statements that comply with the accounting requirements promulgated by the Governmental Accounting Standards Board.

Appropriation

A legal authorization granted by the Town Council to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and duration when it may be expended.

Asset

Resource owned or held by the Town, which has a monetary value.

Audit

An examination to provide independent assurance that the Town's financial statements are fairly presented.

Balanced Budget

Total budgeted expenditures that do not exceed total estimated revenues and available fund balances.

Basis of Accounting

Method used to determine when revenues and expenditures/expenses are recorded.

Bed Tax

The Town collects a 4% bed tax, also referred to as a transient lodging tax, in addition to the Town sales tax. The bed tax supports the General Fund.

Bond

A written instrument to pay a specified sum of money, called the face value or principal amount, together with periodic interest at a specified rate, on a specific date or dates in the future, called the maturity date(s). The interest payments and the repayment of the principal are detailed in a bond resolution or ordinance. Two common types of bonds are general obligation and revenue bonds, which are most commonly used for construction of large capital projects such as buildings, streets, and sewers. The difference between a note and a bond is that a bond is used for a longer period of time and requires more formality.

Bond Covenant

A legally binding promise made by a bond issuer to a bondholder and spelled out clearly in the bond documents.

Bond Proceeds

Debt issuances derived from the sale of bonds for the purpose of constructing major capital facilities.

Budget

A financial and operating plan representing an estimate of proposed expenditures and their purposes and the proposed means of financing them for a given period. This official public document reflects decisions made, measures service needs, establishes the allocation of resources, and is the spending plan for achieving goals and objectives.

Budget Calendar

The schedule of key dates and/or events the Town followed during the preparation, adoption, and administration of this fiscal budget.

Budget Message

The opening section of the budget, which provides the Town Council and the public with a general summary of the most important budget issues, changes from recent fiscal years, and recommendations regarding the financial policy for the coming fiscal year.

Budgetary Adjustment

A procedure to revise a budget appropriation only by Town Council approval.

Budgetary Basis

This refers to the form of accounting used throughout the budget process. These generally take one of three forms: GAAP, Cash, Modified Accrual, Full Accrual, or some type of statutory form.

Budgetary Control

The control or management of a governmental unit or enterprise in accordance with an adopted budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenues.

Capacity Fee

One-time charge when a resident or business connects to a utility system.

Capital Assets

Assets of a long-term character that are intended to continue to be held or used, such as land, buildings, infrastructure, machinery, and other equipment.

Capital Improvements

Expenditures related to the acquisition, expansion, or rehabilitation of an element of the government's infrastructure.

Capital Improvements Plan (CIP)

A comprehensive plan of capital investment projects which identifies priorities as to need, method of financing, cost, and revenues during a five-year period. The program is a guide for identifying current and future fiscal year resource requirements and becomes the basis for determining the annual capital budget.

Capital Outlay

Expenditures resulting in the acquisition of or addition to the government's capital assets.

Capital Project

Any project having assets of significant value and having a useful life of three years or more. Capital projects include the purchase of land, design, and engineering and construction of buildings and infrastructure items such as streets, bridges, drainage, street lighting, water systems, etc.

Capital Projects Fund

A governmental fund type used to account for financial resources that are restricted, committed or assigned to finance capital outlays other than those financed by proprietary funds, including the acquisition or construction of capital facilities and other capital assets.

Cash Basis of Accounting

A basis of accounting in which transactions are recognized only when cash is increased or decreased.

Charges for Services

Fees for services provided such as utility services, rodeo grounds services, plan reviews, fingerprinting services, etc.

Committed Revenues

Revenues that can be used only for the specific purposes determined by a formal action of the Town Council. Commitments may be changed or lifted only by the Council taking the same formal action that imposed the constraint originally.

Contingency

Monies budgeted to be used to finance unforeseen expenditures or potential projects not yet defined adequately to budget specific accounts.

Debt

An obligation resulting from the issuance of bonds, entering into a loan agreement, or from the purchase of goods and services through a lease or financing purchase.

Debt Capacity

Limitations set by Arizona Revised Statutes on the total amount of bonds that can be outstanding at any given time.

Debt Service

The amount of interest and principal the Town must pay each year on short and long-term debt.

Deferred Inflows of Resources

An acquisition of net position by the Town that is applicable to a future reporting period.

Deferred Outflows of Resources

A consumption of net position by the Town that is applicable to a future reporting period.

Deficit

An excess of expenditures over revenues.

Department

A major administrative division of the Town that indicates overall management responsibility for an operation or a group of related operations within a functional area.

Depreciation

Consumption of the service life of capital assets, due to normal wear, deterioration, environmental elements, passage of time, and obsolescence. Represents the portion of the cost of a capital asset charged as an expense during a specified period based on service life of the asset and ultimately expending the entire cost of the asset.

Direct Cost

Costs that can be directly linked with a specific cost objective.

Distinguished Budget Awards Presentation Program

A voluntary awards program administered by the Government Finance Officers Association of the United States and Canada to encourage governments to prepare effective budget documents.

Division

A group of homogenous cost centers within a department (e.g., Town Clerk and Information Technology are cost centers within the Administration Department).

Economic Estimates Commission (EEC)

The commission responsible for estimating Arizona's personal income and the percentage change in the per capita personal income for each fiscal year and calculating the State-imposed expenditure limitation based on those estimates.

Employee Benefits

The cost for employee-related benefits such as health insurance and disability insurance.

Enterprise Fund

A proprietary accounting fund type in which the services provided are financed and operated similarly to those of a private business. The governing body's intention is to finance or recover operation costs through user fees.

Estimated Revenue

The projected amount of revenues to be collected during the fiscal year.

Excise Tax

An indirect tax, meaning that the producer or seller who pays the tax to the government is expected to try to recover or shift the tax by raising the price paid by the buyer. The Town's debt documents have defined the pledged excise taxes as Town sales taxes, bed taxes, franchise taxes, license and permit fees, state shared sales taxes, state shared income taxes, vehicle license taxes, and charges for services.

Expenditure

The outflow of funds paid for an asset obtained or goods and services obtained. This term is used when the modified accrual basis of accounting is applied.

Expenditure Limitation

The Arizona State Legislature imposed constitutional amendment that limits the annual expenditures of all municipalities. The Economic Estimates Commission, based on population growth and inflation, sets this limit; however, voters of cities and towns may elect an alternative expenditure limit.

Expense

The outflow of funds paid for an asset obtained or goods and services obtained. This term is used when the full accrual basis of accounting is applied.

Financed Purchase

A contract that transfers ownership of the financed asset to the lessee at the end of the contract and does not contain termination options other than a fiscal funding or cancellation clause that is not reasonably certain of being exercised.

Fiscal Year

A 12-month period to which the Annual Budget applies and at the end of which a governmental unit determines its financial position and the results of its operations. The Town has a fiscal year beginning July 1 and ending June 30 as established by the Town Code.

Forecast

Multi-year projections of revenues, expenditures, and fund balances based on assumptions and/or scenario options. It is used as a planning and decision-making tool and is not adopted by the Town Council.

Franchise Fee (or Franchise Tax)

A fee paid by public service businesses for the special privilege to use the Town's streets, alleys, rights-of-way, and property in providing their services to the citizens of the community. Services requiring franchise fees include electricity and natural gas.

Full Time Equivalent (FTE)

A measurement of the ratio an employee works based on regularly scheduled hours worked and the assumption of 2,080 hours for a 1.0 or full-time employee.

Fund

An independent fiscal and accounting entity having a set of self-balancing accounts and records all financial transactions for specific activities or government functions in attaining certain objectives governed by special regulations, restrictions, or limitation.

Fund Accounting

An accounting system for recording resources whose use has been limited by the granting agency, legislation, the governing agency, contracts and agreements, or other authorities.

Fund Balance

The accumulated excess of resources over liabilities. The beginning fund balance is the residual funds brought forward from previous fiscal years. For budgetary purposes, the proprietary funds are converted to the same basis of accounting as the governmental funds and report a budgetary fund balance.

General Fund

The operating fund established to account for resources and uses of general operating functions of Town departments that are not required to be accounted for in another fund.

General Obligation (G.O.) Bond

A type of municipal bond that is secured by a state or local government's pledge to use legally available resources, including tax revenues, to repay bond holders.

Generally Accepted Accounting Principles (GAAP)

Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

Goal

A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a specific time period.

Government Finance Officers Association of the United States and Canada (GFOA)

A professional association of more than 28,000 state and local government finance professionals in the U.S. and Canada.

Governmental Accounting Standards Board (GASB)

A private organization that is the source of generally accepted accounting principles for state and local governments in the U.S.

Governmental Fund

A fund type generally used to account for tax-supported activities. Governmental funds include the General Fund, Special Revenue Funds, and Capital Projects Funds.

Grant

A contribution by the state or federal government or other agency to support a particular function.

Highway User Revenue Fund (HURF)

A State fund whose revenues consist of state taxes collected on gasoline, vehicle licenses, and a number of other additional transportation related fees. Arizona cities receive a share of State's HURF revenues, and the formula is based on two separate calculations. First, it is based on a city's or town's population in relation to the State's total population. Second, it is based on the county in which the revenues were generated. These funds are restricted to be utilized for the construction and maintenance of streets and highways.

Indirect Cost

A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to a particular cost objective, such as administrative support, facility maintenance, or custodial services.

Infrastructure

Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples include roads, bridges, tunnels, drainage systems, and utility systems.

Interfund Transfer

The movement of monies between funds of the same governmental entity without equivalent flows of assets in return and without a requirement for repayment.

Intergovernmental Revenue

Revenue from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

Internal Charges

Costs that were internally allocated between departments or programs and do not represent ongoing payments for goods or services.

Lease

A contractual arrangement calling for the lessee (user) to pay the lessor (owner) for use of an asset. Property, buildings, vehicles, and equipment are common assets that are leased.

License Fees

Revenues from this source would include the fees collected from business licenses, short-term rental licenses, etc.

Line Item

Accounts for specific expenditures and revenues in departments.

Long Term Debt

Debt with a maturity of more than one year after the date of issuance.

Major Fund

Governmental or enterprise fund reported as a separate column in the Town's financial statements and subject to a separate opinion in the independent auditor's report.

Matching Requirements

Some grants require the Town to match a portion of the grant funding. For instance, a \$10,000 grant with a 10% matching requirement would require the Town to pay \$1,000 toward the costs of the program/project. In other words, the total cost of the program/project would be \$11,000 (\$10,000 paid by the grant and \$1,000 paid by the Town).

Model City Tax Code (MCTC)

The document is designed to assist the business community in determining which items are taxed by each individual city and town and which items are exempt from taxation. The MCTC provides a greater degree of uniformity, but also retains the right of individual cities and towns to determine the items taxed as well as the exemptions to be granted.

Modified Accrual Basis of Accounting

Basis of accounting required for use by governmental funds in which revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred.

Net Position

The accumulated excess of resources over liabilities in proprietary funds. For budgetary purposes, the proprietary funds are converted to the same basis of accounting as the governmental funds and report a budgetary fund balance.

Nonspendable Fund Balance

The portion of fund balance that cannot be spent either because the underlying resources are not in spendable form or because the Town is legally or contractually required to maintain the resources intact.

Objective

A specific measurable and observable result of an activity that advances the department towards its goal.

One-Time Expenditures

Nonrecurring expenditures, expenditures not made annually, or significant expenditures in excess of routine levels, such as capital asset purchases, one-time studies, payoff of debt, election costs, nonroutine increases to reserves, and nonroutine increases to contingencies.

One-Time Revenues

Revenue sources not received annually, or significant revenues in excess of routine levels, such as significant construction-related revenues (e.g., permit fees or capacity fees), fluctuating grants and/or donations, and "windfall" revenues.

Ongoing Expenditures

Expenditures typically occurring every year.

Ongoing Revenues

Revenue sources available on a constant basis to support operating and capital budgetary needs. These revenues are typically received every year.

Operating Budget

Plan for current expenditures and the resources to finance them. This budget, associated with providing ongoing services to citizens, includes general expenditures such as personal services, contractual services, operating supplies, and operating capital items. The budget is the primary measure of controlling financing, acquisition, spending and delivering of services of the entity.

Operating Expenditures/Expenses

The cost of personnel, materials, and equipment required for a department to accomplish day-to-day activities. Excludes capital expenses, debt service, and transfers to other funds.

Operating Revenue

Funds that the government receives as income to pay for ongoing operations. This includes such items as taxes, user fees, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Operating Supplies

Costs of goods consumed by the Town in the course of its daily operations.

Ordinance

A local law enacted by a municipal authority.

Other Financing Sources

Increase in fund balance other than revenues. Only items identified in authoritative accounting standards may be classified as other financing sources.

Other Financing Uses

Decrease in fund balance other than expenditures. Only items identified in authoritative accounting standards may be classified as other financing uses.

Pay-As-You-Go Financing

A term used to describe a funding method by which the capital program is financed from available cash or revenues rather than through borrowing.

Performance Measure

Indicators that measure service efforts and accomplishments.

Permit Fees

Revenues from this source would include the fees collected from building permits, zoning permits, and a variety of other programs.

Personnel Services

Cost related to compensating employees, included wages, insurance, payroll taxes, retirement contributions, allowances.

Pledged Revenues

A formal commitment of specific revenues to collateralize or secure revenue bonds.

Program

A group of related activities performed by one or more functions/departments where there is a desire to budget and identify expenditures independently related to specific purposes or objectives.

Proprietary Fund

A fund type that focuses on the determination of cost recovery through user fees, financial position, and cash flows. Proprietary funds include enterprise funds.

Policy

A plan, course of action, or guiding principle designed to set parameters for decisions and actions.

Refunding

Issuance of new debt whose proceeds are used to repay previously issued debt. The purpose is typically to refinance at a lower interest rate.

Reserve Requirements

In the context of debt service, a requirement in the debt documents to maintain a reserve to cover the repayment of principal and interest.

Reserve

An account that records a portion of fund balance that must be segregated for some future use, and that is, therefore, not available for further appropriation or expenditure.

Resolution

A special or temporary order of a legislative body requiring less formality than an ordinance or statute.

Resource

Amount available for appropriation including estimated revenues, fund transfers, and available beginning balances.

Restricted Revenues

Revenues legally restricted for a specific purpose by external resource providers (e.g., grant providers), constitutionally, or through enabling legislation (i.e., legislation that creates a new revenue source and restricts its use). Restrictions can be changed or lifted only with the consent of the resource providers.

Revenue

Receipt of taxes, intergovernmental sources, user fees or other sources during the year.

Revenue Bond

A special type of municipal bond distinguished by its guarantee of repayment solely from revenues specifically pledged.

Short-Term Debt

Debt with a majority of one year or less after the date of issuance.

Special Revenue Fund

A governmental fund type used to account for the proceeds of specific taxes or other earmarked revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

State Shared Income Tax

Arizona cities share a portion of the total amount collected from the state income tax. A city's or town's portion of the state income tax is based on the relationship of its population to the total population of all cities and towns within the state. This is referred to as Urban Revenue Sharing in the budget.

State Shared Sales Tax

Arizona cities share a portion of the total amount collected from the state sales tax, which is currently set at 5.6%. A city's or town's portion of the state sales tax is based on the relationship of its population to the total population of all cities and towns within the state.

Supplemental Request

A request including justification and documentation for one-time budgetary need, and/or budgetary requests that result in new programs or services.

Tax

A compulsory charge levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Town Code

Codification of the Town's ordinances approved by the Town Council.

Town Sales Tax

The revenues generated from the Town's sales tax rate. Technically, Arizona assesses a transaction privilege tax (TPT) as opposed to a sales tax; however, it is commonly referred to as a sales tax. TPT differs from a "true" sales tax imposed by many other states as it is imposed upon the seller or lessor rather than the purchaser or lessee.

Transaction Privilege Tax (TPT)

The transaction privilege tax is commonly referred to as sales tax. TPT differs from a “true” sales tax imposed by many other states as it is imposed upon the seller or lessor rather than the purchaser or lessee.

Transient Occupancy Tax

The Town levies a 4% transient lodging tax, also referred to as bed tax, in addition to the Town sales tax. The bed tax supports the General Fund.

Unassigned Fund Balance

The remainder of fund balance after the nonspendable, restricted, committed, and assigned components.

Urban Revenue Sharing

State shared income tax revenues.

User Fees or Charges

The payment of a fee for direct receipt of a public service to the party who benefits from the service. Governments typically augment tax revenues with user fees since some services are not utilized by all taxpayers and some customers may not be taxpayers.

Vehicle License Tax (VLT)

Arizona charges a vehicle license tax in lieu of a personal property tax on vehicles. The VLT is based on an assessed value of 60% of the manufacturer's base retail price reduced by 16.25% for each year since the vehicle was first registered in Arizona. Distributions are based on the collections within each county and allocated.

Water Infrastructure Finance Authority of Arizona (WIFA)

An independent state authority authorized to provide funding to finance the construction, rehabilitation, acquisition, and improvement of water and wastewater infrastructure throughout Arizona.



Annual Budget FY 2025 – 2026

Acronyms

ACFR	Annual Comprehensive Financial Report	GIS	Geographic Information Systems
ADEQ	Arizona Department of Environmental Quality	G.O.	General Obligation
ADOT	Arizona Department of Transportation	HR	Human Resources
AED	Automated External Defibrillator	HURF	Highway User Revenue Fund
AF	Acre Feet	IGA	Intergovernmental Agreement
AMI	Automatic Metering Infrastructure	IT	Information Technology
A.R.S.	Arizona Revised Statutes	LTAF	Local Transportation Assistance Fund
AZ	Arizona	MAG	Maricopa Association of Governments
BLM	Bureau of Land Management	MCSO	Maricopa County Sheriff's Office
CAP	Central Arizona Project	MCTC	Model City Tax Code
CCRP	Cave Creek Regional Park	MGD	Million Gallons per Day
CCTV	Closed Circuit Television	N/A	Not Applicable or Not Available
CDS	Congressionally Directed Spending	O&M	Operations and Maintenance
CIP	Capital Improvement Program	PPE	Personal Protective Equipment
CMAR	Construction Manager at Risk	PTO	Paid Time Off
DFLT	Desert Foothills Land Trust	SCADA	Supervisory Control and Data Acquisition
DMFD	Daisy Mountain Fire District	SCRCA	Spur Cross Ranch Conservation Area
EEC	Economic Estimates Commission	SLFRF	State and Local Fiscal Recovery Funds
EMS	Emergency Medical Service	STR	Short-Term Rental
FTE	Full Time Equivalent	TPT	Transaction Privilege Tax (Sales Tax)
FY	Fiscal Year (July 1 – June 30)	VLT	Vehicle License Tax
GAAP	Generally Accepted Accounting Principles	WIFA	Water Infrastructure Financing Authority of Arizona
GFOA	Government Finance Officers Association of the United States and Canada	WTP	Water Treatment Plant
		WWTP	Wastewater Treatment Plant

Town of Cave Creek
Summary Schedule of estimated revenues and expenditures/expenses
Fiscal year 2026

Fiscal year	S c h	Funds								
		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total all funds	
2025	Adopted/adjusted budgeted expenditures/expenses*	E 1	19,618,892	4,436,308	0	1,554,695	0	31,783,902	0	57,393,797
2025	Actual expenditures/expenses**	E 2	17,094,178	933,411	0	0	0	26,410,223	0	44,437,812
2026	Beginning fund balance/(deficit) or net position/(deficit) at July 1***		27,467,487	41,220	0	1,557,994	0	2,766,261	0	31,832,962
2026	Primary property tax levy	B 4	0							0
2026	Secondary property tax levy	B 5								0
2026	Estimated revenues other than property taxes	C 6	15,860,305	7,072,434	0	1,337,530	0	13,786,828	0	38,057,097
2026	Other financing sources	D 7	0	0	0	17,500,000	0	12,958,988	0	30,458,988
2026	Other financing (uses)	D 8	0	0	0	0	0	0	0	0
2026	Interfund transfers in	D 9	1,600,740	2,395,608	0	10,491,796	0	4,341,208	0	18,829,352
2026	Interfund Transfers (out)	D 10	16,728,612	2,100,370	0	0	0	0	0	18,828,982
2026	Line 11: Reduction for fund balance reserved for future budget year expenditures									
	Maintained for future debt retirement		39,111					1,764,021		1,803,132
	Maintained for future capital projects/equipment replacement		136,951			8,999,326				9,136,277
	Maintained for future financial stability - operating reserves/loans		6,472,282							6,472,282
	Maintained for future retirement contributions									0
	Maintained for franchise agreement restriction		8,414							8,414
2026	Total financial resources available		21,543,162	7,408,892	0	21,887,994	0	32,089,264	0	82,929,312
2026	Budgeted expenditures/expenses	E 13	14,235,767	7,408,522	0	21,887,994	0	32,089,264	0	75,621,547

Expenditure limitation comparison

	2025	2026
1 Budgeted expenditures/expenses	\$ 57,393,797	\$ 75,621,547
2 Add/subtract: estimated net reconciling items		
3 Budgeted expenditures/expenses adjusted for reconciling items	57,393,797	75,621,547
4 Less: estimated exclusions		
5 Amount subject to the expenditure limitation	\$ 57,393,797	\$ 75,621,547
6 EEC expenditure limitation or voter-approved alternative expenditure limitation	\$ 57,393,797	\$ 75,621,547

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes expenditure/expense adjustments approved in the current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

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

Town of Cave Creek
Revenues other than property taxes
Fiscal Year 2026

Source of revenues	Estimated revenues 2025	Actual revenues* 2025	Estimated revenues 2026
General Fund			
Local taxes			
Town sales tax	\$ 9,444,809	\$ 10,065,250	\$ 11,162,990
Franchise fees	403,140	345,600	348,420
Licenses and permits			
Building permits	650,000	762,167	750,000
Business licenses	98,695	75,785	75,785
Short-term rental licenses		12,250	12,250
Special event permits	3,182	3,600	3,600
Intergovernmental			
State shared sales tax	783,473	786,980	794,850
Urban revenue sharing	1,102,798	1,095,974	1,025,150
Auto lieu tax	262,507	267,020	267,020
Charges for services			
Engineering plan reviews	66,213	52,835	50,000
Planning & zoning fees	61,448	52,314	55,000
Right-of-way fees	3,560	1,000	1,000
Fingerprint fees	4,274	3,984	3,984
Rodeo Grounds rentals and fees	24,000	25,000	
Interest on investments			
Investment earnings	1,384,059	1,151,297	1,100,000
Miscellaneous			
Leases and rents	187,074	161,731	163,947
Insurance recoveries		46,425	
Outside participation - cost-sharing agreements		244,559	44,559
Other miscellaneous	11,562	1,750	1,750
Total General Fund	\$ 14,490,794	\$ 15,155,521	\$ 15,860,305
Special revenue funds			
Grants & Other Restricted Fund:			
Opioid settlement proceeds	\$ 10,446	\$ 12,357	\$ 13,209
Local Transportation Assistance Fund for Mass Transit	15,000	12,430	12,430
Smart & Safe AZ		2,753	2,805
MAG Transportation Traffic Study grant	400,000		
Community grants	250,000		
Contingency for grants	3,000,000		3,000,000
Investment earnings	400	1,456	1,600
	\$ 3,675,846	\$ 28,996	\$ 3,030,044
Streets Funds:			
Highway User Revenue Fund (HURF)	\$ 393,589	\$ 385,800	\$ 389,650
Congestion Mitigation Air Quality (CMAQ) grant			1,324,000
Investment earnings	15,000	12,480	12,000
	\$ 408,589	\$ 398,280	\$ 1,725,650

Town of Cave Creek
Revenues other than property taxes
Fiscal Year 2026

Source of revenues	Estimated revenues 2025	Actual revenues* 2025	Estimated revenues 2026
Spur Cross Ranch Conservation Fund:			
Town sales tax	\$ 1,894,300	\$ 2,214,230	\$ 2,236,040
Spur Cross ID cards	800	704	700
Investment earnings	80,000	83,978	80,000
	\$ 1,975,100	\$ 2,298,912	\$ 2,316,740
Total special revenue funds	\$ 6,059,535	\$ 2,726,188	\$ 7,072,434
Capital projects funds			
Capital Improvements Fund:			
Town sales tax	\$	\$	\$ 1,225,530
Outside participation - cost-sharing agreements			40,000
Investment earnings	72,000	75,000	72,000
	\$ 72,000	\$ 75,000	\$ 1,337,530
Total capital projects funds	\$ 72,000	\$ 75,000	\$ 1,337,530
Enterprise funds			
Wastewater Fund:			
Town sales tax	\$ 1,894,300	\$ 2,214,230	\$
Charges for services	1,488,937	1,526,132	1,605,129
Capacity fees	176,595	92,924	
Investment earnings		16,834	15,000
Miscellaneous		459	
	\$ 3,559,832	\$ 3,850,579	\$ 1,620,129
Cave Creek Water Fund:			
Charges for services	\$ 6,369,705	\$ 5,975,767	\$ 6,268,747
Capacity fees	457,332	131,960	131,960
Grants	2,250,000	1,253,000	1,000,000
Investment earnings	275,000	212,374	120,000
Miscellaneous	10,000	21,532	371,823
	\$ 9,362,037	\$ 7,594,633	\$ 7,892,530
Desert Hills Water Fund:			
Charges for services	\$ 4,519,200	\$ 3,866,686	\$ 4,087,417
Capacity fees		14,902	
Grants			115,000
Investment earnings	20,000	23,907	20,000
Miscellaneous	6,000	15,749	16,222
	\$ 4,545,200	\$ 3,921,244	\$ 4,238,639
Rodeo Grounds Fund:			
Charges for services	\$	\$	\$ 14,730
Rents			20,800
	\$	\$	\$ 35,530
Total enterprise funds	\$ 17,467,069	\$ 15,366,456	\$ 13,786,828
Total all funds	\$ 38,089,398	\$ 33,323,165	\$ 38,057,097

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

Town of Cave Creek
Other financing sources/(uses) and interfund transfers
Fiscal year 2026

Fund	Other financing 2026		Interfund transfers 2026	
	Sources	(Uses)	In	(Out)
General Fund				
Transfer from Spur Cross Ranch Fund	\$	\$	\$ 1,600,740	\$
Transfer to Streets Fund				2,395,608
Transfer to Capital Improvements Fund				9,991,796
Transfer to Wastewater Fund				2,906,795
Transfer to Cave Creek Water Fund				1,205,610
Transfer to Rodeo Grounds Fund				228,803
Total General Fund	\$	\$	\$ 1,600,740	\$ 16,728,612
Special revenue funds				
Streets - from General Fund	\$	\$	\$ 2,395,608	\$
Spur Cross - to General Fund				1,600,370
Spur Cross - to Capital Improvements Fund				500,000
Total special revenue funds	\$	\$	\$ 2,395,608	\$ 2,100,370
Capital projects funds				
Capital Improvements - from General Fund	\$	\$	\$ 9,991,796	\$
Capital Improvements - from Spur Cross Fund			500,000	
Capital Improvements - debt financing	17,500,000			
Total capital projects funds	\$ 17,500,000	\$	\$ 10,491,796	\$
Enterprise funds				
Wastewater - from General Fund	\$	\$	\$ 2,906,795	\$
Wastewater - debt financing	1,240,000			
Cave Creek Water - from General Fund			1,205,610	
Cave Creek Water - debt financing	10,852,988			
Desert Hills Water - debt financing	866,000			
Rodeo Grounds - from General Fund			228,803	
Total enterprise funds	\$ 12,958,988	\$	\$ 4,341,208	\$
Total all funds	\$ 30,458,988	\$	\$ 18,829,352	\$ 18,828,982

**Town of Cave Creek
Expenditures/expenses by fund
Fiscal year 2026**

Fund/Department	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025	Budgeted expenditures/ expenses 2026
General Fund				
Town Council	\$ 35,900	\$	\$ 35,887	\$ 119,400
Administration	1,620,751		1,744,238	2,182,527
Finance	685,363		717,732	969,397
Legal Services	350,000		121,200	350,000
Development Services	1,782,680		1,672,991	1,767,217
Tourism Bureau				51,038
Magistrate Court	196,050	7,700	206,586	211,760
Law Enforcement	1,416,585		1,418,714	1,458,566
Fire & Emergency Protection	3,164,199	(100,000)	3,024,383	5,447,326
General Government	324,649		321,630	440,849
Public Works	1,481,656		1,406,146	949,444
Special Events	71,500		67,500	71,500
Indirect Cost Allocations				(983,257)
Capital Improvement Projects	7,450,200	354,330	6,357,171	
Contingency	1,159,359	(382,030)		1,200,000
Total General Fund	\$ 19,738,892	\$ (120,000)	\$ 17,094,178	\$ 14,235,767
Special revenue funds				
Grants & Other Restricted Fund	\$ 3,705,949	\$	\$ 36,268	\$ 3,071,264
Streets Fund	514,359		681,143	4,121,258
Spur Cross Ranch Conservation Fund	216,000		216,000	216,000
Total special revenue funds	\$ 4,436,308	\$	\$ 933,411	\$ 7,408,522
Capital projects funds				
Capital Improvements Fund	\$ 1,554,695	\$	\$	\$ 21,887,994
Total capital projects funds	\$ 1,554,695	\$	\$	\$ 21,887,994
Enterprise funds				
Wastewater Fund	\$ 4,917,972	\$	\$ 4,192,530	\$ 5,737,500
Cave Creek Water Fund	22,200,730	120,000	18,225,594	20,911,785
Desert Hills Water Fund	4,545,200		3,992,099	5,175,646
Rodeo Grounds Fund				264,333
Total enterprise funds	\$ 31,663,902	\$ 120,000	\$ 26,410,223	\$ 32,089,264
Total all funds	\$ 57,393,797	\$	\$ 44,437,812	\$ 75,621,547

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

Town of Cave Creek
Expenditures/expenses by department
Fiscal year 2026

Department/Fund	Adopted budgeted expenditures/expenses	Expenditure/expense adjustments approved	Actual expenditures/expenses*	Budgeted expenditures/expenses
	2025	2025	2025	2026
Town Council:				
General Fund	\$ 35,900	\$	\$ 35,887	\$ 119,400
Department total	\$ 35,900	\$	\$ 35,887	\$ 119,400
Administration:				
General Fund	\$ 1,620,751	\$	\$ 1,744,238	\$ 2,182,527
Grants & Other Restricted Fund	250,000			
Department total	\$ 1,870,751	\$	\$ 1,744,238	\$ 2,182,527
Finance:				
General Fund	\$ 685,363	\$	\$ 717,732	\$ 969,397
Department total	\$ 685,363	\$	\$ 717,732	\$ 969,397
Legal Services:				
General Fund	\$ 350,000	\$	\$ 121,200	\$ 350,000
Department total	\$ 350,000	\$	\$ 121,200	\$ 350,000
Development Services:				
General Fund	\$ 1,782,680	\$	\$ 1,672,991	\$ 1,767,217
Grants & Other Restricted Fund	15,000		12,430	12,430
Spur Cross Ranch Fund	216,000		216,000	216,000
Department total	\$ 2,013,680	\$	\$ 1,901,421	\$ 1,995,647
Tourism Bureau:				
General Fund	\$	\$	\$	\$ 51,038
Department total	\$	\$	\$	\$ 51,038
Magistrate Court:				
General Fund	\$ 196,050	\$ 7,700	\$ 206,586	\$ 211,760
Department total	\$ 196,050	\$ 7,700	\$ 206,586	\$ 211,760
Law Enforcement:				
General Fund	\$ 1,416,585	\$	\$ 1,418,714	\$ 1,458,566
Grants & Other Restricted Fund			2,489	11,849
Department total	\$ 1,416,585	\$	\$ 1,421,203	\$ 1,470,415
Fire & Emergency Protection:				
General Fund	\$ 3,164,199	\$ (100,000)	\$ 3,024,383	\$ 5,447,326
Grants & Other Restricted Fund	40,949		21,349	46,985
Department total	\$ 3,205,148	\$ (100,000)	\$ 3,045,732	\$ 5,494,311
General Government:				
General Fund	\$ 324,649	\$	\$ 321,630	\$ 440,849
Department total	\$ 324,649	\$	\$ 321,630	\$ 440,849
Public Works:				
General Fund	\$ 1,481,656	\$	\$ 1,406,146	\$ 949,444
Grants & Other Restricted Fund	400,000			
Streets Fund				4,121,258
Department total	\$ 1,881,656	\$	\$ 1,406,146	\$ 5,070,702
Wastewater:				
Wastewater Fund	\$ 1,698,579	\$	\$ 1,675,637	\$ 1,854,507
Department total	\$ 1,698,579	\$	\$ 1,675,637	\$ 1,854,507

Town of Cave Creek
Expenditures/expenses by department
Fiscal year 2026

Department/Fund	Adopted budgeted expenditures/expenses	Expenditure/expense adjustments approved	Actual expenditures/expenses*	Budgeted expenditures/expenses
	2025	2025	2025	2026
Cave Creek Water:				
Cave Creek Water Fund	\$ 3,799,850	\$	\$ 3,858,306	\$ 4,198,843
Department total	\$ 3,799,850	\$	\$ 3,858,306	\$ 4,198,843
Desert Hills Water:				
Desert Hills Water Fund	\$ 2,747,279	\$	\$ 2,687,118	\$ 2,847,235
Department total	\$ 2,747,279	\$	\$ 2,687,118	\$ 2,847,235
Rodeo Grounds:				
Rodeo Grounds Fund	\$	\$	\$	\$ 126,360
Department total	\$	\$	\$	\$ 126,360
Special Events:				
General Fund	\$ 71,500	\$	\$ 67,500	\$ 71,500
Department total	\$ 71,500	\$	\$ 67,500	\$ 71,500
Indirect Cost Allocations:				
General Fund	\$	\$	\$	\$ (983,257)
Wastewater Fund	\$	\$	\$	\$ 260,746
Cave Creek Water Fund	\$	\$	\$	\$ 461,764
Desert Hills Water Fund	\$	\$	\$	\$ 237,774
Rodeo Grounds Fund	\$	\$	\$	\$ 22,973
Department total	\$	\$	\$	\$
Capital Improvement Projects:				
General Fund	\$ 7,450,200	\$ 354,330	\$ 6,357,171	\$
Streets Fund	475,000	\$	681,143	\$
Capital Improvements Fund	1,554,695	\$	\$	21,887,994
Wastewater Fund	1,325,000	\$	622,500	1,727,500
Cave Creek Water Fund	16,400,535	120,000	12,186,320	13,604,510
Desert Hills Water Fund	775,000	\$	295,000	1,081,000
Rodeo Grounds Fund	\$	\$	\$	115,000
Department total	\$ 27,980,430	\$ 474,330	\$ 20,142,134	\$ 38,416,004
Debt Service:				
Wastewater Fund	\$ 1,894,393	\$	\$ 1,894,393	\$ 1,894,747
Cave Creek Water Fund	2,000,345	\$	2,180,968	2,646,668
Desert Hills Water Fund	1,009,981	\$	1,009,981	1,009,637
Department total	\$ 4,904,719	\$	\$ 5,085,342	\$ 5,551,052
Contingency:				
General Fund	\$ 1,159,359	\$ (382,030)	\$	\$ 1,200,000
Grants & Other Restricted Fund	3,000,000	\$	\$	3,000,000
Streets Fund	39,359	\$	\$	\$
Desert Hills Water Fund	12,940	\$	\$	\$
Department total	\$ 4,211,658	\$ (382,030)	\$	\$ 4,200,000

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

Town of Cave Creek
Full-time employees and personnel compensation
Fiscal year 2026

Fund	Full-time equivalent (FTE)	Employee salaries and hourly costs	Retirement costs	Healthcare costs	Other benefit costs	Total estimated personnel compensation
	2026	2026	2026	2026	2026	2026
General Fund	35.60	\$ 3,227,426	\$ 435,769	\$ 509,090	\$ 372,075	\$ 4,544,360
Special revenue funds						
Streets Fund	3.00	\$ 162,686	\$ 19,523	\$ 67,576	\$ 29,473	\$ 279,258
Total special revenue funds	3.00	\$ 162,686	\$ 19,523	\$ 67,576	\$ 29,473	\$ 279,258
Enterprise funds						
Wastewater Fund	5.68	\$ 603,671	\$ 70,427	\$ 111,718	\$ 77,591	\$ 863,407
Cave Creek Water Fund	10.05	1,012,091	119,901	188,505	130,108	1,450,605
Desert Hills Water Fund	5.18	482,927	57,177	110,813	61,718	712,635
Rodeo Grounds Fund	0.50	31,681	3,802	11,264	3,113	49,860
Total enterprise funds	21.40	\$ 2,130,370	\$ 251,307	\$ 422,300	\$ 272,530	\$ 3,076,507
Total all funds	60.00	\$ 5,520,482	\$ 706,599	\$ 998,966	\$ 674,078	\$ 7,900,125