



District Board Meeting Agenda

Pursuant to A.R.S. § 38-431.02 notice is hereby given to the public that the District Board of the Rancho Community Facilities District will hold a meeting at the date and time specified below at the Sahuarita Council Chambers, 375 West Sahuarita Center Way, Sahuarita, AZ. Members of the Rancho Sahuarita District Board will attend either in person or by telephone conference call.

To better serve our community, the Council Chambers is wheelchair accessible. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the District Clerk's Office at 520-822-8801. Requests should be made no later than three (3) working days prior to the meeting to arrange the accommodation.

Persons attending the meeting shall observe rules of propriety, decorum, and good conduct. Unauthorized comments from the audience, signs, and disruptive behavior will not be allowed in the Sahuarita Council Chambers. Violations may result in being banned from this and future meetings. Please turn off or silence all electronic devices during the meeting.

**May 28, 2024
REGULAR MEETING AGENDA
AT OR AFTER 6:00 P.M.**

- 1. Call to Order**
- 2. Roll Call**
- 3. Call to the Public**

At this time, any member of the public is invited to address the District Board on any issue which is on tonight's Agenda or any issue which the District Board can lawfully act upon at a future meeting. Written comments regarding any item on the agenda or any issue which the District Board can lawfully act upon may be submitted prior to the beginning of the meeting for distribution to the District Board. Pursuant to the Arizona Open Meeting Laws, the District Board may not discuss the items, but individual members of the District Board may respond to criticism made by those who have addressed the District Board, may ask staff to review the matter, or may ask that the matter be placed on a future agenda.

- 4. Consent Agenda**

- A. Approval of the February 26, 2024 Rancho Sahuarita Community Facilities District Meeting Minutes.**

- 5. Discussion and possible adoption of Resolution No. 2024-0030 of the District Board of the Rancho Sahuarita Community Facilities District, a Community Facilities District of Arizona, approving a tentative budget for Fiscal Year 2025 in the amount of \$17,408,770.00, pursuant to Section 48-716, Arizona Revised Statutes, as amended; setting a public hearing date on said tentative budget; filing statements and estimates of the operation and maintenance expenses of the Rancho**

Sahuarita Community Facilities district, the costs of capital improvements to be financed by the approved ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds of the Rancho Sahuarita Community Facilities District, all of which shall be provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the Rancho Sahuarita Community Facilities District; providing for notice of filing the statements and estimates and notice of a public hearing on the portions of the statements and estimates not relating to debt service on general obligation bonds; and providing that this resolution shall be effective after its passage and approval according to law.

6. Adjournment

Action may be taken by the District Board on any item listed on this agenda. The District Board may vote to go into executive session pursuant to A.R.S. § 38-431.03 (A) (3) for discussion or consultation for legal advice with the District Counsel concerning any matter listed on this agenda.

Notice to parents: Meetings of the District Board are audio and video recorded. If you permit your child to participate in the meeting, a recording will be made. You may exercise your right not to consent by not permitting your child to participate. You and your child may also leave the meeting at any time.



District Board Staff Report

TO: Honorable Chairperson and District Board
FROM: Lisa Cole MMC, District Clerk
MEETING DATE: May 28, 2024
SUBJECT: Approval of the February 26, 2024 Rancho Sahuarita Community Facilities District Meeting Minutes.

FINANCIAL / BUDGET SUMMARY

SUGGESTED MOTION

I move to approve the minutes as submitted (or amended).

EXECUTIVE SUMMARY

State law (A.R.S. §38-431.01) requires public bodies to provide and publish meeting minutes to document discussions and legal action taken by the District Board. The Board can make needed corrections to the meeting minutes before approval.

DISCUSSION

Draft minutes submitted for District Board approval.

ATTACHMENTS

1. February 26, 2024 RSCFD Minutes



District Board Meeting Minutes

RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT MEETING MINUTES FEBRUARY 26, 2024

The District Board of the Rancho Sahuarita Community Facilities District met in the Sahuarita Council Chambers, 375 West Sahuarita Center Way, Sahuarita, AZ on February 26, 2024.

1. Call to Order

The meeting was called to order at 6:07 PM by Chairperson Tom Murphy.

2. Roll Call

Attendee Name	Title	Status	Arrived
Tom Murphy	Chairperson	Present	
Kara Egbert	Vice Chairperson	Present	
Bill Bracco	Board Member	Present	
Simon Davis	Board Member	Present	
Steven Gillespie	Board Member	Present	
Deborah Morales	Board Member	Present	
Diane Priolo	Board Member	Present	

Also in attendance were District Manager Shane Dille, District Counsel Jon Paladini, and District Clerk Lisa Cole.

3. Call to the Public

There were no speakers.

4. Consent Agenda

MOTION was made to approve the consent agenda recommendations.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Bill Bracco, Board Member
SECONDER:	Kara Egbert, Vice Chairperson
AYES:	Murphy, Egbert, Bracco, Davis, Gillespie, Morales, Priolo

- A. Approval of the November 13, 2023 Rancho Sahuarita Community Facilities District Meeting Minutes.
- B. Adoption of Resolution No. 2024-0029, approving reductions of the face amounts of the letters of credit held pursuant to depository agreements with respect to bonds (Series 2020 and 2022) issued by the District.

5. Adjournment

Chairperson Murphy adjourned the meeting at 6:09 PM.

 Chairperson Tom Murphy

ATTEST:

 Lisa Cole, MMC
 District Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Meeting of the District Board of the Rancho Sahuarita Community Facilities District held on the 26th day of February 2024. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 28th day of May 2024.

 Lisa Cole, MMC
 District Clerk

Attachment: February 26, 2024 RSCFD Minutes [Revision 2] (Approval of Minutes Rancho Sahuarita CFD)



District Board Staff Report

TO: Honorable Chairperson and District Board

FROM: A.C. Marriotti, District Treasurer

MEETING DATE: May 28, 2024

SUBJECT: Discussion and possible adoption of Resolution No. 2024-0030 of the District Board of the Rancho Sahuarita Community Facilities District, a Community Facilities District of Arizona, approving a tentative budget for Fiscal Year 2025 in the amount of \$17,408,770.00, pursuant to Section 48-716, Arizona Revised Statutes, as amended; setting a public hearing date on said tentative budget; filing statements and estimates of the operation and maintenance expenses of the Rancho Sahuarita Community Facilities district, the costs of capital improvements to be financed by the approved ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds of the Rancho Sahuarita Community Facilities District, all of which shall be provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the Rancho Sahuarita Community Facilities District; providing for notice of filing the statements and estimates and notice of a public hearing on the portions of the statements and estimates not relating to debt service on general obligation bonds; and providing that this resolution shall be effective after its passage and approval according to law.

FINANCIAL / BUDGET SUMMARY

Establish Tentative Budget: \$17,408,770

SUGGESTED MOTION

I move to adopt Resolution No. 2024-0030.

EXECUTIVE SUMMARY

This agenda item provides the District Board an opportunity to approve a tentative budget for fiscal year 2025 and to establish June 24, 2024 as the date for final budget and tax levy adoption.

DISCUSSION

Staff will provide a presentation on the Tentative Budget at the meeting.

If the Resolution is approved, public notices for the established meeting where the Board will consider adopting the final budget and tax levy will be posted and published in accordance with State law.

Rancho Sahuarita Community Facilities District Agenda Communication

REVENUES

Property Taxes

The District levies a property tax to (1) pay for debt service obligations and (2) pay for operations and maintenance (O&M) costs.

- 1) The debt service tax rate is determined by calculation based on the assessed valuation of property within the District. Pursuant to the Development Agreement, however, this rate is capped at \$4.69 per \$100 net taxable assessed valuation (NTAV). The District's debt service levy rate has been \$4.69/\$100 NTAV since bonds were issued in 2018.
- 2) The O&M tax rate is capped at \$0.30 per \$100 NTAV. The District's O&M levy rate has been \$0.30/\$100 NTAV since the District was formed.

The proposed combined property tax rate levy for 2024 is \$4.99/\$100 NTAV. This is expected to generate \$1,154,910, including allowances for uncollectible amounts.

Investment Income

Unspent bond proceeds and property tax collections are held in trust, earning interest income, until spent on infrastructure acquisition or paying debt service obligations.

Developer Contributions

The District expects to collect \$593,230 from the Master Developer in 2025. Pursuant to the Development Agreement, the Master Developer is required to make stand-by contribution payments to cover debt service obligations above what is collected in property taxes. Also, the Developer is required to cover O&M shortfalls, if any, up to \$30 thousand annually.

EXPENDITURES

Current Expenditures

The proposed 2024 budget is \$52,990. This budget provides the capacity to pay for the following:

- 1) General administrative costs
- 2) District engineering costs
- 3) Street, right-of-way, and landscaping maintenance costs along public roads in the District

Debt Service

After the current year principal payments are made, the District will have \$26.67 million of outstanding general obligation bonds. Annual debt service obligations include bond principal, interest, and other costs such as bank trust fees. The principal is paid once a year on July 15. Interest is paid semi-annually.

Capital Outlay

During 2025, the District has the capacity to acquire up to \$15,460,630 of infrastructure (roadways and sewer lines) from the Master Developer. Bond proceeds will be used to pay for the infrastructure.

FUND BALANCES

There are no ending balances as the District has the budget capacity to consume all of its resources.

STAFF RECOMMENDATION

Rancho Sahuarita Community Facilities District Agenda Communication

Staff recommends the adoption of Resolution No. 2024-0030.

ATTACHMENTS

1. Resolution No. 2024-0030
2. FY2025 RSCFD Tentative Budget Presentation



RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT
RESOLUTION NO. 2024-0030

A RESOLUTION OF THE DISTRICT BOARD OF THE RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF ARIZONA, APPROVING A TENTATIVE BUDGET FOR FISCAL YEAR 2025 IN THE AMOUNT OF \$17,408,770.00 PURSUANT TO SECTION 48-716, ARIZONA REVISED STATUTES, AS AMENDED; SETTING A PUBLIC HEARING DATE ON SAID TENTATIVE BUDGET; FILING STATEMENTS AND ESTIMATES OF THE OPERATION AND MAINTENANCE EXPENSES OF THE RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT, THE COSTS OF CAPITAL IMPROVEMENTS TO BE FINANCED BY THE APPROVED AD VALOREM TAX LEVY, AND THE AMOUNT OF ALL OTHER EXPENDITURES FOR PUBLIC INFRASTRUCTURE AND ENHANCED MUNICIPAL SERVICES PROPOSED TO BE PAID FROM THE TAX LEVY AND OF THE AMOUNT TO BE RAISED TO PAY GENERAL OBLIGATION BONDS OF THE RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT, ALL OF WHICH SHALL BE PROVIDED FOR BY THE LEVY AND COLLECTION OF AD VALOREM TAXES ON THE ASSESSED VALUE OF ALL THE REAL AND PERSONAL PROPERTY IN THE RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT; PROVIDING FOR NOTICE OF FILING THE STATEMENTS AND ESTIMATES AND NOTICE OF A PUBLIC HEARING ON THE PORTIONS OF THE STATEMENTS AND ESTIMATES NOT RELATING TO DEBT SERVICE ON GENERAL OBLIGATION BONDS; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

BE IT RESOLVED BY THE DISTRICT BOARD OF RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT as follows:

WHEREAS, on March 24, 2014, the Rancho Sahuarita Community Facilities District (“RSCFD”), a community facilities district in accordance with Section 48-701 *et seq.*, Arizona Revised Statutes, as amended, was formed; and

WHEREAS, RSCFD is a special purpose district for purposes of Article IX, Section 19, Constitution of Arizona, a tax-levying public improvement district for the purposes of Article XIII, Section 7, Constitution of Arizona, and a municipal corporation for all purposes of Title 35, Chapter 3, Articles 3, 3.1., 3.2, 4 and 5, Arizona Revised Statutes, as amended, and [except as otherwise provided in Section 48-708(B), Arizona Revised Statutes, as amended] is considered to

be a municipal corporation and political subdivision of the State of Arizona, separate and apart from the Town; and

WHEREAS, a primary purpose for creating RSCFD was to finance certain public improvements needed for the development known as “Rancho Sahuarita” through assessment of ad valorem taxes on all real and personal property within RSCFD; and

WHEREAS, in accordance with Sections 48-719 and 48-723, Arizona Revised Statutes, as amended, a special election was held on August 12, 2014, wherein the qualified electors of RSCFD voted to issue general obligation bonds in the maximum amount of \$60,000,000 to cover costs of public infrastructure purposes, and to levy and collect an annual ad valorem tax at a rate not to exceed thirty cents (30¢) per one hundred dollars (\$100) of assessed valuation for operation and maintenance expenses of RSCFD; and

WHEREAS, in accordance with Sections 48-716 and 48-723, Arizona Revised Statutes, as amended, the District Treasurer of RSCFD has submitted to the District Board of RSCFD a proposed budget for fiscal year 2025, which includes statements and estimates of the operation and maintenance expenses of RSCFD, the costs of capital improvements to be financed by the authorized ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds of RSCFD, all of which shall be provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property within RSCFD; and

WHEREAS, the District Board of RSCFD desires now to approve said tentative budget for fiscal year 2025, to publish notice of having filed the required statements and estimates, and to set a date (and publish a notice thereof) for a public hearing to receive comment on the tentative budget and, particularly, on the portions of the statements and estimates not relating to debt service on general obligation bonds; and

WHEREAS, after said public hearing (and on or before October 1), the District Board of RSCFD expects to adopt a final budget by resolution; and

WHEREAS, on or before the third Monday in August, the District Board of RSCFD also expects to order the fixing, levying and assessment of required ad valorem taxes and to cause certified copies of the order to be delivered to the Pima County Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT, AS FOLLOWS:

1. That certain proposed budget prepared by the District Treasurer of RSCFD for fiscal year 2025, attached hereto and expressly made a part hereof as Exhibit “A” is hereby tentatively approved.

2. The statements and estimates of the operation and maintenance expenses of RSCFD, the costs of capital improvements to be financed by the approved ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay general obligation

bonds of RSCFD in fiscal year 2025 are hereby filed in accordance with Arizona Revised Statutes Section 48-723(C), as amended, and are attached hereto and expressly made a part hereof as Exhibit "A."

3. A public hearing date of June 24, 2024, beginning at or after 6:00 p.m. at the Sahuarita Town Hall Council Chamber, 375 W. Sahuarita Center Way, Sahuarita, Arizona, is hereby set to consider said tentative budget (including, but expressly not limited to, consideration of those portions of the statements and estimates not relating to debt service on general obligation bonds of RSCFD), and said notice (attached hereto and expressly made a part hereof as Exhibit "B") shall be published once in the Sahuarita Sun no later than ten (10) days prior to said hearing date.

4. If any provision in this Resolution is held invalid by a court of competent jurisdiction, the remaining provisions shall not be affected but shall continue in full force and effect.

5. This Resolution shall be effective after its passage and approval according to law.

PASSED by the District Board of the Rancho Sahuarita Community Facilities District this 28th day of May, 2024.

Tom Murphy
Chairperson
Rancho Sahuarita Community Facilities District

CERTIFICATION OF RECORDING OFFICER

State of Arizona)
County of Pima) ss.

I, the undersigned, Lisa Cole, being the duly appointed, qualified District Clerk of the Rancho Sahuarita Community Facilities District, Pima County, Arizona, certify that the foregoing Resolution is a true, correct, and accurate copy of Resolution No. 2024-0030, passed and adopted at a Voting Meeting of the Rancho Sahuarita Community Facilities District, Pima County, Arizona, held on the 28th day of May 2024, at which a quorum was present and by a _____ vote, _____ voted in favor of the said resolution.

Given under my hand this 28th day of May 2024.

Lisa Cole
District Clerk
Rancho Sahuarita Community Facilities District

APPROVED AS TO FORM:

Jon Paladini
District Counsel
Rancho Sahuarita Community Facilities District

Attachment: Resolution No. 2024-0030 (RSCFD 2025 Tentative Budget Adoption)

EXHIBIT “A”

FISCAL YEAR 2025

RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT BUDGET
(RSCFD STATEMENTS AND ESTIMATES OF EXPENSES FOR FISCAL YEAR 2025)

[See following page.]

**RANCHO SAHUARITA
COMMUNITY FACILITIES DISTRICT
SOURCES AND USES OF FUNDS**

	2025 Budget Amount
<u>SOURCES</u>	
Revenues:	
Taxes	\$ 1,154,910
Investment Earnings	200,000
Developer Contributions	593,230
Total Revenues	1,948,140
Beginning Fund Balance:	
Restricted for Capital Acquisition	15,460,630
Restricted for RSCFD	-
Total Fund Balance	15,460,630
TOTAL SOURCES	\$ 17,408,770
<u>USES</u>	
Current Expenditures:	
General Government	\$ 10,840
Streets	42,150
Subtotal	52,990
Debt Service:	
Principal	771,000
Interest	1,119,150
Other	5,000
Subtotal	1,895,150
Capital Outlay:	
Infrastructure Acquisition	15,460,630
Subtotal	15,460,630
Total Expenditures	17,408,770
Ending Fund Balance:	
Restricted for Capital Acquisition	-
Restricted for RSCFD	-
Total Fund Balance	-
TOTAL USES	\$ 17,408,770

Attachment: Resolution No. 2024-0030 (RSCFD 2025 Tentative Budget Adoption)

EXHIBIT “B”**FORM OF PUBLISHED NOTICE**

RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT
 NOTICE OF FILING STATEMENTS AND ESTIMATES
 AND
 NOTICE OF PUBLIC HEARING

NOTICE OF FILING STATEMENTS AND ESTIMATES OF THE OPERATION AND MAINTENANCE EXPENSES OF THE RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT, THE COSTS OF CAPITAL IMPROVEMENTS TO BE FINANCED BY THE AD VALOREM TAX LEVY, AND THE AMOUNT OF ALL OTHER EXPENDITURES FOR PUBLIC INFRASTRUCTURE AND ENHANCED MUNICIPAL SERVICES PROPOSED TO BE PAID FROM THE TAX LEVY AND OF THE AMOUNT TO BE RAISED TO PAY GENERAL OBLIGATION BONDS OF THE DISTRICT; AND NOTICE OF A PUBLIC HEARING ON THE PROPOSED FISCAL YEAR 2025 BUDGET OF THE DISTRICT IN THE AMOUNT OF \$17,408,770 INCLUDING A HEARING ON THOSE PORTIONS OF THE STATEMENTS AND ESTIMATES NOT RELATING TO DEBT SERVICE ON GENERAL OBLIGATION BONDS.

Notice is hereby given that statements and estimates have been filed in the Office of the District Clerk of the Rancho Sahuarita Community Facilities District of the operation and maintenance expenses of the District, the costs of capital improvements to be financed by the voter-approved ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds of the District, all of which shall be provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the District. Notice is further given of a public hearing on the proposed fiscal year 2025 budget of the District, including (but not limited to) a hearing on those portions of the statements and estimates not relating to debt service on general obligation bonds, all pursuant to Arizona Revised Statutes §§ 48-716 and 48-723. Such hearing will be held by the District Board on June 24, 2024, at or after 6:00 p.m. at the Sahuarita Town Hall Council Chambers, 375 W. Sahuarita Center Way, Sahuarita, Arizona. Copies of the budget are available from the Office of the District Clerk, 375 W. Sahuarita Center Way, Sahuarita, Arizona 85629, telephone number: (520) 822-8801; on the Town of Sahuarita website: www.sahuaritaaz.gov; and at the Pima County Library, Sahuarita Branch, 670 West Sahuarita Rd, Sahuarita, AZ 85629.

Dated this 28th day of May, 2024.

/s/ Shane D. Dille

 District Manager
 Rancho Sahuarita Community Facilities District

Tentative Budget Adoption Fiscal Year 2025

Board Meeting

May 28, 2024



1

Attachment: FY2025 RSCFD Tentative Budget Presentation (RSCFD 2025 Tentative Budget Adoption)

The District

Formed on March 24, 2014

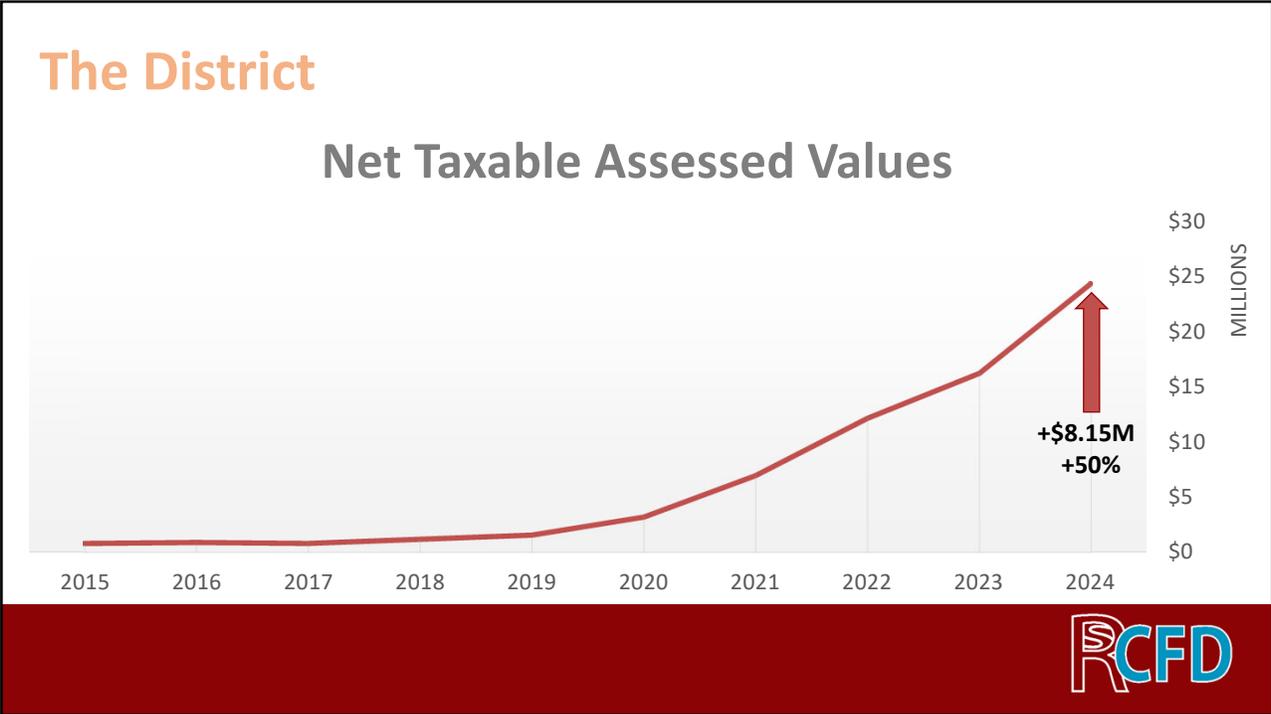
- 943 acres, all within Sahuarita town limits
 - Planned build-out
 - 3,267 Residential Units + 1.25M sq. ft. commercial

County Assessor's Info

- 744 residences (23% built out)
 - 318 (75%) more than last year
 - 116 rental properties
- 6 commercial lots



2



3

The District

Tax levying public improvement district

- Finance acquisition and maintenance of public infrastructure and facilities

Bond election authorized \$60M bond capacity and debt service property tax

- \$26.67M outstanding debt
 - \$ 3.10M GO Bonds issued in 2020 (term 2045)
 - \$ 5.14M GO Refunding Bonds issued in 2022 (term 2043)
 - \$18.43M GO Bonds issued in 2022 (term 2047)

4

Attachment: FY2025 RSCFD Tentative Budget Presentation (RSCFD 2025 Tentative Budget Adoption)

The District

Relationship to Town

- Legally separate entity

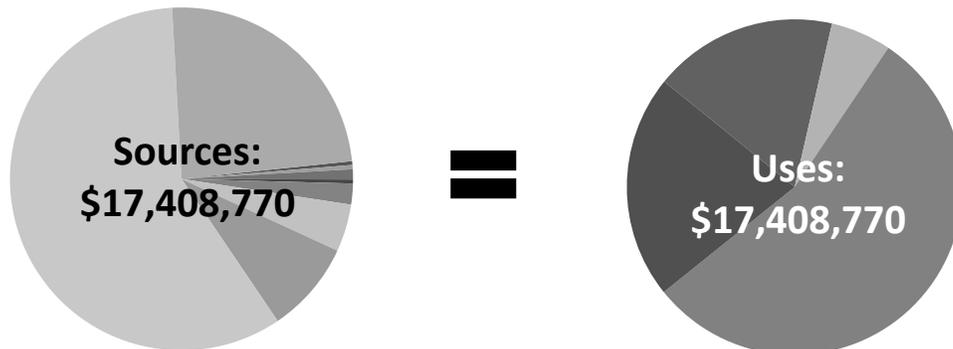
- Part of the Town's financial reporting entity
 - Governmental Accounting Standards Board (GASB)
 - Blended component unit
 - Special Revenue Fund

 - Does not separately issue financial reports.



5

FY2025 Budget: \$17,408,770

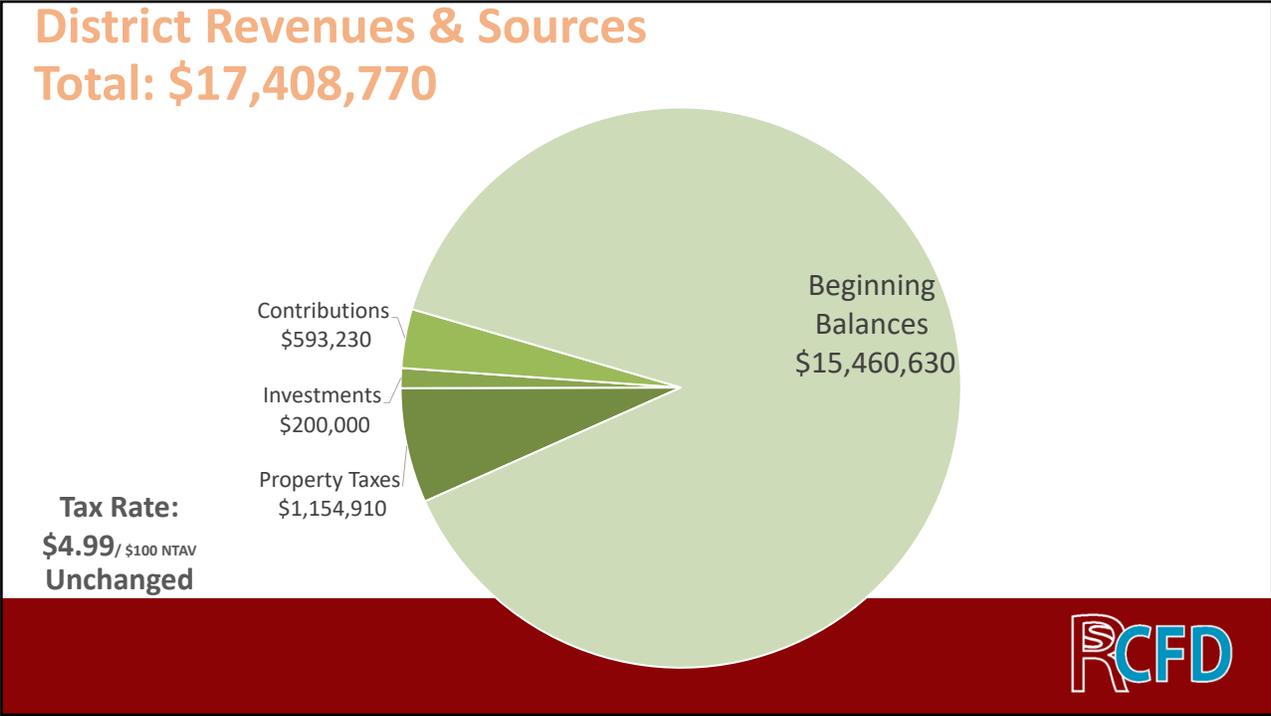


Balanced

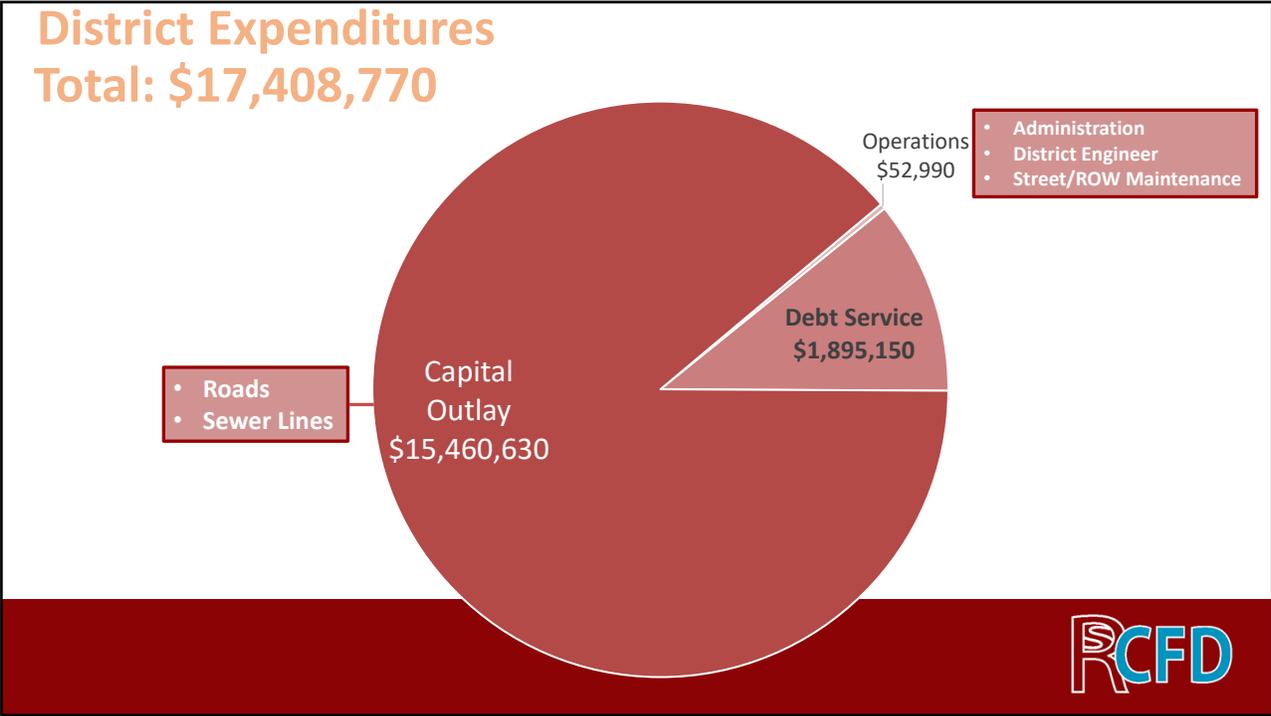


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Attachment: FY2025 RSCFD Tentative Budget Presentation (RSCFD 2025 Tentative Budget Adoption)



7



8

Attachment: FY2025 RSCFD Tentative Budget Presentation (RSCFD 2025 Tentative Budget Adoption)

Resolution

Approves FY2025 Tentative Budget

Tentative Budget filed and made available

- District Clerk and website

Establishes a public hearing and notice for final budget adoption

- June 24, 2024

