

QUAIL CREEK CFD MEETING AGENDA



Tuesday, May 27, 2025

6:00 PM

Sahuarita Town Hall

375 W. Sahuarita Center Way, Sahuarita, AZ 85629

In accordance with A.R.S. § 38-431.02, notice is hereby given to the public that the District Board of the Quail Creek Community Facilities District will hold a meeting on the date, time, and location specified above. Members of the District Board will attend either in person or virtually.

To better serve our community, the Sahuarita Council Chambers is wheelchair accessible. Individuals with disabilities may request reasonable accommodations, 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 working days prior to the meeting to allow for proper arrangements.

All attendees are expected to observe rules of propriety, decorum, and good conduct. Unauthorized comments from the audience, signs, and disruptive behavior will not be tolerated in the Sahuarita Council Chambers. Violations may result in being banned from this and future meetings. Please remember to turn off or silence all electronic devices during the meeting.

1. Call to Order

2. Roll Call

3. Call to the Public

The public is invited to address the District Board on any issue listed on the Consent Agenda or any topic that the Board can legally discuss at a future meeting. Each speaker will have a maximum of three minutes to speak. For groups of ten or more attendees, a designated spokesperson may be appointed, and that person will be allowed ten minutes to speak.

Written comments on agenda items may be submitted before the meeting for distribution. According to Arizona Open Meeting Laws, Board Members cannot discuss these items during the meeting, but they can respond to public criticism, request staff review, or suggest future agenda items.

4. Consent Agenda

4.a Approval of Minutes

Approval of the June 24, 2024 Quail Creek Community Facilities District Meeting Minutes

5. Discussion and Possible Action

5.a QCCFD 2026 Tentative Budget Approval

Discussion and possible adoption of Resolution No. 49 of the District Board of the Quail Creek Community Facilities District, a Community Facilities District of Arizona, approving a tentative budget for Fiscal Year 2026 in the amount of \$1,107,640, 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 Quail Creek 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 Quail Creek 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 Quail Creek 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

The District Board may take action on any item listed on this agenda or vote to enter an executive session under A.R.S. § 38-431.03 (A) (3) to discuss or consult with the District Counsel regarding any matters on the agenda.

Notice to Parents: The District Board meetings are recorded in audio and video. If you allow your child to participate in the Board Meeting, a recording will be made. You have the right to decline consent by not permitting your child to participate. You and your child may also leave the Board Meeting at any time.



Quail Creek Community Facilities District Board Staff Report

DATE: May 27, 2025

TITLE: Approval Minutes

SUBJECT: Approval of the June 24, 2024 Quail Creek CFD Meeting Minutes

FROM: Lisa Cole MMC, District Clerk

FINANCIAL / BUDGET SUMMARY:

None.

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 the corrections needed to the meeting minutes before approval.

STAFF RECOMMENDATION:

Staff recommends approval of minutes.

SUGGESTED MOTION :

I move to approve the minutes of June 24, 2024.

DISCUSSION:

Draft Minutes submitted for District Board approval.

ATTACHMENTS:

1. 06-24-2025 QCCFD Meeting Minutes



Quail Creek Community Facilities District Meeting Minutes

QUAIL CREEK COMMUNITY FACILITIES DISTRICT MEETING MINUTES June 24, 2024

The District Board of the Quail Creek Community Facilities District met in the Sahuarita Council Chambers, 375 West Sahuarita Center Way, Sahuarita, AZ on Monday, June 24, 2024.

1. Call to Order

The meeting was called to order at 6:12 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	Absent	
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 council 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:	Simon Davis, Board Member
SECONDER:	Kara Egbert, Vice Chairperson
AYES:	Murphy, Egbert, Davis, Gillespie, Morales, Priolo
ABSENT:	Bill Bracco

A. Approval of the May 28, 2024 Quail Creek Community Facilities District Meeting Minutes.

5. **Public hearing, discussion and possible adoption of Resolution No. 48 of the District Board of the Quail Creek Community Facilities District, a community facilities district of Arizona, approving a Final Budget for Fiscal Year 2025 in the amount of \$1,104,650.00 pursuant to Section 48-716, Arizona Revised Statutes, as amended; ordering that an ad valorem tax be fixed, levied and assessed on the assessed value of all the real and personal property within the boundaries of the District in amounts specified in the filed statements and estimates; providing for certified copies of this Resolution and order to be delivered to the Pima County Board of Supervisors and the Arizona Department of Revenue; and providing that this Resolution shall be effective after its passage and approval according to law.**

A.C. Marriotti, District Treasurer, reviewed the Final Budget for Fiscal Year 2025 for the Quail Creek Community Facilities District and responded to questions and comments from the Board.

Chairperson Tom Murphy opened the public hearing and seeing no motion closed the public hearing.

MOTION was made to adopt Resolution No. 48.

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

6. Adjournment

Chairperson Murphy adjourned the meeting at 6:18 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 Quail Creek Community Facilities District held on the 24th day of June 2024. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 27th day of May 2025.

Lisa Cole, MMC
District Clerk



Quail Creek CFD

Board Staff Report

DATE: May 27, 2025

TITLE: QCCFD 2026 Tentative Budget Approval

SUBJECT: Discussion and possible adoption of Resolution No. 49 of the District Board of the Quail Creek Community Facilities District, a Community Facilities District of Arizona, approving a tentative budget for Fiscal Year 2026 in the amount of \$1,107,640, 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 Quail Creek 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 Quail Creek 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 Quail Creek 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.

FROM: A.C. Marriotti, District Treasurer

FINANCIAL / BUDGET SUMMARY:

Establish Tentative Budget: \$1,107,640

EXECUTIVE SUMMARY:

This agenda item provides the District Board with an opportunity to approve the Tentative Budget for fiscal year 2026 and to establish June 23, 2025 as the date for final budget and tax levy adoption.

STAFF RECOMMENDATION:

Staff recommends adoption of QCCFD Resolution No. 49.

SUGGESTED MOTION :

I move to adopt QCCFD Resolution No. 49.

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.

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 \$3.00 per \$100 net taxable assessed valuation (NTAV).

The District's debt service levy rate is currently \$2.0976/\$100 NTAV. However, based on the County Assessor's preliminary assessments for fiscal year 2025, the tax rate to cover debt service may be reduced to a rate of \$1.9598/\$100 NTAV. This rate will continue to decline as the District builds out and property values increase. Outstanding bonds will be paid off in 2030, at which point this levy will cease unless additional bonds are issued.

- 2) The O&M tax rate is capped at \$0.30/\$100 NTAV. The District has levied a rate of \$0.30/\$100 NTAV since the District was formed.

The proposed combined property tax rate levy for fiscal year 2026 is \$2.2598/\$100 NTAV. This is expected to generate net collections of \$1,089,060, including allowances for uncollectible amounts.

Investment Income: Property tax collections are held in trust, earning interest income, until debt service obligations are paid.

Developer Contributions: No developer contributions are budgeted. As property valuations are sufficient to cover debt service obligations, the Master Developer's stand-by contribution payment is no longer needed.

EXPENDITURES

Current Expenditures

This budget provides the capacity to pay for the following:

- 1) General administrative costs
- 2) Street, right-of-way, and landscaping maintenance costs along public roads in the District
- 3) A portion of the Quail Creek Veterans Municipal Park maintenance costs (remaining costs are paid for out of the Town of Sahuarita General Fund)

Debt Service

These costs include bond principal and interest, and other costs such as bank trust fees. The principal is paid once a year. Interest is paid semi-annually.

In 2006, the District issued \$12.66 million in bonds to pay for roadways, portions of the Quail Creek Veterans Municipal Park, wash crossings, landscaping, and sewer lines. After the current year principal payment is made, \$4.33 million of outstanding principal will remain. The bonds will be paid off in 2030.

FUND BALANCES

There are no ending fund balances budgeted for 2025. The District is expected to consume all its resources during the year.

ATTACHMENTS:

1. QCCFD Resolution No. 49
2. FY2026 QCCFD Tentative Budget Presentation

QUAIL CREEK COMMUNITY FACILITIES DISTRICT
RESOLUTION NO. 49

A RESOLUTION OF THE DISTRICT BOARD OF THE QUAIL CREEK COMMUNITY FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF ARIZONA, APPROVING A TENTATIVE BUDGET FOR FISCAL YEAR 2026 IN THE AMOUNT OF \$1,107,640 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 QUAIL CREEK 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 QUAIL CREEK 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 QUAIL CREEK 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 QUAIL CREEK COMMUNITY FACILITIES DISTRICT as follows:

WHEREAS, on September 12, 2005, the Mayor and Council of the Town of Sahuarita, Arizona (the "Town"), adopted Resolution No. 1 forming Quail Creek Community Facilities District ("QCCFD"), a community facilities district in accordance with Section 48-701 et seq., Arizona Revised Statutes, as amended; and

WHEREAS, QCCFD 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 QCCFD was to finance certain public improvements needed for the development known as “Quail Creek” through assessment of ad valorem taxes on all real and personal property within QCCFD; and

WHEREAS, in accordance with Sections 48-719 and 48-723, Arizona Revised Statutes, as amended, a special election was held on November 8, 2005, wherein the qualified electors of QCCFD voted to issue general obligation bonds in the maximum amount of \$30,000,000 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 QCCFD; and

WHEREAS, in accordance with Sections 48-716 and 48-723, Arizona Revised Statutes, as amended, the District Treasurer of QCCFD has submitted to the District Board of QCCFD a proposed budget for fiscal year 2026, which includes statements and estimates of the operation and maintenance expenses of QCCFD, 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 QCCFD, 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 QCCFD; and

WHEREAS, the District Board of QCCFD desires now to approve said tentative budget for fiscal year 2026, 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 QCCFD expects to adopt a final budget by resolution; and

WHEREAS, on or before the third Monday in August, the District Board of QCCFD 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 QUAIL CREEK COMMUNITY FACILITIES DISTRICT, AS FOLLOWS:

1. That certain proposed budget prepared by the District Treasurer of QCCFD for fiscal year 2026, 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 QCCFD, 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 QCCFD in fiscal year 2026 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 23, 2025, 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 QCCFD), and said notice (attached hereto and expressly made a part hereof as Exhibit "B") shall be published once in the Green Valley News 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 Quail Creek Community Facilities District this 27th day of May, 2025.

Tom Murphy
Chairperson
Quail Creek 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 Quail Creek Community Facilities District, Pima County, Arizona, certify that the foregoing Resolution is true, correct, and accurate copy of Resolution No. 49, passed and adopted at a Voting Meeting of the Quail Creek Community Facilities District, Pima County, Arizona, held on the 27th day of May 2025, at which a quorum was present and by a ____ vote, ____ voted in favor of the resolution.

Given under my hand this 27th day of May 2025.

Lisa Cole, MMC
District Clerk
Quail Creek Community Facilities District

APPROVED AS TO FORM:

Jon Paladini
District Counsel
Quail Creek Community Facilities District

EXHIBIT "A"

FISCAL YEAR 2026

QUAIL CREEK COMMUNITY FACILITIES DISTRICT BUDGET

(OCCFD STATEMENTS AND ESTIMATES OF EXPENSES FOR FISCAL YEAR 2026)

**QUAIL CREEK
COMMUNITY FACILITIES DISTRICT
SOURCES AND USES OF FUNDS**

	2026 Budget Amount
<u>SOURCES</u>	
Revenues:	
Taxes	\$ 1,089,060
Investment Earnings	5,280
Total Revenues	1,094,340
Beginning Fund Balance:	
Restricted for Debt Service	13,300
Restricted for QCCFD	-
Total Fund Balance	13,300
TOTAL SOURCES	\$ 1,107,640
<u>USES</u>	
Current Expenditures:	
General Government	\$ 15,300
Streets	43,190
Parks and Recreation	95,830
Subtotal	154,320
Debt Service:	
Principal	815,000
Interest	133,320
Other	5,000
Subtotal	953,320
Total Expenditures	1,107,640
Ending Fund Balance:	
Restricted for Debt Service	-
Restricted for QCCFD	-
Total Fund Balance	-
TOTAL USES	\$ 1,107,640

EXHIBIT “B”
FORM OF PUBLISHED NOTICE

QUAIL CREEK 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 QUAIL CREEK 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 2026 BUDGET OF THE DISTRICT IN THE AMOUNT OF \$1,107,640 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 Quail Creek 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 2026 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 23, 2025, 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 W Sahuarita Rd, Sahuarita, AZ 85629.

Dated this 27th day of May, 2025.

Shane D. Dille, District Manager
Quail Creek Community Facilities District

Tentative Budget Adoption Fiscal Year 2026

Board Meeting

May 27, 2025



The District

Formed on September 12, 2005

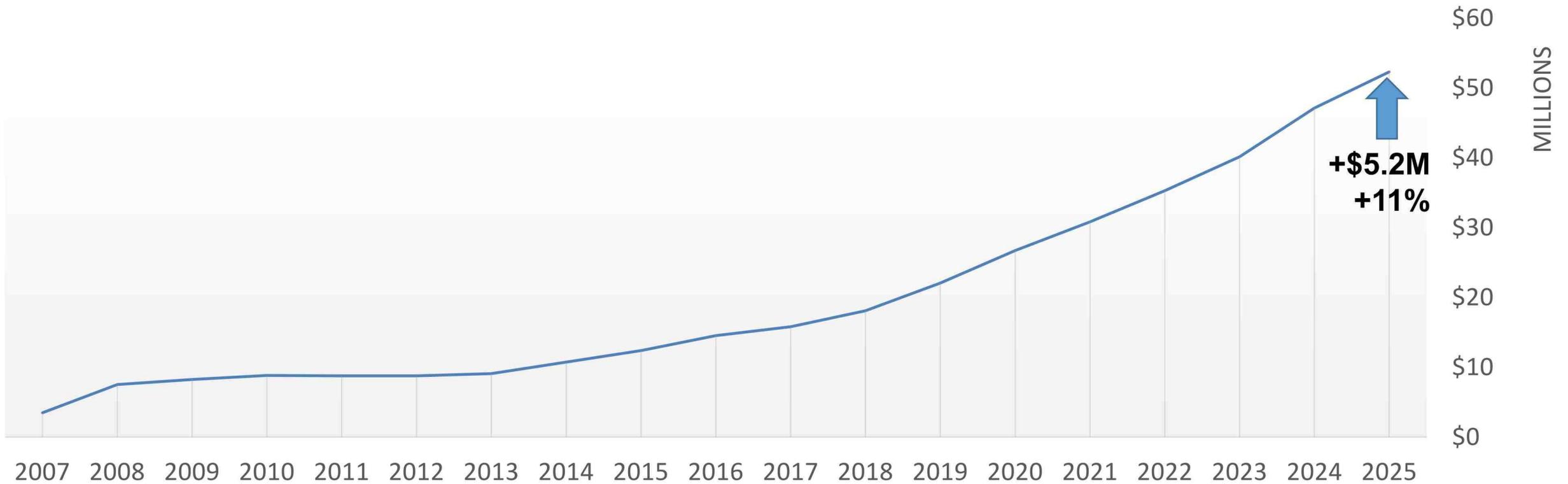
- 1,192 acres, all within Sahuarita town limits
 - Planned build-out @ 2,600 residences

County Assessor's Info

- 1,497 residences (58% built out)
 - 94 (+7%) more than last year
 - 69 rental properties

The District

Net Taxable Assessed Values



The District

Tax levying public improvement district

- Finance acquisition and maintenance of public infrastructure and facilities

Bond election authorized \$30M bond capacity and debt service property tax

- \$12.66M GO bonds issued in 2006 (term 2030)
 - \$4.33M outstanding principal

The District

Relationship to Town

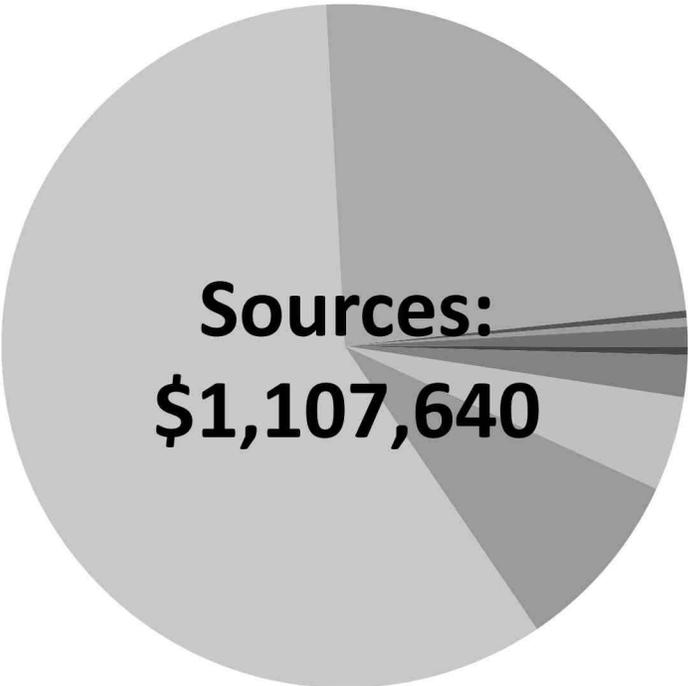
➤ **Legally separate entity**

➤ **Part of the Town's financial reporting entity**

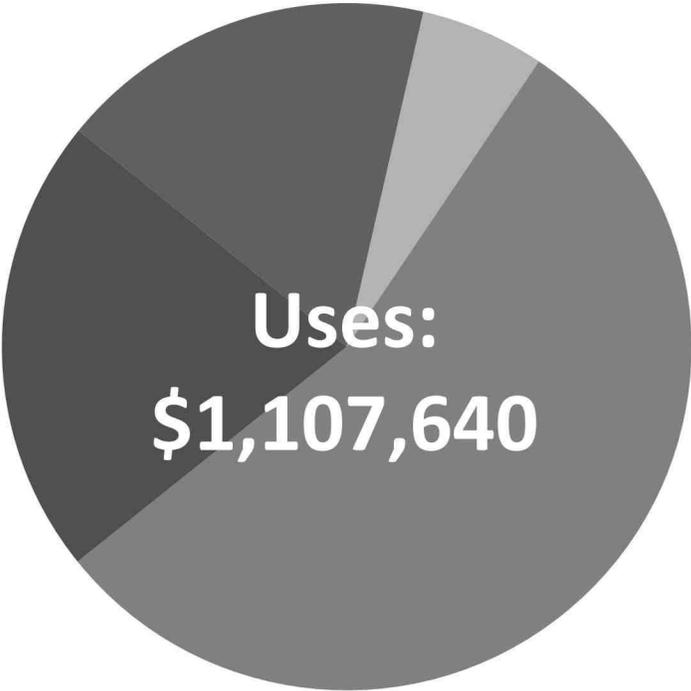
- Governmental Accounting Standards Board (GASB)
 - Blended component unit
 - Special Revenue Fund

- Does not separately issue financial reports.

FY2026 Budget: \$1,107,640



Balanced

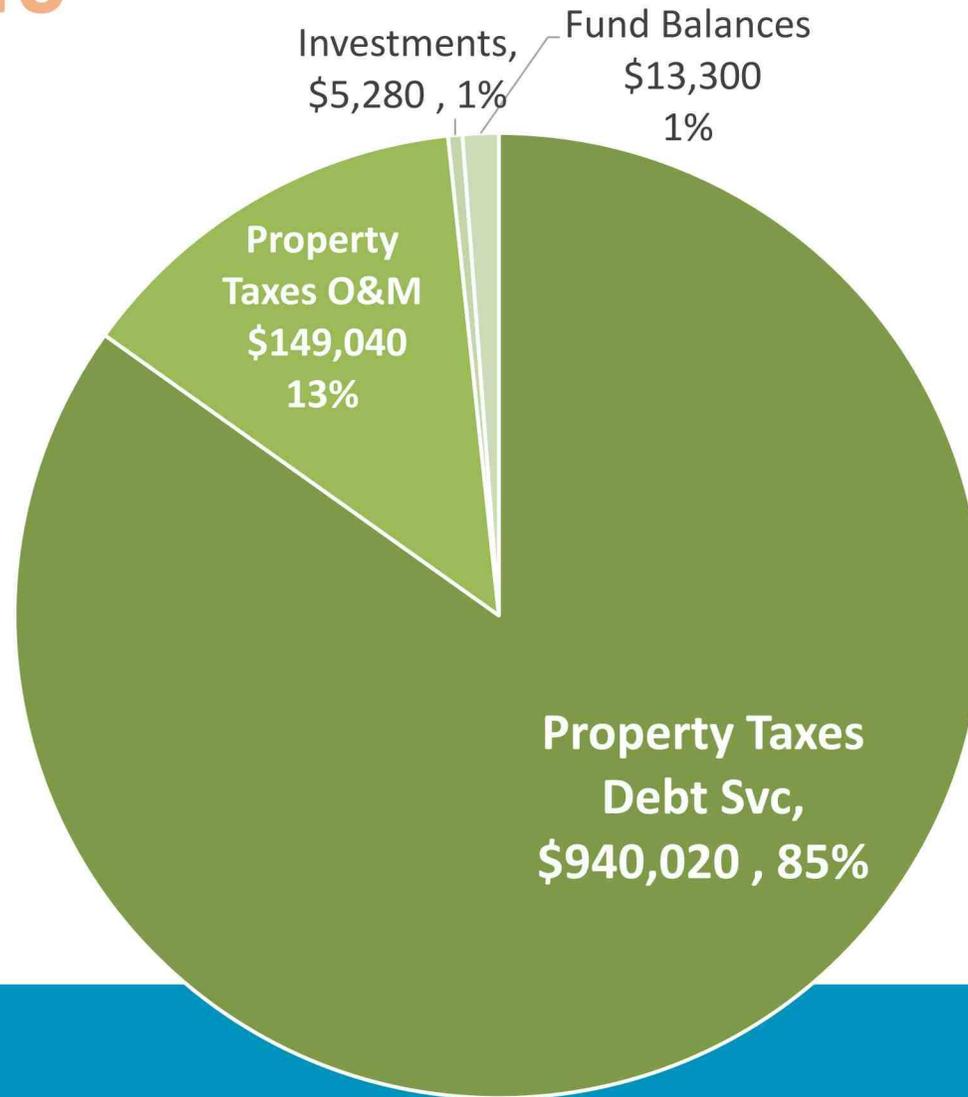


vs 2025 Budget

↑ 0.2%

District Revenues & Sources

Total: \$1,107,640

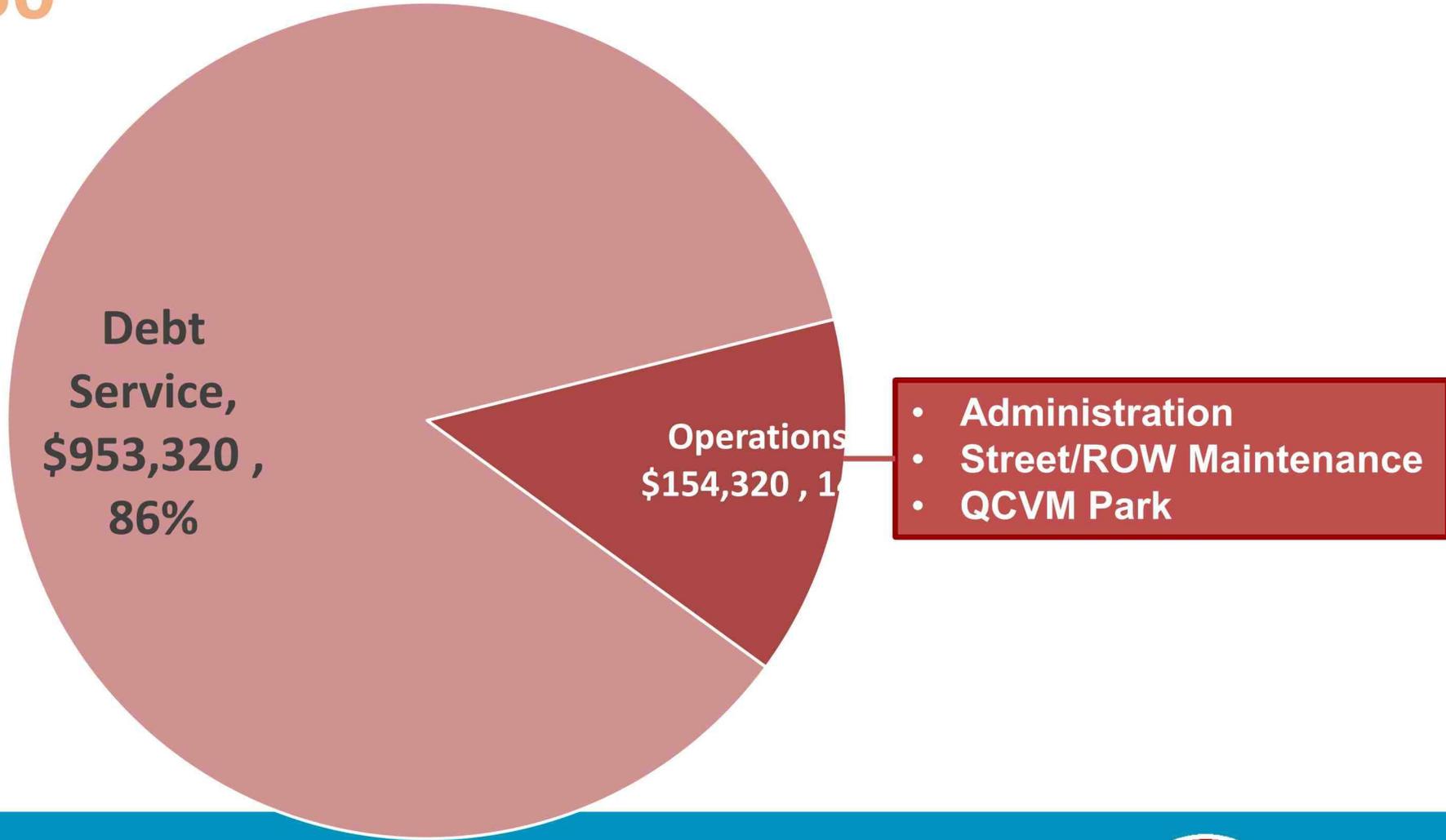


Tax Rate:
\$2.26/\$100 NTAV

↓ Lower by:
\$0.14/\$100 NTAV

District Expenditures

Total: \$1,104,650



Resolution

Approves FY2026 Tentative Budget

Tentative Budget filed and made available

- District Clerk and website

Establishes a public hearing and notice for final budget adoption

- June 23, 2025