



## 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 Quail Creek Community Facilities District will hold a regular meeting at the date and time specified below at the Sahuarita Town Hall Council Chambers, 375 West Sahuarita Center Way, Sahuarita, Arizona. Members of the Quail Creek Community 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 working days prior to the meeting to arrange the accommodation.

**June 13, 2016**  
**REGULAR MEETING AGENDA**  
**AT OR AFTER 6:30 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 on any issue which the District Board can lawfully act upon at a future meeting. Written comments regarding any item on the agenda or on 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 may not discuss the items, but individual members of the District may respond to criticism made by those who have addressed the District, 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 May 23, 2016 Regular Meeting Minutes.

5. Public hearing and adoption of Resolution No. 30, approving a final budget for Fiscal Year 2017 in the amount of \$1,165,750 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.

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.*





## DISTRICT BOARD AGENDA COMMUNICATION

**MEETING DATE:** June 13, 2016

**DATE PREPARED:** June 1, 2016

**AGENDA ITEM: 4A**

**TO:** Honorable Chairman and District Board

**FROM:** Lisa Cole, CMC, District Clerk

**SUBJECT:** Approval of the May 23, 2016 Quail Creek Community Facilities District Minutes.

**FINANCIAL / BUDGET SUMMARY**

1. Fund(s) Impacted:
2. Available Budget/Project Capacity (\$):

**STAFF RECOMMENDATION**

Staff recommends approval of the attached minutes.

**SUGGESTED MOTION**

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

**DISCUSSION**

Draft minutes submitted for District Board approval.

**ATTACHMENTS**

1. May 23, 2016 Quail Creek Community Facilities District Minutes





## DISTRICT BOARD MEETING AGENDA

**May 23, 2016  
REGULAR MEETING AND STUDY SESSION  
AGENDA AT OR AFTER 6:30 P.M.**

The District Board of the Rancho Sahuarita Community Facilities District met in the Town Hall Council Chambers, 375 West Sahuarita Center Way, Sahuarita, Arizona on Monday, May 23, 2016.

**1. Call to Order**

Chairperson Blumberg called the meeting to order at approximately 6:42 p.m.

**2. Roll Call**

**PRESENT:** District Board Members Kara Egbert, Melissa Hicks, Tom Murphy, Lynne Skelton, Vice Chairperson Bill Bracco and Chairperson Duane Blumberg

**ABSENT:** District Board Member Gil Lusk

**ALSO**

**PRESENT:** District Manager L. Kelly Udall, District Attorney Daniel J. Hochuli, District Treasurer A.C. Marriotti and Leah Cox on behalf of District Clerk Lisa Cole

**3. Call to the Public**

There were no speakers.

**4. Consent Agenda**

**A. Approval of the June 22, 2015 Regular Meeting Minutes.**

**MOTION** was made by Board Member Skelton, seconded by Board Member Murphy, to approve the consent agenda. **MOTION CARRIED UNANIMOUSLY** (Board Member Lusk absent).

### **STUDY SESSION**

**5. Study session regarding the opportunity to refinance the District's 2006 general obligation bonds.**

Mark Reader, Managing Director, Stifel, presented on general obligation refunding bonds for Quail Creek Community Facilities District. Mr. Reader gave an overview of the financial and municipal market, development updates, debt profile, and refunding opportunity, as well as, discussed the financing timetable.

Mr. Reader and District Treasurer, A.C. Marriotti will present this item at the August 22nd Quail Creek Community Facilities District board meeting for final consideration.

CONTINUATION OF REGULAR MEETING

6. Discussion and possible adoption of Resolution No. 29 of the District Board of Quail Creek Community Facilities District, approving a Tentative Budget for Fiscal Year 2017 in the amount of

\$1,165,750 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 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 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; 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.

District Treasurer, A.C. Marriotti, presented the tentative district budget for fiscal year 2017 and announced that copies of the fiscal year 2017 budget were available at Town Hall, the Sahuarita library and Town website. A public hearing and final budget adoption was scheduled for June 13, 2016.

**MOTION** was made by Board Member Hicks, seconded by Board Member Egbert to adopt Resolution No. 29 of the District Board of Quail Creek Community Facilities District. **MOTION CARRIED UNANIMOUSLY** (Board Member Lusk absent).

7. Adjournment

Chairperson Blumberg adjourned the meeting at approximately 7:01 p.m.

\_\_\_\_\_  
Chairperson Duane Blumberg

ATTEST:

\_\_\_\_\_  
Lisa Cole, CMC  
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 23<sup>rd</sup> day of May, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 13<sup>th</sup> day of June, 2016.

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Lisa Cole, CMC  
District Clerk  
LC:lv





## DISTRICT BOARD AGENDA COMMUNICATION

**MEETING DATE:** June 13, 2016

**DATE PREPARED:** June 1, 2016

**AGENDA ITEM: 5**

**TO:** Honorable Chairman and District Board  
**FROM:** A.C. Marriotti, District Treasurer  
**SUBJECT:** Public hearing and approval of Resolution No. 30, approving a final budget for Fiscal Year 2017 in the amount of \$1,165,750 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.

**FINANCIAL / BUDGET SUMMARY**

1. Fund(s) Impacted: Quail Creek CFD
2. Available Budget/Project Capacity (\$): \$1,165,750

**STAFF RECOMMENDATION**

Staff recommends approval.

**SUGGESTED MOTION**

**I move to adopt Resolution No. 30.**

**DISCUSSION**

The proposed Quail Creek CFD budget for fiscal year 2017 is \$1,165,750. There have been no changes to the Tentative Budget, which was approved by Resolution No. 29 at the May 23<sup>rd</sup> Board meeting.

The District, although a legally separate entity, is considered a blended component unit of the Town of Sahuarita for financial reporting purposes. Accordingly, the Town has established a separate fund (i.e., special revenue fund) to incorporate the District's financial records into the Town's financial reporting entity.

The District levies property taxes up to \$3.30 per one hundred dollars of assessed valuation. The property tax rate is separated into an operational element and a debt service element. Up to \$0.30 of the rate may be used for operational expenditures including maintenance and administrative costs. The remaining \$3.00 may only be used for the payment of general obligation debt incurred by the District. The actual rate to be assessed is based upon estimated operational expenditures and required bond payments. Based upon our cost estimates and the District's preliminary net assessed valuation of \$14,121,139, the District will need to assess the full \$3.30 tax rate generating an estimated \$454,340 after allowances for uncollected amounts. Moreover, per existing development agreements, we anticipate the developer will be required to contribute approximately \$506,410 towards debt service costs. These contributions will be recorded as miscellaneous revenues.

Expenditures consist of (1) \$37,860 for operating costs to administer the District, maintain the Quail Creek Veterans Municipal Park and roadways and (2) \$1,127,890 for debt service, which includes refunding debt issuance costs.

**ATTACHMENTS**

1. Resolution No. 30



**QUAIL CREEK COMMUNITY FACILITIES DISTRICT  
RESOLUTION NO. 30**

**A RESOLUTION OF THE DISTRICT BOARD OF THE QUAIL CREEK COMMUNITY FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF ARIZONA, APPROVING A FINAL BUDGET FOR FISCAL YEAR 2017 IN THE AMOUNT OF \$1,165,750 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.**

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 infrastructure 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, by Resolution No. 29, adopted on May 23, 2016, the District Board of QCCFD (a) approved a tentative budget for FY 2017, (b) filed required statements and

estimates of 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, (c) set a date of June 13, 2016, for a public hearing on the tentative budget and particularly, on the portions of the statements and estimates not relating to debt service on general obligation bonds, and (d) provided for notice of the filing and of the public hearing date; and

WHEREAS, at the conclusion of the public hearing, the District Board of QCCFD voted to adopt the final budget for FY 2017 by this Resolution No. 30, and ordered the fixing, levying and assessment of the amounts to be raised by ad valorem taxes.

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 QCCFD Treasurer for Fiscal Year 2017, attached hereto and expressly made a part hereof as Exhibit "A", is hereby finally adopted.
2. It is hereby ORDERED that, in FY 2017, an ad valorem tax be fixed, levied and assessed on the assessed value of all the real and personal property within the boundaries of QCCFD in the amounts set forth in the statements and estimates attached hereto and expressly made a part hereof as Exhibit "B".
3. Certified copies of the Resolution and Order shall be delivered to Pima County (inasmuch as the tax levy must be filed by the Pima County Board of Supervisors on or before the third Monday in August).
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 13<sup>th</sup> day of June, 2016.

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Duane Blumberg  
Chairperson, District Board,  
Quail Creek Community Facilities District

APPROVED AS TO FORM:

ATTEST:

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Daniel J. Hochuli, Quail Creek  
Community Facilities District Attorney

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Lisa Cole, CMC, Quail Creek  
Community Facilities District Clerk

EXHIBIT "A"

*Fiscal Year 2017 Quail Creek Community Facilities District Budget*



EXHIBIT "A"  
**QUAIL CREEK COMMUNITY FACILITIES DISTRICT**  
**SPECIAL REVENUE FUND**  
SOURCES AND USES OF FUNDS

	2015	2016			2017	% Change	
	Actual Amount	Adopted Budget	Amended Budget	Estimated Actual	Budget Amount	From Amended	From Estimated
<b>SOURCES</b>							
<b>Revenues:</b>							
Taxes	\$ 354,981	\$ 398,610	\$ 398,610	\$ 398,610	\$ 454,340	14.0%	14.0%
Investment Earnings (Losses)	(16)	(170)	(170)	-	-	-100.0%	-
Miscellaneous	683,926	645,650	645,650	645,650	506,410	-21.6%	-21.6%
<b>Subtotal:</b>	<b>1,038,891</b>	<b>1,044,090</b>	<b>1,044,090</b>	<b>1,044,260</b>	<b>960,750</b>	<b>-8.0%</b>	<b>-8.0%</b>
<b>Other Sources:</b>							
Transfers In	22,176	20,400	20,400	20,390	-	-100.0%	-100.0%
Face amount of refunding debt	-	-	-	-	9,825,000	-	-
Payments to Refunded Debt Escrow	-	-	-	-	(9,620,000)	-	-
<b>Subtotal:</b>	<b>22,176</b>	<b>20,400</b>	<b>20,400</b>	<b>20,390</b>	<b>205,000</b>	<b>904.9%</b>	<b>905.4%</b>
<b>Beginning Fund Balance:</b>							
Restricted for QC CFD	-	-	-	-	-	-	-
<b>Subtotal:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SOURCES</b>	<b>\$ 1,061,067</b>	<b>\$ 1,064,490</b>	<b>\$ 1,064,490</b>	<b>\$ 1,064,650</b>	<b>\$ 1,165,750</b>	<b>9.5%</b>	<b>9.5%</b>
<b>USES</b>							
<b>Current Expenditures:</b>							
General Government	\$ 95	\$ -	\$ -	\$ 4,690	\$ 4,700	-	0.2%
Streets	17,342	21,880	21,880	20,390	20,390	-6.8%	0.0%
Park and Recreation	35,657	31,020	31,020	27,980	12,770	-58.8%	-54.4%
<b>Subtotal:</b>	<b>53,094</b>	<b>52,900</b>	<b>52,900</b>	<b>53,060</b>	<b>37,860</b>	<b>-28.4%</b>	<b>-28.6%</b>
<b>Debt Service:</b>							
Principal	425,000	450,000	450,000	450,000	570,000	26.7%	26.7%
Interest	578,973	557,090	557,090	557,090	348,390	-37.5%	-37.5%
Other	4,000	4,500	4,500	4,500	4,500	0.0%	0.0%
Debt Issuance Costs	-	-	-	-	205,000	-	-
<b>Subtotal:</b>	<b>1,007,973</b>	<b>1,011,590</b>	<b>1,011,590</b>	<b>1,011,590</b>	<b>1,127,890</b>	<b>11.5%</b>	<b>11.5%</b>
<b>Subtotals Combined:</b>	<b>1,061,067</b>	<b>1,064,490</b>	<b>1,064,490</b>	<b>1,064,650</b>	<b>1,165,750</b>	<b>9.5%</b>	<b>9.5%</b>
<b>Ending Fund Balance:</b>							
Restricted for QC CFD	-	-	-	-	-	-	-
<b>Subtotal:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL USES</b>	<b>\$ 1,061,067</b>	<b>\$ 1,064,490</b>	<b>\$ 1,064,490</b>	<b>\$ 1,064,650</b>	<b>\$ 1,165,750</b>	<b>9.5%</b>	<b>9.5%</b>



## EXHIBIT "B"



EXHIBIT "B"

**FISCAL YEAR 2016/2017 TAX LEVY**

<b>JURISDICTION</b>	<b>ASSESSED VALUATION (AV)</b>	<b>TAX LEVY</b>	<b>TAX RATE (PER \$100 AV)</b>
<b>QUAIL CREEK COMMUNITY FACILITIES DISTRICT</b>			
Secondary	\$14,121,139		
Debt Service		\$423,634	\$3.0000
Maintenance and Operation		\$ 42,363	\$0.3000
<b>TOTAL SECONDARY</b>		<u>\$465,997</u>	<u>\$3.3000</u>



QUAIL CREEK COMMUNITY  
FACILITIES  
DISTRICT

**Tentative Budget  
Fiscal Year 2017**

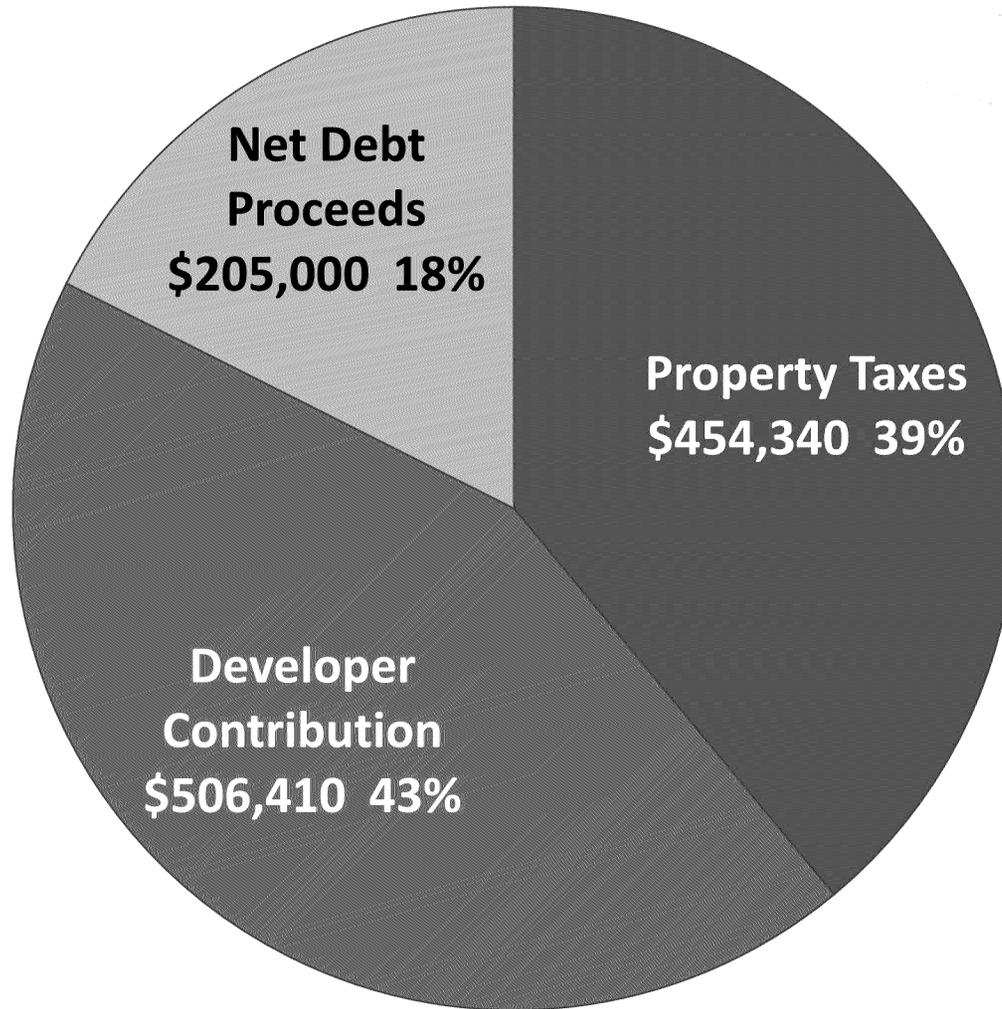
**July 1, 2016 – June 30, 2017**

# Budget Process

- 6+ months in the making
  - Board / Staff / FIAC
- 3<sup>rd</sup> public meeting on budget
- Tentative Budget & Public Notice
  - Advertised
  - Filed with District Clerk
  - Made available at Sahuarita Library and website

# District Revenues & Sources

**2017 Budget: \$1,165,750**

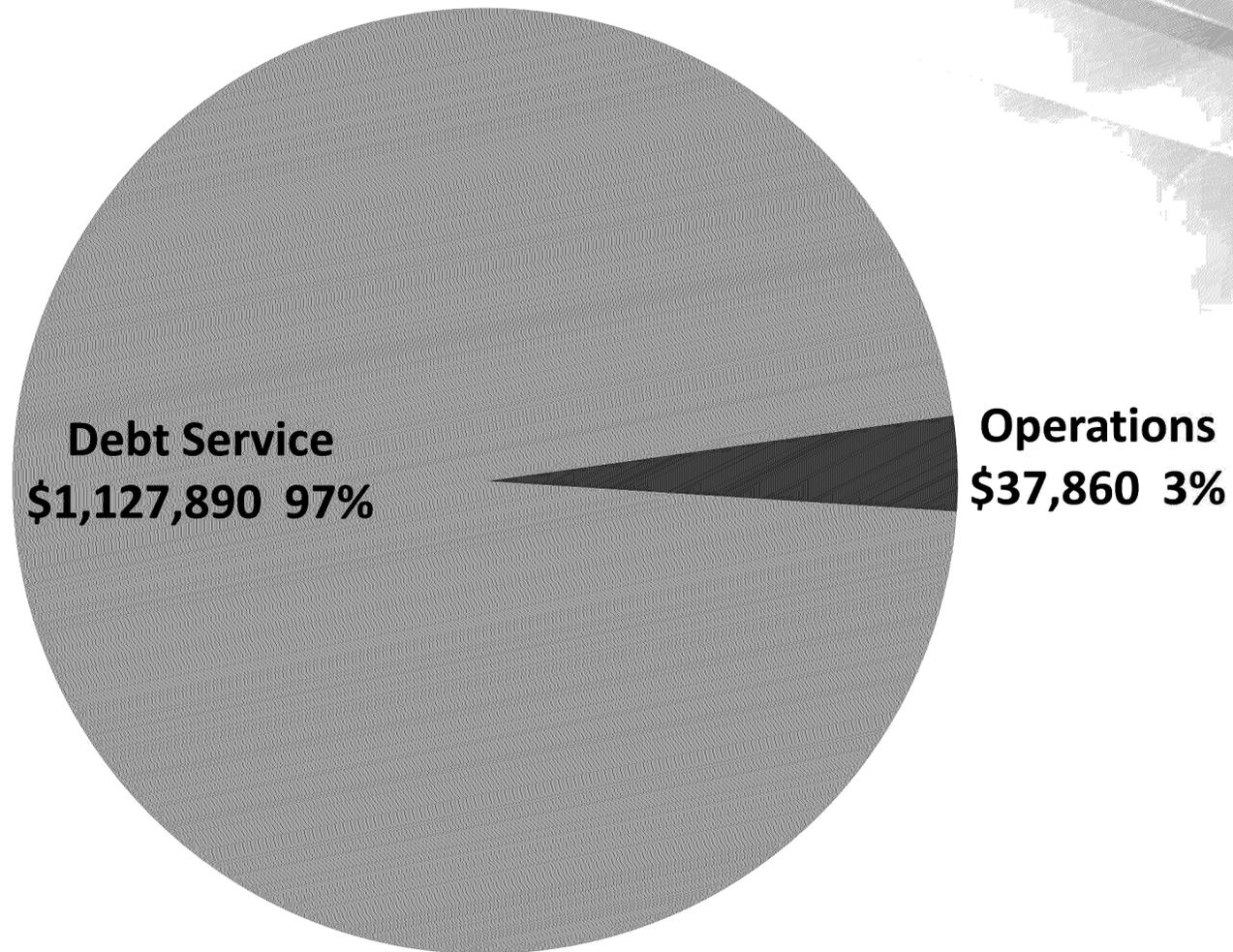


**Tax Rate  
Unchanged**

**\$3.30 / \$100  
NAV**

# District Expenditures

**2017 Budget: \$1,165,750**



# Final Steps

- Public hearing
- Board opportunity to make reductions or other changes
- Resolution
  - Adopts FY2016 Budget: \$1,165,750
  - Establishes Tax Levy Rate @ \$3.30/\$100 NAV
    - Unchanged since established