

**QUAIL CREEK COMMUNITY FACILITIES DISTRICT
MEETING AGENDA
JUNE 23, 2014**

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 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 Facilities District 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 Town 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.

**QUAIL CREEK COMMUNITY FACILITIES DISTRICT AGENDA
JUNE 23, 2014
AT OR AFTER 6:30 P.M.**

- 1. Call to Order**
- 2. Roll Call**
- 3. Call to the Public**
- 4. Approval of the June 9, 2014 Minutes.**
- 5. Public Hearing, discussion and possible adoption of Resolution No. 26 of the District Board of the Quail Creek Community Facilities District, a Community Facilities District of Arizona, approving a final budget for fiscal year 2015 in the amount of \$1,065,860 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 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 Town Attorney concerning any matter listed on this agenda.

QCCFD BOARD MEETING INFORMATION	QUAIL CREEK COMMUNITY FACILITIES DISTRICT	
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MEETING DATE: June 23, 2014 **DATE PREPARED: June 10, 2014**

AGENDA ITEM 4

TO: Honorable Chairperson and Board Members

FROM: Lisa Cole, CMC, District Clerk

SUBJECT: Approval of the June 9, 2014 Meeting Minutes.

STAFF RECOMMENDATION: Staff recommends approval of the Meeting Minutes.

SUGGESTED MOTION: I move to approve the June 9, 2014 Meeting Minutes.

**QUAIL CREEK COMMUNITY FACILITIES DISTRICT
MEETING MINUTES
JUNE 9, 2014**

The District Board of the Quail Creek Community Facilities District met in the Town Hall Council Chambers, 375 West Sahuarita Center Way, Sahuarita, Arizona on Monday June 9, 2014.

1. Call to Order

Chairperson Blumberg called the meeting to order at approximately 6:34 p.m.

2. Roll Call

PRESENT: District Board Members Gil Lusk, Tom Murphy*, Melissa Smith, Vice Chairperson Bill Bracco and Chairperson Duane Blumberg

ABSENT: District Board Members Kara Egbert and Lynne Skelton

ALSO

PRESENT: District Manager L. Kelly Udall, District Counsel Daniel J. Hochuli, District Treasurer A.C. Marriotti and District Clerk Lisa Cole

*District Board Member Murphy participated via teleconference.

3. Approval of the June 24, 2013 Minutes.

MOTION was made by Board Member Lusk, **SECONDED** by Vice Chairperson Bracco to approve the June 24, 2013 minutes. **MOTION CARRIED UNANIMOUSLY** (Board Members Egbert and Skelton absent).

4. Discussion and possible adoption of Resolution No. 25 of the District Board of the Quail Creek Community Facilities District, a Community Facilities District of Arizona, approving a Tentative Budget for Fiscal Year 2015 in the amount of \$1,065,860 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.

A.C. Marriotti, District Treasurer, provided an overview of the Tentative Budget for fiscal year 2015.

MOTION was made by Board Member Smith, **SECONDED** by Board Member Lusk to adopt Resolution No. 25. **MOTION CARRIED UNANIMOUSLY** (Board Members Egbert and Skelton absent).

A copy of the presentation was distributed at the meeting.

5. Adjournment

Chairperson Blumberg adjourned the meeting at approximately 6:42 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 Quail Creek Community Facilities District held on the 9th day of June, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 23rd day of June, 2014.

Lisa Cole, CMC
District Clerk

**QCCFD
BOARD
MEETING
INFORMATION**

**QUAIL CREEK
COMMUNITY
FACILITIES DISTRICT**

MEETING DATE: June 23, 2014

DATE PREPARED: June 11, 2014

AGENDA ITEM 5

TO: Honorable Chairperson & Board Members

FROM: A.C. Marriotti, District Treasurer

SUBJECT: Public Hearing and approval of Resolution No. 26, approving a final budget for fiscal year 2015 in the amount of \$1,065,860 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.

DISCUSSION: The proposed Quail Creek CFD budget for fiscal year 2015 is \$1,065,860. There have been no changes to the Tentative Budget, which was approved by Resolution No. 25 at the June 9th Board meeting.

The District, although a legally separate entity, is considered a blended component unit of the Town of Sahuarita. 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 a secondary property tax up to \$3.30 per \$100 of net assessed valuation (NAV). The property tax rate is separated into two components. Up to \$0.30 of the rate may be used for maintenance and administrative costs. The remaining \$3.00 may only be used for debt service. The actual rate levied is based upon estimated operational expenditures and required bond payments. Based upon our cost estimates and the District's preliminary net assessed valuation of \$10,749,383, the District will need to levy the full \$3.30 tax rate generating an estimated \$345,860 after allowances and uncollected amounts.

Per existing development agreements, we anticipate the developer will be required to cover portions of debt service not paid by property taxes. This contribution is estimated to be \$690,370 and will be recorded as miscellaneous revenues. The General Fund is also expected to transfer up to \$30,060 to cover the portion of park maintenance costs not paid by property taxes.

Expenditures consist of (1) operating costs (\$57,380) to maintain the Quail Creek Veterans Municipal Park and District roadways and (2) debt service (\$1,008,480).

STAFF RECOMMENDATION: Staff recommends approval of this resolution.

SUGGESTED MOTION: I move to adopt Resolution No. 26.

**QUAIL CREEK COMMUNITY FACILITIES DISTRICT
RESOLUTION NO. 26**

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 2015 IN THE AMOUNT OF \$1,065,860 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. 25, adopted on June 9, 2014, the District Board of QCCFD (a) approved a tentative budget for FY 2015, (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 23, 2014, 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 2015 by this Resolution No. 26, 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 2015, attached hereto and expressly made a part hereof as Exhibit "A", is hereby finally adopted.
2. It is hereby ORDERED that, in FY 2015, 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 by U.S. Mail to the Pima County Board of Supervisors and to the Arizona Department of Revenue (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 23rd day of June, 2014.

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

APPROVED AS TO FORM:

ATTEST:

Daniel J. Hochuli
District Counsel
Quail Creek Community Facilities District

Lisa Cole, CMC
District Clerk
Quail Creek Community Facilities District

EXHIBIT "A"

Fiscal Year 2015 Quail Creek Community Facilities District Budget

QUAIL CREEK COMMUNITY FACILITIES DISTRICT

SPECIAL REVENUE FUND

SOURCES AND USES OF FUNDS

	2013	2014			2015	% Change	
	Actual Amount	Adopted Budget	Amended Budget	Estimated Actual	Budget Amount	From Amended	From Estimated
SOURCES							
Revenues:							
Taxes	\$ 284,343	\$ 292,420	\$ 292,420	\$ 292,420	\$ 345,860	18.3%	18.3%
Investment Earnings (Losses)	34	(270)	(270)	(270)	(430)	59.3%	59.3%
Miscellaneous	748,419	739,680	739,680	739,680	690,370	-6.7%	-6.7%
Subtotal:	1,032,796	1,031,830	1,031,830	1,031,830	1,035,800	0.4%	0.4%
Other Sources:							
Transfers In	13,763	35,950	35,950	36,450	30,060	-16.4%	-17.5%
Subtotal:	13,763	35,950	35,950	36,450	30,060	-16.4%	-17.5%
Beginning Fund Balance:							
Restricted for QC CFD	-	-	-	-	-	-	-
Subtotal:	-	-	-	-	-	-	-
TOTAL SOURCES	\$ 1,046,559	\$ 1,067,780	\$ 1,067,780	\$ 1,068,280	\$ 1,065,860	-0.2%	-0.2%
USES							
Current Expenditures:							
Streets	\$ 11,102	\$ 17,710	\$ 17,710	\$ 18,610	\$ 18,320	3.4%	-1.6%
Park and Recreation	26,799	40,740	40,740	40,340	39,060	-4.1%	-3.2%
Subtotal:	37,901	58,450	58,450	58,950	57,380	-1.8%	-2.7%
Debt Service:							
Principal	385,000	405,000	405,000	405,000	425,000	4.9%	4.9%
Interest	619,658	599,830	599,830	599,830	578,980	-3.5%	-3.5%
Other	4,000	4,500	4,500	4,500	4,500	0.0%	0.0%
Subtotal:	1,008,658	1,009,330	1,009,330	1,009,330	1,008,480	-0.1%	-0.1%
Subtotals Combined:	1,046,559	1,067,780	1,067,780	1,068,280	1,065,860	-0.2%	-0.2%
Ending Fund Balance:							
Restricted for QC CFD	-	-	-	-	-	-	-
Subtotal:	-	-	-	-	-	-	-
TOTAL USES	\$ 1,046,559	\$ 1,067,780	\$ 1,067,780	\$ 1,068,280	\$ 1,065,860	-0.2%	-0.2%

EXHIBIT "B"

FISCAL YEAR 2014/2015 TAX LEVY

JURISDICTION	ASSESSED VALUATION (AV)	TAX LEVY	TAX RATE (PER \$100 AV)
QUAIL CREEK COMMUNITY FACILITIES DISTRICT			
Secondary	\$10,749,383		
Maintenance and Operation		\$ 32,250	\$ 0.3000
Bond Indebtedness (Debt Service)		\$ 322,480	\$ 3.0000
TOTAL SECONDARY		<u>\$ 354,730</u>	<u>\$ 3.3000</u>