

**QUAIL CREEK COMMUNITY FACILITIES DISTRICT
MEETING AGENDA
JUNE 24, 2013**

Pursuant to A.R.S. § 38-431.02 notice is hereby given to the public that the District Board of the Quail Creek 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 24, 2013
AT OR AFTER 6:30 P.M.**

- 1. Call to Order**
- 2. Roll Call**
- 3. Approval of the June 10, 2013 Minutes.**
- 4. Public Hearing, discussion and possible adoption of Resolution 24 of the District Board of the Quail Creek Community Facilities District, a Community Facilities District of Arizona, approving a final budget for fiscal year 2014 in the amount of \$1,067,780 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.**
- 5. 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.

**QUAIL CREEK COMMUNITY FACILITIES DISTRICT MINUTES
JUNE 10, 2013**

1. Call to Order

Chairperson Blumberg called the meeting to order at 6:30 p.m.

2. Roll Call

PRESENT: Board Members Bill Bracco, Kara Egbert, Gil Lusk, Tom Murphy, Melissa L. Smith, Vice Chairperson Lynne Skelton*, and Chairperson Duane Blumberg.

* Vice Chairperson Lynne Skelton participated by telephone conference call.

ABSENT: None

ALSO

PRESENT: Board Manager L. Kelly Udall, Board Attorney Daniel J. Hochuli, Board Secretary Vicky Miel and Finance Director A.C. Marriotti

3. Approval of the June 25, 2012 Minutes.

MOTION was made by Board Member Smith, **SECONDED** by Board Member Bracco, to approve the June 25, 2012 Minutes. **MOTION CARRIED UNANIMOUSLY.**

4. Discussion and possible adoption of Resolution 23 of the District Board of the Quail Creek Community Facilities District, a Community Facilities District of Arizona, approving a tentative budget for fiscal year 2014 in the amount of \$1,067,780 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.

This item was presented by Finance Director A.C. Marriotti.

MOTION was made by Board Member Lusk, **SECONDED** by Board Member Egbert, to adopt Resolution 23. **MOTION CARRIED UNANIMOUSLY.**

5. Adjournment

Chairperson Blumberg adjourned the meeting at 6:39 p.m.

Chairperson Duane Blumberg

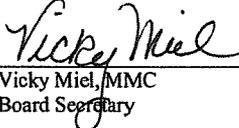
ATTEST:

Vicky Miel, MMC
Board Secretary Town Clerk

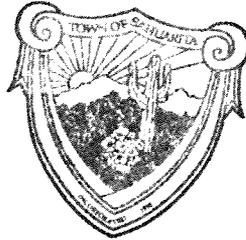
CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Meeting of the Quail Creek Community Facilities District held on the 10th day of June, 2013. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 12th day of June, 2013.

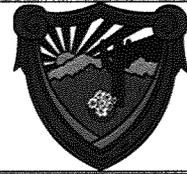


Vicky Miel, MMC
Board Secretary



**QCCFD
BOARD
MEETING
INFORMATION**

**QUAIL CREEK
COMMUNITY
FACILITIES DISTRICT**



MEETING DATE: June 24, 2013

DATE PREPARED: June 12, 2013

AGENDA ITEM # 4

TO: Honorable Chairman and Board Members

FROM: A.C. Marriotti, District Treasurer

SUBJECT: PUBLIC HEARING AND APPROVAL OF RESOLUTION No. 24, APPROVING A FINAL BUDGET FOR FISCAL YEAR 2014 IN THE AMOUNT OF \$1,067,780 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 2014 is \$1,067,780. There have been no changes to the Tentative Budget, which was approved on Resolution No. 23 at the June 10th 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 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 portion. 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 \$9,088,470, the District will need to assess the full \$3.30 tax rate generating an estimated \$292,240 after allowances uncollected amounts. Moreover, per existing development agreements, we anticipate the developer will be required to subsidize the unfunded debt service costs. These subsidies estimated to by \$739,680 will be recorded as miscellaneous revenues. The General Fund is also expected to subsidize, via a transfer, the unfunded park maintenance costs in the amount of \$35,950.

Expenditures consist of (1) operating costs (\$58,450) to maintain the Quail Creek Veterans Municipal Park and District roadways and (2) debt service (\$1,009,330).

STAFF RECOMMENDATION: Staff recommends approval of this resolution.

SUGGESTED MOTION: Move to adopt Resolution No. 24.

**QUAIL CREEK COMMUNITY FACILITIES DISTRICT
RESOLUTION NO. 24**

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 2014 IN THE AMOUNT OF \$1,067,780 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. 23, adopted on June 10, 2013, the District Board of QCCFD (a) approved a tentative budget for FY 2013, (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 24, 2013, 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 2014 by this Resolution No. 24, 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 2014, attached hereto and expressly made a part hereof as Exhibit "A", is hereby finally adopted.
2. It is hereby ORDERED that, in FY 2014, 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 24th day of June, 2013.

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

Vicky Miel, MMC
District Clerk,
Quail Creek Community Facilities District

EXHIBIT "A"

Fiscal Year 2014 Quail Creek Community Facilities District Budget

QUAIL CREEK COMMUNITY FACILITIES DISTRICT (QC CFD)
SPECIAL REVENUE FUND
 SOURCES AND USES OF FUNDS

	2012 Actual Amount	2013 Adopted Budget	2013 Amended Budget	Estimated Actual	2014 Adopted Budget	% Change From Amended	% Chng From Estimated
<u>SOURCES</u>							
REVENUES:							
Taxes	\$ 291,240	\$ 274,830	\$ 274,830	\$ 282,060	\$ 292,420	6.4%	3.7%
Investment Income (Loss)	(84)	(70)	(70)	(70)	(270)	-285.7%	285.7%
Miscellaneous	712,311	756,130	756,130	748,900	739,680	-2.2%	-1.2%
Subtotal:	1,003,467	1,030,890	1,030,890	1,030,890	1,031,830	0.1%	0.1%
OTHER SOURCES:							
Transfer In	21,884	28,000	28,000	27,750	35,950	28.4%	29.5%
Subtotal:	21,884	28,000	28,000	27,750	35,950	28.4%	29.5%
BEGINNING FUND BALANCE:							
Restricted for Debt Service	26,775	-	-	-	-	-	-
Restricted for QC CFD	-	-	-	-	-	-	-
Subtotal:	26,775	-	-	-	-	-	-
TOTAL SOURCES	\$ 1,052,126	\$ 1,058,890	\$ 1,058,890	\$ 1,058,640	\$ 1,067,780	0.8%	0.9%
<u>USES</u>							
CURRENT EXPENDITURES:							
Streets	\$ 14,774	\$ 17,730	\$ 17,730	\$ 18,590	\$ 17,710	-0.1%	-4.7%
Park and Recreation	24,374	32,000	32,000	30,890	40,740	27.3%	31.9%
Subtotal:	39,148	49,730	49,730	49,480	58,450	17.5%	18.1%
DEBT SERVICE:							
Principal	370,000	385,000	385,000	385,000	405,000	5.2%	5.2%
Interest	637,603	619,660	619,660	619,660	599,830	-3.2%	-3.2%
Other	5,375	4,500	4,500	4,500	4,500	0.0%	0.0%
Subtotal:	1,012,978	1,009,160	1,009,160	1,009,160	1,009,330	0.0%	0.0%
Subtotals Combined:	1,052,126	1,058,890	1,058,890	1,058,640	1,067,780	0.8%	0.9%
ENDING FUND BALANCE:							
Restricted for QC CFD	-	-	-	-	-	-	-
Subtotal:	-	-	-	-	-	-	-
TOTAL USES	\$ 1,052,126	\$ 1,058,890	\$ 1,058,890	\$ 1,058,640	\$ 1,067,780	0.8%	0.9%

EXHIBIT "B"

FISCAL YEAR 2013/2014 TAX LEVY

<u>JURISDICTION</u>	<u>ASSESSED VALUATION (AV)</u>	<u>TAX LEVY</u>	<u>TAX RATE (PER \$100 AV)</u>
QUAIL CREEK COMMUNITY FACILITIES DISTRICT			
Secondary	\$9,088,470		
Maintenance and Operation		\$ 27,270	\$ 0.3000
Bond Indebtedness (Debt Service)		\$ 272,650	\$ 3.0000
TOTAL SECONDARY		<u>\$ 299,920</u>	<u>\$ 3.3000</u>



QUAIL COMMUNITY
CREEK FACILITIES
DISTRICT

Budget Adoption
Fiscal Year 2014

July 1, 2013 – June 30, 2014



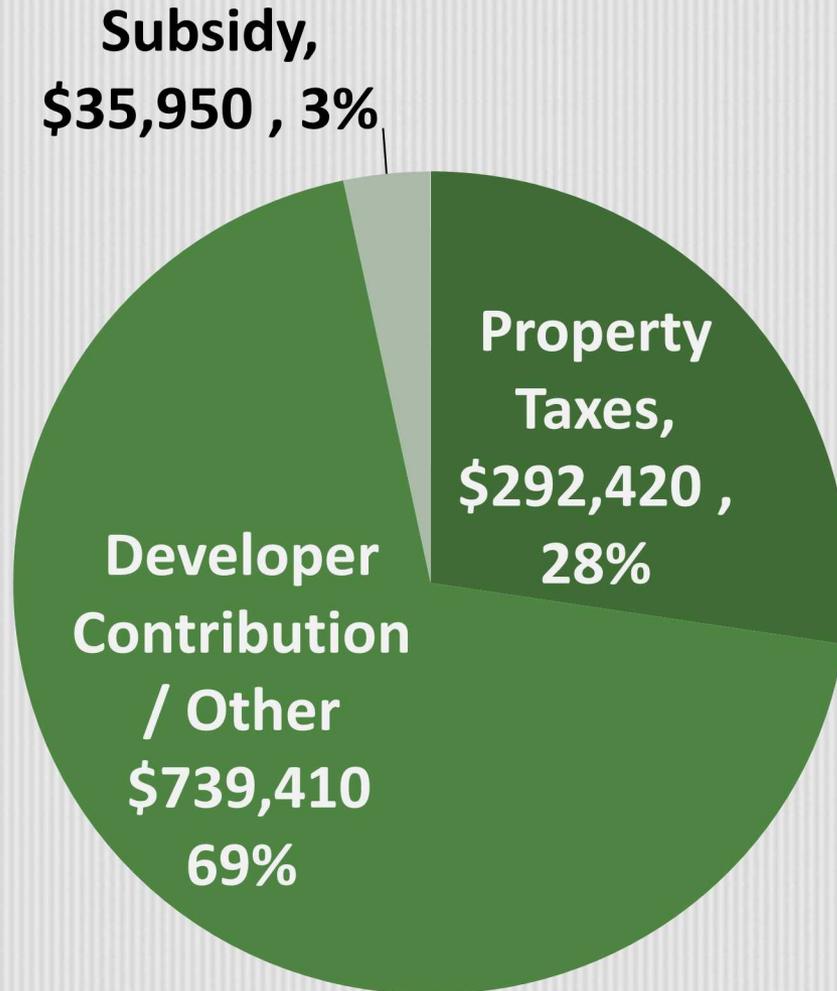
Budget Process

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



District Revenues & Sources

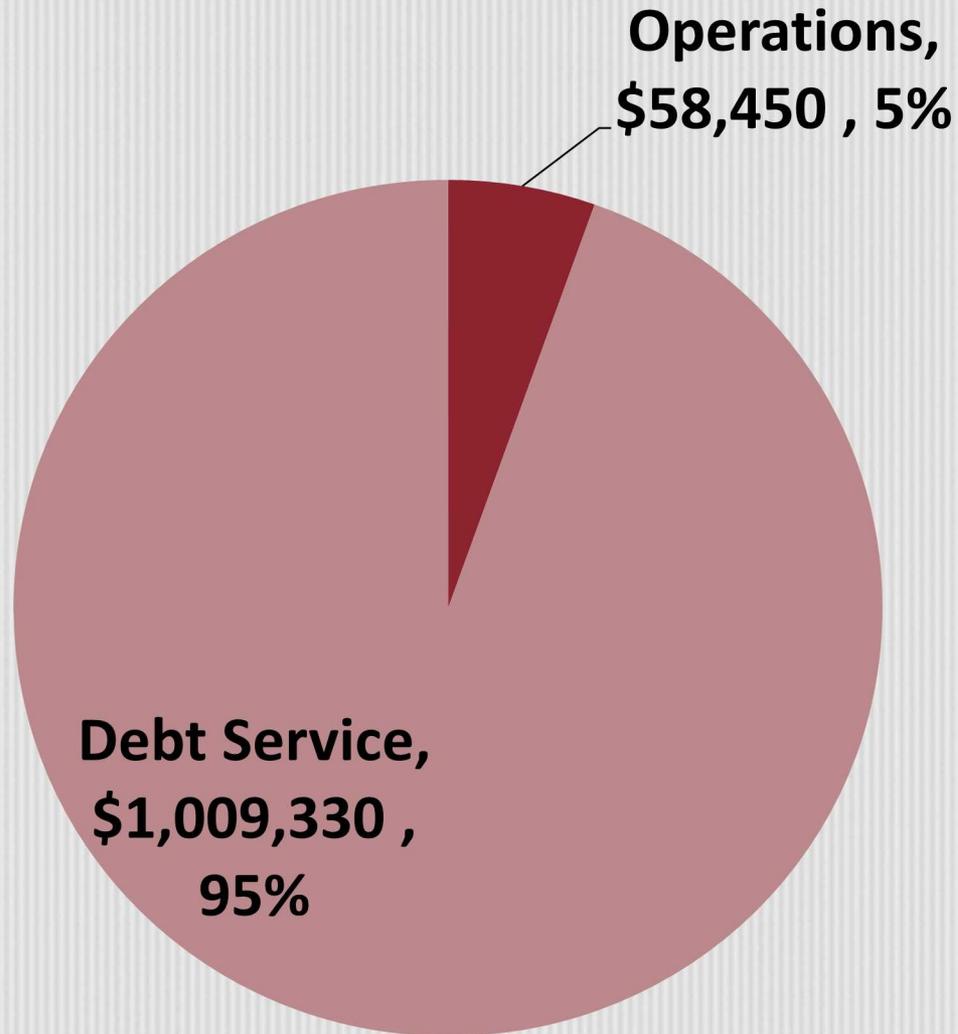
FY2014 Budget: \$1,067,780





District Expenditures & Uses

FY2014 Budget: \$1,067,780



Final Steps

- Public hearing
- Board opportunity to make reductions or other changes
- Resolution
 - Adopts FY2014 Budget: \$1,067,780
 - Establishes Tax Levy Rate @ \$3.30/NAV
 - Debt Service @ \$3.00/NAV
 - Operations & Maintenance @ \$0.30/NAV