QUAIL CREEK COMMUNITY FACILITIES DISTRICT
MEETING AGENDA
JUNE 22, 2009

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.

To better serve our community, the meeting location is wheelchair accessible. Any person who by reason of any disability is in need of special services as a result of their disability, such as assistive listening devices, agenda materials printed in Braille or large print, or a signer for the hearing impaired, etc., will be accommodated. These special services are available upon prior request at least ten working days prior to the meeting.

QUAIL CREEK COMMUNITY FACILITIES DISTRICT AGENDA
June 22, 2009
At or after 6:30 p.m.

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF JUNE 8, 2009 MINUTES

4. PUBLIC HEARING AND ADOPTION OF RESOLUTION 16 approving a final budget for fiscal year 2010 in the amount of $1,365,350 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.
TOWN OF SAHUARITA
QUAIL CREEK COMMUNITY FACILITIES DISTRICT
MINUTES
JUNE 8, 2009

1. CALL TO ORDER

Board Chairman Skelton called the meeting to order at approximately 6:45 p.m.

2. ROLL CALL

PRESENT: Board Members Duane Blumberg, Scott Downs, Kara Egbert, Rosanna Gabaldon, Vice Chairman Phil Conklin, and Chairman Lynne Skelton

ABSENT: Board Member Charles Oldham

ALSO PRESENT: Board Manager Jim Stahle, Board Secretary Vicky Miel and Board Attorney Daniel J. Hochuli

3. RESOLUTION 15 of the District Board of the Quail Creek Community Facilities District, a community facilities district of Arizona, approving a tentative budget for fiscal year 2010 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.

Finance Director A.C. Marriotti presented this item to the Board.

MOTION was made by Vice Chairman Conklin, SECONDED by Board Member Blumberg, to adopt Resolution 2009-128 and Ordinance 2009-18. Board Secretary Vicky Miel provided the Board with the correct Resolution number. Vice Chairman Conklin and Board Member Blumberg WITHDREW their motion and second.
MOTION was made by Board Member Downs, SECONDED by Board Member Blumberg, to adopt Resolution 15. MOTION CARRIED UNANIMOUSLY.

4. ADJOURNMENT

Board Chairman Skelton adjourned the meeting at approximately 7 p.m.

__________________________________________________________________________

Lynne Skelton, Board Chairman

Vicky Miel, Board Secretary

Certification

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Quail Creek Community Facilities District held on the 8th day of June, 2009. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 10th day of June, 2009.

Vicky Miel, Board Secretary
TO: Honorable Chairperson and Board Members

FROM: A.C. Mariotti, District Treasurer

SUBJECT: PUBLIC HEARING AND APPROVAL OF RESOLUTION No. 16, APPROVING A FINAL BUDGET FOR FISCAL YEAR 2010 IN THE AMOUNT OF $1,365,350 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 2010 is $1,365,350. There have been no changes to the Tentative Budget, which was approved on Resolution No. 15 on June 8, 2009.

The District is a legally separate entity. However, because of the relationship with the Town of Sahuarita (i.e., the Town Council is the District Board), the CFD is a blended component unit of the Town and will be incorporated into the Town’s financial reporting entity as a special revenue fund. District expenditures, however, are not factored into the Town’s alternative expenditure limitation.

Resolution No. 16 levies a property tax totaling $3.30 per $100 of assessed valuation on property within the District boundaries. The property tax rate has two components. The first, at $3.00 per $100 of assessed valuation is levied to pay for the District’s debt service obligations. The second, at $0.30 per $100 of assessed valuation is levied to pay for the District’s operations and maintenance.

STAFF RECOMMENDATION: Staff recommends approval of Resolution No. 16.

SUGGESTED MOTION: Move to adopt Resolution No. 16.
QUAIL CREEK COMMUNITY FACILITIES DISTRICT
RESOLUTION NO. 16

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 2010 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
voters 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. 15, adopted on June 8, 2009, the District Board of
QCCFD (a) approved a tentative budget for FY 2010, (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 22,
2009, 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 2010 by this Resolution No. 15, 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 2010, attached hereto and expressly made a part hereof as Exhibit "A", is hereby finally
adopted.

2. That it is hereby ORDERED that, in FY 2010, 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. That certified copies of the Resolution and Order 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. That 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. That 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 22nd day of June, 2009.

Lynne Skelton
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 2010 Quail Creek Community Facilities District Budget
# Quail Creek Community Facilities District (QC CFD)
## Special Revenue Fund
### Sources and Uses of Funds

#### Sources

<table>
<thead>
<tr>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>% Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SOURCES</strong></td>
<td><strong>REVENUES:</strong></td>
<td><strong>REVENUES:</strong></td>
<td><strong>REVENUES:</strong></td>
<td><strong>REVENUES:</strong></td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td>$114,461</td>
<td>$236,500</td>
<td>$236,500</td>
<td>$248,100</td>
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<tr>
<td>Charges for Services</td>
<td>7,511</td>
<td>5,000</td>
<td>5,000</td>
<td>16,339</td>
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<tr>
<td>Investment</td>
<td>230,815</td>
<td>56,750</td>
<td>56,750</td>
<td>10,000</td>
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<tr>
<td>Miscellaneous</td>
<td>511,150</td>
<td>511,150</td>
<td>551,749</td>
<td>770,500</td>
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<tr>
<td><strong>Subtotal: Revenues</strong></td>
<td>352,907</td>
<td>806,400</td>
<td>806,400</td>
<td>826,188</td>
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</table>

<table>
<thead>
<tr>
<th><strong>Other Sources:</strong></th>
<th><strong>Transfer In</strong></th>
<th><strong>Transfer In</strong></th>
<th><strong>Transfer In</strong></th>
<th><strong>Transfer In</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subtotal: Other Sources</strong></td>
<td>-</td>
<td>21,350</td>
<td>21,350</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal: Beginning Fund Balances</strong></td>
<td>5,079,849</td>
<td>1,619,450</td>
<td>1,619,450</td>
<td>1,472,923</td>
</tr>
</tbody>
</table>

| **Total Sources** | **$5,432,556** | **$2,450,200** | **$2,450,200** | **$2,299,111** | **$1,365,350** | **-44.3%** | **-40.6%** |

#### Uses

<table>
<thead>
<tr>
<th><strong>Current Expenditures:</strong></th>
<th><strong>General Government</strong></th>
<th><strong>General Government</strong></th>
<th><strong>General Government</strong></th>
<th><strong>General Government</strong></th>
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</thead>
<tbody>
<tr>
<td><strong>Subtotal: Current Expenditures</strong></td>
<td>7,511</td>
<td>38,350</td>
<td>38,350</td>
<td>23,475</td>
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<table>
<thead>
<tr>
<th><strong>Debt Service:</strong></th>
<th><strong>Principal</strong></th>
<th><strong>Principal</strong></th>
<th><strong>Principal</strong></th>
<th><strong>Principal</strong></th>
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<tr>
<td><strong>Other</strong></td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td>6,500</td>
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<td><strong>Subtotal: Debt Service</strong></td>
<td>688,849</td>
<td>1,006,850</td>
<td>1,006,850</td>
<td>892,850</td>
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<table>
<thead>
<tr>
<th><strong>Capital Outlay:</strong></th>
<th><strong>Infrastructure</strong></th>
<th><strong>Infrastructure</strong></th>
<th><strong>Infrastructure</strong></th>
<th><strong>Infrastructure</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subtotal: Capital Outlay</strong></td>
<td>3,283,276</td>
<td>1,336,000</td>
<td>1,336,000</td>
<td>1,233,087</td>
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</table>

<table>
<thead>
<tr>
<th><strong>Ending Fund Balances:</strong></th>
<th><strong>Restricted for Debt Service</strong></th>
<th><strong>Restricted for Debt Service</strong></th>
<th><strong>Restricted for Debt Service</strong></th>
<th><strong>Restricted for Debt Service</strong></th>
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</thead>
<tbody>
<tr>
<td><strong>Subtotal: Ending Fund Balances</strong></td>
<td>1,472,923</td>
<td>-</td>
<td>-</td>
<td>320,830</td>
</tr>
</tbody>
</table>

| **Total Uses** | **$5,432,556** | **$2,450,200** | **$2,450,200** | **$2,299,111** | **$1,365,350** | **-44.3%** | **-40.6%** |
EXHIBIT "B"

FISCAL YEAR 2009/2010 TAX LEVY

<table>
<thead>
<tr>
<th>JURISDICTION</th>
<th>ASSESSED VALUATION (AV)</th>
<th>TAX LEVY</th>
<th>TAX RATE (PER $100 AV)</th>
</tr>
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<tbody>
<tr>
<td>QUAIL CREEK COMMUNITY FACILITIES DISTRICT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary</td>
<td>$ 8,254,435</td>
<td>$ 24,763</td>
<td>$ 0.3000</td>
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<tr>
<td>Maintenance and Operation</td>
<td></td>
<td>$247,633</td>
<td>$ 3.0000</td>
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<tr>
<td>Bond Indebtedness (Debt Service)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL SECONDARY</td>
<td>$272,396</td>
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<td>$ 3.3000</td>
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