



## District Board Meeting Agenda

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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 Council Chambers, 375 West Sahuarita Center Way, Sahuarita, AZ. Members of the Quail Creek Community District Board will attend either in person or by telephone conference call.

To better serve our community, the Sahuarita Council Chambers is wheelchair accessible. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the District's Clerk's Office at 520-822-8801. Requests should be made no later than three (3) working days prior to the meeting to arrange the accommodation.

**May 14, 2018**  
**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 any issue which the District Board can lawfully act upon at a future meeting. Written comments regarding any item on the agenda or 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 Board may not discuss the items, but individual members of the District Board may respond to criticism made by those who have addressed the District Board, 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 November 13, 2017 Quail Creek Community Facilities District Regular Meeting Minutes.**

Action recommended: approve the consent agenda recommendations.

- 5. Presentation and possible adoption of Resolution No. 34, approving a tentative budget for fiscal year 2019 in the amount of \$1,008,320 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.

Action recommended: adopt the Resolution.

**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

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**TO:** Honorable Chairperson and District Board  
**FROM:** Lisa Cole MMC, District Clerk  
**MEETING DATE:** May 14, 2018  
**SUBJECT:** Approval of the November 13, 2017 Quail Creek Community Facilities District Regular Meeting Minutes.

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### FINANCIAL / BUDGET SUMMARY

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### STAFF RECOMMENDATION

Staff recommends approval of the attached minutes.

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### SUGGESTED MOTION

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

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### DISCUSSION

Draft minutes submitted for District Board approval.

### ATTACHMENTS

1. November 13, 2017 QCCFD Regular Meeting Minutes Draft

**Quail Creek  
Community  
Facilities District**



## District Board Meeting Minutes

**QUAIL CREEK COMMUNITY FACILITIES DISTRICT  
MEETING MINUTES  
November 13, 2017**

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, November 13, 2017.

**1. Call to Order**

The meeting was called to order at 6:49 PM by Chairperson Tom Murphy.

**2. Roll Call**

Attendee Name	Title	Status	Arrived
Tom Murphy	Chairperson	Present	
Melissa Hicks	Vice Chairperson	Present	
Duane Blumberg	Board Member	Present	
Bill Bracco	Board Member	Present	
Kara Egbert	Board Member	Present	
Gil Lusk	Board Member	Present	
Lynne Skelton	Board Member	Present	

Also in attendance were District Manager L. Kelly Udall, District Counsel Dan Hochuli, District Treasurer A.C. Marriotti 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.

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Kara Egbert, Board Member
<b>SECONDER:</b>	Duane Blumberg, Board Member
<b>AYES:</b>	Murphy, Hicks, Blumberg, Bracco, Egbert, Lusk, Skelton

- A. Approval of the May 22, 2017 Quail Creek Community Facilities District Minutes.
- B. Approval of Amendment No. Two (2) to Cooperative Purchasing Contract No. 170031, with EPS Group, Inc., for the Quail Creek Community Facilities District Engineer Services, commencing October 11, 2017 and terminating October 10, 2018 in an amount not-to-exceed \$300,000.

**5. Adjournment**

Chairperson Tom Murphy adjourned the meeting at 6:50 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 13<sup>th</sup> day of November, 2017. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 14<sup>th</sup> day of May, 2018.

\_\_\_\_\_  
Lisa Cole, MMC  
District Clerk

Attachment: November 13, 2017 QCCFD Regular Meeting Minutes Draft (Approval of Minutes)



## District Board Agenda Communication

**TO:** Honorable Chairperson and District Board

**FROM:** A.C. Marriotti, District Treasurer

**MEETING DATE:** May 14, 2018

**SUBJECT:** Presentation and possible adoption of Resolution No. 34, approving a tentative budget for fiscal year 2019 in the amount of \$1,008,320 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.

### FINANCIAL / BUDGET SUMMARY

Quail Creek CFD: \$1,008,320

### STAFF RECOMMENDATION

Staff recommends approval.

### SUGGESTED MOTION

**I move to adopt Resolution No. 34.**

### DISCUSSION

Presented for your approval is the fiscal year 2019 Tentative Budget for the Quail Creek Community Facilities District in the amount of \$1,008,320. Staff will make a presentation on the 2019 Tentative Budget at the 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.

## Quail Creek Community Facilities District Agenda Communication

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 \$18,097,544, the District will need to assess the full \$3.30 tax rate generating an estimated \$570,070 after allowances for uncollected amounts. Moreover, per existing development agreements, we anticipate the developer will be required to contribute approximately \$438,200 towards debt service costs. These contributions will be recorded as miscellaneous revenues.

Expenditures consist of (1) \$54,340 for operating costs to administer the District, maintain the Quail Creek Veterans Municipal Park and roadways and (2) \$953,980 for debt service, which includes refunding debt issuance costs.

A public hearing and final budget adoption is scheduled for the May 29<sup>th</sup> Board Meeting. A notice will be published in accordance with State law.

### **ATTACHMENTS**

1. Resolution No. 34

**QUAIL CREEK COMMUNITY FACILITIES DISTRICT  
RESOLUTION NO. 34**

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**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 2019* IN THE AMOUNT OF \$1,008,320 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 2019, 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 2019, 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 2019, 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 2019 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 May 29, 2018, beginning at or after 6:30 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 Sahuarita Sun 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 14th day of May, 2018.

\_\_\_\_\_  
Tom Murphy  
Chairperson, District Board  
Quail Creek Community Facilities District

ATTEST:

\_\_\_\_\_  
Lisa Cole, MMC  
District Clerk  
Quail Creek Community Facilities District

APPROVED AS TO FORM:

\_\_\_\_\_  
Daniel J. Hochuli  
District Counsel  
Quail Creek Community Facilities District

Attachment: Resolution No. 34 (Tentative Budget Adoption FY18)

EXHIBIT "A"

*Fiscal Year 2019 Quail Creek Community Facilities District Budget  
(QCCFD Statements and Estimates of Expenses for Fiscal Year 2019)*

Attachment: Resolution No. 34 (Tentative Budget Adoption FY18)

QUAIL CREEK COMMUNITY FACILITIES DISTRICT

SPECIAL REVENUE FUND  
SOURCES AND USES OF FUNDS

	2017	2018			2019	% Change	
	Actual Amount	Adopted Budget	Amended Budget	Estimated Actual	Budget Amount	From Amended	From Estimate
<b>SOURCES</b>							
<b>Revenues:</b>							
Taxes	\$ 465,336	\$ 508,470	\$ 508,470	\$ 508,470	\$ 582,290	14.5%	14.5
Investment Earnings (Losses)	651	-	-	20	50	-	-
Miscellaneous	276,843	195,220	195,220	195,220	425,980	118.2%	118.2
<b>Subtotal:</b>	<b>742,830</b>	<b>703,690</b>	<b>703,690</b>	<b>703,710</b>	<b>1,008,320</b>	<b>43.3%</b>	<b>43.3</b>
<b>Other Sources:</b>							
Face Amount of Refunding Debt	9,940,000	-	-	-	-	-	-
Net Premium on Refunding Debt	57,694	-	-	-	-	-	-
<b>Subtotal:</b>	<b>9,997,694</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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>\$ 10,740,524</b>	<b>\$ 703,690</b>	<b>\$ 703,690</b>	<b>\$ 703,710</b>	<b>\$ 1,008,320</b>	<b>43.3%</b>	<b>43.3</b>
<b>USES</b>							
<b>Current Expenditures:</b>							
General Government	\$ 133	\$ 3,570	\$ 3,570	\$ 800	\$ 800	-77.6%	0.0
Streets	10,107	16,510	16,510	16,640	12,360	-25.1%	-25.7
Park and Recreation	28,449	27,330	27,330	29,990	41,180	50.7%	37.3
<b>Subtotal:</b>	<b>38,689</b>	<b>47,410</b>	<b>47,410</b>	<b>47,430</b>	<b>54,340</b>	<b>14.6%</b>	<b>14.6</b>
<b>Debt Service:</b>							
Principal	9,770,000	365,000	365,000	365,000	670,000	83.6%	83.6
Interest	435,812	286,780	286,780	286,780	279,480	-2.5%	-2.5
Other	3,750	4,500	4,500	4,500	4,500	0.0%	0.0
Debt Issuance Costs	492,273	-	-	-	-	-	-
<b>Subtotal:</b>	<b>10,701,835</b>	<b>656,280</b>	<b>656,280</b>	<b>656,280</b>	<b>953,980</b>	<b>45.4%</b>	<b>45.4</b>
<b>Subtotals Combined:</b>	<b>10,740,524</b>	<b>703,690</b>	<b>703,690</b>	<b>703,710</b>	<b>1,008,320</b>	<b>43.3%</b>	<b>43.3</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>\$ 10,740,524</b>	<b>\$ 703,690</b>	<b>\$ 703,690</b>	<b>\$ 703,710</b>	<b>\$ 1,008,320</b>	<b>43.3%</b>	<b>43.3</b>

Attachment: Resolution No. 34 (Tentative Budget Adoption FY18)

## EXHIBIT "B"

*Form of QCCFD 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 2019 BUDGET OF THE DISTRICT IN THE AMOUNT OF \$1,008,320, 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 2019 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 May 29, 2018, at or after 6:30 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](http://www.sahuaritaaz.gov); and at the Pima County Library, Sahuarita Branch, 725 West Rancho Sahuarita Boulevard, Building #2, Sahuarita, Arizona 85629.

Dated this 14th day of May, 2018.

/s/ L. Kelly Udall

.....  
 District Manager  
 Quail Creek Community Facilities District

# Tentative Budget Fiscal Year 2019



## The District

- Formed on September 12, 2005
  - 1,192 acres, all within Sahuarita town limits
    - Planned build-out @ 2,600 residences
- Assessor's Info
  - 614 residences (24% built out)
    - 11% more than last year
    - 196 rental properties
  - \$18.10M total net assessed valuation
    - 15% more than last year



## 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 bonds issued
      - \$9.79M outstanding
      - Paid off in FY2030



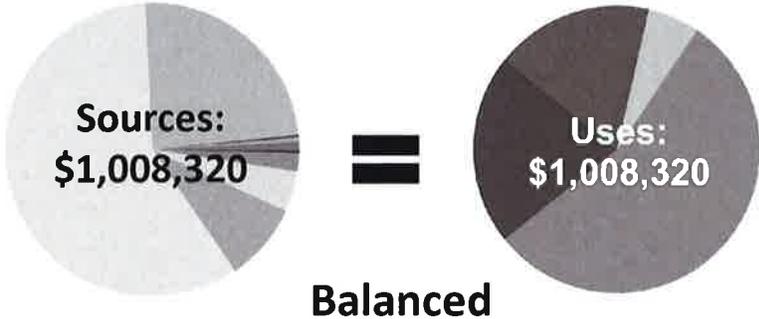
## The District

- Relationship to Town
  - Legally separate entity
  
  - Part of the Town's financial reporting entity
    - GASB Statement No. 14
      - Blended component unit
        - Special Revenue Fund



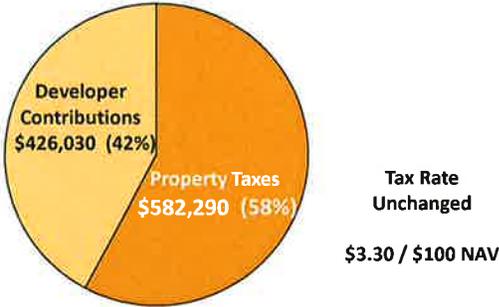
# Summary

**FY2019 Budget:  
\$1,008,320**



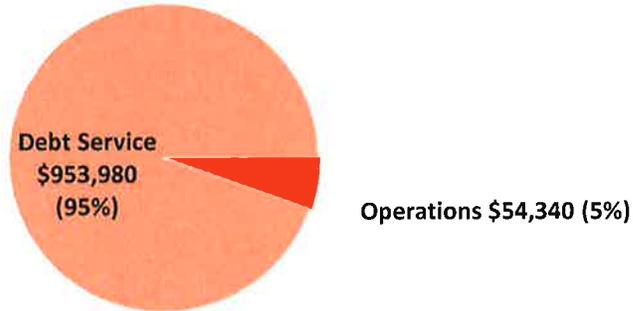
# District Revenues

**2019 Budget: \$1,008,320**



## District Expenditures

**2019 Budget: \$1,008,320**



## Resolution

- Approves FY2019 Tentative Budget
- Tentative Budget filed and made available
  - District Clerk, library, and website
- Establishes a public hearing and notice for final budget adoption
  - May 29, 2018

