



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 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 29, 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 May 14, 2018 Quail Creek Community Facilities District Meeting Minutes.**

Action recommended: approve the consent agenda recommendations.

- 5. Public hearing, discussion and possible adoption of Resolution No. 35, approving a final budget for Fiscal Year 2019 in the amount of \$1,008,320 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.**

Action recommended: adopt the resolution.

- 6. Adjournment**

QUAIL CREEK COMMUNITY FACILITIES DISTRICT MEETING AGENDA

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

TO: Honorable Chairperson and District Board
FROM: Lisa Cole MMC, District Clerk
MEETING DATE: May 29, 2018
SUBJECT: Approval of the May 14, 2018 Quail Creek Community Facilities District Meeting Minutes.

FINANCIAL / BUDGET SUMMARY

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. Draft Meeting Minutes: May 14, 2018

**Quail Creek
Community
Facilities District**



District Board Meeting Minutes

**QUAIL CREEK COMMUNITY FACILITIES DISTRICT
MEETING MINUTES
May 14, 2018**

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, May 14, 2018.

1. Call to Order

The meeting was called to order at 7:08 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

No speakers were present.

4. Consent Agenda

MOTION was made to approve the consent agenda.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Melissa Hicks, Vice Chairperson
SECONDER:	Gil Lusk, Board Member
AYES:	Murphy, Hicks, Blumberg, Bracco, Egbert, Lusk, Skelton

A. Approval of the November 13, 2017 Quail Creek Community Facilities District Regular Meeting Minutes.

- 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.

District Treasurer A.C. Marriotti presented the tentative district budget for fiscal year 2019 in the amount of \$1,008,320. Mr. Marriotti also announced that a public hearing and final budget adoption were scheduled for the District Board meeting on May 29, 2018.

A copy of the presentation was distributed at the meeting.

MOTION was made to adopt Resolution No. 34.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Lynne Skelton, Board Member
SECONDER:	Gil Lusk, Board Member
AYES:	Murphy, Hicks, Blumberg, Bracco, Egbert, Lusk, Skelton

6. Adjournment

Chairperson Tom Murphy adjourned the meeting at 7:18 PM.

Attachment: Draft Meeting Minutes: May 14, 2018 (Approval of Minutes)

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 14th day of May, 2018. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 29th day of May, 2018.

Lisa Cole, MMC
District Clerk

Attachment: Draft Meeting Minutes: May 14, 2018 (Approval of Minutes)



District Board Agenda Communication

TO: Honorable Chairperson and District Board

FROM: A.C. Marriotti, District Treasurer

MEETING DATE: May 29, 2018

SUBJECT: **Public hearing, discussion and possible adoption of Resolution No. 35, approving a final budget for Fiscal Year 2019 in the amount of \$1,008,320 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

Quail Creek CFD: \$1,008,320.

STAFF RECOMMENDATION

Staff recommends adoption of Resolution No. 35.

SUGGESTED MOTION

I move to adopt Resolution No. 35.

DISCUSSION

The proposed Quail Creek CFD budget for fiscal year 2019 is \$1,008,320. There have been no changes to the Tentative Budget, which was approved by Resolution No. 34 at the May 14th 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

Quail Creek Community Facilities District Agenda Communication

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.

ATTACHMENTS

1. QCCFD Resolution No. 35
2. FY2019 QCCFD Final Budget Presentation

**QUAIL CREEK COMMUNITY FACILITIES DISTRICT
RESOLUTION NO. 35**

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 2019* IN THE AMOUNT OF \$1,008,320 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. 34, adopted on May 14, 2018, the District Board of QCCFD (a) approved a tentative budget for FY 2019, (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 May 29, 2018, 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 2019 by this Resolution No. 35, 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 2019, attached hereto and expressly made a part hereof as Exhibit "A", is hereby finally adopted.
2. It is hereby ORDERED that, in FY 2019, 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.

[SEE NEXT PAGE FOR SIGNATURES]

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Attachment: QCCFD Resolution No. 35 (QC Final Budget Adoption FY19)

PASSED by the District Board of the Quail Creek Community Facilities District this 29th 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: QCCFD Resolution No. 35 (QC Final Budget Adoption FY19)

Exhibit "A"

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 Estimated
SOURCES							
Revenues:							
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%
Subtotal:	742,830	703,690	703,690	703,710	1,008,320	43.3%	43.3%
Other Sources:							
Face Amount of Refunding Debt	9,940,000	-	-	-	-	-	-
Net Premium on Refunding Debt	57,694	-	-	-	-	-	-
Subtotal:	9,997,694	-	-	-	-	-	-
Beginning Fund Balance:							
Restricted for QC CFD	-	-	-	-	-	-	-
Subtotal:	-	-	-	-	-	-	-
TOTAL SOURCES	\$ 10,740,524	\$ 703,690	\$ 703,690	\$ 703,710	\$ 1,008,320	43.3%	43.3%
USES							
Current Expenditures:							
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%
Subtotal:	38,689	47,410	47,410	47,430	54,340	14.6%	14.6%
Debt Service:							
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	-	-	-	-	-	-
Subtotal:	10,701,835	656,280	656,280	656,280	953,980	45.4%	45.4%
Subtotals Combined:	10,740,524	703,690	703,690	703,710	1,008,320	43.3%	43.3%
Ending Fund Balance:							
Restricted for QC CFD	-	-	-	-	-	-	-
Subtotal:	-	-	-	-	-	-	-
TOTAL USES	\$ 10,740,524	\$ 703,690	\$ 703,690	\$ 703,710	\$ 1,008,320	43.3%	43.3%

EXHIBIT "B"

FISCAL YEAR 2018/2019 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	\$18,097,544		
Debt Service		\$542,926	\$3.0000
Maintenance and Operation		\$ 54,293	\$0.3000
TOTAL SECONDARY		\$597,219	\$3.3000

Attachment: QCCFD Resolution No. 35 (QC Final Budget Adoption FY19)

Budget Adoption Fiscal Year 2019

Board Meeting
May 29, 2018

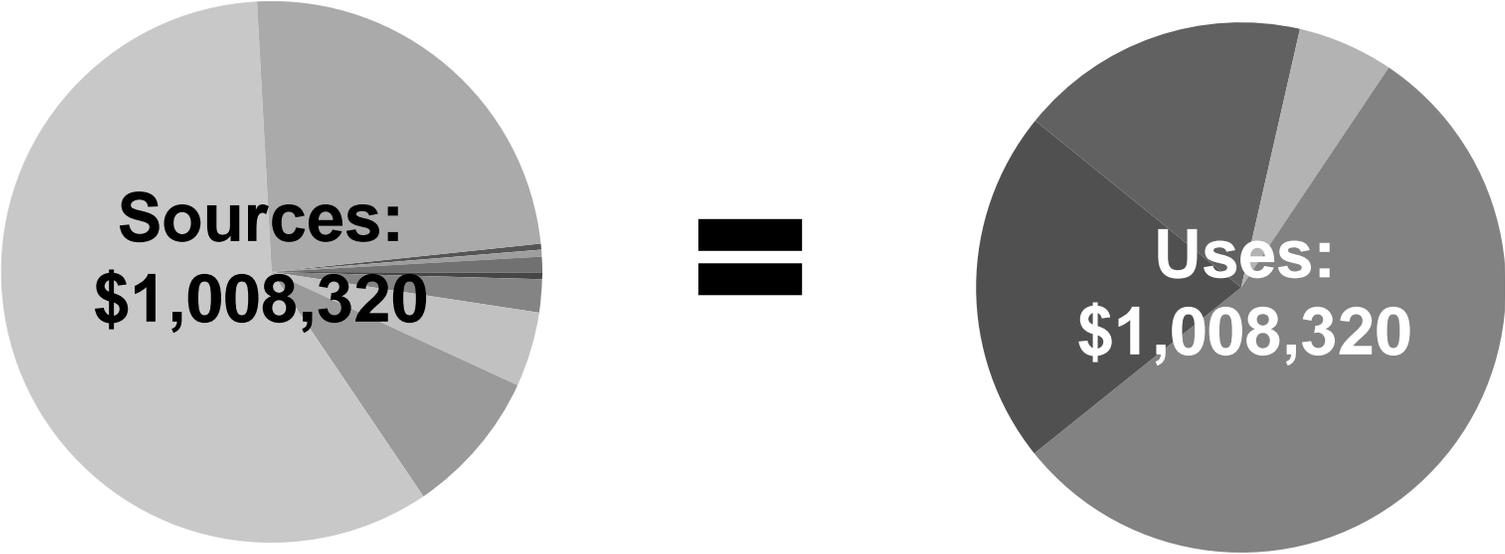


Budget Process

- 6+ months in the making
 - Board / Staff / FIAC
- Tentative Budget & Public Notice
 - Made available to public



FY2019 Budget: \$1,008,320

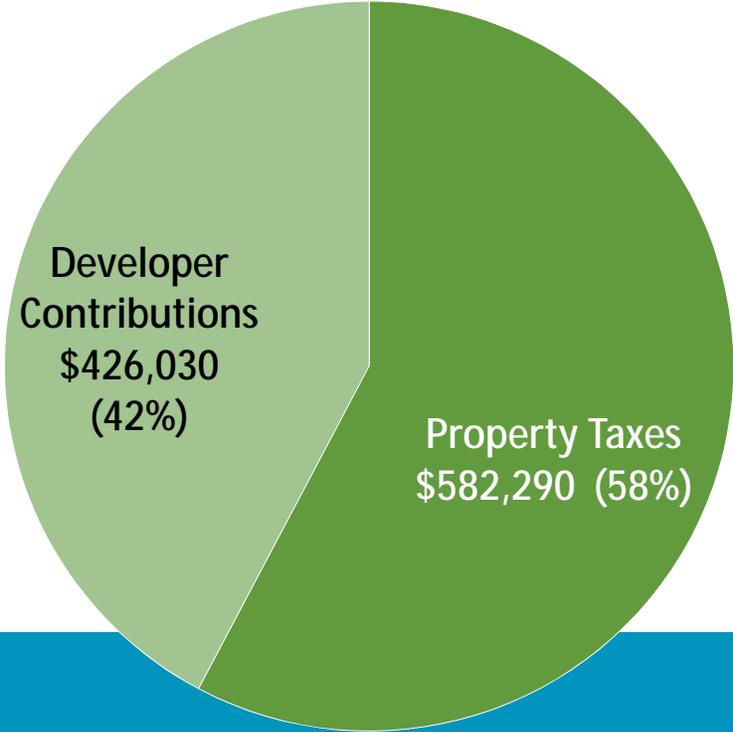


Balanced



District Revenues

2019 Budget: \$1,008,320

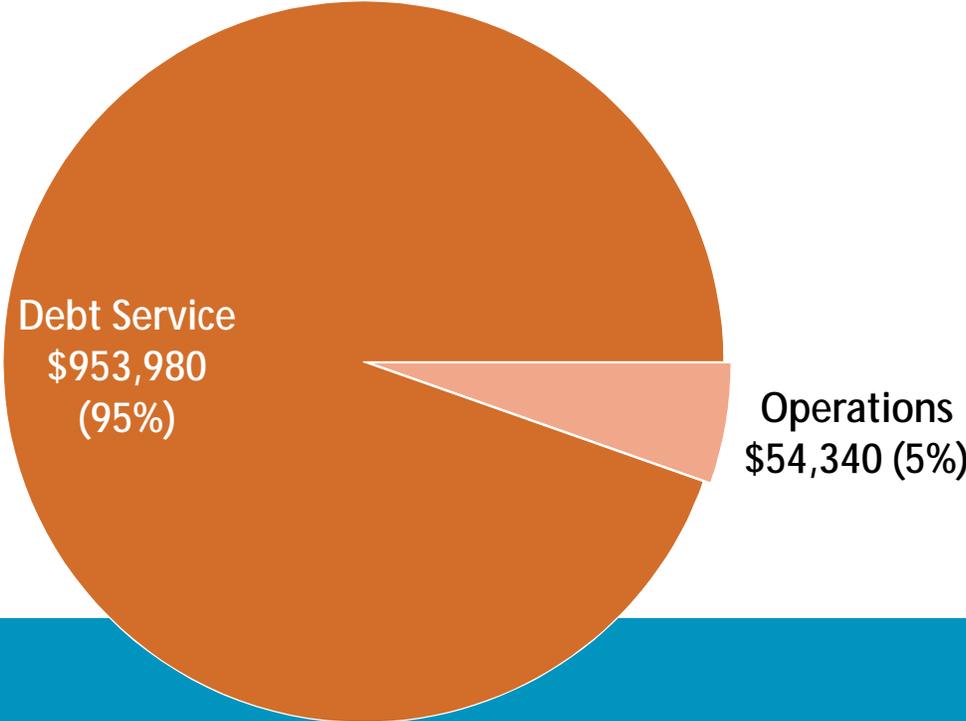


**Tax Rate
Unchanged**
**\$3.30 / \$100
NAV**



District Expenditures

2019 Budget: \$1,008,320



Final Steps

- Public hearing
- Board opportunity to make reductions or other changes
- Resolution
 - Adopts FY2019 Budget: \$1,008,320
 - Establishes Tax Levy Rate @ \$3.30/\$100 NAV
 - Unchanged since established

