



## 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 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 28, 2019**  
**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**

Action recommended: approve the consent agenda recommendations.

- A. Approval of the November 13, 2018 Quail Creek Community Facilities District Regular Meeting Minutes.**

- 5. Possible adoption of Resolution No. 36, approving a tentative budget for Fiscal Year 2020 in the amount of \$1,012,410 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.

**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

---

**TO:** Honorable Chairperson and District Board  
**FROM:** Lisa Cole MMC, District Clerk  
**MEETING DATE:** May 28, 2019  
**SUBJECT:** Approval of the November 13, 2018 Quail Creek Community Facilities District Regular 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. QCCFD Meeting Minutes Draft-November 13, 2018

**Quail Creek  
Community  
Facilities District**



## District Board Meeting Minutes

**QUAIL CREEK COMMUNITY FACILITIES DISTRICT  
MEETING MINUTES  
November 13, 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 Tuesday, November 13, 2018.

### 1. Call to Order

The meeting was called to order at 6:40 PM by Vice Chairperson Melissa Hicks.

### 2. Roll Call

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

Also in attendance were District Manager L. Kelly Udall, District Counsel Dan Hochuli 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 recommendations.

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

- A. Approval of the May 29, 2018 Quail Creek Community Facilities District Regular Meeting Minutes.
- B. Amendment No. Three (3) to Contract No. 170031 with EPS Group, Inc., for the Quail Creek Community Facilities District Engineer Services, to extend the term of the contract for a period beginning October 11, 2018 through October 10, 2019, in an amount not-to-exceed \$300,000.

5. Adjournment

Vice Chairperson Hicks adjourned the meeting at approximately 6:41 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, 2018. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 28<sup>th</sup> day of May, 2019.

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



## District Board Agenda Communication

**TO:** Honorable Chairperson and District Board

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

**MEETING DATE:** May 28, 2019

**SUBJECT:** Possible adoption of Resolution No. 36, approving a tentative budget for Fiscal Year 2020 in the amount of \$1,012,410 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.

### FINANCIAL / BUDGET SUMMARY

Quail Creek CFD: Will establish 2020 budget at \$1,012,410.

### STAFF RECOMMENDATION

Staff recommends adoption of Resolution No. 36.

### SUGGESTED MOTION

I move to adopt Resolution No. 36.

### DISCUSSION

## Quail Creek Community Facilities District Agenda Communication

Presented for your approval is the fiscal year 2020 Tentative Budget for the Quail Creek Community Facilities District in the amount of \$1,012,410. Staff will give a presentation on the 2020 Tentative Budget at the meeting.

If the Tentative Budget is approved, a public hearing will be scheduled for the June 10<sup>th</sup> Board Meeting at which point the Board may adopt the 2020 Budget and establish the property tax levy for the year. Public notices will be published in accordance with State law.

### **Revenues**

The budget includes a total property tax levy of \$3.30 per \$100 of net assessed valuation on property located within the District's boundaries, as follows:

- \$3.00 per on hundred dollars of net assessed valuation to pay for annual debt service obligations, pursuant to the District's development agreement; and
- \$0.30 per one hundred dollars of net assessed valuation to pay for District operating and maintenance costs.

The District's net taxable assessed valuation is \$22,056,967, a 22% increase over last year's value of \$18,097,544. At the aforementioned tax rate, property taxes in 2020 will total \$709,690 after allowances for uncollected amounts.

Investment earnings is budgeted for \$500.

Pursuant to the District's development agreement with Robson Ranch Quail Creek LLC, the budget includes \$302,220 in developer contributions that will cover funding shortfalls associated with the District's debt.

### **Expenditures**

The budget includes \$800 for administrative costs and \$18,030 for street maintenance. Another \$38,000 is budgeted to pay for a portion of the Quail Creek Veterans Municipal Park's (QCVMP) maintenance costs. The operations budget totals \$56,830.

[Note: The proposed Town general fund budget in 2020 includes an additional \$84,470 in QCVMP costs.]

Debt service includes principal and interest payments of \$685,000 and \$266,080, respectively, on the District's outstanding bonds (\$8.775 million). Other debt service includes \$4,500 for banking and trustee fees to administer bond accounts.

### **Fund Balances**

The District will have no ending fund balances as it consumes all of its available resources and requires developer contributions to fulfill its obligations

### **Other Information**

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.

### **ATTACHMENTS**

1. Resolution No. 36

2. FY2020 QCCFD Tentative Budget Presentation



**QUAIL CREEK COMMUNITY FACILITIES DISTRICT  
RESOLUTION NO. 36**

---

**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 2020* IN THE AMOUNT OF \$1,012,410 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 2020, 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 2020, 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 2020, 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 2020 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 June 10, 2019, 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 28th day of May, 2019.

\_\_\_\_\_  
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. 36 (Resolution No. 36)

EXHIBIT "A"

*Fiscal Year 2020 Quail Creek Community Facilities District Budget  
(QCCFD Statements and Estimates of Expenses for Fiscal Year 2020)*

Attachment: Resolution No. 36 (Resolution No. 36)

QUAIL CREEK COMMUNITY FACILITIES DISTRICT

SPECIAL REVENUE FUND  
SOURCES AND USES OF FUNDS

	2018	2019			2020	% Change	
	Actual Amount	Adopted Budget	Amended Budget	Estimated Actual	Budget Amount	From Amended	From Estimate
<b>SOURCES</b>							
<b>Revenues:</b>							
Taxes	\$ 522,300	\$ 582,290	\$ 582,290	\$ 582,290	\$ 709,690	21.9%	21.9
Investment Earnings	1,421	50	50	1,500	500	900.0%	-66.7
Miscellaneous	176,916	425,980	425,980	413,970	302,220	-29.1%	-27.0
<b>Subtotal:</b>	<b>700,637</b>	<b>1,008,320</b>	<b>1,008,320</b>	<b>997,760</b>	<b>1,012,410</b>	<b>0.4%</b>	<b>1.5</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>\$ 700,637</b>	<b>\$ 1,008,320</b>	<b>\$ 1,008,320</b>	<b>\$ 997,760</b>	<b>\$ 1,012,410</b>	<b>0.4%</b>	<b>1.5</b>
<b>USES</b>							
<b>Current Expenditures:</b>							
Finance	\$ 673	\$ 800	\$ 800	\$ 800	\$ 800	0.0%	0.0
Streets	9,715	12,360	12,360	12,360	18,030	45.9%	45.9
Parks and Recreation	33,786	41,180	41,180	30,620	38,000	-7.7%	24.1
<b>Subtotal:</b>	<b>44,174</b>	<b>54,340</b>	<b>54,340</b>	<b>43,780</b>	<b>56,830</b>	<b>4.6%</b>	<b>29.8</b>
<b>Debt Service:</b>							
Principal	365,000	670,000	670,000	670,000	685,000	2.2%	2.2
Interest	286,763	279,480	279,480	279,480	266,080	-4.8%	-4.8
Other	4,700	4,500	4,500	4,500	4,500	0.0%	0.0
Debt Issuance Costs	-	-	-	-	-	-	-
<b>Subtotal:</b>	<b>656,463</b>	<b>953,980</b>	<b>953,980</b>	<b>953,980</b>	<b>955,580</b>	<b>0.2%</b>	<b>0.2</b>
<b>Subtotals Combined:</b>	<b>700,637</b>	<b>1,008,320</b>	<b>1,008,320</b>	<b>997,760</b>	<b>1,012,410</b>	<b>0.4%</b>	<b>1.5</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>\$ 700,637</b>	<b>\$ 1,008,320</b>	<b>\$ 1,008,320</b>	<b>\$ 997,760</b>	<b>\$ 1,012,410</b>	<b>0.4%</b>	<b>1.5</b>

Attachment: Resolution No. 36 (Resolution No. 36)

## 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 2020 BUDGET OF THE DISTRICT IN THE AMOUNT OF \$1,012,410, 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 2020 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 June 10, 2019, 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 Via Rancho Sahuarita Boulevard, Building #2, Sahuarita, Arizona 85629.

Dated this 28th day of May, 2019.

/s/ L. Kelly Udall

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

# Tentative Budget Adoption Fiscal Year 2020

Board Meeting

May 28, 2019



Attachment: FY2020 QCCFD Tentative Budget Presentation (Resolution No. 36)

## The District

- **Formed on September 12, 2005**
  - **1,192 acres, all within Sahuarita town limits**
    - **Planned build-out @ 2,600 residences**
- **Assessor's Info**
  - **731 residences (28% built out)**
    - **117 (19%) more than last year**
    - **65 rental properties**
  - **\$22.06M total net assessed valuation**
    - **22% more than last year**



## The District

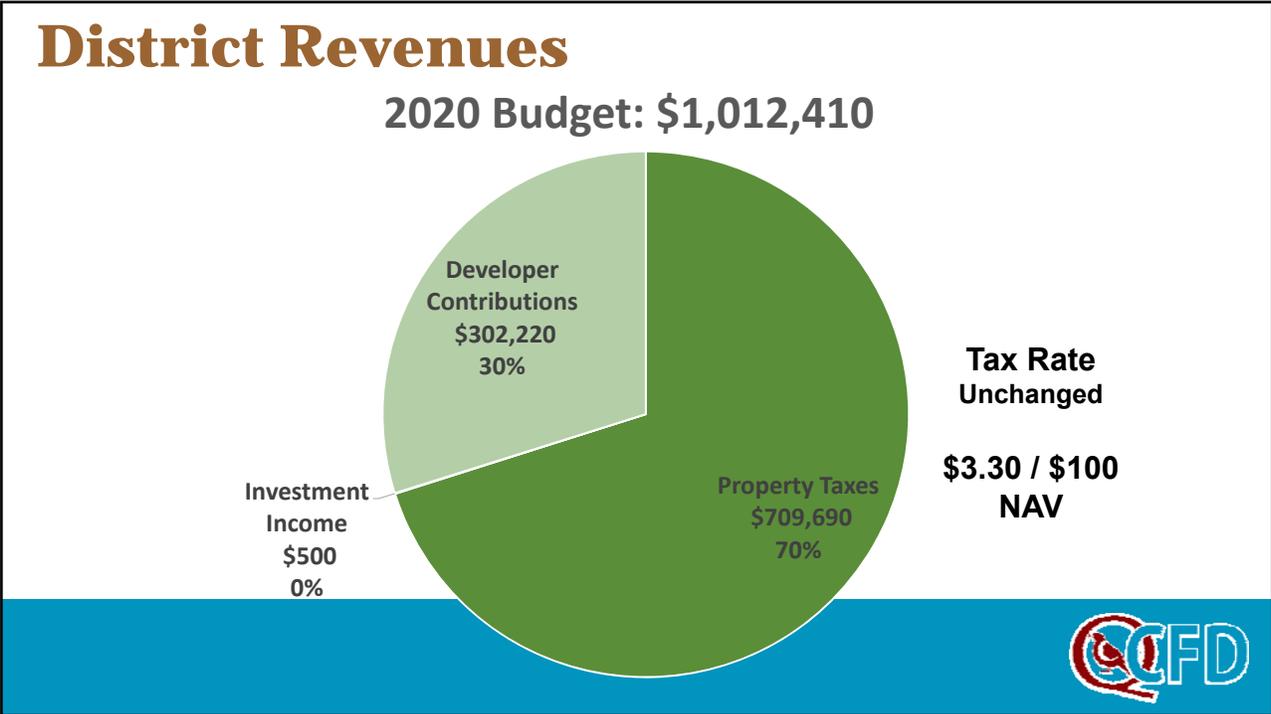
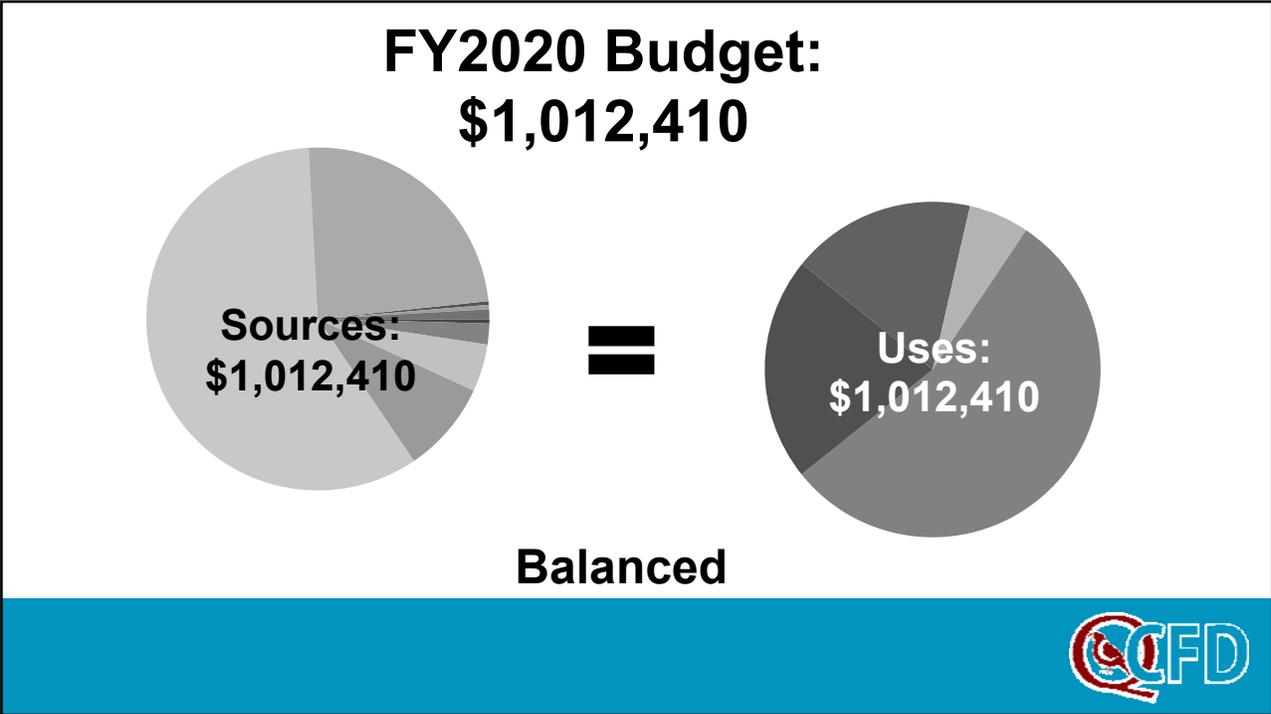
- **Tax levying public improvement district**
  - **Finance acquisition and maintenance of public infrastructure and facilities**
- **Bond election authorized \$30M bond capacity and debt service property tax**
  - **\$12.66M bonds issued**
    - **\$8.775M outstanding**
    - **Paid off in FY2030**



## The District

- **Relationship to Town**
  - **Legally separate entity**
- **Part of the Town's financial reporting entity**
  - **Governmental Accounting Standards Board (GASB)**
    - **Blended component unit**
      - **Special Revenue Fund**

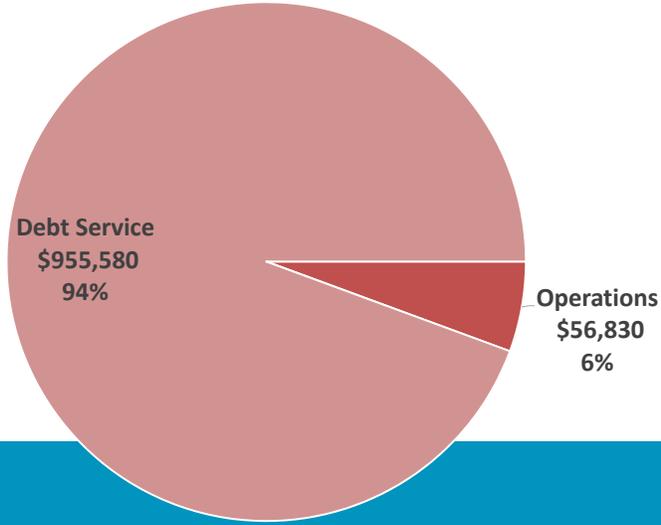




Attachment: FY2020 QCCFD Tentative Budget Presentation (Resolution No. 36)

# District Expenditures

2020 Budget: \$1,012,410



Attachment: FY2020 QCCFD Tentative Budget Presentation (Resolution No. 36)

## Resolution

- **Approves FY2020 Tentative Budget**
- **Tentative Budget filed and made available**
  - District Clerk, library, and website
- **Establishes a public hearing and notice for final budget adoption**
  - June 10, 2019

