



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.

June 10, 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 May 28, 2019 Quail Creek Community Facilities District Regular Meeting Minutes.**

- 5. Public hearing, discussion and possible adoption of Resolution No. 37, approving a final budget for Fiscal Year 2020 in the amount of \$1,012,410 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

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.

Notice to parents: Meetings of the Mayor and Council are audio and video recorded. If you permit your child to participate in the Council Meeting, a recording will be made. You may exercise your right not to consent by not permitting your child to participate. You and your child may also leave the Council Meeting at any time.



District Board Agenda Communication

TO: Honorable Chairperson and District Board
FROM: Lisa Cole MMC, District Clerk
MEETING DATE: June 10, 2019
SUBJECT: Approval of the May 28, 2019 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. Quail Creek CFD 5-28-19 Draft Meeting Minutes

**Quail Creek
Community
Facilities District**



District Board Meeting Minutes

**QUAIL CREEK COMMUNITY FACILITIES DISTRICT
MEETING MINUTES
May 28, 2019**

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, May 28, 2019.

1. Call to Order

The meeting was called to order at 6:46 PM by Chairperson Tom Murphy.

2. Roll Call

| Attendee Name | Title | Status | Arrived |
|-----------------|------------------|---------|---------|
| Tom Murphy | Chairperson | Present | |
| Kara Egbert | Vice Chairperson | Present | |
| Bill Bracco | Board Member | Present | |
| Melissa Hicks | Board Member | Absent | |
| Gil Lusk | Board Member | Present | |
| Lynne Skelton | Board Member | Present | |
| Dalia Zimmerman | 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.

| | |
|------------------|---|
| RESULT: | APPROVED [UNANIMOUS] |
| MOVER: | Lynne Skelton, Board Member |
| SECONDER: | Bill Bracco, Board Member |
| AYES: | Murphy, Blumberg, Bracco, Egbert, Lusk, Skelton |
| ABSENT: | Melissa Hicks |

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.

A.C. Marriott, District Treasurer, reviewed the tentative budget for Fiscal Year 2020 in the amount of \$1,012,410. Mr. Marriott also announced that a public hearing and final budget adoption were scheduled for the District Board meeting on June 10, 2019.

MOTION was made to adopt Resolution No. 36.

| | |
|------------------|--|
| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Bill Bracco, Board Member |
| SECONDER: | Kara Egbert, Vice Chairperson |
| AYES: | Murphy, Egbert, Bracco, Lusk, Skelton, Zimmerman |
| ABSENT: | Melissa Hicks |

6. Adjournment

Chairperson Murphy adjourned the meeting at approximately 6:58 PM.

Chairperson Tom Murphy

ATTEST:

Lisa Cole, MMC
District Clerk

CERTIFICATION

Attachment: Quail Creek CFD 5-28-19 Draft Meeting Minutes (Approval of Minutes - QCCFD May 28, 2019)

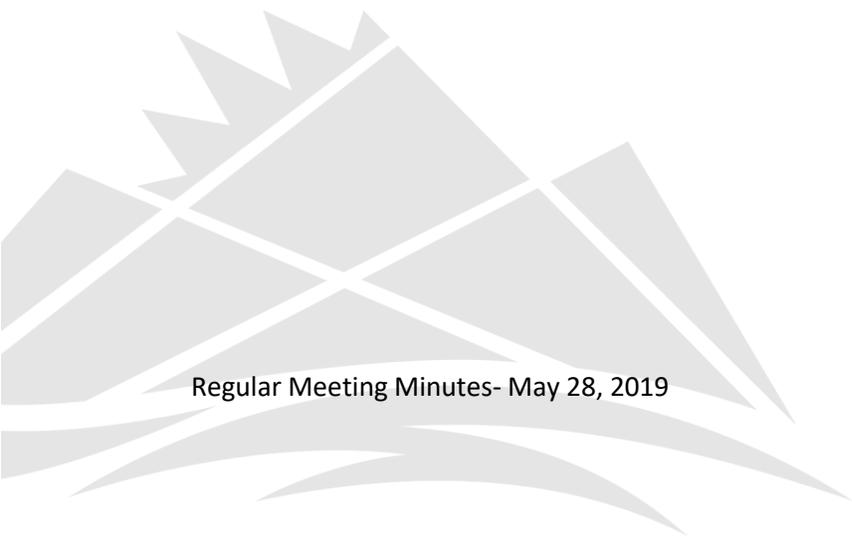
I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Meeting of the District Board of the Quail Creek Community Facilities District held on the 28th day of May 2019. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 10th day of June, 2019.

Lisa Cole, MMC
District Clerk

Draft

Attachment: Quail Creek CFD 5-28-19 Draft Meeting Minutes (Approval of Minutes - QCCFD May 28, 2019)





District Board Agenda Communication

TO: Honorable Chairperson and District Board

FROM: Lisa Cole MMC, District Clerk

MEETING DATE: June 10, 2019

SUBJECT: **Public hearing, discussion and possible adoption of Resolution No. 37, approving a final budget for Fiscal Year 2020 in the amount of \$1,012,410 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: will establish 2020 budget at \$1,012,410.

STAFF RECOMMENDATION

Staff recommends approval.

SUGGESTED MOTION

I move to adopt Resolution No. 37.

DISCUSSION

This resolution has the effect of approving the 2020 budget for the Quail Creek Community Facilities District in the amount of \$1,012,410 and to establish a tax levy of \$3.30 per \$100 of net assessed valuation on property within the District. There have been no changes to the Tentative Budget, which was approved by Resolution No. 36 at the May 28th Board meeting. Notice of this public hearing have been published according to State statutes.

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. QCCFD Resolution No. 37
2. FY2020 QCCFD Final Budget Presentation

**QUAIL CREEK COMMUNITY FACILITIES DISTRICT
RESOLUTION NO. 37**

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 2020* IN THE AMOUNT OF \$1,012,410 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. 36, adopted on May 28, 2019, the District Board of QCCFD (a) approved a tentative budget for FY 2020, (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 10, 2019, 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 2020 by this Resolution No. 37, 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 2020, attached hereto and expressly made a part hereof as Exhibit "A", is hereby finally adopted.
2. It is hereby ORDERED that, in FY 2020, 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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PASSED by the District Board of the Quail Creek Community Facilities District this 10th day of June, 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: QCCFD Resolution No. 37 (QCCFD FY2020 Final Budget Adoption)

EXHIBIT "A"

Fiscal Year 2020 Quail Creek Community Facilities District Budget

Attachment: QCCFD Resolution No. 37 (QCCFD FY2020 Final Budget Adoption)

Resolution No. 37
Quail Creek Community Facilities District

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 Estimated |
| SOURCES | | | | | | | |
| Revenues: | | | | | | | |
| 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% |
| Subtotal: | 700,637 | 1,008,320 | 1,008,320 | 997,760 | 1,012,410 | 0.4% | 1.5% |
| Beginning Fund Balance: | | | | | | | |
| Restricted for QC CFD | - | - | - | - | - | - | - |
| Subtotal: | - | - | - | - | - | - | - |
| TOTAL SOURCES | \$ 700,637 | \$ 1,008,320 | \$ 1,008,320 | \$ 997,760 | \$ 1,012,410 | 0.4% | 1.5% |
| USES | | | | | | | |
| Current Expenditures: | | | | | | | |
| 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% |
| Subtotal: | 44,174 | 54,340 | 54,340 | 43,780 | 56,830 | 4.6% | 29.8% |
| Debt Service: | | | | | | | |
| 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 | - | - | - | - | - | - | - |
| Subtotal: | 656,463 | 953,980 | 953,980 | 953,980 | 955,580 | 0.2% | 0.2% |
| Subtotals Combined: | 700,637 | 1,008,320 | 1,008,320 | 997,760 | 1,012,410 | 0.4% | 1.5% |
| Ending Fund Balance: | | | | | | | |
| Restricted for QC CFD | - | - | - | - | - | - | - |
| Subtotal: | - | - | - | - | - | - | - |
| TOTAL USES | \$ 700,637 | \$ 1,008,320 | \$ 1,008,320 | \$ 997,760 | \$ 1,012,410 | 0.4% | 1.5% |

Attachment: QCCFD Resolution No. 37 (QCCFD FY2020 Final Budget Adoption)

EXHIBIT "B"

FISCAL YEAR 2019/2020 TAX LEVY

| JURISDICTION | NET ASSESSED VALUATION (NAV) | TAX LEVY | TAX RATE (PER \$100 NAV) |
|--|-------------------------------------|------------------|---------------------------------|
| QUAIL CREEK COMMUNITY FACILITIES DISTRICT | | | |
| Secondary | \$22,056,967 | | |
| Debt Service | | \$661,709 | \$3.0000 |
| Maintenance and Operation | | \$ 66,171 | \$0.3000 |
| TOTAL SECONDARY | | <u>\$727,880</u> | <u>\$3.3000</u> |

Attachment: QCCFD Resolution No. 37 (QCCFD FY2020 Final Budget Adoption)

Budget Adoption Fiscal Year 2020

Board Meeting

June 10, 2019

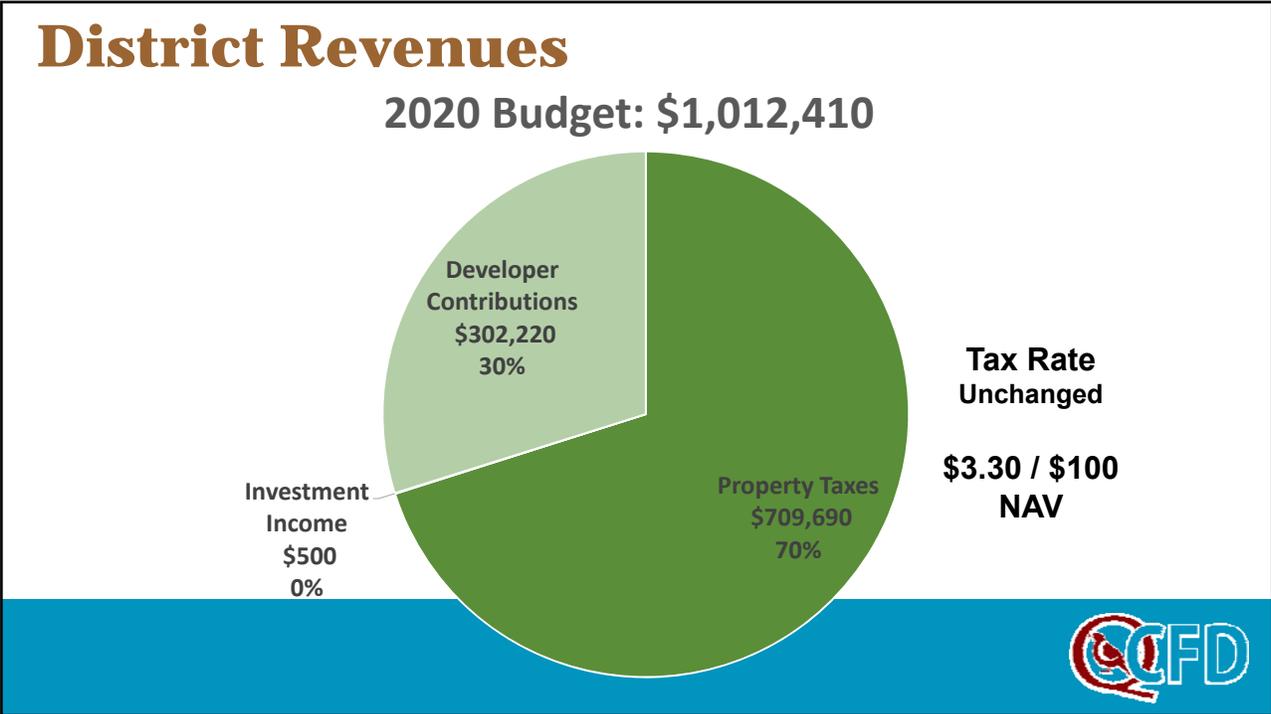
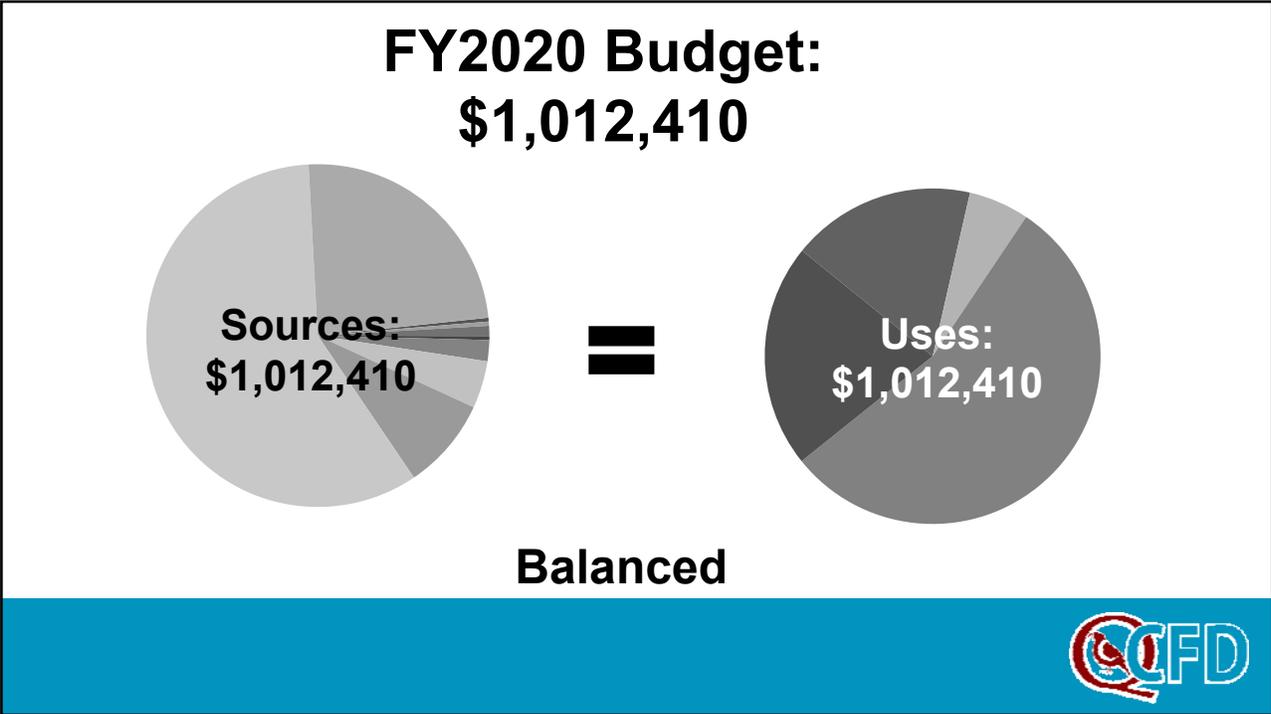


Budget Process

- **6+ months in the making**
 - Board / Staff / FIAC

- **Tentative Budget & Public Notice**
 - Made available to public

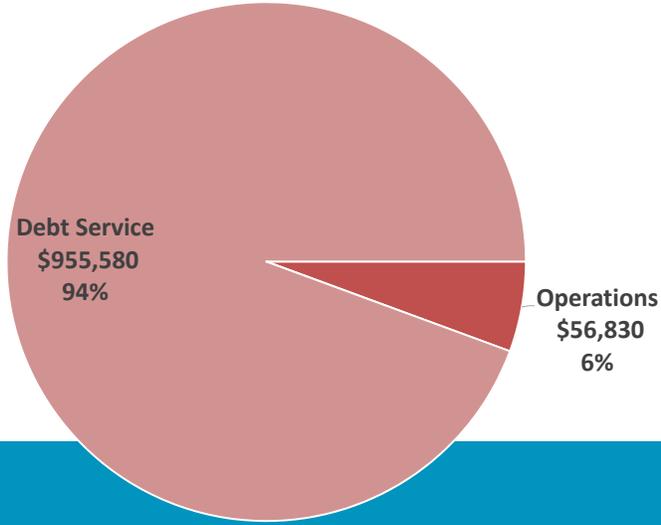




Attachment: FY2020 QCCFD Final Budget Presentation (QCCFD FY2020 Final Budget Adoption)

District Expenditures

2020 Budget: \$1,012,410



Final Steps

- **Public hearing**
- **Board opportunity to make reductions or other changes**
- **Resolution**
 - **Adopts FY2020 Budget: \$1,012,410**
 - **Establishes Tax Levy Rate @ \$3.30/\$100 NAV**
 - **Same as FY2019**

