



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 13, 2022
REGULAR MEETING AGENDA
AT OR AFTER 6:00 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 23, 2022 Quail Creek Community Facilities District Meeting Minutes.**

- 5. Public hearing, discussion and adoption of Resolution No. 44 of the District Board of the Quail Creek Community Facilities District, a community facilities district of Arizona, approving a Final Budget for Fiscal Year 2023 in the amount of \$1,052,470 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.**

- 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.

Notice to parents: Meetings of the District Board are audio and video recorded. If you permit your child to participate in the 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 meeting at any time.



District Board Staff Report

TO: Honorable Chairperson and District Board
FROM: Lisa Cole MMC, District Clerk
MEETING DATE: June 13, 2022
SUBJECT: Approval of the May 23, 2022 Quail Creek Community Facilities District Meeting Minutes.

FINANCIAL / BUDGET SUMMARY

SUGGESTED MOTION

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

EXECUTIVE SUMMARY

State law (A.R.S. §38-431.01) requires public bodies to provide and publish meeting minutes to document discussion and legal action taken by the District Board. The Board can make needed corrections to the meeting minutes before approval.

DISCUSSION

Draft minutes submitted for District Board approval.

STAFF RECOMMENDATION

Staff recommends approval of the minutes.

ATTACHMENTS

1. May 23, 2022 QCCFD Meeting Minutes

**Quail Creek
Community
Facilities District**



District Board Meeting Minutes

**QUAIL CREEK COMMUNITY FACILITIES DISTRICT
MEETING MINUTES
May 23, 2022**

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 23, 2022.

1. Call to Order

The meeting was called to order at 6:17 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 | Absent | |
| Simon Davis | Board Member | Present | |
| Deborah Morales | Board Member | Present | |

Also in attendance were District Manager Shane Dille, District Attorney Dan Hochuli, and District Clerk Lisa Cole. Vice Chairperson Egbert participated telephonically.

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: | Simon Davis, Board Member |
| SECONDER: | Deborah Morales, Board Member |
| AYES: | Tom Murphy, Kara Egbert, Simon Davis, Deborah Morales |
| ABSENT: | Bill Bracco |

A. Approval of the October 25, 2021 Quail Creek Community Facilities District Regular Meeting Minutes.

5. Discussion and possible adoption of Resolution No. 43 of the District Board of the Quail Creek Community Facilities District, a Community Facilities District of Arizona, approving a tentative budget for Fiscal Year 2023 in the amount of \$1,052,470.00 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.

District Treasurer, A.C. Marriotti provided a brief background on the district and the property values that have increased within the last few years. Additionally, Mr. Marriotti provided a summary of the districts revenues and sources, expenditures and uses for funding sources for Fiscal Year 2023. Furthermore, Mr. Marriotti announced that a public hearing and final budget adoption were scheduled for the District Board meeting on June 13, 2022.

MOTION was made to adopt Resolution No. 43.

| | |
|------------------|---|
| RESULT: | APPROVED [UNANIMOUS] |
| MOVER: | Simon Davis, Board Member |
| SECONDER: | Deborah Morales, Board Member |
| AYES: | Tom Murphy, Kara Egbert, Simon Davis, Deborah Morales |
| ABSENT: | Bill Bracco |

6. **Adjournment**

Chairperson Tom Murphy adjourned the meeting at 6:27 PM.

Attachment: May 23, 2022 QCCFD Meeting Minutes [Revision 3] (Approval of Minutes)

Chairperson Tom Murphy

ATTEST:

Lisa Cole, MMC
District Clerk

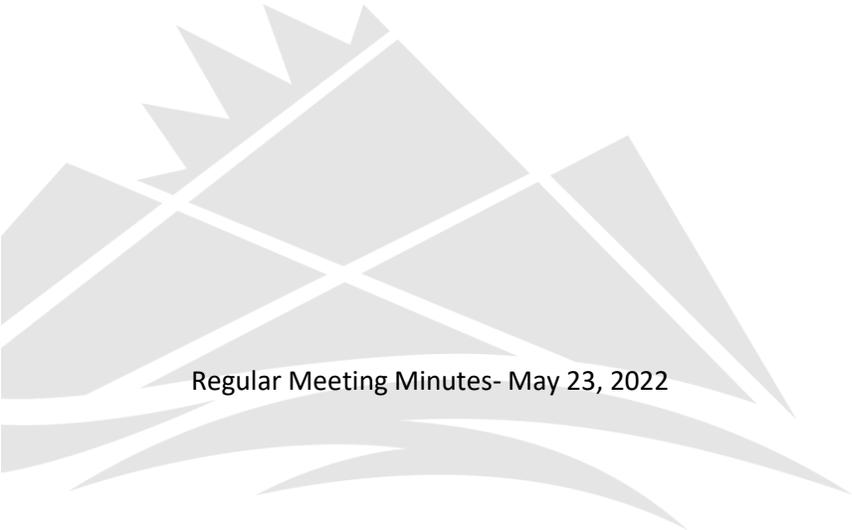
CERTIFICATION

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 23rd day of May 2022. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 13th day of June, 2022.

Lisa Cole, MMC
District Clerk

Attachment: May 23, 2022 QCCFD Meeting Minutes [Revision 3] (Approval of Minutes)





District Board Staff Report

TO: Honorable Chairperson and District Board

FROM: A.C. Marriotti, District Treasurer

MEETING DATE: June 13, 2022

SUBJECT: Public hearing, discussion and adoption of Resolution No. 44 of the District Board of the Quail Creek Community Facilities District, a community facilities district of Arizona, approving a Final Budget for Fiscal Year 2023 in the amount of \$1,052,470 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

Budget: \$1,052,470

SUGGESTED MOTION

I move to adopt Resolution No. 44.

EXECUTIVE SUMMARY

This agenda item provides the District Board an opportunity to adopt the Budget for fiscal year 2023 and to establish the property tax levy for the year.

DISCUSSION

This resolution adopts the fiscal year 2023 budget for the Quail Creek Community Facilities District in the amount of \$1,052,470 and establishes a tax levy rate of \$3.03 per \$100 of net taxable valuation on property within the District.

A public hearing must be held before the Board may adopt the budget. Notice of this public hearing has been posted and published according to State statutes.

Quail Creek Community Facilities District Agenda Communication

There have been no changes to the Tentative Budget, which was presented and approved on the May 23rd Board meeting. Staff will provide the District Board and the public with a brief presentation of the final budget at the meeting.

REVENUES

Property Taxes

The District levies a property tax to (1) pay for debt service obligations and (2) to pay for operations and maintenance (O&M) costs.

- 1) The debt service tax rate is determined by calculation, based upon the assessed valuation of property within the District. Pursuant to the Development Agreement, however, this rate is capped at \$3.00 per \$100 net taxable assessed valuation (NTAV).

The District's debt service levy rate has been \$3.00/\$100 NTAV since bonds were issued in the mid-2000's. However, based upon the County Assessor's preliminary assessments for fiscal year 2023, the tax rate to cover debt service may be reduced to a rate of \$2.73/\$100 NTAV. This rate will continue to decline as the District builds-out and property values increase. Outstanding bonds will be paid off in 2030, at which point this levy will cease unless additional bonds are issued.

- 2) The O&M tax rate is capped at \$0.30/\$100 NTAV. The District has levied a rate of \$0.30/\$100 NTAV since the District was formed.

The proposed combined property tax rate levy for 2023 is \$3.03/\$100 NTAV. This is expected to generate \$1,052,370, including allowances for uncollectible amounts.

Investment Income

Property tax collections are held in trust, earning interest income, until debt service obligations are paid.

Developer Contributions

No developer contributions are budgeted for fiscal year 2023. As property valuations are sufficient to cover debt service obligations, the Master Developer's stand-by contribution payment is no longer needed.

EXPENDITURES

Current Expenditures

The proposed 2023 budget is \$100,150. This budget provides capacity to pay for:

- 1) General administrative costs
- 2) Street, right-of-way, and landscaping maintenances costs along public roads in the District
- 3) A portion of the Quail Creek Veterans Municipal Park maintenance costs (remaining costs are paid for out of the Town of Sahuarita General Fund).

Debt Service

These costs include bond principal and interest, and other costs such as bank trust fees. Principal is paid once a year. Interest is paid semi-annually.

Quail Creek Community Facilities District Agenda Communication

In 2006, the District issued \$12.66 million in bonds to pay for roadways, portions of the Quail Creek Veterans Municipal Park, wash crossings, landscaping, and sewer lines. \$6.64 million of principal remains outstanding. The bonds will be paid off in 2030.

FUND BALANCES

There are no ending fund balances budgeted for 2023. The District is expected to consume all of its resources during the year.

STAFF RECOMMENDATION

Staff recommends adoption of Resolution No. 44.

ATTACHMENTS

1. QCCFD Resolution No. 44 Final Budget
2. Exhibit A - QCCFD 2023 Final Budget



QUAIL CREEK COMMUNITY FACILITIES DISTRICT
RESOLUTION NO. 44

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 2023 IN THE AMOUNT OF \$1,052,470 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. 43, adopted on May 23, 2022, the District Board of QCCFD (a) approved a tentative budget for fiscal year 2023, (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 24, 2021, 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 fiscal year 2023 by this Resolution No. 44, 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 2023, attached hereto and expressly made a part hereof as Exhibit “A”, is hereby finally adopted.
2. It is hereby ORDERED that, in fiscal year 2023, 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 13th day of June 2022.

Tom Murphy
Chairperson
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. 44 Final Budget [Revision 2] (QCCFD 2023 Final Budget Adoption)

EXHIBIT "A"
FISCAL YEAR 2023
QUAIL CREEK COMMUNITY FACILITIES DISTRICT BUDGET

Attachment: QCCFD Resolution No. 44 Final Budget [Revision 2] (QCCFD 2023 Final Budget Adoption)

EXHIBIT "B"

FISCAL YEAR 2022/2023 TAX LEVY

| <u>JURISDICTION</u> | <u>NET TAXABLE VALUATION (NTV)</u> | <u>TAX LEVY</u> | <u>TAX RATE (PER \$100 NTV)</u> |
|--|------------------------------------|--------------------|---------------------------------|
| QUAIL CREEK COMMUNITY FACILITIES DISTRICT | | | |
| Secondary | \$35,270,244 | | |
| Debt Service | | \$ 962,878 | \$2.7300 |
| Maintenance and Operation | | \$ 105,811 | \$0.3000 |
| TOTAL SECONDARY | | <u>\$1,068,689</u> | <u>\$3.0300</u> |

Attachment: QCCFD Resolution No. 44 Final Budget [Revision 2] (QCCFD 2023 Final Budget Adoption)

QUAIL CREEK
COMMUNITY FACILITIES DISTRICT
 SOURCES AND USES OF FUNDS

| | 2023 Budget Amount |
|--------------------------------|-----------------------------------|
| <u>SOURCES</u> | |
| Revenues: | |
| Taxes | \$ 1,052,370 |
| Investment Earnings | 100 |
| Total Revenues | 1,052,470 |
| Beginning Fund Balance: | |
| Restricted for QCCFD | - |
| Total Fund Balance | - |
| TOTAL SOURCES | \$ 1,052,470 |
| <u>USES</u> | |
| Current Expenditures: | |
| General Government | \$ 1,120 |
| Streets | 18,850 |
| Parks and Recreation | 80,180 |
| Subtotal | 100,150 |
| Debt Service: | |
| Principal | 745,000 |
| Interest | 202,620 |
| Other | 4,700 |
| Subtotal | 952,320 |
| Total Expenditures | 1,052,470 |
| Ending Fund Balance: | |
| Restricted for QCCFD | - |
| Total Fund Balance | - |
| TOTAL USES | \$ 1,052,470 |