

**TOWN OF PRESCOTT VALLEY
COMMUNITY FACILITIES DISTRICTS
WORK/STUDY MEETING**

MAY 3, 2012

Library Auditorium
7401 E. Civic Circle
Council gathers at approximately 5:00 p.m.
Meeting convenes at 5:30 p.m.

1. Call to Order

Chairman Skoog called the meeting to order at 6:57 p.m.

2. Roll Call

Present: Chairman Skoog, Board Member Nye, Board Member Tjiema, Board Member Whiting, and Board Member Anderson.

Absent: Board Member Mallory, and Vice Chairman Lasker.

4. StoneRidge Community Facilities District

William Kauppi, District Treasurer, noted that each of the CFDs are unique and have their own little stories to tell. The debt service is level for StoneRidge CFD at \$1.4 million. The developer will be contributing \$700,000 to the debt service. The Secondary Tax paid by the homeowners \$694,000 (debt service) is what we received last year in taxes. Even though the secondary assessed value dropped 14 percent (\$19.3 million last year) this year it is \$16.6 million the tax component will be the same. Last year \$3.90, of which \$3.60 went directly to debt service, this year it will go up to \$4.47, of which \$4.17 will go to debt service. The other .30 cents will go toward O & M. This equates to the same amount of tax dollars and no additional out-of-pocket expenses for the home/property owners. There is no increase in property tax collected even though some residents will be paying more than others. Kauppi noted that he will set a rate to again collect \$694,000 this year. We have not had to dip into the deposit account for StoneRidge. No action was taken.

5. Pronghorn Ranch Community Facilities District

Kauppi commented that Pronghorn is different. We are going to try to get the developer to contribute which they have not so far done. We have been dipping into the deposit account to for the last couple of years. Our deposit account is dwindling leaving only three years deposit left. The secondary assessed value went down 12 percent in Pronghorn from \$12.3 million down to \$10.8 million. To reduce the draw on the deposit account we will have to increase the tax rate and tax collected on what the tax payers pay. They may expect an approximate 10 percent increase in rate. There is a lot of development going on in Pronghorn which helps increase assessed values. Last year the tax rate was \$3.90 going up to \$4.80 this year (\$4.50 debt service & .30 cents to O & M). The reserve amount is currently \$440,000 down from \$700,000. No action was taken.

6. Raven Ridge Community Facilities Districts

Kauppi stated that the balance owed is \$28,000 for debt service. This was an assessment district. There have been not issues with this CFD. No action was taken.

7. Quailwood Meadows Community Facilities District

Kauppi said a developer came on board in Quailwood a few weeks ago. The only issue is the developer's contribution has a ceiling maximum of \$175,000 that they will contribute. Whatever shortfall exists between

taxes collected and what is owed on debt service. Again, increased building of homes in that area will raise the assessed value of that district. \$44,000 will be withdrawn from the deposit account. Quailwood has experienced a 20 percent decline in assessed value for the last 3 or 4 years. There rate was \$4.23 last year which is going up to \$5.55 this year. Residents should not see a significant increase in the taxes that they pay. Unless development picks up next years and therefore secondary assessed value picks up we will have to look at adjusting the rates again so that we do not have to draw from the deposit account. We have quite a few years remaining in the deposit account - \$600,000. No action was taken.

8. Eastridge Community Facilities District

Kauppi stated Eastridge is another assessment district. The last debt service payment will be in 2018. Each of the property owners pay the assessment. We have not issues with the property owners. No action was taken.

9. Parkway Community Facilities District No. 1

Kauppi said this is our last ad valorem district. This one does not have a deposit account. Whatever the debt service is, is what we have to charge for taxes. Unfortunately, the secondary assessed value decreased by 18 percent in this area. The tax rate was \$11.40 last year; it may be \$13.69 next year if the secondary assessed value does not change. The secondary assessed value is currently just under \$2 million. Last year it was 2.4 and now it is 1.9. No action was taken.

10. Southside Community Facilities District No. 1

Kauppi stated that there is at least one property owner that has not made their payment. Therefore, we have to draw from the reserve account for that payment. Most likely the payment will not be made again next year. Another property owner is considering paying off his assessment. We are limited as to what we can do to resolve the situation within the district. The reserve amount is \$141,000 with a \$60,000 a year draw from the reserves.

Board member Anderson questioned what happens if the property owner not making the payments depletes the reserve fund and the payment cannot be made?

Tarkowski responded that the hope is that the property will sell and the assessment will be paid off at that time. We also hope the value goes up on this prime piece of commercial property so that it will sell. The property owner has been trying to sell the property for the value of the assessment – no takers to date.

Kauppi said that we will not have the funds to make the debt service payment after three years. The bond attorneys will have to provide direction at that time. No action was taken.

11. Entertainment Center Community Facilities District

Kauppi said the projected amount reflects staff time. We have not tried aggressively to collect the money. There are other issues that the Event Center needs to resolve first. No action was taken.

12. Adjournment

Chairman Skoog adjourned the meeting at 7:21 p.m.

ATTEST:

APPROVED:

Diane Russell, Town Clerk

Harvey Skoog, Mayor

STATE OF ARIZONA)
COUNTY OF YAVAPAI) ss:
TOWN OF PRESCOTT VALLEY)

CERTIFICATE OF COUNCIL MINUTES

I, Diane Russell, Town Clerk of the Town of Prescott Valley, Arizona, hereby certify that the foregoing minutes are a true and correct copy of the Minutes of the CFD Meeting of the Town of Prescott Valley, held on Thursday, May 3, 2012.

I further certify that the meeting was duly called and held and that a quorum was present.

Dated this June 4, 2012



Diane Russell, Town Clerk