

**TOWN OF PRESCOTT VALLEY
COMMUNITY FACILITIES DISTRICTS BOARD MEETING
MINUTES
July 10, 2014**

Library Auditorium
7401 E. Civic Circle
Prescott Valley, Arizona 86314

1. CALL TO ORDER

Chairman Skoog called the meeting to order at 6:04 p.m.

2. ROLL CALL

Present: Board Member Whiting, Board Member Marshall, Vice Chairman Nye, Board Member Anderson, Board Member Grossman, Board Member Mallory, and Chairman Skoog.

3. CONSENT AGENDA

a. *Approval of June 5, 2014 CFD minutes*

Board Member Mallory made the MOTION, seconded by Board Member Marshall, to approve the consent agenda item, by electronic vote. MOTION carried with 7 ayes and 0 nays.

4. NEW BUSINESS (FOR REVIEW, COMMENT, AND/OR ACTION)

a. Public Hearing - Final Budget for StoneRidge Community Facilities District

Chairman Skoog opened the public hearing.

District Treasurer Bill Kauppi gave an overview of the pertinent information and secondary assessed values for the ad valorem districts StoneRidge, Pronghorn, Quailwood and Parkway. Kauppi stated the tax rates are based on these assessed values. StoneRidge CFD realized a 16 percent increase over the previous year. Pronghorn Ranch and Quailwood have similar trends in assessed values as StoneRidge CFD. Of the three, Parkway is the only one that is still on a downward trend of assessed values dropping more than 4.5 percent in assessed value over the past year. In this situation of changes of property ownership, going from taxable to non-taxable, Parkway will have a tax increase this year.

StoneRidge CFD budget has expenditures of \$865,024. The rental income remains consistent with the previous year. Staff proposes a \$3.18 per \$100 value tax rate in StoneRidge down from \$3.64 per \$100 last year. Anyone in StoneRidge who has seen an increase of 14 percent or more

in assessed value will see a slight increase in their tax bill. Anyone below that 14 percent level will see their tax bill go down.

Chairman Skoog closed the public hearing as no additional comments were forthcoming.

- b. Consideration of authorizing the Chairman to sign Resolution No. 35 adopting the final budget for StoneRidge CFD Fiscal Year 2014-2015 (and, in the process, ordering required ad valorem tax assessments and applying necessary Annual Compensating Fees)

Board Member Whiting made the MOTION, seconded by Board Member Marshall to authorize the Chairman (or, in his absence, the Vice Chairman) to approve Resolution No. 35, adopting the StoneRidge Community Facilities District's Final Budget for Fiscal Year 2014-15, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- c. Public Hearing - Final Budget for Pronghorn Ranch Community Facilities District

Chairman Skoog opened the public hearing.

District Treasurer Bill Kauppi commented that a Successor in Interest charge of \$37,000 is included in the budget which represents about 20 homes. For every building permit pulled a charge of approximately \$1,800 per home is assessed. We hope that the building trend continues and a lot more homes will be built in that community. Any more than 20 homes will be used to lower the tax rate for next year. Staff proposes a \$4.00 per \$100 tax rate – a decrease from last year's \$4.80 rate. Anyone who sees an increase of 20 percent or more on their assessed value will have to pay a higher tax rate.

Chairman Skoog closed the public hearing as no additional comments were forthcoming.

- d. Consideration of authorizing the Chairman to sign Resolution No. 34 adopting the final budget for Pronghorn Ranch CFD Fiscal Year 2014-2015 (and, in the process, ordering required ad valorem tax assessments and applying necessary Annual Compensating Fees)

Board Member Mallory made the MOTION, seconded by Board Member Marshall, to authorize the Chairman (or, in his absence, the Vice Chairman) to approve Resolution No. 34, adopting the Pronghorn Ranch Community Facilities District's Final Budget for Fiscal Year 2014-15, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- e. Public Hearing - Final Budget for Quailwood Meadows Community Facilities District

Chairman Skoog opened the public hearing.

District Treasurer Bill Kauppi said the budget is \$495,569. The bond refinancing helped save a lot with this district. While historically this district has had the largest decreases, this year it had the largest increase going up by 26 percent. Staff proposes a tax rate of \$4.60 per \$100 this year down from last year's \$5.55. He projects a collection of \$78,000 next year. Any extra monies beyond that will be applied to bring down next year's tax rate.

Chairman Skoog closed the public hearing as no additional comments were forthcoming.

- f. Consideration of authorizing the Chairman to sign Resolution No. 25 adopting the final budget for Quailwood Meadows CFD Fiscal Year 2014-2015 (and, in the process, ordering required ad valorem tax assessments and applying necessary Annual Compensating Fees)

Board Member Mallory made the MOTION, seconded by Board Member Marshall, to authorize the Chairman (or, in his absence, the Vice Chairman) to approve Resolution No. 25, adopting the Quailwood Meadows Community Facilities District's Final Budget for Fiscal Year 2014-15, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- g. Public Hearing - Final Budget for Parkway Community Facilities District No. 1

Chairman Skoog opened the public hearing.

District Treasurer Bill Kauppi said the budget is set at \$285,168 with a \$10,000 contribution that we hope to receive from one of the non-profit entities in the District. If more is received, that money will be applied toward next year's tax rate. Because of the decreased rate in the assessed value, the tax rate is proposed at \$16.51 per \$100. Last year it was \$16.24. Currently, we have not been able to refinance this CFD, but there is a reserve of \$219,000. We are in the process of making the July payment at which time we will be drawing \$26,000 from that reserve.

District Counsel Ivan Legler added that the town has not been aggressive in collecting that compensating fee talked about last year. We would be looking for more than \$10,000. The one property owner is not taxable and we are asking them to make a contribution. A letter was sent out requesting they make the payments, they said they would think about it, but it hasn't happened. Other things may be considered such as a charge for parking space. It needs to be addressed and will only get worse as time goes on as additional properties may change ownership to exempt status businesses. This year may see an uptick in the effort with the results of seeing a room full of people. Chairman Skoog stated that the property owners are getting the benefit of the improvements; it would seem only fair that they contribute. Discussion followed as to how aggressive the town should be in pursuing that compensation in order to keep the Parkway CFD as whole as possible. Board Member Whiting said he would like to revisit this to better understand what our options are. District Manager Tarkowski responded to Board Member Mallory that we received positive feedback from one of the entities. The other entity chose not to respond. The third, and largest entity, did respond through their attorney suggesting that they would enjoy giving us money, but are not in a position to do that nor are they legally bound to do that. Our next step is how aggressive we want to go after it and/or use other ways to raise money that would be equivalent or at least a step in that direction. We have not received the money from the entity that said they would pay it as yet. The larger entity needs additional conversation with the understanding that other methods may be used to keep the Parkway CFD as whole as possible. Legler added that the letter last year was a request that they make the payment in advance to help with the budgeting process; this year's letter will be a requirement of that payment. Vice Chairman Nye said she supports that action as we have been very patient and they

need to be good community partners which at this time they are not. Chairman Skoog said they pay their share or somebody else will have to pay their share. We may have to push for it.

Chairman Skoog closed the public hearing as no additional comments were forthcoming.

- h. Motion to authorize the Chairman (or, in his absence, the Vice Chairman) to approve Resolution No. 19, adopting the Parkway Community Facilities District No. 1 Final Budget for Fiscal Year 2014-15, (and, in the process, ordering required ad valorem tax assessments and applying necessary Annual Compensating Fees)*

Board Member Marshall made the MOTION, seconded by Board Member Anderson, to authorize the Chairman (or, in his absence, the Vice Chairman) to approve Resolution No. 19, adopting the Parkway Community Facilities District No. 1 Final Budget for Fiscal Year 2014-15, (and, in the process, ordering required ad valorem tax assessments and applying necessary Annual Compensating Fees), by electronic vote. MOTION carried with 7 ayes and 0 nays.

- i. Public Hearing - Final Budget for Eastridge Community Facilities District*

Chairman Skoog opened the public hearing.

District Treasurer Bill Kauppi stated that we will talk about our assessment districts now. This district's budget is \$172,897 and it is one of the best of the districts which will be paid off in 2018.

Chairman Skoog closed the public hearing as no additional comments were forthcoming.

- j. Consideration of authorizing the Chairman to sign Resolution No. 30 adopting the final budget for Eastridge CFD Fiscal Year 2014-2015*

Board Member Grossman made the MOTION, seconded by Board Member Marshall, to authorize the Chairman (or, in his absence, the Vice Chairman) to sign Resolution No. 30, adopting the Eastridge Community Facilities District's Final Budget for Fiscal Year 2014-15, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- k. Public Hearing - Final Budget for Raven Ridge Community Facilities District*

Chairman Skoog opened the public hearing.

District Treasurer Bill Kauppi said this is a small district with a WIFA loan that will be paid off in year 2024. The annual debt service is \$26,000. About 30 property owners still pay on this assessment.

Chairman Skoog closed the public hearing as no additional comments were forthcoming.

- l. Consideration of authorizing the Chairman to sign Resolution No. 31 adopting the final*

budget for Raven Ridge CFD Fiscal Year 2014-2015

Board Member Mallory made the MOTION, seconded by Board Member Marshall, to authorize the Chairman (or, in his absence, the Vice Chairman) to sign Resolution No. 31, adopting the Raven Ridge Community Facilities District's Final Budget for Fiscal Year 2014-15, by electronic vote. MOTION carried with 7 ayes and 0 nays.

m. Public Hearing - Final Budget for Southside No. 1 Community Facilities District

Chairman Skoog opened the public hearing.

District Treasurer Bill Kauppi said this assessment district has a budget of \$211,331. We have one property owner who hasn't made a payment over the last two or three years and we don't expect they will this year. It is approximately \$55,000. When that occurs, the property is put up for auction. No one has purchased the property for assessment amount. The town placed a lien on the property and would hope to recoup the funds from auction. With the economy turning, we hope that the property will have a value to a purchaser.

Chairman Skoog closed the public hearing as no additional comments were forthcoming.

n. Consideration of authorizing the Chairman to sign Resolution No. 24 adopting the final budget for Southside No.1 CFD Fiscal Year 2014-2015

Board Member Marshall made the MOTION, seconded by Board Member Mallory, to authorize the Chairman (or, in his absence, the Vice Chairman) to sign Resolution No. 24, adopting the Southside Community Facilities District No. 1's Final Budget for Fiscal Year 2014-15, by electronic vote. MOTION carried with 7 ayes and 0 nays.

District Counsel Ivan Legler stated that Southside is one of those CFDs that has one large property that has been struggling with making its assessment payments. Last year the Council/Board authorized the Manager that each time that it comes up for sale and not purchased for delinquency of the assessment, the Town gives the money to the CFD which then buys that assessment. Then it goes back on sale the next year so that we are not calling the entire debt at once, but at each year's payment. The hope is that as time goes on the property value increases and the cost of paying the District and then the Town back for those payments will still be worth it to a potential purchaser.

5. COMMENTS FROM THE PUBLIC

No comments were forthcoming.

6. ADJOURNMENT

Board Member Mallory made the MOTION, seconded by Board Member Whiting, to adjourn, by electronic vote. MOTION carried with 7 ayes and 0 nays. Chairman Skoog adjourned the meeting at 6:68 p.m.

ATTEST:

APPROVED:

Diane Russell, District Clerk

Harvey Skoog, Chairman

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

CERTIFICATE OF COUNCIL MINUTES

I, Diane Russell, District 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 Community Facilities Districts Meeting of the Town of Prescott Valley, held on Thursday, July 10, 2014.

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

Dated July 11, 2014

Diane Russell, District Clerk