

**TOWN OF PRESCOTT VALLEY
COMMUNITY FACILITY DISTRICTS MEETING
MINUTES
June 9, 2016**

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

1. CALL TO ORDER

Vice Chairman Rick Anderson called the meeting to order at 6:55 p.m.

2. ROLL CALL

Present: Vice Chairman Rick Anderson, Board members Marty Grossman, Stephen Marshall and Board member Lora Lee Nye.

Absent: Chairman Harvey Skoog, Board members Mary Mallory and Michael Whiting.

3. CONSENT AGENDA

- a. Approval of April 14, 2016 CFD Minutes

Board member Lora Lee Nye made the MOTION, seconded by Board member Marty Grossman, to approve the item listed on the Consent Agenda, by roll call vote. MOTION carried with 4 ayes and 0 nays.

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

- a. Consideration of authorizing the Chairman to sign Resolution No. 35, adopting the Tentative Budget for Eastridge Community Facilities District for Fiscal Year 2016-17, and providing notice of a public hearing on July 14, 2016

District Treasurer Bill Kauppi commented that the board will have to consider each CFD tentative budget separately as well as set the public hearing date for each CFD. Four CFDs are ad valorem districts (property tax districts) so the board will be setting the rate for each of them. This budgeting information is available on the town website and a hard copy is available in the Town Manager's office for those wishing additional information.

Kauppi said the budget is \$142,902 for the 2016/17 fiscal year. At this time there is no problem with this CFD. Only two more years remain until it is paid off. No questions were forthcoming.

Board member Lora Lee Nye made the MOTION, seconded by Board member Stephen Marshall, to authorize the Chairman (or in his absence the Vice Mayor) to sign Resolution No. 35, adopting the Tentative Budget for Eastridge Community Facilities District for Fiscal Year

2016-17, and providing notice of a public hearing on July 14, 2016, by roll call vote. MOTION carried with 4 ayes and 0 nays.

b. Consideration of authorizing the Chairman to sign Resolution No. 22, adopting the Tentative Budget for Parkway Community Facilities District No. 1 for Fiscal Year 2016-17 and giving notice of a public hearing on July 14, 2016

Bill Kauppi stated that the budget for this CFD will be \$282,864 and commented that back in May that the assessed value had gone down over the previous year attributable to an additional tax exempt parcel. There are three tax exempt parcels accounting for 30 percent of the district's assessed value. The budget proposed is \$15.04 per \$100 of limited value, compared to \$17.18 last year. They will continue trying to get the nonprofits to share in their cost for the district. A \$50,000 contribution can be provided by the town to cover any shortfall if Council wishes to. The first goal is to continue trying to get the nonprofits to share in their cost for the district. The fee would be \$18.40, a seven percent increase, without the \$50,000 contribution from the town.

Deputy Town Attorney Steven Zraick added that there are tax exempt properties in the district with a pending enforcement action that has been appealed by him. He is hoping that they will be favorable in that action to change the outlook of the district. Meanwhile, the district has to move forward.

Board member Nye said she feels a lot of responsibility to protect the other property owners in the district who are being victimized having to carry the nonprofits burden as well as their own. Hopefully the appeal will get rid of that.

Vice Chairman Anderson referenced Board member Marshalls comment earlier that it is unfair to expect everyone in Prescott Valley to pay \$50,000 toward that tax as it is not their fault either. He understands what Board member Nye is saying as he shares the same feeling in that the other people in the district are feeling put upon. This isn't the first time Council has struggled with this issue. He hopes that a solution will be coming. He doesn't feel they have a choice but to use Town money to shore that district up. It keeps getting worse on the property owners but Council wants them to understand they are doing everything they can do right now to correct the situation. Those who are unwilling or unable to pay their fair share will realize a benefit from the district at some point, but are certainly unwilling to acknowledge that. Board member Nye commended and thanked the other schools and businesses that are meeting their obligations. She is aware of one school thanking Council for holding others accountable.

Kauppi said he can take the \$50,000 out but it would raise the rate to \$18.40 per \$100 of secondary assessed value for the year. He reminded Council that tonight is about voting what the maximum expenditures will be. He said he is not sure whether he should be leaving the \$50,000 in or taking it out at this point. He pointed out that another option is that the District Board could set a tax rate between \$15.04 and \$18.40 depending on whether the \$50,000 is left in or not. The deadline would be July 14th for a final decision on what the maximum budget could be.

Vice Mayor Anderson commented that he thinks this is something the whole Board needs to be involved in.

Board member Marty Grossman made the MOTION, seconded by Board member Lora Lee Nye, to authorize the Chairman (or in his absence, the Vice Chairman) to sign Resolution No. 22, adopting the Tentative Budget for Parkway Community Facilities District No. 1 for Fiscal Year 2016-17 and giving notice of a public hearing on July 14, 2016, by roll call vote. MOTION carried with 4 ayes and 0 nays.

- c. Consideration of authorizing the Chairman to sign Resolution No. 37, adopting the Tentative Budget for Pronghorn Ranch Community Facilities District for Fiscal Year 2016-17 and giving notice of a public hearing on July 14, 2016

Bill Kauppi commented that the budget is \$606,862. The assessed value has increased 11.2 percent. He proposes a \$2.81 tax rate of secondary assessed value per \$100, compared to \$3.12 last year. For every home built in Pronghorn there are additional fees paid for by the developer for which he is budgeting \$60,000.

Board member Stephen Marshall made the MOTION, seconded by Board member Lora Lee Nye, to authorize the Chairman (or in his absence the Vice Chairman) to sign Resolution No. 37, adopting the Tentative Budget for Pronghorn Ranch Community Facilities District for Fiscal Year 2016-17 and giving notice of a public hearing on July 14, 2016, by roll call vote. MOTION carried with 4 ayes and 0 nays.

- d. Consideration of authorizing the Chairman to sign Resolution No. 28, adopting the Tentative Budget for Quailwood Meadows Community Facilities District for Fiscal Year 2016-17 and giving notice of a public hearing on July 14, 2016

Bill Kauppi said that the proposed budget is \$478,580. Quailwood realized a 13 percent value increase this year. The tax rate is \$3.13 this year, compared to \$3.58 last year. Dorn homes makes an annual contribution to us; \$78,000 is budgeted this year, with another 2 or 3 years left on Dorn Homes contributions before it is done.

Board member Marty Grossman made the MOTION, seconded by Board member Stephen Marshall, to authorize the Chairman (or in his absence the Vice Chairman) to sign Resolution No. 28, adopting the Tentative Budget for Quailwood Meadows Community Facilities District for Fiscal Year 2016-17 and giving notice of a public hearing on July 14, 2016, by roll call vote. MOTION carried with 4 ayes and 0 nays.

- e. Consideration of authorizing the Chairman to sign Resolution No. 34, adopting the Tentative Budget for Raven Ridge Community Facilities District for Fiscal Year 2016-17 and providing for notice of public hearing on July 14, 2016

Bill Kauppi set the annual budget at \$15,489. One property owner has many parcels but has decided not to pay the assessment. The property was auctioned. The payoff amount was applied to the loan. The annual debt service payment is just under \$8,000 with a pay off in 2024.

Board member Lora Lee Nye made the MOTION, seconded by Board member Marty Grossman, to authorize the Chairman (or in his absence the Vice Chairman) to sign Resolution No. 34, adopting the Tentative Budget for Raven Ridge Community Facilities District for Fiscal Year 2016-17 and giving notice of a public hearing on July 14, 2016, by roll call vote. MOTION carried with 4 ayes and 0 nays.

f. Consideration of authorizing the Chairman to sign Resolution No. 28, adopting the Tentative Budget for Southside Community Facilities District No. 1 for Fiscal Year 2016-17, and providing notice of a public hearing on July 14, 2016

Bill Kauppi said we have had trouble with Southside. The tentative budget for the upcoming year is \$200,668.00. The district has problems with a defaulted property owner so the town pays the CFD which pays the assessment on that property. The town has a lien on that property for reimbursement of those funds.

Board member Marty Grossman made the MOTION, seconded by Board member Stephen Marshall, to authorize the Chairman (or in his absence the Vice Chairman) to sign Resolution No. 28, adopting the Tentative Budget for Southside Community Facilities District No. 1 for Fiscal Year 2016-17, and providing notice of a public hearing on July 14, 2016, by roll call vote. MOTION carried with 4 ayes and 0 nays.

g. Consideration of authorizing the Chairman to sign Resolution No. 38, adopting the Tentative Budget for StoneRidge Community Facilities District for Fiscal Year 2016-17 and providing notice of a public hearing on July 14, 2016

Bill Kauppi budgeted \$866,150 this year. The assessed value increased. He proposed a \$2.59 tax rate, compared to \$2.74 last year. The rates continue to go down.

Board member Lora Lee Nye made the MOTION, seconded by Board member Stephen Marshall, to authorize the Chairman (or in his absence, the Vice Chairman) to sign Resolution No. 38, adopting the Tentative Budget for StoneRidge Community Facilities District for Fiscal Year 2016-17 and providing notice of a public hearing on July 14, 2016, by roll call vote. MOTION carried with 4 ayes and 0 nays.

5. COMMENTS FROM THE PUBLIC

No comments were forthcoming.

6. ADJOURNMENT

Board member Lora Lee Nye made the MOTION, seconded by Stephen Marshall, to adjourn the meeting. MOTION carried with 4 ayes and 0 nays.

Vice Mayor Anderson adjourned the meeting at 7:28 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, 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 Combined CFD meeting of the Town of Prescott Valley, held on Thursday, June 9, 2016.

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

Dated this June 16, 2016

Diane Russell, District Clerk