

MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 1

MINUTES OF THE MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 1 SPECIAL MEETING OF THE DISTRICT BOARD HELD ON HELD ON MONDAY, FEBRUARY 5, 2018, AT 6:00 P.M., IN THE FLORENCE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

1. CALL TO ORDER

Chairman Walter called the meeting to order at 6:04 pm.

2. ROLL CALL:

Present: Walter, Hawkins, Guilin, Anderson, Wall, Larsen
Absent: Woolridge

3. NEW BUSINESS

- a. **Discussion and possible authorization to enter into an Intergovernmental Agreement with Pinal County, and the Town of Florence, for billing and collection services for the special assessments within Anthem at Merrill Ranch Community Facility District No. 1. (Joe Jarvis)**

Mr. Joe Jarvis, District Treasurer, stated that property owners within the Merrill Ranch Community Facilities Districts (MRCFD) are assessed a secondary property tax of \$3,500 per parcel (special assessment). The owner may choose to pay their assessment in full to the District at any time. If an owner chooses to pay their assessment off over the term of the bond, then they receive an annual secondary property tax bill. Currently, 811 customers are billed by the District and 1,228 customers are billed by Pinal County (County).

Mr. Jarvis explained that the laws pertaining to districts have changed. In the past, the District was required to send out the invoices for the special assessments. The law has since changed and the counties can now assume those responsibilities. It is staff's recommendation to have all special assessments invoiced by Pinal County.

Mr. Jarvis stated that the District requested an Intergovernmental Agreement (IGA) to create a consistent method for all secondary property taxes for the Community Facility Districts to be collected in the same manner and at the same time as the primary property tax. Pinal County is authorized to collect the assessments in the same manner as primary property taxes under an agreement with the Districts by A.R.S. §48-721B. If approved, the agreement shall terminate in 10 years or upon 30 days written notice between the parties. The District will make additional efforts to communicate the change to the impacted owners.

Mr. Jarvis stated that it is anticipated this will also improve the efficiency of the Finance Department.

Mayor Walter inquired if all billings would come from Pinal County, per the IGA.

Mr. Jarvis stated that Anthem at Merrill Ranch Community residents are part of three different secondary property taxing districts: Streetlight Improvement District, General Obligation Bonds, and special assessments. He explained what each of the districts entail.

Mr. Jarvis explained when the interest is calculated and how the assessments can be paid off. He explained that each individual pays \$34.00 per year and the amount will remain the same. The Town will pay Pinal County \$6.00 per year per individual to handle the processing.

Councilmember Guilin inquired if this has been addressed with the Town's Bond Counsel. She did not understand the law to be applied to the first levy.

Mr. Jarvis stated that the Bond Counsel was apprised of what was being considered and provided the State Statute which allows for the County to do the billing; however, he will contact Bond Counsel again and ask for written confirmation to provide to Council.

Councilmember Guilin defined the difference between an ad valorem tax (for regional improvements) and secondary property tax (local improvements in each unit).

Councilmember Larsen inquired if the due date will change.

Mr. Jarvis explained that Pinal County will bill once per year and the customers can choose to pay when the invoice is received on in two incremental parts.

Councilmember Wall stated that a letter will be sent to each person who will be affected and will indicate how the property tax bill will appear and what the payoff amount is should they wish to pay off the assessment.

On motion of Boardmember Hawkins, seconded by Boardmember Larsen, and carried to approve the authorization to enter into an Intergovernmental Agreement with Pinal County, and the Town of Florence, for billing and collection services for the special assessments within Anthem at Merrill Ranch Community Facility District No. 1.

b. Approval of the January 2, 2018 Merrill Ranch Community Facility District No. 1 Special Meeting minutes.

On motion of Boardmember Wall, seconded by Boardmember Guilin, and carried to approve the January 2, 2018 Merrill Ranch Community Facility District No. 1 Special Meeting minutes.

4. ADJOURNMENT

On motion of Councilmember Guilin, seconded by Councilmember Hawkins and carried to adjourn the meeting.

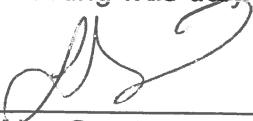

Tara Walter, Chairman

ATTEST:



Lisa Garcia, District Clerk

I certify that the following is a true and correct copy of the minutes of the Joint Merrill Ranch Community Facilities District No. 1 Special Meeting held on February 5, 2018, and that the meeting was duly called to order and that a quorum was present.



Lisa Garcia, District Clerk

