

# **MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1**

**MINUTES OF THE MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 1 SPECIAL MEETING HELD ON MONDAY, JULY 1, 2019, AT 6:00 P.M., IN THE FLORENCE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.**

## **CALL TO ORDER**

Chairman Walter called the meeting to order at 6:00 pm.

## **ROLL CALL:**

Present: Walter, Anderson, Wall, Larsen, Cordes, Hughes  
Absent: Hawkins

## **NEW BUSINESS**

**Public hearing to receive citizens' comments on the property tax levy of the Merrill Ranch Community Facilities District No. 1: Ordinance No. MR CFD1 116-19.**

Chairman Walter read Ordinance No. MR CFD1 116-19 by title only.

**AN ORDINANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE COMMUNITY FACILITIES DISTRICT SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR COMMUNITY FACILITIES EXPENSES FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE 2020.**

Chairman Walter opened the public hearing.

Mr. Rey Sanchez, District Treasurer, stated that the public hearing is for a property tax lev for Merrill Ranch Community Facilities District No. 1. He requested that the tax levy rate be set at \$0.42 per \$100 net assessed valuation (NAV). This levy will bring in approximately \$124,779 which will be used for debt service. He requested an additional \$0.30 per \$100 NAV for operations and maintenance. This will bring in approximately \$83,685. The combined total levy, if approved, will be \$0.72 per \$100 NAV, and will bring in approximately \$208,464.

Mayor Walter inquired why there is a difference of \$0.42 and the \$3.25 which is what it has been in previous years.

Mr. Sanchez stated that the \$0.42 is for debt service. There is no future bonding calculated in that total.

Mr. Brent Billingsley, District Manager, stated that a law passed that pertains to tax rates, how they are set, and what can be taxed based on actual funds that must be repaid. The MR CFD No. 1 has not gone to the streets for General Obligation Bond offering in many years. The

policy of the Board previously was to maintain the same rates in both Community Facilities Districts. It became clear that they could not do that last year so there was an additional reduction in the rate per the State Law requirement last year. The recommended reduction this year is to stay in compliance with State law.

Mr. Mike Cafisio, Greenburg and Traurig, and Town of Florence Bond Attorney, stated that there is a law which does not allow you to levy for more than what is needed to pay debt service on outstanding debt, plus planned debt, plus 10% of the debt service due in the current year as a reserve cushion. He stated that based on the current outstanding debt and no planned future debt, the \$0.42 per \$100 NAV is all that is needed.

Ms. Pamela Giss, Launch Development Finance Advisors, on behalf of Merrill Ranch Owner's Agent, LLC, reiterated that they are not in support of the reduction of the ad valorem tax for Merrill Ranch Community Facilities District No. 1 because they have submitted a feasibility study and the reduction in that ad valorem will ensure that they will not be reimbursed for the expenditures they submitted under the feasibility study.

Mr. Cafisio inquired what their ownership right in land and in the District is. He inquired what standing they have to raise any sort of issue with taxes being levied.

Ms. Giss stated that their clients, Merrill Ranch Owners Agent, LLC, has property in the District.

Mr. Cafisio inquired if she was their attorney, speaking on their behalf.

Ms. Giss stated that she is representing them as one of their financial advisors.

Mr. Cafisio inquired if she had written authority to speak on their behalf.

Ms. Giss stated that she has authority to be present and speak on their behalf. It is her understanding that the Merrill Ranch Owner's Agents, LLC, still owns property, and her understanding from them that it is in the District.

Mr. Cafisio stated that it is not correct. The Merrill Ranch Owner's Agents, LLC does not own land, and there are other entities that are related that own land.

Chairman Walter asked if it is correct that the Merrill Ranch Owner's Agents, LLC does not own land.

Mr. Cafisio responded that it is correct, according to the last title report that they saw.

Chairman Walter closed the public hearing.

**Public hearing to receive citizens' comments on the proposed final budget for Merrill Ranch Community Facilities District No. 1 and possible adoption of Resolution No. MRCFD1 140-19.**

Chairman Walter read Resolution No. MRCFD1 140-19 by title only.

**A RESOLUTION OF THE MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1, PINAL COUNTY, ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2019-2020.**

Mr. Sanchez stated that the budget for Fiscal Year 2019-2020 is estimated to be \$3,899,607 in expenditure for Capital Improvements, Debt Service and Administrative costs.

Boardmember Cordes inquired if the HOA fees are to be reflected in the budget.

Mr. Sanchez responded that the HOA fees are not part of the Community Facilities District.

Chairman Walter opened the public hearing.

Mr. Billingsley explained that the CFD is a separate quasi-governmental entity that is specifically utilized to finance infrastructure. Rates are set for the quasi-governmental entity to pay back debt and the budget itself provides for the funds to operate that district on an annual basis.

Chairman Walter closed the public hearing.

On motion of Boardmember Wall, seconded by Vice-Chairman Anderson, and carried (6-0) to adopt Resolution No. MRCFD1 140-19.

**Discussion/Approval/Disapproval of the Merrill Ranch Community Facilities District No. 1 October 1, 2018 and April 15, 2019 Special Meeting minutes.**

On motion of Boardmember Wall, seconded by Vice-Chairman Anderson, and carried (6-0) to approve the Merrill Ranch Community Facilities District No. 1 October 1, 2018 and April 15, 2019 Special Meeting minutes.

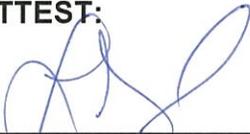
**ADJOURNMENT**

On motion of Boardmember Wall, seconded by Boardmember Larsen, and carried (6-0) 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 Merrill Ranch Community Facilities District No. 1 Special Meeting held on July 1, 2019, and that the meeting was duly called to order and that a quorum was present.



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Lisa Garcia, District Clerk