

**AMENDED MINUTES OF THE
VISTANCIA COMMUNITY FACILITIES DISTRICT BOARD
CITY OF PEORIA, ARIZONA
COUNCIL CHAMBER
May 15, 2007**

A **Special Meeting** of the Vistancia Community Facilities District Board was convened at 8401 West Monroe Street in open and public session at 9:27 p.m.

Members Present: Board Chairman Bob Barrett; Vice Chairman Vicki Hunt; Board Members Ron Aames, Cathy Carlat, Joan Evans, Carlo Leone, and Dave Pearson.

Members Absent: None

Other Municipal Officials Present: Terrence Ellis, District Manager; Steve Kemp, District Counsel; Mary Jo Kief, District Clerk; Stephen Bontrager, Brent Mattingly, Grady Miller and Constance Copeland.

Audience: No members of the public were present.

Note: The order in which items appear in the minutes is not necessarily the order in which they were discussed in the meeting.

CONSENT AGENDA

Clerk's Note: Vice Chairman Hunt left the meeting prior to this agenda item being heard.

Motion was made by Board Member Evans, seconded by Board Member Carlat, to approve the Consent Agenda as submitted. Upon vote, the motion carried by a vote of six to one with Vice Chairman Hunt out of the meeting.

1C MINUTES: Approved

Special Meeting – April 17, 2007

2C Quarterly Investment Report

Reviewed and accepted the Quarterly Investment Report for the period ending March 31, 2007.

Clerk's Note: Vice Chairman Hunt returned to the meeting at 9:30 p.m.

REGULAR AGENDA

NEW BUSINESS:

3R Proposed Budget and Tax Levy Estimates for Fiscal Year 2008

**RESOLUTION NO. VCFD 07- 01
(VISTANCIA)**

A RESOLUTION OF THE DISTRICT BOARD OF VISTANCIA COMMUNITY FACILITIES DISTRICT APPROVING A PROPOSED BUDGET AND SETTING A PUBLIC HEARING DATE ON SAID PROPOSED BUDGET FOR FISCAL YEAR 2008 PURSUANT TO A.R.S. §48-716; FILING STATEMENTS AND ESTIMATES OF THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT, THE COSTS OF CAPITAL IMPROVEMENTS TO BE FINANCED BY THE APPROVED AD VALOREM TAX LEVY, AND THE AMOUNT OF ALL OTHER EXPENDITURES FOR PUBLIC INFRASTRUCTURE PURPOSES PROPOSED TO BE PAID FROM THE TAX LEVY AND OF THE AMOUNT TO BE RAISED TO PAY GENERAL OBLIGATION BONDS OF THE DISTRICT, ALL OF WHICH SHALL BE PROVIDED FOR BY THE LEVY AND COLLECTION OF AD VALOREM TAXES ON THE ASSESSED VALUE OF ALL THE REAL AND PERSONAL PROPERTY IN THE DISTRICT AND PROVIDING FOR NOTICE OF FILING THE STATEMENTS AND ESTIMATES AND NOTICE OF A PUBLIC HEARING ON THE PORTIONS OF THE STATEMENTS AND ESTIMATES NOT RELATING TO DEBT SERVICE ON GENERAL OBLIGATION BONDS FOR FISCAL YEAR 2008 PURSUANT TO A.R.S. §48-723; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

Brent Mattingly, District Chief Financial Officer, introduced Deborah Card, Treasury Manager, to present the Proposed Budget and Tax Levy Estimates for Fiscal Year (FY) 2008.

Ms. Card presented the background of the Vistancia Development and the Vistancia Community Facilities District (VCFD) which became a legal entity in October 2002. The VCFD funds the Vistancia water system and water reclamation facility. VCFD is a separate legal entity with taxing authority. The residents of the District pay the additional tax to fund the improvements within the District. The District must go through the same process as the City does each year to approve a budget and assess a property tax levy.

Ms. Card reported that impact fees were reduced for infrastructure funded with VCFD bonds. Ms. Card explained that construction of infrastructure for the Vistancia Development is phased over 7-10 years; sale of homes planned over 15 years with sellout projected by 2020. There are 2,716 homes sold as of May 2007 which includes Village A, Blackstone and Trilogy subdivisions. The election on November 12, 2002 authorized \$100 million in General Obligation Bonds at \$2.10 of \$100 of secondary assessed value. The bonds are not a legal or financial responsibility of the City but are secured by District Property Tax Revenue.

Staff outlined the standby contribution agreement from Sunbelt and Shea that requires the Developer to make up any shortfall between the taxes collected and the amount owed for the semi-annual debt service payments. There is also a depository agreement backed by a letter of credit from the Developer's bank in the amount equal to one year's debt service payment for each of the three bond issues – 2002, 2005, and 2006. For the 2002 and 2005 bond issues, there is also a debt service reserve fund in place in an amount equal to one year's debt service payment for each of the issues. In addition, the Shea entity is required to maintain net worth of eight times the amount of any outstanding CFD Bonds.

Ms. Card explained the impact of the tax rate (\$2.10) to property owners. There have been three separate bond issues totaling \$67.4 million to fund infrastructure improvements within the District:

- \$21.2 million issued in December 2002
- \$23.5 million issued in April 2005
- \$22.7 million issued in December 2006

Projects funded by VCFD Bonds include:

- Jomax Water Reclamation Facility
- Reservoirs and Booster Stations
- Lift Stations and Pump Stations
- Production and Recharge Wells

Ms. Card reported that another bond issue is planned for 2009.

The Fiscal Year 2008 District Budget provides for a budget of \$44.6 million which consists of \$28 million for capital (bond proceeds), \$5 million for debt service, \$11 million for depository requirements and \$90,000 for administrative expenses.

The proposed budget outlines the following:

- Assessed Property Value of \$90.7 Million
- Maintain Tax Rate of \$2.10 for debt service
- Estimated tax generated by the annual tax levy of \$1.9 Million
- Estimated Annual Debt Service of \$5 Million for Series 2002, 2005 and 2006 Bonds
- Estimated Developer Contribution of \$3.1 Million as per Standby Contribution Agreement

Ms. Card outlined the timetable for the adoption of the FY 2008 Final Budget on June 5, 2007.

In response to questions from District Member Aames, Ms. Card confirmed that the \$2.10 tax rate is an additional tax to fund water and water improvements in the District.

Motion was made by Board Member Carlat, seconded by Board Member Evans, to adopt **RES. VCFD07-01** and approve the proposed budget and tax levy estimates for Fiscal Year 2008 for the Vistancia Community Facilities District and establish a public hearing date of June 5, 2007 on said proposed budget and tax levy information. Upon vote, the motion carried unanimously.

ADJOURNMENT:

Being no further business to come before the District Board, the meeting was duly adjourned at 9:37 p.m.

Bob Barrett, District Chairman

ATTEST:

Mary Jo Kief, District Clerk

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CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting of the Vistancia Community Facilities District held on the 15th day of May, 2007. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 19th day of June, 2007.

Mary Jo Kief, District Clerk