

**Notice of Joint Meeting of
Sedona Summit II Community Facility District Board of Directors
&
Fairfield Community Facility District Board of Directors
Vultee Conference Room, 106 Roadrunner Drive, Sedona, AZ 86336
Tuesday, July 24, 2018, 3:30 p.m.**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Boards of Directors of the Sedona Summit II Community Facility District & Fairfield Community Facility District and to the general public that the Boards will hold a joint meeting on Tuesday, July 24, 2018 at 3:30 p.m. in the Vultee Conference Room, located at 106 Roadrunner Drive, Sedona, AZ 86336. During this meeting the respective governing boards of each of these community facility districts will discuss and act on business specific to each district as outlined below.

- 1. Call to order**
- 2. Roll call**
- 3. Matters before the Sedona Summit II Community Facility District Governing Board:**
 - a. Discussion/possible action** regarding approval of minutes from June 26, 2018.
 - b. Public Hearing/discussion/possible action** regarding adoption of a resolution approving a final budget for fiscal year 2018-2019 for the Sedona Summit II Community Facility District.
- 4. Matters before the Fairfield Community Facility District Governing Board:**
 - a. Discussion/possible action** regarding approval of minutes from June 26, 2018.
 - b. Public Hearing/discussion/possible action** regarding adoption of a resolution approving a final budget for fiscal year 2018-2019 for the Fairfield Community Facility District.
- 5. Adjournment**

Posted: _____
By: _____

Susan L. Irvine, Secretary

The Vultee Conference Room is accessible to people with disabilities, in compliance with the Federal "504" and "ADA" laws. Those with needs for special typeface print may request these at the City Clerk's Office (928) 282-3113. All requests should be made forty-eight hours prior to the meeting.

The boards reserve the right to adjourn into executive session when needed, A.R.S. § 38-431.03(a)(3) for legal consultation on the above agenda.

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MEMORANDUM

To: Sedona Summit II and Fairfield Community Facility Districts' Governing Boards

From: Cherie R. Wright, Treasurer of Sedona Summit II and Fairfield Community Facility Districts

Re: Joint meeting of the Sedona Summit II and Fairfield Community Facility Districts' Governing Boards¹

Date: July 24, 2018

Exhibits:

Sedona Summit II Community Facility District

- A. June 26, 2018 Minutes
- B. Resolution No. 2018-2 with Fiscal Year 2018-19 Budget

Fairfield Community Facility District

- A. June 26, 2018 Minutes
- B. Resolution No. 2018-2 with Fiscal Year 2018-19 Budget

This memo is intended to provide guidance to the Governing Boards of the Sedona Summit II and Fairfield Community Facility Districts concerning the necessary procedures to adopt a final budget for the Community Facility Districts. This is the second joint meeting this year.

A Community Facility District (CFD) is a special taxing district formed to pay for major infrastructure improvements intended to benefit a certain geographical area. The City has two CFDs. The Fairfield CFD was created in 2000, and the Sedona Summit II was created in 1999.

The City Council, sitting as the Governing Board of each CFD, will review and take possible action on the Final Budgets. Likewise, the City Clerk, City Manager, City Attorney, Director of Financial Services, and City Engineer perform parallel duties for the CFDs. As a procedural note, City Council members serve as Directors for the CFDs and the Mayor serves as Chair. Please use these references during the meetings.

¹ Sunterra was later acquired by Diamond Resorts. Fairfield was acquired by Wyndham Resorts. The obligations of the original development agreements and amendments transferred to the new entities.

In order to appropriate the CFD funds that have accumulated since the inception of the CFDs and the 2018-19 estimated revenues, the Boards must meet several statutory requirements. In 2017, the Boards adopted a Feasibility Report for each District. The Feasibility Reports set forth the projects which qualify for use of CFD funds, in whole or in part. To determine whether a project is appropriate, staff looked to the General Plan for future infrastructure improvements. Not only must the projects fit within the General Plans but must also benefit the Districts.

The Boards must adopt the Final Budgets for the 2018-19 fiscal year on or before October 1st. Notices of public hearings have been printed in the Red Rock News and notices have been sent via certified mail to the developments, as required by A.R.S. § 48-716.

The matters requesting possible action before the CFD Governing Board are as follows:

As the Sedona Summit II Community Facility District Board:

1. **Agenda Item 3a:** Approval of minutes from June 26, 2018.
Motion: I move to approve the minutes from June 26, 2018.
2. **Agenda Item 3b:** Open Public Hearing regarding adoption of a resolution approving the Final Budget for fiscal year 2018-19.
Motion: I move to approve Resolution No. 2018-2, of the Sedona Summit II Community Facility District approving the Final Budget for fiscal year 2018-19.

As the Fairfield Community Facility District Board:

1. **Agenda Item 4a:** Approval of minutes from June 26, 2018.
Motion: I move to approve the minutes from June 26, 2018.
2. **Agenda Item 4b:** Open Public Hearing regarding adoption of a resolution approving the Final Budget for fiscal year 2018-19.
Motion: I move to approve Resolution No. 2018-2, of the Fairfield Community Facility District approving the Final Budget for fiscal year 2018-19.

Action Minutes
Sedona Summit II Community Facility District Board of Directors
Vultee Conference Room, 106 Roadrunner Drive, Sedona, AZ 86336
Tuesday, June 26, 2018, 3:00 p.m.

1. **Call to order:** Chairperson Moriarty called the meeting to order at 3:00 p.m.
2. **Roll call:** Chairperson Sandra Moriarty, Director John Currivan, Director Scott Jablow, Director Tom Lamkin, Director Jon Thompson. Director John Martinez and Director Jessica Williamson were absent and not excused.

Sedona City Staff present: City Manager Justin Clifton, City Attorney Robert Pickels, Jr., Director of Financial Services Cherie Wright, Budget & Accounting Supervisor Jessica Tucker, City Clerk Susan Irvine.

3. **Presentation/discussion/possible direction regarding an overview of Community Facilities Districts (CFD) and allowable uses of CFD funds**

Presentation by Cherie Wright.

Questions from Board members.

4. **Matters before the Sedona Summit II Community Facility District Governing Board:**

- a. **Discussion/possible action regarding approval of minutes from July 11, 2017.**

Motion: Director Thompson moved to approve the minutes dated July 11, 2017. Director Jablow seconded. **Vote:** Motion carried unanimously with five (5) in favor (Moriarty, Currivan, Jablow, Lamkin, and Thompson) and zero (0) opposed.

- b. **Public Hearing/discussion/possible action regarding adoption of a resolution approving a tentative budget for fiscal year 2018-2019 for the Sedona Summit II Community Facility District and authorizing the publication of a Notice of Public Hearing on said budget.**

Opened the Public Hearing at 3:05 p.m.

No comments were heard.

Closed the public hearing and brought back to the Board at 3:05 p.m.

Motion: Director Thompson moved to approve Resolution No. 2018-1 of the Sedona Summit II Community Facility District approving the Tentative Budget for fiscal year 2018-19 and authorizing publication of the notice of public hearing on budget. Director Jablow seconded. **Vote:** Motion carried unanimously with five (5) in favor (Moriarty, Currivan, Jablow, Lamkin, and Thompson) and zero (0) opposed.

5. **Matters before the Fairfield Community Facility District Governing Board:**

- a. **Discussion/possible action regarding approval of minutes from July 11, 2017.**

Sedona Summit II Community Facility District Board of Directors
Special Meeting
Tuesday, June 26, 2018
3:00 p.m.

Item addressed in separate minutes for the Fairfield Community Facility District Governing Board.

- b. Public Hearing/discussion/possible action regarding adoption of a resolution approving a tentative budget for fiscal year 2018-2019 for the Fairfield Community Facility District and authorizing the publication of a Notice of Public Hearing on said budget.**

Item addressed in separate minutes for the Fairfield Community Facility District Governing Board.

- 6. Adjournment: Chairperson Moriarty adjourned the meeting without objection at 3:07 p.m.**

Respectfully submitted,

Susan L. Irvine, District Secretary

**RESOLUTION NO. 2018-2
SEDONA SUMMIT II COMMUNITY FACILITIES DISTRICT**

A RESOLUTION OF THE DISTRICT BOARD OF THE SEDONA SUMMIT II COMMUNITY FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF ARIZONA, APPROVING A FINAL BUDGET FOR FISCAL YEAR 2018-2019 PURSUANT TO A.R.S. § 48-716, AS AMENDED; FOR THE AMOUNT OF ALL EXPENDITURES FOR PUBLIC INFRASTRUCTURE AND ENHANCED MUNICIPAL SERVICES ALL OF WHICH SHALL BE PROVIDED FOR FROM THE COLLECTION OF AN ANNUAL SPECIAL TAX; PROVIDING FOR NOTICE OF FILING THE STATEMENTS AND ESTIMATES AND NOTICE OF A PUBLIC HEARING ON THE PROPOSED BUDGET; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

WHEREAS, on October 26, 1999, the Mayor and Council of the City of Sedona, Arizona (the "City"), adopted Resolution No. 99-51 forming the Sedona Summit II Community Facilities District ("SSCFD"), a community facilities district in accordance with A.R.S. § 48-701 et seq., as amended; and

WHEREAS, SSCFD is a special purpose district for purposes of Article IX, § 19, Constitution of Arizona, a tax-levying public improvement district for the purposes of Article XIII, § 7, Constitution of Arizona, and a municipal corporation for all purposes of Title 35, Chapter 3, Articles 3, 3.1., 3.2, 4 and 5, A.R.S., as amended, and [except as otherwise provided in A.R.S. § 48-708(B), as amended] is considered to be a municipal corporation and political subdivision of the State of Arizona, separate and apart from the City; and

WHEREAS, a primary purpose for creating SSCFD was to finance public improvements through assessment of a "Annual Special Tax," which tax was implemented through a development agreement between Sunterra Corporation, the primary property owner within the District and the City of Sedona; and

WHEREAS, in accordance with A.R.S. § 48-716, as amended, the District Treasurer of SSCFD has submitted to the District Board of SSCFD a tentative budget for Fiscal Year 2018-2019 which includes the costs of capital improvements to be financed by the Annual Special Tax, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax; and

WHEREAS, the District Board of SSCFD approved said tentative budget for Fiscal Year 2018-2019, and to set a date (and publish a notice thereof) for a public hearing to receive comment on the tentative budget; and

WHEREAS, after said public hearing on July 24th, the District Board of SSCFD expects to adopt a final budget by resolution; and

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF SEDONA SUMMIT II COMMUNITY FACILITIES DISTRICT, AS FOLLOWS:

1. That certain tentative budget prepared by the District Treasurer of SSCFD for Fiscal Year 2018-2019, attached hereto and expressly made a part hereof as Exhibit "A" is hereby approved.

2. That, the costs of capital improvements to be financed by the Annual Special Tax, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy are set forth in Exhibit "A" attached hereto.

3. That a public hearing date of July 24, 2018, beginning at or after 3:30 p.m. at 106 Roadrunner Drive, Sedona, Arizona 86336 in the Sedona City Vultee Conference Room,

was held to consider said tentative budget (SSCFD), and said notice was published twice in the Sedona Red Rock News no later than ten (10) days prior to said hearing date.

4. That if any provision in this Resolution is held invalid by a court of competent jurisdiction, the remaining provisions shall not be affected but shall continue in full force and effect.

5. That this Resolution shall be effective after its passage and approval according to law.

RESOLVED by the District Board of the Sedona Summit II Community Facilities District this 24th day of July, 2018.

Sandra J. Moriarty, Chairperson
Sedona Summit II Community Facilities District

ATTEST:

Susan L. Irvine, District Secretary
Sedona Summit II Community Facilities District

APPROVED AS TO FORM:

Robert L. Pickels, Jr., District Counsel
Sedona Summit II Community Facilities District

Sedona Summit II Community Facilities District
 Fiscal Year 2018-2019 Budget
 Exhibit "A"

	Estimated Special Tax Revenue	Estimated Other Misc. Revenue	FY 2018-2019 Estimated Total Collections	Estimated Fund Balance as of July 1, 2018	2018-2019 Expenditures	Total 2018-2019 Budget	Estimated Fund Balance as of June 30, 2019
Capital Projects	\$ 50,200	\$ 4,350	\$ 54,550	\$ 295,009	\$ - \$ -	\$ - \$ - \$ -	\$ 349,559
Totals	\$ 50,200	\$ 4,350	\$ 54,550	\$ 295,009	\$ -	\$ -	\$ 349,559

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Action Minutes
Fairfield Community Facility District Board of Directors
Vultee Conference Room, 106 Roadrunner Drive, Sedona, AZ 86336
Tuesday, June 26, 2018, 3:00 p.m.

1. **Call to order:** Chairperson Moriarty called the meeting to order at 3:00 p.m.
2. **Roll call:** Chairperson Sandra Moriarty, Director John Currivan, Director Scott Jablow, Director Tom Lamkin, Director Jon Thompson. Director John Martinez and Director Jessica Williamson were absent and not excused.

Sedona City Staff present: City Manager Justin Clifton, City Attorney Robert Pickels, Jr., Director of Financial Services Cherie Wright, Budget & Accounting Supervisor Jessica Tucker, City Clerk Susan Irvine.

3. **Presentation/discussion/possible direction regarding an overview of Community Facilities Districts (CFD) and allowable uses of CFD funds**

Presentation by Cherie Wright.

Questions from Board members.

4. **Matters before the Sedona Summit II Community Facility District Governing Board:**

- a. **Discussion/possible action regarding approval of minutes from July 11, 2017.**

Item addressed in separate minutes for the Sedona Summit II Community Facility District Governing Board.

- b. **Public Hearing/discussion/possible action regarding adoption of a resolution approving a tentative budget for fiscal year 2018-2019 for the Sedona Summit II Community Facility District and authorizing the publication of a Notice of Public Hearing on said budget.**

Item addressed in separate minutes for the Sedona Summit II Community Facility District Governing Board.

5. **Matters before the Fairfield Community Facility District Governing Board:**

- a. **Discussion/possible action regarding approval of minutes from July 11, 2017.**

Motion: Director Thompson moved to approve the minutes dated July 11, 2017. Director Jablow seconded. **Vote:** Motion carried unanimously with five (5) in favor (Moriarty, Currivan, Jablow, Lamkin, and Thompson) and zero (0) opposed.

- b. **Public Hearing/discussion/possible action regarding adoption of a resolution approving a tentative budget for fiscal year 2018-2019 for the Fairfield Community Facility District and authorizing the publication of a Notice of Public Hearing on said budget.**

Opened the Public Hearing at 3:07 p.m.

Fairfield Community Facility District Board of Directors
Special Meeting
Tuesday, June 26, 2018
3:00 p.m.

No comments were heard.

Closed the public hearing and brought back to the Board at 3:07 p.m.

Motion: Director Thompson moved to approve Resolution No. 2018-1, of the Fairfield Community Facility District approving the Tentative Budget for fiscal year 2018-19 and authorizing publication of the notice of public hearing on budget. Director Jablow seconded. Vote: Motion carried unanimously with five (5) in favor (Moriarty, Currivan, Jablow, Lamkin, and Thompson) and zero (0) opposed.

6. Adjournment: Chairperson Moriarty adjourned the meeting without objection at 3:07 p.m.

Respectfully submitted,

Susan L. Irvine, District Secretary

RESOLUTION NO. 2018-2

FAIRFIELD COMMUNITY FACILITIES DISTRICT

A RESOLUTION OF THE DISTRICT BOARD OF THE FAIRFIELD COMMUNITY FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF ARIZONA, APPROVING A FINAL BUDGET FOR FISCAL YEAR 2018-2019 PURSUANT TO A.R.S. § 48-716, AS AMENDED; FOR THE AMOUNT OF ALL EXPENDITURES FOR PUBLIC INFRASTRUCTURE AND ENHANCED MUNICIPAL SERVICES ALL OF WHICH SHALL BE PROVIDED FOR FROM THE COLLECTION OF AN ANNUAL SPECIAL TAX; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

WHEREAS, on May 24, 2000, the Mayor and Council of the City of Sedona, Arizona (the "City"), adopted Resolution No. 2000-20 forming the Fairfield Community Facilities District ("Fairfield"), a community facilities district in accordance with A.R.S. § 48-701 et seq., as amended; and

WHEREAS, Fairfield is a special purpose district for purposes of Article IX, § 19, Constitution of Arizona, a tax-levying public improvement district for the purposes of Article XIII, § 7, Constitution of Arizona, and a municipal corporation for all purposes of A.R.S. Title 35, Chapter 3, Articles 3, 3.1., 3.2, 4 and 5, as amended, and [except as otherwise provided in A.R.S. § 48-708(B), as amended] is considered to be a municipal corporation and political subdivision of the State of Arizona, separate and apart from the City; and

WHEREAS, a primary purpose for creating Fairfield was to finance public improvements through assessment of a "Annual Special Tax," which tax was implemented through a development agreement between Fairfield Communities Inc., the primary property owner within the District and the City of Sedona; and

WHEREAS, in accordance with A.R.S. § 48-716, as amended, the District Treasurer of Fairfield has submitted to the District Board of Fairfield a tentative budget for Fiscal Year 2018-2019 which includes the costs of capital improvements to be financed by the Annual Special Tax, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax; and

WHEREAS, the District Board of Fairfield approved said tentative budget for Fiscal Year 2018-2019, and set a date (and publish a notice thereof) for a public hearing to receive comment on the tentative budget; and

WHEREAS, after said public hearing scheduled for July 24th, the District Board of Fairfield expects to adopt a final budget by resolution; and

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE FAIRFIELD COMMUNITY FACILITIES DISTRICT, AS FOLLOWS:

1. That certain tentative budget prepared by the District Treasurer of Fairfield for Fiscal Year 2018-2019, attached hereto and expressly made a part hereof as Exhibit "A" is hereby approved.

2. That, the costs of capital improvements to be financed by the Annual Special Tax, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy are set forth in Exhibit "A" attached hereto.

3. That a public hearing date of July 24, 2018, beginning at or after 3:30 p.m. at 106 Roadrunner Drive, Sedona, Arizona 86336 in the Sedona City Vultee Conference Room, was held to consider said tentative budget (Fairfield), and said notice was published twice in the Sedona Red Rock News no later than ten (10) days prior to said hearing date.

4. That if any provision in this Resolution is held invalid by a court of competent jurisdiction, the remaining provisions shall not be affected but shall continue in full force and effect.

5. That this Resolution shall be effective after its passage and approval according to law.

RESOLVED by the District Board of the Fairfield Community Facilities District this 24th day of July, 2018.

Sandra J. Moriarty, Chairperson
Fairfield Community Facilities District

ATTEST:

Susan L. Irvine, District Secretary
Fairfield Community Facilities District

APPROVED AS TO FORM:

Robert L. Pickels, Jr., District Counsel
Fairfield Community Facilities District

Fairfield Community Facilities District
 Fiscal Year 2018-2019 Budget
 Exhibit "A"

	Estimated Special Tax Revenue	Estimated Other Misc. Revenue	FY 2018-2019 Estimated Total Collections	Estimated Fund Balance as of July 1, 2018	2018-2019 Expenditures	Total 2018-2019 Budget	Estimated Fund Balance as of June 30, 2019
Capital Projects	\$ 140,400	\$ 1,400	\$ 141,800	\$ 36,372	\$ -	\$ -	\$ 178,172
						\$ -	
						\$ -	
Totals	\$ 140,400	\$ 1,400	\$ 141,800	\$ 36,372	\$ -	\$ -	\$ 178,172