

AGENDA ITEM #: _____

DATE: May 21, 2018

CAR #: EMRCFD 2018-567

**CITY OF GOODYEAR
CFD BOARD ACTION REPORT**

SUBJECT: Adopt Resolution EMRCFD RES 2018-118 approving the tentative budget for Fiscal Year 2018-2019 and setting a Public Hearing.

STAFF PRESENTER: Jared Askelson,
Finance Manager

CASE NUMBER: None

OTHER PRESENTER: None

PROPOSED ACTION:

ADOPT RESOLUTION EMRCFD RES 2018-118 APPROVING THE TENTATIVE BUDGET OF THE DISTRICT FOR THE FISCAL YEAR BEGINNING JULY 1, 2018 AND ENDING JUNE 30, 2019, SETTING A HEARING DATE FOR THE BUDGET.

BACKGROUND AND PREVIOUS ACTIONS:

District Board will consider a resolution to approve the tentative budget for Fiscal Year 2018-2019, set a Public Hearing for June 11, 2018, to consider the adoption of the final budget and of the tax levy, both starting at 4:45 P.M., in the Goodyear Justice Center, at 14455 W. Van Buren Street, Suite B101 (southeast corner of 145th Avenue and Van Buren Street), Goodyear, Arizona. At the Public Hearing, any taxpayer may speak for or against the proposed expenditures.

There have been no previous actions on this matter.

STAFF ANALYSIS:

Exhibit A of the resolution is the statements and schedules presented for District Board adoption as the tentative budget for Fiscal Year 2018-2019. The tentative budget represents the estimates for the operations and maintenance expenses, capital costs and other expenses to be paid from the tax levy plus the amount needed for general obligation bond debt service expenses.

Although general obligation bonding authority remains for this District, there are no capital improvements projects budgeted for Fiscal Year 2018-2019 and there are no bond sales planned at this time.

This budget plans to use fund balance for debt service purposes to comply with Arizona Revised Statute 35-458. This statute effectively caps debt service related fund balance at an amount equal to ten percent of annual debt service payments.

The target combined tax rate for the District is \$1.30 per \$100 of net assessed valuation or less, however the District is legally obligated to levy the amount necessary to service existing general obligation debt.

FISCAL ANALYSIS:

The combined property tax is collected and used for operations and maintenance in Fiscal Year 2018-2019 and general obligation bond debt service payments in Calendar Year 2019. For Fiscal Year 2018-2019 the combined property tax levy will be \$1,189,600. Per an existing Standby Contribution Agreement, the Developer will contribute funds to make the general obligation bond debt service payments relating to any shortfalls in property tax collections. In Fiscal Year 2017-2018, the Developer contributed \$152,166 under the Standby Contribution Agreement. The approximate combined property tax rate projected using the preliminary net limited assessed valuation information from February 2018 is \$1.30 per \$100 of net limited assessed valuation, which equals the target rate of \$1.30 per \$100 of net limited assessed valuation. However, the actual rate may vary from this estimate based upon the final net limited assessed valuation of the District which will be certified in August 2018.

Of the combined property tax rate, (i) \$1.00 per \$100 of net limited assessed valuation is used to pay the general obligation bond debt service payments and (ii) \$0.30 per \$100 of net limited assessed valuation is used for operations and maintenance for the District.

The total proposed Fiscal Year 2018-2019 tentative budget is \$4,273,600. This budget includes the use of fund balance in the amount of \$3,084,000 to bring the District in compliance with Arizona Revised Statute 35-458.

RECOMMENDATION:

Adopt the tentative budget for the Estrella Mountain Ranch Community Facilities District (EMRCFD) Fiscal Year 2018-2019, set a Public Hearing for the final budget and the tax levy on June 11, 2018.

ATTACHMENTS:

1. EMRCFD RES 2018-118
2. Exhibit A: 2018-2019 Annual Budget