



Goodyear Community Facilities Districts (CFD) Fund Balance Thresholds

**District Board Meeting
June 7, 2021**

Fund Balance Threshold Discussion

- Background
- Breakdown
- Budget Process Impact

Background

- House Bill 2317
- Emergency measure in March
- Revised CFD related statutes
- Board membership

Background

- Restricts debt service fund balance
- 10% of annual debt service payments
- Similar to Arizona Revised Statute 35-458

Breakdown

- Nine CFDs affected
- Three parts to a CFD
 - Capital
 - Operations and Maintenance
 - Debt Service

Breakdown

Wildflower CFD		FY22 Budget
Beginning fund balance		\$ 70,267
Property tax levy	+	135,500
Other revenue	+	100
Expenditures	-	137,500
Ending fund balance	=	\$ 68,367

Breakdown

Wildflower CFD		O & M	Debt Service	FY22 Budget
Beginning fund balance		\$ 28,394	\$ 41,873	\$ 70,267
Property tax levy	+	17,300	118,200	135,500
Other revenue	+	100	-	100
Expenditures	-	17,300	120,200	137,500
Ending fund balance	=	\$ 28,494	\$ 39,873	\$ 68,367

Breakdown

Wildflower CFD		Debt Service
Beginning fund balance		\$ 41,873
Property tax levy	+	118,200
Expenditures	-	120,200
Ending fund balance	=	\$ 39,873

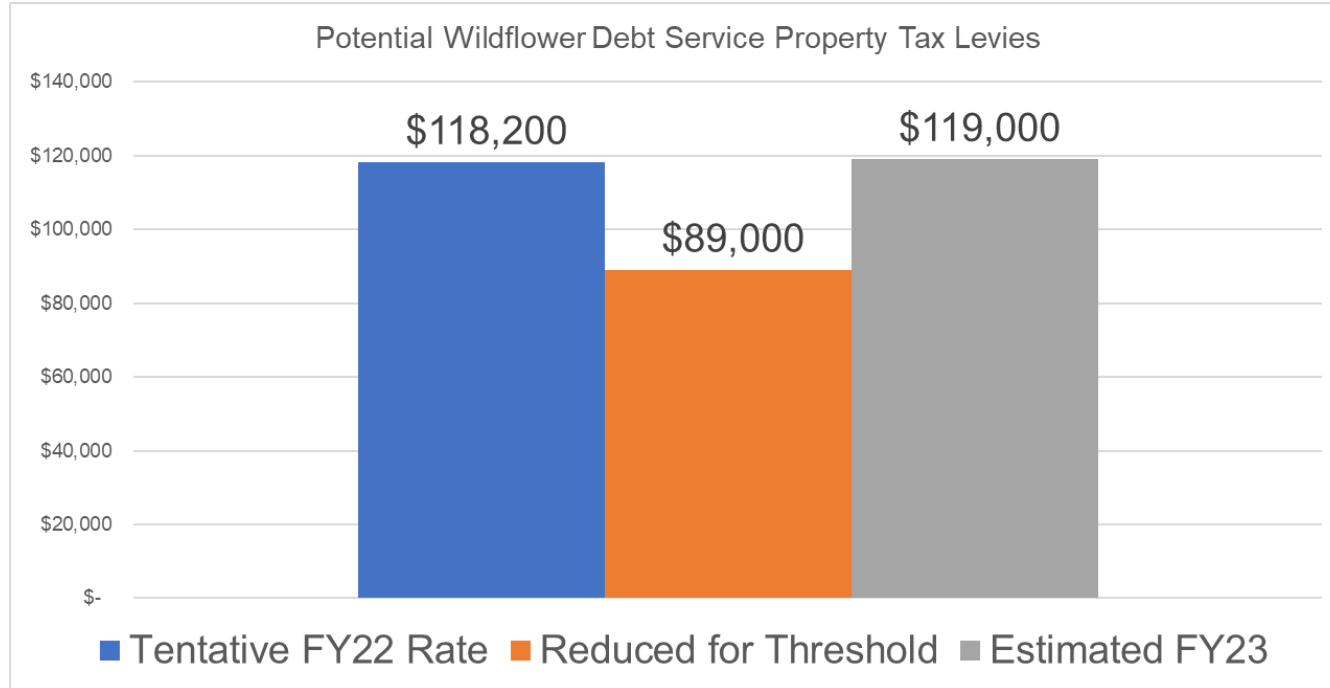
Ending fund balance at 33% of debt service payments

Breakdown

Wildflower CFD		Debt Service
Beginning fund balance		\$ 41,873
Property tax levy	+	89,000
Expenditures	-	120,200
Ending fund balance	=	\$ 10,673

Option 1: Reduce debt service tax levy in FY22 by 25%

Breakdown



Estimated 34% increase for FY23

Breakdown

	FY22 Levy Reduction	FY23 Levy Increase
Centerra	-33%	53%
Cortina	-13%	17%
Cottonflower	-16%	21%
Estrella Mountain Ranch	-100%	100%
Utilities District	-55%	160%
General District	-44%	100%
Palm Valley	-50%	117%
Wildflower #1	-25%	34%
Wildflower #2	-13%	16%

Breakdown

- Estrella Mountain Ranch
 - Agreement sets debt service rate at \$1.00
 - Additional infrastructure to be financed
 - Debt issuance may occur in the next few years

Breakdown

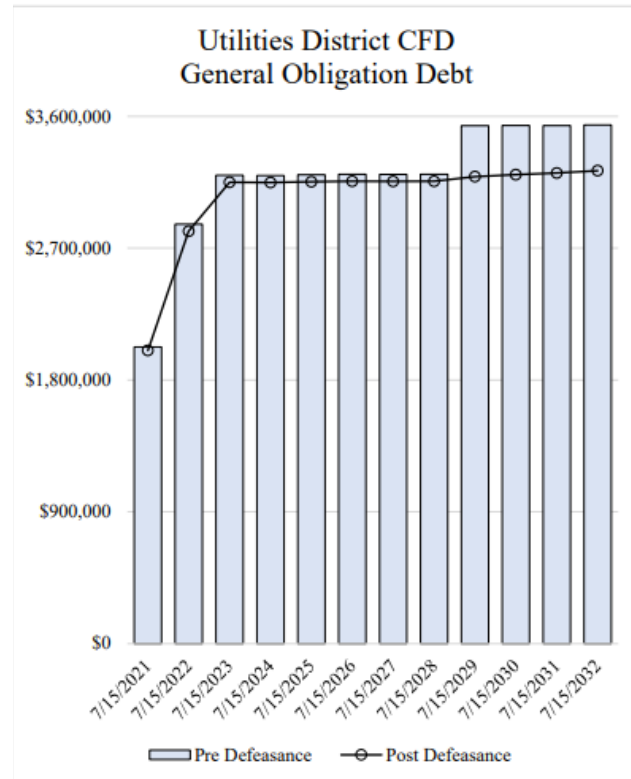
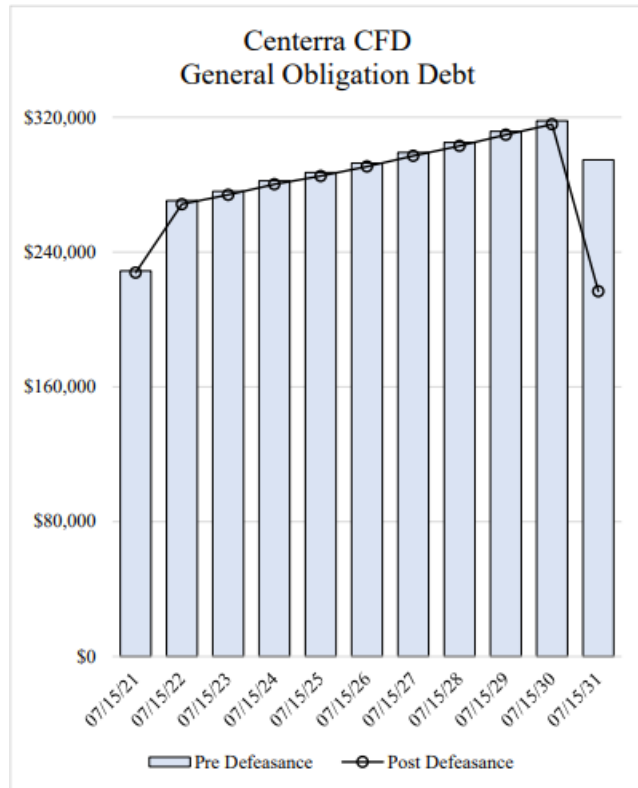
Wildflower CFD		Debt Service
Beginning fund balance		\$ 12,673
Property tax levy	+	118,200
Expenditures	-	120,200
Ending fund balance	=	\$ 10,673

Option 2: Prepay debt in FY21

Breakdown

- \$5,000 increments
 - Minor levy adjustment also needed
- Conditions not ideal
 - Cortina, Cottonflower cost more
- Structured to fit

Breakdown



Breakdown

Staff Recommendations		
	Prepay Debt	Levy Change
Centerra	\$90,200	Minor decrease
Cortina	0	-13%
Cottonflower	0	-16%
Estrella Mountain Ranch	2,340,000	0%
Utilities District	1,483,600	Minor decrease
General District	410,000	Minor decrease
Palm Valley	245,700	Minor decrease
Wildflower #1	29,200	Minor decrease
Wildflower #2	16,200	Minor decrease

Budget Process Impact

- FY22 Tentative Budget—Tonight
 - Can be left unchanged
- FY22 Final Budget—June 7
 - Budget modified

Budget Process Impact

- FY22 Levy Adoption—June 21
 - Levies modified
- Debt Prepayment—June 21
 - If necessary

Discussion

- Levy reduction
- Debt prepayment
- Staff recommendation

Questions and Discussion