

**TOWN OF PARADISE VALLEY
MINUTES
MUNICIPAL PROPERTY CORPORATION BOARD OF DIRECTORS
JANUARY 21, 2016**

CALL TO ORDER

Mr. Bernie Barry called the meeting of the Town of Paradise Valley Municipal Property Corporation Board of Directors to order at 4:30 p.m. on Thursday, January 21, 2016, at the Town Hall, 6401 E. Lincoln Drive, Paradise Valley, AZ 85253.

ROLL CALL

The following Board members were present:

G. Bernard Barry, Secretary
Robert Coulter
Larry Fink
Dr. Richard Gordon
Chris Thompson

ALSO PRESENT:

Kevin Burke, Town Manager; Dawn Marie Buckland, Director of Administration; Christine Covell-Granberg, Sr. Financial Analyst/Management Analyst

RATIFICATION OF CHANGE IN ANNUAL MEETING DATE

Mr. Coulter made a motion to ratify the change in the annual meeting date to the month of January allowing flexibility moving forward making this a permanent change to the by-laws. Mr. Fink seconded the motion, which carried 5-0, 2 absent.

ELECTION OF OFFICERS

Mr. Coulter nominated Bernard Barry as Chairman/Secretary. Dr. Gordon seconded the motion, which carried 5-0, 2 absent. Mr. Barry nominated Chris Thompson as Treasurer. Mr. Coulter seconded the motion, which carried 5-0, 2 absent.

REVIEW OF JUNE 30, 2015 FINANCIAL STATEMENTS

Ms. Granberg reviewed the financial statements for the year ended June 30, 2015. A summary of the financial statements for the past six years was also provided for the Boards review. The 2009 MPC bonds were issued to refund the 1998 MPC Bonds related to a sewer capacity purchase from the City of Scottsdale and to provide funding for the land and construction of two fire stations. The Town has prefunded the general fund portion of the remaining debt service required to extinguish the bonds at maturity.

Mr. Barry provided a brief history of the sewer bonds and fire station funding related to the 2009 Bond Refunding for newer members of the board.

A printed copy of the FY15 CAFR was provided to members by Ms. Granberg and reference was made the CAFR was also available on the Town's website if an electronic version was preferred.

UPDATE ON TOWN ACTIVITIES

Kevin Burke and Dawn Marie Buckland updated the board on the following issues facing the Town:

Ms. Buckland explained the Town has a healthy fund balance; however, the Town's unfunded pension liability in PSPRS cannot be reduced using the fund balance due to constraints by the expenditure limitation. If the Town could use a portion of the fund balance it would save the Town money in pension expense because the rate of return on the cash balance is less than 1% while the interest costs of the pension is approximately 8%.

Mr. Burke informed the board that the Town would be going to the voters in November requesting a permanent base adjustment in the expenditure limitation to ease the constraints currently felt by the Town. The Town may reach out to the board before the ballot to assist in resident awareness of the issues facing the Town. Currently the Town is not funding infrastructure; however, with increased resort construction activity the Town will have ongoing maintenance to be addressed. In addition, a capital replacement program is key and costs associated with that will need to be addressed.

Mr. Burke and Ms. Buckland further explained the passage of the permanent base adjustment would provide the Town with the authority to spend money necessary to operate and keep in line with the increase of revenues from additional resort activities occurring within the Town.

Ms. Buckland provided the board with an update on the current direct placement of debt. A bond was not necessary as the Town was looking at this as a short term solution to the expenditure on capital projects the Town is committed too.

ADJOURNMENT:

The meeting was adjourned at 5:30 pm.

Dawn Marie Buckland
