

**TOWN OF PARADISE VALLEY  
MINUTES  
MUNICIPAL PROPERTY CORPORATION BOARD OF DIRECTORS  
FEBRUARY 19, 2020**

**CALL TO ORDER**

President Robert Coulter called the meeting of the Town of Paradise Valley Municipal Property Corporation Board of Directors to order at 5:34 p.m. on Wednesday, February 19, 2020, at the Town Hall, 6401 E. Lincoln Drive, Paradise Valley, AZ 85253.

**ROLL CALL**

All Board members were present in person or via telephone

**ALSO PRESENT:**

Douglas Allen, Chief Financial Officer

**MINUTES**

The President read, and the board reviewed the minutes. Dr. Gordon moved to approve the minute of the MPC March 28, 2018 meeting. Mr. McAusland seconded. The motion passed 5-0.

**DISCUSSION AND POSSIBLE ACTION TO APPOINT OFFICERS**

Dr. Gordon motioned to retain and nominate Mr. Coulter to be MPC President / Treasurer and Mr. Thompson as the Secretary. Mr. McAusland seconded. The motion passed 5-0.

**REVIEW AND DISCUSS YEAR ENDED JUNE 30, 2019 FINANCIAL STATEMENTS**

Mr. Allen explained all outstanding MPC debt has been retired. This is reflected in the Town's FY2019 Financial Statements. At the last MPC Board meeting, the Board had approved the last "MPC financial statements" to have a balance. With no balance on the balance sheet or activities in the operating statements, subsequent MPC statements are on hold. No action is necessary by the MPC Board.

## **REVIEW AND DISCUSS THE TOWN'S PSPRS AND CIP FINANCING PLANS**

Mr. Allen reviewed presentations from the last Town Council meeting and explained the Town's strategy to fund the PSPRS (Public Safety Personnel and Retirement System) and CIP (Capital Improvement Plan). The Town Council is looking to either issue public bonds or private placement with a single "bond holder", similar to a bank loan.

Use of the proceeds are exempt from the expenditure limitation and can be drawn for up to 3 years from issuance. The primary purpose is to hedge cash flows as the Town fronts cash for certain capital improvements and then invoices the Five Star development for reimbursement, per the development agreement. As reimbursements are received, the Town can use the proceeds to pay for the Town's CIP. By using proceeds expenditure limitation capacity that is allocated to the CIP is liberated and can be reallocated for cash payments to pay down the PSPRS unfunded liability.

If the Town Council goes with a private placement, the Town Council issues the debt. If the Town Council decides to go with the public bonds, the MPC will be involved as early as next week. Based on current analysis, the private placement appears to be more advantageous for the Town. However, with current financial market conditions, things are changing quickly, and time is of the essence. Mr. Allen will send the Town Council and MPC Board updated numbers as they become available over the next two weeks.

The MPC Board discussed the plan, asked questions and offered input. The Board asked it be communicated to Council of its unanimous support for the financial plan presented and unanimous support for whichever direction the Town Council decides based on the updated information and current market conditions.

## **UPDATE ON TOWN ACTIVITIES AND THE MPC**

Topics discussed included: Development, Investments, the Popular Annual Financial Report, Power Underground Lines, 5-Star Development, Public Safety Personnel Retirement System, Bike / Ped Plans, Scooters, and HOA financing.

### **ADJOURNMENT:**

The meeting was adjourned at 6:42 p.m.

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Douglas Allen