

**TOWN OF PARADISE VALLEY
MINUTES
MUNICIPAL PROPERTY CORPORATION BOARD OF DIRECTORS
MARCH 20, 2009**

CALL TO ORDER

President Dan Taylor called to order the meeting of the Town of Paradise Valley Municipal Property Corporation Board of Directors at 4:05 p.m. on Friday, March 20, 2009, at the Town Hall, 6401 E. Lincoln Drive, Paradise Valley, AZ 85253.

ROLL CALL

The following Board members were present:

Daniel J. Taylor, President
G. Bernard Barry, Secretary
Robert Coulter
Richard Gordon
Russell W. Mosser

Board members Philip Edlund and Alan N. Prince were not present.

ALSO PRESENT:

Lenore Lancaster, Management Services Director, Treasurer
Lee Davis, Wedbush Securities
Roxann Gallagher, Ballard Spahr Andrews & Ingersoll, LLP

Approval of Minutes of November 14, 2008

Mr. Mosser made a motion to approve the minutes of November 14, 2008.
Mr. Barry seconded the motion, which carried 5-0.

Approval of Minutes of February 19, 2009

Mr. Mosser made a motion to approve the minutes of February 19, 2009. Dr. Gordon seconded the motion, which carried 5-0.

Consideration of Resolution 2009-01 Approving the Issuance and Sale of its Excise Tax Revenue Refunding Bonds

Ms. Lancaster stated the Town just received five proposals for underwriting services. Proposals were received from RBC Capital Markets, Stone &

Youngberg, Wells Fargo Brokerage Services, Bank of America, and Piper Jaffray. Ms. Lancaster stated the issue would be bank qualified.

Mr. Davis stated that Wells Fargo and Bank of America were interested in the issue for their own portfolio. Bank qualified meant they would receive tax breaks. He stated that the market is currently volatile. Using the competitive bid process, the Town would select a future date to receive bids. In a volatile market this could be risky if rates are high on the date selected. Using an underwriter gives the Town more flexibility to move quickly when rates are low. The underwriters will already have their investors lined up.

There was discussion as to whether the Town could proceed with letting all five underwriters make proposals for the interest rate. Mr. Davis stated that the underwriters have a lot of work to do and expense to incur which they would not do if there was only a 20% chance of getting the business. This is not an industry practice.

Mr. Barry also raised concerns that the 3% overall debt service savings was too low. There was discussion that the Board should not tie the hands of staff and should rely on staff to make the right decision for the Town.

Mr. Coulter raised concerns that the discount rate should be specified. Mr. Davis indicated it is an industry formula and Ms. Gallagher said she would add language to the resolution to specify the formula. Mr. Coulter also raised concerns that there was no specified termination date for the resolution if the bonds did not sell. Ms. Gallagher stated she would add a termination date of July 1, 2009.

Mr. Mosser moved to approve Resolution 2009-01 with the two changes recommended by Mr. Coulter. Mr. Coulter seconded the motion. Mr. Barry made a motion to amend the resolution to specify a 4.5% overall debt service savings instead of a 3% savings. The amendment died for lack of a second.

The main motion passed 4-1 with Mr. Barry voting no.

ADJOURNMENT:

Mr. Mosser moved to adjourn the meeting at 5:47 pm. Dr. Gordon seconded the motion which carried 5-0.

Lenore Lancaster, Treasurer