

**TOWN OF PARADISE VALLEY
MINUTES
MUNICIPAL PROPERTY CORPORATION BOARD OF DIRECTORS
NOVEMBER 9, 2009**

CALL TO ORDER

Mr. Dan Taylor called a meeting of the Town of Paradise Valley Municipal Property Corporation Board of Directors to order at 4:00 p.m. on Monday, November 9, 2009, at the Town Hall, 6401 E. Lincoln Drive, Paradise Valley, AZ 85253.

ROLL CALL

The following Board members were present:

Dan Taylor, President
Bernie Barry, Secretary
Robert Coulter
Phil Edlund
Richard Gordon
Russell Mosser (via telephone)
Alan Prince

ALSO PRESENT:

Lenore Lancaster, Management Services Director, Treasurer

RATIFICATION OF CHANGE IN ANNUAL MEETING DATE

Mr. Edlund made a motion to ratify the change in the annual meeting date to November 9, 2009. Dr. Gordon seconded the motion, which carried 7-0.

APPROVAL OF MINUTES:

Mr. Edlund made a motion to approve the minutes of March 20, 2009. The motion was seconded by Mr. Prince, and carried 7-0.

ELECTION OF OFFICERS

Mr. Edlund nominated Mr. Taylor to be president. Mr. Barry seconded the motion, which carried 7-0.

Mr. Edlund nominated Mr. Barry to be secretary. Dr. Gordon seconded the motion, which carried 7-0.

Mr. Edlund nominated Lenore Lancaster to be treasurer. Mr. Prince seconded the motion, which carried 7-0.

REVIEW OF JUNE 30, 2009 FINANCIAL STATEMENTS

Ms. Lancaster reviewed the financial statements for the year ended June 30, 2009. She stated that the remaining \$5,555,000 in 1998 MPC bonds were refunded with the issuance of the 2009 MPC bonds. These bonds also paid off \$5,770,711 in capital leases related to the acquisition of land and construction of the two fire stations. Issuance costs on the bonds were \$215,969, which included a 1% redemption fee of \$55,550. The Statement of Revenues and Expenditures also reflects \$493,257 premium paid on the bonds. The Town transferred \$1,707,000 to the MPC to cover almost 2 years of debt service on the bonds.

UPDATE ON 2009 MPC BOND REFUNDING

Ms. Lancaster stated that Piper Jaffray and RBC Capital Markets were co-underwriters on the bonds. Piper Jaffray was the low bid, and RBC Capital agreed to that bid. It was felt that the combined marketing efforts would benefit the sale of the bonds. The bonds closed June 2, 2009. Total bonds issued were \$11,055,000. The net present value savings as a percentage of refunded principal was 4.383%. The present value of the net nominal debt service savings was \$502,541. The yield ranged from 1.18% on bonds due 1/1/10, to 3.6% on bonds due 1/1/19. Coupons ranged from 3% to 5%. Interest rate on the fire stations was 4.1%. The coupon rate on bonds refunded ranged from 4.2% to 4.7%. All of the savings on the refunding will be taken in FY 2009/10.

UPDATE ON TOWN ACTIVITIES

Ms. Lancaster updated the board on the following issues facing the Town:

Ms. Lancaster reviewed the June 30, 2009 CAFR, stating that the General Fund revenues exceeded expenses by \$3.7 million. The Town transferred \$10 million from the general fund to the capital projects fund and the debt service fund.

The Town did three years worth of asphalt overlay this year due to favorable prices. Of the 140 miles of roads in town, 49% have had either an asphalt overlay or have been reconstructed in the last 5 years, and 72% in the last ten years. Over the past year, the Town reduced staff from 108 budgeted

positions to 93 budgeted positions. The annual savings is estimated to be \$1.6 million. The Town also completed its 30th underground utility district with APS. Of the 69 miles of neighborhood overhead utility lines in 36 APS districts, 55 miles of overhead lines have now been put underground.

The only capital projects for this year is the completion of two underground projects and an asphalt overlay project that will be done with stimulus money.

ADJOURNMENT:

The meeting was adjourned at 4:35 pm.