

1. Municipal Property Corporation - Agenda

Documents:

[2017_11_01_MPC_AN_AG.PDF](#)

2. Municipal Property Corporation - Packet

Documents:

[2017_11_01_MPC_AN_PK.PDF](#)

Town of Chino Valley

MEETING NOTICE MUNICIPAL PROPERTY CORPORATION

ANNUAL MEETING
WEDNESDAY, NOVEMBER 1, 2017
9:30 A.M.

Council Conference Room
202 N. State Route 89
Chino Valley, Arizona

AGENDA

1. Call to Order.
2. Roll Call.
3. Review of Municipal Property Corporation's ("MPC") Articles of Incorporation, By-Laws, financial statement, and activity history.
4. Approve the February 15, 2012 annual meeting minutes.
5. Select officers for the position of President, Vice-President(s), Secretary/Treasurer, Assistant Secretary, and Assistant Treasurer.
6. Review Annual Report submitted on October 10, 2017.
7. Recommend that the Chino Valley Town Council appoint the law firm of Gust Rosenfeld to serve as the Authority's general legal counsel.
8. Adjourn.

Dated this 26th day of October, 2017.

By: *Jami C. Lewis, Town Clerk*

The Town of Chino Valley endeavors to make all public meetings accessible to persons with disabilities. Please call 636-2646 (voice) or 7-1-1 (TDD) 48 hours prior to the meeting to request a reasonable accommodation to participate in this meeting. Supporting documentation and staff reports furnished to the Council with this agenda are available for review on the Town website at <http://www.chinoaz.net/AgendaCenter> Town Clerk's Office.

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AGENDA ITEM 3
EXHIBITS

Brief Description of Municipal Property Corporations and
Industrial Development Authorities

MPC Articles of Incorporation and Bylaws

Financial Statement

Activities Taken with regard to the MPC – Minutes Excerpts (Activity History)

BRIEF DESCRIPTION OF MUNICIPAL PROPERTY CORPORATIONS AND INDUSTRIAL DEVELOPMENT AUTHORITIES

Both Municipal Property Corporations (“MPC”) and Industrial Development Authority (“IDA”) entities are funding mechanisms for issuing bonds. MPC’s were created (but are no longer considered necessary) because municipalities were reluctant and unsure about holding debt in the purchase of large improvements such as sewer plants and water infrastructure. The MPC was formed as a non-municipality to purchase the property and lease it to the Town. Excise taxes and fees (such as sewer fees) were committed to pay off the debt. MPCs also were able to issue tax-free municipal bonds and to obtain loans from WIFA (Water Infrastructure Finance Authority) and other state and federal agencies to raise cash for the projects.

IDAs are also a funding mechanism but they do not own anything. They act as a middle-man between a borrower (usually a hospital, developer of affordable multifamily housing, charter school, etc.) and the investor in order to enable the borrower to issue tax-free bonds. For the Town, its purpose is to further economic development by helping to fund certain public benefit types of development through the issuance of tax-free bonds.

**ARTICLES OF INCORPORATION
OF
TOWN OF CHINO VALLEY, ARIZONA,
MUNICIPAL PROPERTY CORPORATION**

The undersigned, desiring to form a nonprofit corporation (the "Corporation") under and by virtue of the laws of the State of Arizona, hereby adopts the following Articles of Incorporation:

ARTICLE I - NAME

The name of this Corporation shall be: TOWN OF CHINO VALLEY, ARIZONA, MUNICIPAL PROPERTY CORPORATION.

ARTICLE II - INCORPORATOR

The name and address of the incorporator is:

Delores Sliger
P.O. Box 4274
Chino Valley, AZ
86323

All powers, duties, responsibilities and liabilities, if any, of the incorporator shall cease at the time of delivery of these Articles of Incorporation to the Arizona Corporation Commission for filing.

ARTICLE III - PURPOSE

The Corporation is formed for civic, educational and charitable purposes as referred to in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. In furtherance of its civic, educational and charitable purposes, for the benefit of the general public, the Corporation is organized to assist the Town of Chino Valley, Arizona (the "Town") in financing the acquisition of (by lease or purchase) real and/or personal property and, further, to assist the Town in the financing of constructing improvements, furnishing and equipping any real and/or personal property, and, in connection therewith, the Corporation may convey an interest, partial or whole, in such real and/or personal property. Financing of any real and personal property and the improvements thereof, may be accomplished by, among other methods, the issuance and sale of revenue bonds, certificates of participation or other security. The Corporation shall have such power and authority as may be necessary to perform all other lawful acts necessary for the purposes listed above. Nothing contained herein shall prohibit the Corporation from exercising such lawful acts as necessary to secure the payment of any certificates of participation.

The Corporation shall be treated as an “affiliate of a governmental unit” as (A) it shall be a corporation (1) organized and operated exclusively for charitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder, director, officer or individual, no substantial part of the activities of which is carrying on propaganda or otherwise attempting to influence legislation and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office, and (2) not organized for profit but operated exclusively for the promotion of charitable, educational, social and benevolent purposes, the membership of which is limited to persons in the Town, and the net earnings of which are devoted exclusively to charitable purposes, and (B) it is an organization created by the Town, the support of which is received principally from taxes, tolls, fines, government appropriations or fees collected pursuant to statutory authority, which is financially accountable to the Town which exercises control over its expenditures and, if dissolved, the assets of which will (by reason of a provision in these Articles of Incorporation) be distributed to the Town.

ARTICLE IV - INITIAL BUSINESS

The character of the business the Corporation initially intends to conduct is to assist the Town in financing and acquiring certain real and personal property for construction, installation, repair and maintenance of a public effluent disposal system and a public water distribution system by and through the Corporation’s issuance and sale of its revenue bonds, and to take all lawful acts necessary to facilitate such initial business. The Corporation may assign its interests to a trustee.

ARTICLE V - NONMEMBERSHIP CORPORATION

The Corporation shall have no capital stock nor any members.

ARTICLE VI - BOARD OF DIRECTORS

The control and management of the business and affairs of the Corporation shall be vested in a Board of Directors constituted and qualified as specified in the Bylaws of the Corporation, but the Board of Directors in any event shall consist of not less than three (3), but not more than five (5) directors, all of whom shall be registered voters of the State of Arizona. The directors may be members of the governing body of the Town. The directors shall be elected by the governing body of the Town and, unless the Bylaws of the Corporation provide to the contrary, shall hold office for a period of three (3) years or until their successors shall have been elected and qualified. Any vacancy occurring in the Board of Directors shall also be filled by the Mayor and Council of the Town. The directors may be removed from office with or without cause by the affirmative majority vote of the Mayor and Council of the Town. Until their successors are elected and qualified, the Board of Directors shall consist of the following three (3) persons:

Name

Address

Ronald L. Minnich

830 Damian Loop
Chino Valley, AZ 86323

Carl C. Clickner

P.O. Box 1470
Chino Valley, AZ 86323

Michael A. Beatty

520 S. Johnson Lane
Chino Valley, AZ 86323

ARTICLE VII - STATUTORY AGENT

This Corporation does hereby appoint James B. Musgrove, whose address is 1135 Iron Springs Road, Prescott, Arizona 86302, who has been a bona fide resident of Arizona for at least three years, as its initial statutory agent.

ARTICLE VIII - NO INUREMENT

The Corporation is not organized and shall not be operated for pecuniary gain or profit. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these Articles.

ARTICLE IX - INDEMNIFICATION

- A. Indemnification.** The Corporation shall indemnify each person identified in Section 10-850, Arizona Revised Statutes, to the fullest extent permissible under that section or the indemnification provisions of any successor or amended statute or as provided in the Bylaws of the Corporation or by agreement.
- B. Director Liability.** A director of this Corporation shall not be personally liable to the Corporation or any person on its behalf for monetary damages for breach of fiduciary duty as a director. This section shall not eliminate or limit the liability of a director for any conduct described in clauses (a) through (3) of Section 10-851D (1 & 2) & 10- 3202D(1)(a through c) Arizona Revised Statutes, or similar provisions of any successor or amended statute. If the Arizona Corporation Law is amended to authorize further elimination or limitation of the liability of a director, then the liability of a director of the Corporation shall be eliminated or limited to the fullest

extent permitted by the Arizona Corporation Law as so amended. Any repeal or modification of this Article shall not increase the liability of a director of the Corporation arising out of acts or omissions occurring before the repeal or modification becomes effective.

ARTICLE X - PRIVATE PROPERTY EXEMPT

The private property of the officers and directors of this Corporation or anyone connected therewith shall at all times be exempt from all corporate liabilities and debts whatsoever.

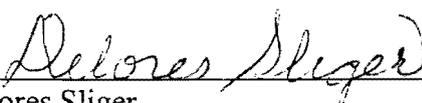
ARTICLE XI - DISTRIBUTION OF ASSETS UPON TERMINATION

The Corporation may be terminated, liquidated or dissolved at any time upon the affirmative majority vote of the Mayor and Council of the Town and a vote of the majority of the Board of Directors. Upon termination, liquidation, or dissolution of the Corporation, the Board of Directors shall first apply all money, property, or assets to pay and discharge the obligations and liabilities of the Corporation, and thereafter shall dispose of all remaining assets of the Corporation by transfer to the Town to be used by the Town exclusively for public purposes.

ARTICLE XII - AMENDMENTS

These Articles of Incorporation may be amended upon the affirmative majority vote of the Mayor and Council of the Town and the majority vote of the Board of Directors.

In witness whereof, I have hereunto set my hand this 16th day of July, 2002.



Delores Sliger
Incorporator

**BYLAWS OF
TOWN OF CHINO VALLEY, ARIZONA,
MUNICIPAL PROPERTY CORPORATION**

ARTICLE I

GENERAL

- Section 1. Name and Character.** The name of this Corporation is TOWN OF CHINO VALLEY, ARIZONA, MUNICIPAL PROPERTY CORPORATION, and it has been created and organized as a nonprofit corporation under the laws of the State of Arizona.
- Section 2. Seal.** The Corporation shall have a common seal consisting of a circle having on the circumference thereof "TOWN OF CHINO VALLEY, ARIZONA, MUNICIPAL PROPERTY CORPORATION" and in the center, "An Arizona Nonprofit Corporation, Incorporated on Sept. 26, 2002.
- Section 3. Property Interest of Directors and Officers.** No director or officer of the Corporation shall have any right, title or interest in or to any property or assets of the Corporation, either prior to, during or at the time of any liquidation or dissolution of the Corporation, all of which properties and assets shall at the time of any liquidation or dissolution vest in the Town as provided in the Articles of Incorporation of the Corporation.
- The private property of the directors and officers of the Corporation shall be exempt from execution or other liability for any debts of the Corporation, and no director shall be liable or responsible for any debts or liabilities of the Corporation.
- Section 4. Offices.** The principal office of the Corporation shall be in Chino Valley, Yavapai County, Arizona; but offices may be maintained and the business of the Corporation carried on in such other places within the State of Arizona as the Board of Directors may designate.

ARTICLE II

DIRECTORS

- Section 1. Number.** The number of Directors that shall constitute the whole Board shall be not fewer than three (3) nor more than five (5).

- Section 2.** **Term.** Each Director elected shall hold office for a period of three (3) years or until his or her successor is elected and qualified. The Directors shall be elected by the governing body of the Town. Directors must be registered voters of the State of Arizona and residents of the Town of Chino Valley, Arizona. All directors serve at the will and pleasure of the governing body of the Town.
- Section 3.** **Vacancies.** Any vacancy occurring in the Board of Directors shall be filled by the governing body of the Town. The failure to fill any vacancy on the Board of Directors shall not operate to reduce the size of the Board of directors.
- Section 4.** **Powers.** The business and affairs of the Corporation shall be managed by its Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts as are authorized or permitted by statute, the Articles of Incorporation, or these Bylaws directed or required to be exercised or done by its officers or other private persons.
- Section 5.** **Place of Meetings.** The Board of Directors of the Corporation may hold meetings, both regular and special, at any place within the State of Arizona, which a majority of the Board of Directors may from time to time approve.
- Section 6.** **Annual Meetings.** The annual meeting of the Board of Directors shall be held in Chino Valley, Arizona, on the 2nd Tuesday of January each year, commencing with the year 2003. Notice of such meeting shall be given in compliance with the "open meeting" laws of the State of Arizona. In the event such meeting is not held, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver by all of the Directors.
- Section 7.** **Regular Meetings.** Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board. Notice of such meeting shall be given in compliance with the "open meeting" laws of the State of Arizona.
- Section 8.** **Special Meetings.** Special meetings of the Board may be called by the President or the Secretary upon notice to the public and to each Director in a manner complying with the State of Arizona's "open meeting" laws; special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) Directors.
- Section 9.** **Voting Rights.** At meetings of the Board of Directors, each Director shall have one (1) vote, (but in case of a tie vote, the Chairman of the Board, if one is appointed, or the President, if a Chairman is not appointed, shall have a deciding vote).

Section 10. Quorum. A majority of the membership of the Board of Directors shall constitute a quorum and if a quorum is present, the acts of a majority of those present shall be the acts of the Board, except as may be otherwise specifically provided by statute or by the Articles of Incorporation or these Bylaws. If a quorum shall not be present at any meeting of the Board of Directors, the Directors then present may adjourn the meeting to another time or place until a quorum shall be present. Notice of any such meeting must be in compliance with the State of Arizona's "open meeting" laws. At an adjourned meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting originally called.

The governing body of the Town shall be entitled to make recommendations to the Board of Directors with respect to any matter at any meeting thereof. Each member of the governing body of the Town, and any official of the Town designated by the governing body of the Town, shall have the right to attend any meeting of the Board of Directors with the right of debate, but they shall not be entitled to vote on any matter considered by the Board of Directors unless, beside being any of the foregoing with respect to the Town, they are a member of the Board of Directors.

Section 11. Compensation. The Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors. No Directors of the Corporation shall be paid a salary.

Section 12. Waiver of Notice. Attendance of a Director at a meeting shall constitute waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any Director may waive notice of any annual, regular or special meeting of Directors by executing a written notice of waiver either before or after the time of the meeting.

Section 13. Removal. The entire Board of Directors or any individual Director may be removed from office with or without cause by the governing body of the Town.

ARTICLE III

OFFICERS, AGENTS AND EMPLOYEES

Section 1. Designation of Titles. The Officers of the Corporation shall be chosen by the Board of Directors and shall be a President, and a Secretary/Treasurer. The Board of Directors may also choose one or more Vice Presidents and one or more Assistant Secretaries and Assistant Treasurers. Any number of offices, except the offices of President and Secretary, may be held by the same person, unless the Articles of Incorporation or these Bylaws otherwise provide.

- Section 2. Appointment of Officers.** The Board of Directors at its annual meeting shall choose a President and a Secretary/Treasurer, and may choose one or more Vice Presidents each of whom shall serve at the pleasure of the Board of Directors. The Board of Directors at any time may appoint such other officers, agents and employees as it shall deem necessary to hold offices at the pleasure of the Board of Directors and to exercise such powers and perform such duties as shall be determined from time to time by the Board.
- Section 3. Salaries.** No officers of the Corporation shall be paid a salary.
- Section 4. Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors at any time.
- Section 5. Removal of Officers and Agents.** An officer or agent of the Corporation may be removed by a majority vote of the Board of Directors whenever, in their judgment, the best interests of the Corporation will be served by the removal. The removal shall be without prejudice to the contract rights, if any, of the person so removed.
- Section 7. President.** The President shall preside at all meetings of the Board of Directors. He or she shall sign all deeds and conveyances, all contracts and agreements, and all other instruments requiring execution on behalf of the Corporation, and shall act as operating and directing head of the Corporation, subject to policies established by the Board of Directors.
- Section 8. Vice Presidents.** There shall be as many Vice Presidents as shall be determined by the Board of Directors from time to time, and they shall perform such duties as from time to time may be assigned to them by the President. Any one of the Vice Presidents, as authorized by the Board, shall have all the powers and perform all the duties of the President in case of the temporary absence of the President or in case of his or her temporary inability to act. In case of the permanent absence or inability of the President to act, the office shall be declared vacant by the Board of Directors and a successor chosen by the Board.
- Section 9. Secretary/Treasurer.** The Secretary/Treasurer shall see that the minutes of all meetings of the Board of Directors and of any standing committees are kept. He or she shall be the custodian of the corporate seal and shall affix it to all proper instruments when deemed advisable by him or her or when so directed by the Board of Directors. He or she shall give or cause to be given required notices of all meetings of the Board of Directors. He or she shall have charge of all the books and records of the corporation except the books of account, and in general shall perform all the duties incident to the office of secretary of a corporation and such other duties as may be assigned to him or her. The Treasurer shall have general custody of all the funds

and securities of the Corporation except such as may be required by law to be deposited with any state official. He or she shall see to the deposit of the funds of the Corporation in such depository or depositories as the Board of Directors may designate. Regular books of account shall be kept under his or her direction and supervision, and he or she shall render financial statements to the President and Directors at such time or times as he or she may be directed to do so. The Treasurer shall have charge of the preparation and filing of such reports, financial statements and returns as may be required by law. He or she shall give to the Corporation such fidelity bond as may be required, and the premium therefore shall be paid by the Corporation as an operating expense.

Section 10. Assistant Secretaries. There may be such number of Assistant Secretaries as from time to time the Board of Directors may fix, and such persons shall perform such functions as from time to time may be assigned to them. No Assistant Secretary shall have power or authority to collect, account for, or pay over any tax imposed by any federal, state or city government.

Section 11. Assistant Treasurers. There may be such number of Assistant Treasurers as from time to time the Board of Directors may fix, and such persons shall perform such functions as from time to time may be assigned to them. No Assistant Treasurer shall have the power or authority to collect, account for, or pay over any tax imposed by any federal, state or city government.

Section 12. Delegation of Duties. Whenever an officer is absent or whenever, for any reason, the Board of Directors may deem it desirable, the Board may delegate the powers and duties of an officer to any other officer or officers or to any director or directors.

ARTICLE IV

FINANCIAL TRANSACTIONS

Section 1. Nonprofit Operation. The Corporation shall at all times be operated on a nonprofit basis. No director, officer, employee, member of a committee, or any individual shall receive at any time any of the net earnings or pecuniary profits from the operations of the Corporation, and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation.

Section 2. Accounting System and Reports. The Board of Directors shall cause an appropriate accounting system to be established and maintained, in accordance with generally accepted accounting principles.

Section 3. Contracts. Except as otherwise provided in these Bylaws, the Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and

deliver any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 4. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, employee or employees of the Corporation and in such manner as shall from time to time be determined by Resolution of the Board.

Section 5. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such bank or banks as the Board may select.

Section 6. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of July of each and every year and shall end on the last day of June of such year.

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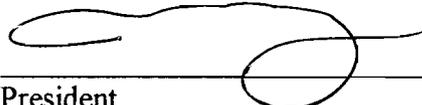
ARTICLE V

AMENDMENT

The Board of Directors shall have the power to make, amend, alter or repeal the Bylaws of the Corporation by an affirmative vote of a majority of the Board. Provided, however, that no such amendment shall become effective until such amendment is approved by the governing body of the Town.

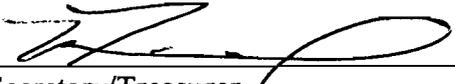
The foregoing Bylaws were adopted by resolution of the Board of Directors on September 26, 2002, 2002, and approved by Resolution No. 653 adopted by the governing body of the Town of Chino Valley, Arizona on September 26, 2002.

ADOPTED: September 26, 2002.



President

ATTEST:



Secretary/Treasurer

**Town of Chino Valley
Debt History**

	MPC	Date Issued	Original Amount	Balance as of June 30,2016	Purpose
General Government Debt					
WIFA Loan 2002	No		\$ 750,000		Design Sewer System
Revenue Bond 2004	Yes	11/1/2004	\$ 7,740,000		Community Park Improvements, Sewer System Improvements
GADA Loan 2007A		7/1/2011	\$ 3,825,000	\$ -	Purchase Administrative Office/Improvements
US Bank Series 2010	No	12/15/2010	\$ 7,280,000	\$ 7,280,000	Defeased Revenue Bond Series 2004, (Community Park Improvements, Sewer System Improvements/Payoff WIFA 2002 Loan \$750,000)
National Bank	No	7/1/2016	\$ 3,346,000	\$ 3,346,000	Refinance GADA
Water Enterprise Debt					
US Bank Series 2010	No	12/15/2010	\$ 745,000	\$ 565,000	Purchase Cameron Property
Sewer Enterprise Debt					
WIFA Loan 2007	No	1/10/2007	\$ 1,580,000	\$ 932,369	Wastewater system improvements
WIFA Loan 2008	No	1/11/2008	\$ 4,853,000	\$ 3,247,075	Wastewater system improvements
USDA Loan 2007	Yes	2/16/2007	\$ 1,595,000		Wastewater system improvements
USDA Loan	Yes	4/10/2008	\$ 1,505,000		Wastewater system improvements
USDA Loan	Yes	4/16/2008	\$ 1,332,000		Wastewater system improvements
WIFA Loan 2014	No	12/30/2014	\$ 2,963,671	\$ 2,717,515	WWTP CMR Buyout
WIFA Loan 2015	No	11/23/2015	\$ 4,259,646	\$ 4,109,465	Refinance USDA and Center Street Sewer
Total Original Debt			\$ 41,774,317	\$ 22,197,424	

ACTIVITIES WITH REGARD TO THE IDA – MINUTES EXCERPTS
(This log does *not* include membership changes)

<p>6/27/02 Council</p>	<p>14) Consideration and possible approval for the Town of Chino Valley to establish a Municipal Property Corporation and to solicit Board of Director applications.</p> <p>Mr. Tenney explained that a Municipal Property Corporation (MPC) was a tool used by most municipalities in the state to assist with financings. An MPC could be used to issue bonds, receive financial information and lease capital improvements to a municipality's governing body. The MPC's board of directors would be appointed by and serve at the pleasure of the Council. The board would consist of three to five citizens generally knowledgeable in financial affairs. He also explained that a new state law allowed the Greater Arizona Development Authority (GADA) to issue bonds using an MPC. This presented a new opportunity to the Town for financing. The GADA application deadline was August 5, so the Town needed to act quickly.</p> <p>Mr. Tenney requested that members of the public present to the Town names of any individuals interested in serving on the MPC board. Applicants needed to be qualified electors with one year of residency, and have the time to learn about and vote on board matters. The board would only meet as needed.</p> <p>Vice-Mayor St. Pierre MOVED, seconded by Councilmember Bunker, to establish the Town of Chino Valley, Arizona, Municipal Property Corporation, effective July 1, 2002, and authorize Town Manager and Town Attorney to take all necessary steps to complete the Incorporation process. The motion PASSED unanimously 6-0.</p>
<p>7/11/02 Council</p>	<p>15) Consideration and possible selection of the initial members of the Municipal Property Corporation Board.</p> <p>Mr. Tenney recounted that at the last meeting, Council established a Municipal Property Corporation (MPC) to assist Council with financing large capital projects. Three members of the community have offered to serve on the MPC board and staff recommended the appointments of Dr. Ron Minnich, Mike Beatty and Carl Clickner.</p> <p>Councilmember Purdin MOVED, seconded by Councilmember Baker, to appoint Dr. Ron Minnich, Mike Beatty and Carl Clickner as the initial Board members for the Town of Chino Valley Municipal Property Corporation. The motion PASSED unanimously 5-0.</p>
<p>9/26/02 Council</p>	<p>15) Consideration and possible adoption of Resolution No. 653, establishing the Town of Chino Valley Arizona Municipal Property Corporation (MPC); adopting the Articles of Incorporation and Bylaws; and appointing incorporators and the Board of Directors of said Corporation.</p> <p>Mr. Tenney recounted that an MPC was a financing tool and Council started the process for establishing one a few months ago. The MPC Board, which was previously selected by the Council and serves at the pleasure of the Council, had already met and selected officers. Now Council needed to approve the proposed Articles of Incorporation and By-laws.</p> <p>Mr. Musgrove related that he, as well as the Town's bond counsel, reviewed the documents and found them acceptable.</p> <p>Councilmember Baker MOVED, seconded by Vice Mayor St. Pierre, to adopt Resolution No. 653, approving the establishment of the Town of Chino Valley Arizona Municipal</p>

	Property Corporation, and adopting the Articles of Incorporation and Bylaws of said Corporation. The motion PASSED unanimously 5-0.
5/13/04 Council	<p>20) Presentation by Mark Reader of Stone & Youngberg, Financial Advisors, regarding funding options for the Community Center ball field rehabilitation, community pool, new Police Department facilities and new Senior Center.</p> <p>Mr. Pupo informed Council that items 20, 21, 2f, 22 and 23 were all related.</p> <p>Mr. Reader presented the best options for the Town under state law to finance needed public improvements, such as a new police facility and additional staffing, new senior center, Community Center park improvements, and a community aquatic center. The first option was general obligation bonds, which were repaid through an annual secondary property tax levy and had to be voter-approved. He reviewed the Town's current bonding capacity, current property classifications, historical secondary assessed valuations, a sample debt service and tax rate analysis, estimated costs to the taxpayers, and a property tax analysis of other cities and towns.</p> <p>Mayor Fann clarified for the public that Chino Valley did not currently have a property tax. Councilmember Minnich explained that if the citizens were to vote on a secondary property tax, they would not notice any tax increase because the school bonds were being paid off and schools could no longer bond building programs.</p> <p>A citizen asked when the school bond would be paid. Mr. Minnich stated it would be in 2013.</p> <p>Mr. Reader then spoke about excise tax revenue bonds that were repaid from excise tax revenues, which included state shared revenues, income tax, and local sales taxes. This constituted a lease-purchase type of transaction initiated through a Municipal Property Corporation. Of 88 state municipalities, 59 (67.05%) currently used this bonding method and the Town was currently eligible for about \$5.7 million in revenue bonds. He reviewed sample debt service requirements and coverage for the Town. He compared the state's municipal sales tax rates and pointed out that a 0.5 percent sales tax increase would yield approximately \$550,000.</p> <p>Mr. Reader addressed impact fees as the last method, which could be used to pay off the above bonds. For example, Avondale issued excise tax bonds every year and used impact fees to pay for the bonds. Mr. Reader then explained the rating guidelines used for bonding.</p> <p>Council asked about interest rates on bonds and restrictions on uses. Mr. Reeder stated that the Town could lock in at a low rate and it could be as general or restrictive as it wanted.</p>
9/23/04 Council	<p>4. Mayor/Council/Manager Report</p> <p>Councilmember Minnich reported that he, Mayor Fann, Mr. Pupo, Ms. York and the Town's investment bankers, Stone & Youngberg, had just returned from San Francisco, where they met with Standard and Poor's, a rating agency and MBIA Insurance Corporation, into order to establish bond ratings for the Town. The Town was intending to pledge only the recent one percent (1%) transaction privilege tax increase, and as rates were at a 40-year low, this was a good time for bonding. The Town's Municipal Property Corporation and Council will be taking several actions in October to start the process. Mayor Fann added that Standard and Poor's and MBIA were pleased with the Town's presentation.</p>

**10/14/04
MPC**

Special (Inaugural) Meeting:

3b. Adopt a resolution of the Board Of Directors of Town Of Chino Valley, Arizona, Municipal Property Corporation authorizing the issuance of its not to exceed \$8,900,000 aggregate principal amount of Revenue Bonds, Series 2004 for the purpose of financing certain projects for the Town Of Chino Valley, Arizona; delegating to the Manager of the Town Of Chino Valley, Arizona, the authority to determine various terms with respect to the Series 2004 Bonds and the sale thereof; providing for the application of the proceeds from the sale of the Series 2004 Bonds; approving the form of and authorizing the execution and delivery by the corporation of a Trust Indenture appropriate for the protection and disposition of revenues and further securing the payment of the Series 2004 Bonds, a Series 2004 Ground Lease, a Series 2004 Town Lease, any guaranty or related agreement necessary with respect to credit enhancement, a Bond Purchase Agreement, a DTC Letter Of Representations, certain other documents and approving and authorizing the execution and delivery of an official statement relating to the Series 2004 Bonds.

Mr. Pupo presented an overview of the bond proposal. The bonds would be secured for a \$2.4 million Community Center park rebuild, a \$1.5 million aquatic center, and to extend water and sewer lines to commercial sites around Highway 89 for economic development purposes, at a cost of \$2.4 million to \$4.5 million. He explained that the Town planned to open the pool over Memorial Day weekend 2005, be using the renovated ballfields in October 2005, and complete the water and sewer line in the next 18 to 25 months.

Mark Reader with Stone & Youngberg, the Town's financial advisors, explained that it was their responsibility to assist the Town with development of the bond issue, and would follow by assisting the Town to sell the bonds. He noted that current low interest rates were generating a strong market for bonds. Although the Town was approved for \$8.9 million in bonds, he believed the actual number would be \$8,217,000. In addition to the above projects, the Town also intended to use bond money to pay off a WIFA loan related to the wastewater project and a land purchase from the City of Prescott. He also reviewed the bond debt service (amortization schedule) and revenues estimated from the recent transaction privilege tax increase. He added that, should the Municipal Property Corporation (MPC) and Council approve the item, they could be in a position to sell the bonds the next week.

Dr. Minnich asked about differences in some numbers. Mr. Reader stated that the differences related to extra dollars for infrastructure, which numbers were still being revised and would be included in the final documents. Need good numbers on commercial utility side. Will revise docs to reflect information.

Michael Cafiso with Greenburg Traurig, the Town's bond attorneys, described the legal documents being considered. He stated that 85 to 95 percent of cities and towns used the same structure being proposed for the Town, in which the Town leased its real property to the MPC, with the MPC then leasing property back to the Town and the Town pledging its excise taxes. This process was included in the Ground Lease and Town Lease documents. The Trust indenture concerned the Phoenix bank that would act as trustee of the bonds. The Bond Purchase Agreement was an agreement between the Town and Mr. Reader to sell the bonds. A prospectus was also included, providing investors information about the Town.

Mr. Clickner asked when the Town would have hard numbers on the commercial utility improvements. Mr. Pupo expected that they would be available early next week.

	<p>Dr. Minnich MOVED, seconded by Mr. DeBono, to adopt a resolution of the Board of Directors of Town of Chino Valley, Arizona, Municipal Property Corporation authorizing the issuance of its not to exceed \$8,900,000 aggregate principal amount of Revenue Bonds, Series 2004 for the purpose of financing certain projects as described. The motion PASSED unanimously 3-0.</p>
<p>10/14/04 Council</p>	<p>28) Adopt Resolution No. 04-726, authorizing the execution and delivery of a Series 2004 Ground Lease, a Series 2004 Town Lease, a Bond Purchase Contract and a Series 2004 Limited Continuing Disclosure Undertaking; approving the execution and delivery by Town of Chino Valley, Arizona, Municipal Property Corporation of such Ground Lease, such Town Lease, such Bond Purchase Contract, a Trust Indenture, any financial guaranty or related agreement necessary for credit enhancement, a Bond Purchase agreement and a DTC Letter of Representations; approving an official statement and the circulation thereof; approving the issuance of not-to-exceed \$8,900,000 aggregate principal amount of Town of Chino Valley, Arizona, Municipal Property Corporation Revenue Bonds, Series 2004; delegating to the Manager of the town the authority to determine various terms with respect to authority to determine various terms with respect to the Series 2004 Bonds and the sale thereof; providing for the transfer of certain moneys for the payment thereof and making certain covenants and agreements with respect thereto; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution and declaring an emergency.</p> <p>Mr. Pupo explained that earlier that evening, the Municipal Property Corporation approved the Town's issuance of \$8.9 million in bonds. Funding from the bonds would pay for a \$2.4 million Community Center Park rebuild, \$1.5 million aquatic center, and extension of water and sewer lines, estimated to be between \$2.4 million and \$4.5 million.</p> <p>Councilmember Schmidt asked about tennis courts. Mr. Willoughby and Mayor Fann stated that, as there were tennis courts at the high school, they were not in this plan, but they could be part of a future expansion.</p> <p>Mark Reader with Stone & Youngberg, the Town's financial advisors, reviewed information about the bonding process, including bond interest rate trends since 1992, the Town's budget for expending of bond moneys, amortization schedule, and credit rating report. As of October 4, 2004, the interest rate was 4.61 percent. The bond funds will also be used to pay off a WIFA loan associated with the wastewater treatment plant, pay off the Community Center property to the City of Prescott, and fees related to the bond process. While the resolution approved \$8.9 million in bonds, the Town might only need about \$8.2 million. The Town was also projecting revenues of \$1.4 million in 2005-2006 from the one percent transaction privilege tax increase. The firm anticipated offering the bonds for public sale within the next two weeks, they would be sold at a Triple A rating, and rates would be locked upon the sale.</p> <p>Michael Cafiso with Greenburg Traurig, the Town's bond attorneys, related that 85 to 90 percent of Arizona municipalities used the Municipal Property Corporation (MPC) for bonding, and 75 percent of those communities had debt outstanding. He then described the bonding structure, in which the Town leased real property to the MPC, which then leased it back to the Town, and the Town would make lease payments to the MPC, pledging its excise taxes as collateral. Should the Town default, the MPC could enforce certain rights and would have first lien on the excise taxes.</p> <p>Mr. Cafiso also reviewed the contents of the documents being considered. The Ground</p>

	<p>Lease and Town Lease documents related to the property-leasing structure; the Bond Purchase Contract was an agreement authorizing Mr. Reader to sell the bonds; the Trust Indenture concerned the bank that acted as trustee of the bonds; and the Official Statement was a prospectus that contained information for investors about the Town.</p> <p>Vice-Mayor Baker MOVED, seconded by Councilmember Schmidt, to adopt Resolution No. 04-726 as presented. The motion PASSED unanimously 6-0.</p>
<p>11/16/04 Council</p>	<p>7) Authorize payment of \$8,000 to Standard & Poor’s Ratings Services for analytical services rendered in connection with \$7,740,000 Town of Chino Valley, Arizona Municipal Property Corporation Revenue Bonds, Series 2004.</p> <p>Council did not discuss the item. The staff memo reported that this expenditure was a direct cost of the issuance of the revenue bonds and was therefore part of the capital improvements budget that encompassed the projects being funded by the revenue bonds. The Town received an “A” rating as a result of the analysis performed by Standard & Poor’s.</p> <p>Vice-Mayor Baker MOVED, seconded by Councilmember Purdin, to authorize payment of \$8,000 to Standard & Poor’s Ratings Services for analytical services rendered in connection with \$7,740,000 Town of Chino Valley, Arizona Municipal Property Corporation Revenue Bonds, Series 2004. The motion PASSED unanimously.</p>
<p>1/11/05 MPC</p>	<p>Annual Meeting: Housekeeping items only</p>
<p>3/9/06 MPC</p>	<p>Special Meeting:</p> <p>3c. Accept terms of the Letter of Conditions regarding funding for the Chino Meadows Waste Water Collection Project from the United States Department of Agriculture-Rural Development.</p> <p>Ms. York explained that since the voters approved the sewer project bond in November 2005, the next step to begin the three-year funding process was for the Town to accept the subject Letter of Conditions from the United States Department of Agriculture-Rural Development Authority-Rural Utilities Service (USDA-RDA-RUS).</p> <p>Jeff Hooper, Rural Development Specialist, reviewed the Letter of Conditions, which covered provisions for Phase 1 of the USDA loan and grant funding. He noted that the loan was on 30-year notes with 4.5 percent interest, and with principle payments to be deferred 24 months to allow the Town to first obtain revenues. Provisions in the Letter included a repayment schedule, project funding broken down into phases, the number of anticipated service connections being 3,112 total units, the monthly rate being \$42.80 per month, required debt service reserve, security requirement of a ground lease agreement, proof of the corporation’s validity, business operations, required insurance and bonding, required rights-of-way prior to construction bid advertising, planning and performance development, project funds disbursement, graduation requirements and refinancing, and closing instructions. Mr. Hooper also described the many attachments to the Letter and stated that the Town would need to sign a Letter of Intent to meet these conditions. He then announced that the USDA had chosen to submit the Town’s project to the U.S. Congress as their annual State Earth Day Project, and they would make a formal presentation to the Town after notifying Congress of the event.</p>

	<p>President Minnich and Vice-President Schmidt signed the documents, with Vice-President Schmidt signing as Acting Secretary/Treasurer.</p> <p>Vice-President Schmidt MOVED, seconded by President Minnich, to accept terms of the Letter of Conditions regarding funding for the Chino Meadows Waste Water Collection Project from the United States Department of Agriculture-Rural Development. The motion PASSED unanimously 2-0.</p>
<p>8/10/06 MPC</p>	<p>Special Meeting:</p> <p>3b. Consideration and possible adoption of a resolution authorizing the negotiation of a Note to the United States Government, acting through Rural Development, United States Department Of Agriculture, for the purpose of financing a project for the Town Of Chino Valley, Arizona, and approving the form and authorizing the execution and delivery of a Series 2006 Ground Lease, a Series 2006 Town Lease and agreements required in connection with the negotiation of the Note and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by such Ground Lease, Town Lease and agreements and this resolution.</p> <p>President Minnich explained that this action would allow the Town to move forward with getting sewer lines into the Chino Meadows neighborhoods. He also clarified the authority of the Municipal Property Corporation (MPC) and stated that he expected the MPC to be meeting more often as this project progressed.</p> <p>Town Engineer Ron Gritman told the Board that Town staff desired to use the Construction Manager-At-Risk (CM@Risk) process for construction, and although U.S. RDA (Rural Development Authority) had originally opposed it, they and the Town had now worked out the details for using the process, with the exception of a few minor details. The funding being considered tonight would cover the next three years, and the CM@Risk contract would include a series of contracts and agreements throughout the process. Construction on the project was scheduled to begin in January or February 2007.</p> <p>Secretary Baker MOVED, seconded by Vice-President Schmidt, to authorize the taking of all actions necessary to consummate transactions contemplated by subject Ground Lease, Town Lease, agreements and resolution. The motion PASSED unanimously 3-0.</p> <p>3c. Consideration and possible adoption of a resolution authorizing and providing for the incurrence of indebtedness in the principal amount of not to exceed \$1,500,000 for the purpose of providing a portion of the cost of acquiring and constructing wastewater treatment facilities, providing for the collection, handling, and disposition of revenues, and authorizing makings of promissory note(s), security instruments, and pledges of revenues to evidence and secure the payment of said indebtedness and for related purposes.</p> <p>President Minnich explained that this item was allowing the Town to acquire more debt and the MPC will hold the money until the project was complete.</p> <p>Town Engineer Ron Gritman told the Board that the Town had already entered into two contracts for professional services on the CM@Risk contract.</p> <p>Secretary Baker MOVED, seconded by Vice-President Schmidt, to adopt a resolution authorizing the incurrence of indebtedness in the amount not-to-exceed \$1,500,000 for wastewater treatment facilities. The motion PASSED unanimously 3-0.</p>

<p>8/10/06 Council</p>	<p>4) Mayor/Council/Manager Report</p> <p>Town Manager Bill Pupo reported that: . . . (2) The Municipal Property Corporation met earlier this evening to adopt resolutions approving the Town entering into loans with the Water Infrastructure Finance Authority and U.S. Department of Agriculture-Rural Development for the Chino Meadows sewer project; . . .</p> <p>11) Adopt Resolution No. 06-795, (I) approving the form and authorizing the execution and delivery of a Loan Agreement with the Water Infrastructure Finance Authority Of Arizona which provides for the transfer of certain moneys and the making of certain covenants and agreements with respect to a loan from such authority; (II) approving the form and authorizing the execution and delivery of a Ground Lease and a Town Lease, approving the execution and delivery by Town Of Chino Valley, Arizona, Municipal Property Corporation of such Ground Lease and Town Lease and the government documents (as such term is defined herein), the negotiation of a Note to the United States Government, acting through Rural Development, United States Department Of Agriculture, providing for the transfer of certain moneys for the payment thereof and making certain covenants and agreements with respect thereto; (III) authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by such Loan Agreement, Ground Lease, Town Lease and government documents and this resolution and (IV) declaring an emergency.</p> <p>Councilmember Bunker MOVED, seconded by Councilmember Schmidt, to accept Consent Agenda items 9 through 14. The motion PASSED unanimously 5-0.</p>
<p>1/11/07 MPC</p>	<p>Annual Meeting: Housekeeping items only</p>
<p>10/25/07 Council</p>	<p>19) Adopt Notice of Intention to set a time and date for a Public Hearing for the purpose of receiving public comment on proposed wastewater rate modifications.</p> <p>The staff report and presentation by Finance Director Linda York stated that:</p> <ul style="list-style-type: none"> • On November 8, 2005, Chino Valley voters approved a \$15,370,000 wastewater infrastructure project to provide sewer lines to and eliminate septic tank use in the Chino Meadows subdivision. • Funding for the project was secured in the form of loans and grants from the Water Infrastructure Finance Authority of Arizona (WIFA), U.S. Department of Agriculture/ Rural Utilities Service (USDA/RUS), and the Arizona Department of Housing, with the loans to be repaid from system revenues, specifically sewer service fees. • In order to meet the debt service requirements on the loans, the sewer service fees needed to be adjusted for all sewer customers within the Town. In addition, the USDA Letter of Conditions accepted by the Chino Valley Municipal Property Corporation contained a requirement that user rates at project completion be at least \$42.80 per month per equivalent dwelling unit (EDU). • Based on the original financing, the current rate of \$24.60 per month would be adjusted to \$38.00 per month beginning July 1, 2007, \$42.90 per month beginning July 1, 2008, and \$46.30 per month beginning July 1, 2009. • Due to the revised timeline of the various financings and construction schedule, and increased operating and construction costs, those rate adjustments had been revised

	<p>to \$40.00 per month beginning July 1, 2007, \$45.20 per month beginning July 1, 2008, and \$48.40 per month beginning July 1, 2009. The <i>Wastewater Collection & Treatment System Cash Flow Analysis</i>, developed by Red Oak Consulting, a Division of Malcolm Pirnie, substantiated these adjustments to meet operating, capital, and debt service requirements.</p> <ul style="list-style-type: none"> • Staff recommended holding the subject public hearing on January 10, 2008, with the adjusted rate to be effective March 1, 2008. <p>Councilmember Romley MOVED, seconded by Councilmember Bunker, to hold a Public Hearing for the purpose of receiving public comment on proposed wastewater rate modifications on January 10, 2008. The motion PASSED unanimously 6-0.</p>
<p>12/12/07 MPC</p>	<p>Special Meeting:</p> <p>3a. Consideration and possible adoption of a resolution authorizing the negotiation of Notes to the United States Government, acting through Rural Utilities Services, United States Department Of Agriculture, for the purpose of financing additional costs for a project for the Town Of Chino Valley, Arizona, and approving the form and authorizing the execution and delivery of Town Leases and agreements required in connection with the negotiation of such notes.</p> <p>Staff and Council reviewed the details of the proposed transaction, which related to financing for Phases II and III of the Chino Meadows sewer project.</p> <p>Vice-President Baker MOVED, seconded by Secretary/Treasurer Garcia, to adopt resolution authorizing the negotiation of Notes to the United States Government, acting through Rural Utilities Services, United States Department Of Agriculture, for the purpose of financing additional costs for a project for the Town Of Chino Valley, Arizona, and approving the form and authorizing the execution and delivery of Town Leases and agreements required in connection with the negotiation of such notes. The motion PASSED unanimously 3-0.</p> <p>3b. Consideration and possible adoption of a resolution authorizing and providing for the incurrence of indebtedness in the principal amount of not to exceed \$2,900,000 for the purpose of providing a portion of the cost of acquiring and constructing wastewater treatment facilities, providing for the collection, handling, and disposition of revenues, and authorizing makings of promissory note(s), security instruments, and pledges of revenues to evidence and secure the payment of said indebtedness and for related purposes.</p> <p>Vice-President Baker MOVED, seconded by Secretary/Treasurer Garcia, to approve the form of the documents presented, and a corrected not to exceed amount of \$3,100,000. The motion PASSED unanimously 3-0.</p>
<p>12/13/07 Council</p>	<p>19) Consideration and possible adoption of Resolution No. 07-860 approving the form and authorizing the execution and delivery of a loan agreement with The Water Infrastructure Finance Authority of Arizona (WIFA); approving the form and authorizing the execution and delivery of certain Town leases, approving the execution and delivery by Town of Chino Valley, Arizona, Municipal Property Corporation of such Town leases and the government documents (as such term is defined in such resolutions) and the negotiation of notes of the</p>

	<p>United States Government, acting through Rural Utilities Services (RUS), United States Department Of Agriculture and declaring an emergency.</p> <p>The staff report by Finance Director Linda York stated that this item pertained to funding for Phases II and III of the Chino Meadows sewer project. The funding was in the form of loans and grants from WIFA and RUS. Adopting Resolution No. 07-860 would provide for the completion of the Chino Meadows sewer project.</p> <p>Mark Reader, Financial Advisor with Stone and Youngberg and Mike Cafiso, Bond Counsel with Greenberg Traurig, reviewed the wastewater debt service structure and utility coverage summary. Key points were:</p> <ul style="list-style-type: none"> • While the Town of Chino Valley Municipal Property Corporation (MPC) had to submit the loan request to RUS, the Council had to submit the loan request to WIFA, because statute provided for differing authorities to enter into loan agreements with RUS and WIFA. While the MPC could enter into promissory notes with RUS, the Town could not. • Tonight's action would approve funding from Phase II of the WIFA loan and Phases II and III of the RUS loan, as well as grant money from RUS, providing that all the funding for the Chino Meadows sewer project would now be in place. • The WIFA loan for \$4.85 million would hopefully close in January, and once closed, the Town would work to close two loans for \$1.5 million and \$1.33 million, as well as \$3 million in grant money from RUS. • As long as the Town maintained at least 1.22 ratio in revenues over debt service for five years, WIFA would then release some of the pledges necessary to secure the loan, and they encouraged the Town to set its rates to maintain that cushion. <p>Vice-Mayor Baker MOVED, seconded by Councilmember Romley, to adopt Resolution No. 07-860 approving the form and authorizing the execution and delivery of a loan agreement with WIFA; approving the form and authorizing the execution and delivery of certain Town leases, approving the execution and delivery by the Town of Chino Valley Municipal Property Corporation of such Town leases and the government documents (as such term is defined in such resolutions) and the negotiation of notes to the U.S. Government, acting through Rural Utilities Services, U.S. Department of Agriculture and declaring any emergency. The motion PASSED unanimously 7-0.</p>
<p>5/8/08 MPC</p>	<p>Special Meeting: Housekeeping items only</p>
<p>6/12/08 Council</p>	<p>14) Adopt Resolution No. 08-877 approving the form of, and authorizing the execution and delivery of, an escrow trust agreement to defease payment obligations of the Town with respect to a loan agreement with the Greater Arizona Development Authority (GADA) and a Town Lease with the Town of Chino Valley, Arizona Municipal Property Corporation; delegating to the Town Manager of the Town the authority to designate the amounts in total (but not to exceed \$3,000,000.00) and of each to be defeased and other matters with respect to such agreement; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution and declaring an emergency.</p> <p>The staff report and presentation by Finance Director Linda York stated that:</p> <ul style="list-style-type: none"> • The Town had payment obligations due on July 1 and August 1, 2008 in the amount

	<p>of \$734,123.00 for the Series 2004 Revenue bonds and the May 2007 GADA financing. Due to current economic conditions, the Town was experiencing significant revenue shortfalls to the extent that these payment obligations would be difficult to meet.</p> <ul style="list-style-type: none"> • Included in the GADA financing was \$3 million for the acquisition of and improvements to the Yavapai College building on Highway 89, as well as improvements to the existing Town Hall building. However, the Town was in the process of negotiating a trade for the building as opposed to purchasing it, which would reduce the original project costs. • Since the Town could not return any money to GADA, they had agreed to permit the Town to make its payment obligations by transferring the \$3 million to a trustee, who would monitor the funds and make the bond debt payments from the interest for the next two fiscal years and part of a third fiscal year, leaving the remaining \$2 million for utility infrastructure to the Highway 89 building. • Using the GADA funds to defease these payment obligations would also allow the Town to build up cash in the Capital Improvement Fund from the one percent transaction privilege tax. <p>Tim Davis, owner of KT Interiors, asked how the utility lines would be extended to the Highway 89 building. Town Engineer Ron Grittmann explained that the sewer line would cross Highway 89 at Center Street then go north to the building, while the route for the water line would depend upon which alternative was the most cost effective.</p> <p>Councilmember Romley asked if Council could defease any other amount up to the \$3 million and if \$2 million would be enough for the infrastructure. Mr. Stricklin stated that \$3 million had to go into the trust, and Mr. Grittmann explained that the \$2 million for infrastructure would be tight. Mayor Fann added that the utility extensions were needed for new businesses.</p> <p>Councilmember Romley MOVED, seconded by Councilmember Bunker, to adopt Resolution No. 08-877 approving the form of, and authorizing the execution and delivery of, an escrow trust agreement to defease payment obligations of the Town with respect to a loan agreement with the Greater Arizona Development Authority and a Town Lease with the Town of Chino Valley, Arizona Municipal Property Corporation; delegating to the Town Manager of the Town the authority to designate the amounts in total (but not to exceed \$3,000,000.00) and of each to be defeased and other matters with respect to such agreement; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution and declaring an emergency. The motion PASSED unanimously 5-0.</p>
<p>1/22/09 MPC</p>	<p>Annual Meeting: Housekeeping items only</p>
<p>9/28/10 Council</p>	<p>2) Presentation by external consultants and staff and discussion regarding restructuring of the Town of Chino Valley's debt profile.</p> <p>Mark Reader, Managing Director, and Erika Miller, Analyst, with Stone & Youngberg; Mike Cafiso, Bond Attorney with Greenberg Traurig; Town Manager Michael Scannell, and Finance Director Vera Smith presented an overview of staff's proposal to restructure the Town's debt profile. Key points were:</p> <ul style="list-style-type: none"> • The purpose for restructuring the Town's debt was to reduce its annual debt service

	<p>payments for outstanding excise tax secured revenue bonds, which equaled about \$980,000 per year, and finance approximately \$700,000 to acquire the Cameron property, which the Town was obligated to do before December 29, 2010.</p> <ul style="list-style-type: none"> • The restructuring would refinance all maturities from the Town’s 2004 MPC bonds and 2007A GADA bonds (2012-2014 partial maturities plus all principal and interest in 2011/2012), and extend the bonds’ average life of 8 years to 17 years, in order to provide cash flow relief and bring the Town’s debt payments more in balance with present revenues. The restructuring would incur a nominal loss of approximately \$3.9 million and a net present value loss of approximately \$1.1 million. • The Cameron property purchase would be financed over approximately 15 years. However, staff believed that the Town should sell the property, which would require voter approval. The bonds to finance the purchase would be sold separately, so that if the voters approved the sale, the Town would have the flexibility to pay off the bonds upon the sale. The Town attorneys were researching if there was a “shelf life” of voter approval for selling the property, and if there was not, staff believed the matter should go to voters as soon as possible, in order to be prepared to sell when the market improved. • Financial summaries from FY 2006/2007 through FY 2010/2011 (projected) relative to historical and projected excise taxes, Town sales tax collections, state shared revenues, and summarized financials demonstrated that the Town’s excise tax coverage was strong and the restructuring could meet its objectives. • The restructuring proposed to issue \$7.2 million in new bonds, most of which would go into an escrow account to pay for the interest on the 2004 and 2007 bonds. The Town would also include a cash contribution from some leftover 2007 GADA loan proceeds and interest earnings in the amount of \$800,000 to reduce the amount needing to be financed. Although the 2004 and 2007 bonds call date would be in a few years, they would be considered as paid off for Town budgetary purposes. • The main cash flow relief was planned for the next 4-5 years, with the hope that the recession will be ending by then and the Town would have the opportunity to position itself to meet the higher debt service in the 5th year and be able to maintain its service delivery system. • The interest rate for the proposed bonds could go as high as 4.9%, but staff hoped to get them at 4.4% or 4.5% and would do what they could to get the best interest rate possible. • • Staff anticipated placing this proposal on the October 14 Council agenda, meeting with Standard & Poors for credit rating purposes on October 20, and closing on November 30, 2010. ~~
<p>10/14/10 Council</p>	<p>6a) Consideration and possible adoption of a Resolution approving the form and authorizing the execution and delivery of various agreements, instruments and documents in connection with, and approving the sale and execution and delivery of, not to exceed \$8,100,000 \$8,300,000 aggregate principal amount of pledged revenue and pledged revenue refunding obligations, series 2010, evidencing a proportionate interest of the owners thereof in the approved purchase agreement; delegating authority to the Mayor, Manager and Finance Director of the Town to determine certain matters and terms with respect to the foregoing, authorizing the taking of all other actions necessary to the consummation of the transactions</p>

	<p>contemplated by this Resolution and declaring an emergency.</p> <p>6b) Consideration and possible adoption of a Resolution approving the form and authorizing the execution and delivery of a Defeasance Escrow Trust Agreement to defease payment obligations with respect to a loan agreement with the Greater Arizona Development Authority and a town lease with Town of Chino Valley, Arizona Municipal Property Corporation; delegating to the Mayor, Manager and Finance Director of the Town the authority to designate the amounts in total (but not to exceed \$900,000) and of each to be defeased and other matters with respect to such agreement; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution and declaring an emergency.</p> <p>Town Clerk Jami Lewis reminded Council that items 6a and 6b required a supermajority vote, as both Resolutions contained an emergency clause.</p> <p>Town Attorney Tom Kack observed that the dollar amount in item 6a on the agenda and staff report conflicted with the amount in the Resolution. Town Manager Michael Scannell confirmed that the amount in the Resolution was correct and the amount on the agenda item should be \$8,300,000.00.</p> <p>Public Comment was as follows:</p> <p>Richard Bond asked for clarification on items 6a, 6b, 7, and 11. Council related that item 11 represented an increase in reimbursement from NACOG for the Town’s Meals-On-Wheels expenditures; items 6a and 6b related to refinancing some of the Town’s debt to help the Town through the slow economy; and item 7 pertained to a grant-funded purchase. Mr. Bond objected to using taxpayer money for all these items.</p> <p>Toni Graybill, resident, asked if the refinancing was being done to force residents to pay for new sewer projects or proposed improvement districts. Mr. Scannell explained that the Town’s bonds had been issued during a strong economy when the Town could meet its obligations, and due to the economic downturn, it now did not have the capacity to do so. As it was not ethical to default, he and the Town’s bond counsel and financial advisors believed that this was the Town’s best option to ease the financial stress. The refinancing was completely separate from sewer and improvement district matters.</p> <p>Jerry Franklin, Paulden resident, asked from what sources the bonds would be paid. Mayor Bunker and Mr. Scannell stated that the Town would pledge excise tax, sales tax, sewer revenues, and other taxes.</p> <p>Vice-Mayor Romley MOVED, seconded by Councilmember Tenney, to accept Consent Agenda items 5 through 11. The motion PASSED unanimously 6-0.</p>
<p>2/15/12 MPC</p>	<p>Annual Meeting: Housekeeping items only</p>

AGENDA ITEM 4
EXHIBITS

February 15, 2012 Annual Meeting Minutes

**MINUTES OF THE ANNUAL MEETING OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL PROPERTY CORPORATION OF THE TOWN OF CHINO VALLEY**

**WEDNESDAY, FEBRUARY 15, 2012
5:00 PM**

The Municipal Property Corporation of the Town of Chino Valley, Arizona met for their Annual Meeting in the Chino Valley Town Council Chambers located at 202 N. State Route 89, Chino Valley, Arizona, on the day and time above.

Town Clerk Jami Lewis called the meeting to order at 5:20 p.m.

Board of Directors Present: Secretary/Treasurer Barbara Garcia (arrived at 5:21 p.m.), and Directors John Coomer, Matt Mintzmyer, and Ed Steinback,

Board of Directors Absent: Michael Markgraf.

Town Staff Present: Town Clerk Jami Lewis (recorder).

3. ITEMS TO BE DISCUSSED

3a. Approve January 22, 2009 Annual Meeting minutes.

Director Coomer moved; Director Steinback seconded; PASSED 3-0.

3b. Overview of MPC Articles of Incorporation, By-Laws, and financial statement.

Ms. Lewis reported that staff was unable to provide a current financial statement, so the one from the 2009 annual report was in their packet. Since 2009, the Town had defeased a certain portion of these funds on two occasions and in late 2010, it restructured its debt.

The Directors discussed the Articles of Incorporation, By-Laws, and financial statement, and asked staff to provide the following materials to them:

- A 'plain English' overview of their scope of responsibility.
- History of corporation's actions taken.
- The properties for which the corporation is accountable, including any buildings or structures on said property.
- Full set of financials for 2010 and 2011.
- Any filings with the IRS and/or tax returns.
- Assessment of the corporation's legal status, as the law had changed to remove civic corporations from being eligible for 501(c)(3) status.

They also stated that they would like to have another meeting to go over these items.

3c. Select officers for calendar year 2012 for the position of President, Vice-President, and Secretary/Treasurer.

Director Steinback was selected as President, Director Coomer was selected as Vice-President, and Director Garcia was selected as Secretary/Treasurer.

3d. Review and update Board of Directors contact information.

The Directors reviewed and updated their contact information.

3e. Review Annual Report.

Ms. Lewis reported that the Directors needed to provide a response to Items 10A and 10B on page 3 of the Annual Report. The Directors reviewed the annual report and responded to those items.

4. ADJOURN

President Steinback adjourned the meeting at 5:35 p.m.

Dated this 16th day of February, 2012.

By: *Jami C. Lewis, Town Clerk*

AGENDA ITEM 5

Selecting Officers

Per the Bylaws, Article III Section 1 Designation of Titles, the Officers shall be a President, and a Secretary/Treasurer.

The Board may also choose one or more Vice Presidents and one or more Assistant Secretaries and Assistant Treasurers.

Any number of offices, except President and Secretary, may be held by the same person.

AGENDA ITEM 6
EXHIBITS

2017 Annual Report



WEB FORM COPY

STATE OF ARIZONA CORPORATION COMMISSION CORPORATION ANNUAL REPORT & CERTIFICATE OF DISCLOSURE



DUE ON OR BEFORE 10/9/2017

FILING FEE \$10.00

PLEASE READ ALL INSTRUCTIONS. The following information is required by A.R.S. §§10-1622 & 10-11622 for all corporations organized pursuant to Arizona Revised Statutes, Title 10. The Commission's authority to prescribe this form is A.R.S. §§ 10-121(A) & 10-3121(A). YOUR REPORT MUST BE SUBMITTED ON THIS ORIGINAL FORM. Make changes or corrections where necessary. Information for the report should reflect the current status of the corporation.

10542644

1. TOWN OF CHINO VALLEY, ARIZONA, MUNICIPAL PROPERTY CORPORATIO % JAMI C LEWIS 202 N STATE ROUTE 89 CHINO VALLEY, AZ 86323

Business Phone: State of Domicile: ARIZONA

(Business phone is optional.)

Type of Corporation: NON-PROFIT

2. Statutory Agent: GUST ROSENFELD PLC Mailing Address: % SUSAN D GOODWIN ONE EAST WASHINGTON STREET STE 1600 City, State, Zip: PHOENIX, AZ 85004 Statutory Agent's Street or Physical Address, If Different.

ACC USE ONLY Fee \$ Penalty \$ Reinstatement \$ Expedite \$ Resubmit \$

If appointing a new statutory agent, the new agent MUST consent to that appointment by signing below. Note that the agent address must be in Arizona. I, (individual) or We, (corporation or limited liability company) having been designated the new Statutory Agent, do hereby consent to this appointment until my removal or resignation pursuant to law. Signature of new Statutory Agent Printed Name of new Statutory Agent

3. Secondary Address:

(Foreign Corporations are REQUIRED to complete this section).

4. Check the one category below which best describes the CHARACTER OF BUSINESS of your corporation.

BUSINESS CORPORATIONS

- 1. Accounting 2. Advertising 3. Aerospace 4. Agriculture 5. Architecture 6. Banking/Finance 7. Barbers/Cosmetology 8. Construction 9. Contractor 10. Credit/Collection 11. Education 12. Engineering 13. Entertainment 14. General Consulting 15. Health Care 16. Hotel/Motel 17. Import/Export 18. Insurance 19. Legal Services 20. Manufacturing 21. Mining 22. News Media 23. Pharmaceutical 24. Publishing/Printing 25. Ranching/Livestock 26. Real Estate 27. Restaurant/Bar 28. Retail Sales 29. Science/Research 30. Sports/Sporting Events 31. Technology(Computers) 32. Technology(General) 33. Television/Radio 34. Tourism/Convention Services 35. Transportation 36. Utilities 37. Veterinary Medicine/Animal Care 38. Other

NON-PROFIT CORPORATIONS

- 1. Charitable 2. Benevolent 3. Educational 4. Civic 5. Political 6. Religious 7. Social 8. Literary 9. Cultural 10. Athletic 11. Science/Research 12. Hospital/Health Care 13. Agricultural 14. Cooperative Marketing Association 15. Animal Husbandry 16. Homeowner's Association 17. Professional, commercial industrial or trade association 18. Other

5. CAPITALIZATION: (For-profit Corporations and Business Trusts are **REQUIRED** to complete this section.)

Business trusts must indicate the number of transferable certificates held by trustees evidencing their beneficial interest in the trust estate. PLEASE PRINT OR TYPE CLEARLY.

5a. Please examine the corporation's original Articles of Incorporation for the amount of shares authorized .		
Number of Shares/Certificates Authorized	Class	Series Within Class (if any)
0.00		
0.00		

5b. Review all corporation amendments to determine if the original number of shares has changed. Examine the corporation's minutes for the number of **shares issued**.

Number of Shares/Certificates Issued	Class	Series Within Class (if any)
0.00		
0.00		

6. SHAREHOLDERS: (For-profit Corporations and Business Trusts are **REQUIRED** to complete this section.)

List shareholders holding more than 20% of any class of shares issued by the corporation, or having more than a 20% beneficial interest in the corporation.

NONE Name: _____ Name: _____

Name: _____ Name: _____

7. OFFICERS PLEASE TYPE OR PRINT CLEARLY. YOU MUST LIST AT LEAST ONE.

Name: <u>JOHN COOMER</u>	Name: _____
Title: <u>VICE-PRESIDENT</u>	Title: _____
Address: <u>855 W BUTTERFIELD RD</u>	Address: _____
_____	_____
CHINO VALLEY, AZ 86323	_____

Date taking office: <u>02/15/2012</u>	Date taking office: _____
Name: _____	Name: _____
Title: _____	Title: _____
Address: _____	Address: _____
_____	_____
_____	_____
Date taking office: _____	Date taking office: _____

8. DIRECTORS PLEASE TYPE OR PRINT CLEARLY. YOU MUST LIST AT LEAST ONE.

Name: <u>TRAVIS BARD</u>	Name: <u>JOHN COOMER</u>
Address: <u>1535 EAST ROAD 3 SOUTH</u>	Address: <u>855 W BUTTERFIELD RD</u>
_____	_____
CHINO VALLEY, AZ 86323	CHINO VALLEY, AZ 86323

Date taking office: <u>01/14/2014</u>	Date taking office: <u>7/25/2017</u>
Name: <u>WELLES GEARY</u>	Name: _____
Address: <u>1379 ALLERTON WAY</u>	Address: _____
_____	_____
CHINO VALLEY, AZ 86323	_____

Date taking office: <u>7/25/2017</u>	Date taking office: _____
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9. FINANCIAL DISCLOSURE (A.R.S. §10-11622(A)(9))

Nonprofits – financial disclosure is no longer required. **Cooperative marketing associations** – must submit a financial statement. All other types of corporations are not required to file a financial statement.

ONLY NONPROFIT CORPORATIONS MUST ANSWER THIS QUESTION:

9A. MEMBERS (A.R.S. §10-11622(A)(6)) This corporation **DOES** **DOES NOT** have members.

10. CERTIFICATE OF DISCLOSURE (A.R.S. §§ 10-202(D), 10-3202(D), 10-1622(A)(8) & 10-11622(A)(7))

A. Has any person who is currently an officer, director, trustee, incorporator, or who, in a For-profit corporation, controls or holds more than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation been:

1. Convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the five year period immediately preceding the execution of this certificate?
2. Convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses or restraint of trade or monopoly in any state or federal jurisdiction within the five year period immediately preceding execution of this certificate?
3. Subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the five year period immediately preceding execution of this certificate where such injunction, judgment, decree or permanent order involved the violation of:
 - (a) fraud or registration provisions of the securities laws of that jurisdiction, or
 - (b) the consumer fraud laws of that jurisdiction, or
 - (c) the antitrust or restraint of trade laws of that jurisdiction?

One box must be marked: YES **NO**

If "YES" to A, the following information **must be submitted** as an attachment to this report for each person subject to one or more of the actions stated in Items 1 through 3 above.

- | | |
|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Full birth name. | 5. Date and location of birth. |
| 2. Full present name and prior names used. | 6. The nature and description of each conviction or judicial action; the date and location; the court and public agency involved; and the file or cause number of the case. |
| 3. Present home address. | |
| 4. All prior addresses for immediately preceding 5 year period. | |

B. Has any person who is currently an officer, director, trustee, incorporator, or who, in a For-profit corporation, controls or holds over 20% of the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in the corporation, served in any such capacity or held a 20% interest in any other corporation on the bankruptcy or receivership of that other corporation?

One box must be marked: YES **NO**

If "YES" to B, the following information **must be submitted** as an attachment to this report for each corporation subject to the statement above.

- (a) Name and address of each corporation and the persons involved.
- (b) State(s) in which it: (i) was incorporated and (ii) transacted business.
- (c) Dates of corporate operation.

11. STATEMENT OF BANKRUPTCY OR RECEIVERSHIP (A.R.S. §§ 10-1623 & 10-11623)

A. Has the **corporation** filed a petition for bankruptcy or appointed a receiver? **One box must be marked: YES** **NO**

If "Yes" to A, the following information **must be submitted** as an attachment to this report:

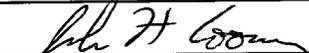
1. All officers, directors, trustees and major stockholders of the corporation within one year of filing the petition for bankruptcy or the appointment of a receiver. If a major stockholder is a corporation, the statement shall list the current president, chairman of the board of directors and major stockholders of such corporate stockholder. "Major stockholder" means a shareholder possessing or controlling twenty per cent of the issued and outstanding shares or twenty per cent of any proprietary, beneficial or membership interest in the corporation.
2. Whether any such person has been an officer, director, trustee or major stockholder of any other corporation within one year of the bankruptcy or receivership of the other corporation. If so, for each such corporation give:
 - (a) Name and address of each corporation;
 - (b) States in which it: (i) was incorporated and (ii) transacted business.
 - (c) Dates of operation.

12. SIGNATURES:

Annual Reports must be signed and dated by at least one duly authorized officer or they will be rejected.

I declare, under penalty of perjury, that all corporate income tax returns required by Title 43 of the Arizona Revised Statutes have been filed with the Arizona Department of Revenue. I further declare under penalty of perjury that I (we) have examined this report and the certificate, including any attachments, and to the best of my (our) knowledge and belief they are true, correct and complete.

Name John Coomer Date 10/9/17 Name _____ Date _____

Signature  Signature _____

Title Vice-President Title _____

(Signator(s) must be duly authorized corporate officer(s) listed in section 7 of this report.)