

City of Prescott

Municipal Property Corporation Board



October 4, 2023 | 9:00 AM
201 N. Montezuma Street
Executive Conference Room, 3rd Floor
Prescott, AZ 86301

AGENDA

The following Agenda will be considered by the **Municipal Property Corporation Board** at their meeting to be held **October 4, 2023**. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02.

1. CALL TO ORDER

2. ROLL CALL

3. DISCUSSION & ACTION ITEMS

A. Approval of Minutes from the October 19, 2022 Meeting of the Municipal Property Corporation Board.

Recommended Action: MOVE to approve the meeting minutes as presented

B. Election of Officers: President, Vice President, Secretary/Treasurer for The Coming Year.

Recommended Action: MOVE to elect the necessary officers for the MPC

C. Discussion & Presentation for a Review of Fiscal Year 2023 Financials.

Recommended Action: This item is for discussion only. No formal action will be taken.

4. ADJOURNMENT

Upon a public majority vote of a quorum of the Board, the Board may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (1) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));
- (2) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));
- (3) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03(A)(3));
- (4) Discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid litigation (A.R.S. § 38-431.03(A)(4));
- (5) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03(A)(5));

(6) Discussion, consultation or consideration for negotiations by the city or its designated representatives with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city (A.R.S. §38-431.03(A)(6));

(7) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03(A)(7)).

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on 9/27/23 at 1:00 p.m. in accordance with the statement filed by the Prescott City Council with the City Clerk.



Sarah M. Siep, City Clerk



TO: MAYOR AND CITY COUNCIL
AGENDA: City of Prescott Annual Municipal Property Corporation Meeting
DATE: October 4, 2023
DEPT: Finance
ITEM #: 3.A
SUBJECT: Approval of Minutes from the October 19, 2022 Meeting of the Municipal Property Corporation Board.

ITEM SUMMARY

This item is for the approval of meeting minutes from the October 19, 2022 Annual Meeting.

BACKGROUND

None

FINANCIAL IMPACT

None

RECOMMENDED ACTION

MOVE to approve the meeting minutes as presented

ATTACHMENTS

1. MPC Minutes October 19, 2022

CITY OF PRESCOTT
MUNICIPAL PROPERTY
CORPORATION
BOARD OF DIRECTORS
WEDNESDAY, OCTOBER 19, 2022
PRESCOTT, ARIZONA

MINUTES OF THE MEETING OF THE MUNICIPAL PROPERTY CORPORATION BOARD OF DIRECTORS HELD ON OCTOBER 19, 2022, IN THE CITY COUNCIL CONFERENCE ROOM LOCATED AT CITY HALL, 201 SOUTH CORTEZ STREET, PRESCOTT, ARIZONA.

A. Call to Order

President Burton called the meeting to order at 3:02 p.m.

B. Roll Call

Members Present:

Steve Burton, President
Victor Pereboom, Vice President
Ken Foote, Member (attended virtually)
Kevin Lane, Member
Bob Roecker, Member

Mark Woodfill, Secretary and Treasurer
Connie Cantelme, Council Liaison

Staff Present:

Jennifer Wiita, Deputy City Clerk

C. Approval of Minutes of the City of Prescott Municipal Property Corporation meeting held October 13, 2021.

President Burton noted that some of the members were listed with incorrect titles.

MEMBER LANE MOVED TO APPROVE THE OCTOBER 13, 2021 MEETING MINUTES WITH CORRECTION TO MEMBER TITLES; SECONDED BY VICE PRESIDENT PEREBOOM; PASSED 5-0.

D. Review of FY2021 Financials

Finance Director Mark Woodfill provided a financial review of the Municipal Property Corporation:

As of June 30, 2022 - Unaudited

Total Assets	\$ 9,053,014
Total Liabilities	\$ 9,053,014
<u>Total Fund Balance</u>	\$ 0
<i>Total Liabilities and Fund Balance</i>	\$ 9,053,014

Long-Term Debt – Bonds Payable

<u>Issue</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Project</u>	<u>Principal</u>
2014	3.85%	07/01/2034	Refunding Big Chino Water Ranch	<u>\$ 7,135,000</u>
<i>Total Bonds Payable</i>				<u>\$ 7,135,000</u>

Statement of Revenues, Expenditures and Changes in Fund Balance for the Fiscal Year Ending June 30, 2022 – Unaudited

Revenues

Rent Paid to the Corporation by City	\$717,436
<i>Total Revenues</i>	\$717,436

Expenditures

Principal Payment – Series 2014	\$430,000
Interest Payment – Series 2014	\$368,150
Premium Amortization – Series 2014	(\$80,714)
<i>Total Expenditures</i>	\$717,436

Net Change in Fund Balance	-
Beginning Fund Balance	-
<i>Ending Fund Balance</i>	\$ 0

Member Lane asked when the Big Chino Water Ranch will be on the docket for discussion.

Mr. Woodfill responded that he is unsure but believes that within the next few months.

Councilwoman Cantelme asked for further information.

Mr. Woodfill replied that there is a significant project that will require budget appropriation so a contingency was put in the General Fund of \$30,000,000 which would be funded by a bond issue if Council decides to move forward.

Member Burton stated that the commission agreed to stay on to get this bond to 2024.

Councilwoman Cantelme asked if it will be dissolved and asked for the reason for the formation.

Mr. Woodfill explained that in the 1970's when this was created, bond councils across the state determined that state law prevented municipalities from issuing debt without the approval of voters. The way to get around that was to use a private corporation.

Councilwoman Cantelme asked if it was self-funding on interest.

Mr. Woodfill responded that the Municipal Property Corporation has no revenue other than the city paying the interest.

Member Roecker added that all MPC board meetings are public

Mr. Woodfill stated that the MPC board has power to not issue debt.

Councilwoman Cantelme asked how long all current members have been on board, the reason for dissolution when it occurs and if there is any reason to keep the corporation.

Mr. Woodfill replied they have all been on for quite some time and it would be dissolved when no longer needed. There is no reason to keep the corporation going and can reform if needed. He continued, saying that there will be another meeting next year in 2024 and council will have to decide what to do with this issue; 3.5% for a ten-year bond is a little high, and it also depends on what Council wants to do with the water ranch.

President Burton asked what the rates on a 20-year bond would be today.

Mr. Woodfill replied that it would be about 3.5%.

E. Election of Officers: President, Vice President, Secretary/Treasurer

MOTION BY MEMBER ROEKER TO KEEP THE OFFICERS AS IS; SECONDED BY MEMBER LANE. (PASSED 5-0)

F. Adjournment

There being no further business to discuss, the meeting adjourned at 3:19 p.m.

ATTEST:

DEPUTY CITY CLERK

PRESIDENT

Date

Date



TO: MAYOR AND CITY COUNCIL
AGENDA: City of Prescott Annual Municipal Property Corporation Meeting
DATE: October 4, 2023
DEPT: Finance
ITEM #: 3.B
SUBJECT: Election of Officers: President, Vice President, Secretary/Treasurer for The Coming Year.

ITEM SUMMARY

The Board is annually required to select Offices of President, Vice President and Secretary/Treasurer. This item is for the necessary election of these officers.

BACKGROUND

Each year the Municipal Property Corporation must elect offices.

The current officers are:

- Steve Burton, President
- Victor Pereboom, Vice President
- Mark Woodfill, Secretary/Treasurer

FINANCIAL IMPACT

None

RECOMMENDED ACTION

MOVE to elect the necessary officers for the MPC

ATTACHMENTS

None



TO: MAYOR AND CITY COUNCIL
AGENDA: City of Prescott Annual Municipal Property Corporation Meeting
DATE: October 4, 2023
DEPT: Finance
ITEM #: 3.C
SUBJECT: Discussion & Presentation for a Review of Fiscal Year 2023 Financials.

ITEM SUMMARY

Staff will provide a review of the fiscal year 2023 Financial Summary for the Municipal Property Corporation.

BACKGROUND

There were no new debt issues this year. Attached is the statement showing fiscal year 2023 activity.

FINANCIAL IMPACT

None

RECOMMENDED ACTION

This item is for discussion only. No formal action will be taken.

ATTACHMENTS

1. FY2023 MPC Statements

CITY OF PRESCOTT MUNICIPAL PROPERTY CORPORATION

BALANCE SHEET

As of June 30, 2023

Unaudited

ASSETS		
Rent Receivable from City of Prescott - Current	\$	729,000
Rent Receivable from City of Prescott - Long Term		7,602,916
TOTAL ASSETS	\$	8,331,916
LIABILITIES		
Deferred Revenue	\$	7,836,882
MPC 2014 Bond Premium		495,034
TOTAL LIABILITIES		8,331,916
FUND BALANCE		
TOTAL FUND BALANCE		
TOTAL LIABILITIES AND FUND BALANCE	\$	8,331,916

Long-Term Debt

BONDS PAYABLE				
Issue	Rate	Maturity Date	Project	Principal
2014	3.85%	7/1/2034	Refunding Bond - Big Chino Water Ranch	\$ 6,685,000
Total Bonds Payable				\$ 6,685,000

Statement of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Year Ending June 30, 2023

Unaudited

REVENUES		
Rent Paid to the Corporation by the City	\$	721,098
TOTAL REVENUES	\$	721,098
EXPENDITURES		
Principal Payment		
For Series: 2014	\$	450,000
Interest Payment		
For Series: 2014	\$	346,650
2014 Premium amortization		(75,552)
TOTAL EXPENDITURES	\$	721,098
Net Change in Fund Balance		-
Beginning Fund Balance		-
Ending Fund Balance	\$	-