



**NOTICE OF PUBLIC MEETING
OF THE
MUNICIPAL PROPERTY CORPORATION BOARD OF DIRECTORS
OF THE CITY OF COTTONWOOD**

Pursuant to A.R.S. §38-431.02 notice is hereby given to the members of the Municipal Property Corporation Board of Directors of the City of Cottonwood and to the general public that the Municipal Property Corporation Board of Directors of the City of Cottonwood will hold its Annual Meeting, which is open to the public on:

September 21, 2010
1:00 p.m.
Finance Director's Office
816 North Main Street
Cottonwood, Arizona

The agenda for the meeting is as follows:

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF MINUTES – MEETING OF SEPTEMBER 28, 2009
- IV. DISCUSSION OF POSSIBLE MPC PROJECTS
- V. ANNUAL FINANCIAL REPORT
- VI. ADJOURNMENT

A copy of the agenda for the meeting will be available at the Cottonwood City Hall, 827 North Main Street, Cottonwood, Arizona, at least twenty-four (24) hours in advance of the meeting.

Dated: September 20, 2010
CITY OF COTTONWOOD

Jesus R. Rodriguez, CGFM
Administrative Services General Manager

A G E N D A

THE ANNUAL MEETING OF THE BOARD OF DIRECTORS OF THE MUNICIPAL PROPERTY CORPORATION OF THE CITY OF COTTONWOOD, ARIZONA, TO BE HELD SEPTEMBER 21, 2010 AT 1:00 P.M. AT THE FINANCE DIRECTOR'S OFFICE, 816 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF MINUTES – MEETING OF SEPTEMBER 28, 2009
- IV. DISCUSSION OF POSSIBLE MPC PROJECTS
- V. ANNUAL FINANCIAL REPORT
- VI. ADJOURNMENT

MINUTES OF THE ANNUAL MEETING OF THE BOARD OF DIRECTORS OF THE MUNICIPAL PROPERTY CORPORATION OF THE CITY OF COTTONWOOD, ARIZONA, HELD SEPTEMBER 28, 2009 AT 7:41 A.M. AT THE FINANCE DIRECTORS'S OFFICE , 816 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

Call to Order

President Jauregui called the meeting to order at 7:41 a.m. Roll call was taken as follows:

Introductions and Roll Call

Board members present:

Ruben Jauregui, President
Mark Hobson, Secretary/Treasurer (telephonically)

Board member absent:

Frank Leupold, Vice President

City staff present:

Jesus R. Rodriguez, Administrative Services General Manager

Visitors: None

Approval of the Minutes of the September 23, 2008 meeting

Secretary Mark Hobson motioned to approve the minutes as presented, President Ruben Jauregui seconded the motion. Motion passed unanimously.

Discussion of Possibility of Funding Opportunities for City of Cottonwood Infrastructure

Administrative Services General Manager, Rudy Rodriguez presented the possibilities that the City of Cottonwood may use the Municipal Property Corporation (MPC) in order to obtain financing for several of the capital improvement projects in this fiscal year. The funding anticipated for FY2010 is approximately \$8.5M for street projects, remodel of a building to serve as an evidence holding facility, and the construction of a regional communication center.

It was noted that with the raiding of the Greater Arizona Development Authority's (GADA) reserves by the State of Arizona, the GADA was not expected to have the strength in the market that it once had. Other options were also discussed including the use of bank financing.

Annual Financial Reports

City Finance Director presented the annual un-audited MPC financial reports for the year ending June 30, 2009. The reports reflect assets matching the liabilities to the total of \$36,735,000. Secretary Mark Hobson motioned to approve the Unaudited Annual Financial Reports as presented; President Ruben Jauregui seconded the motion. Motion passed unanimously.

Adjournment

There not being any further business, Secretary Hobson motioned to adjourn the meeting, Board President Jauregui seconded, motion passed unanimously. Meeting adjourned at 7:58 a.m.

Attest:

President

Secretary

City of Cottonwood, Arizona
Municipal Property Corporation
Agenda Communication



Meeting Date: September 21, 2010

Subject: Discussion of Possible Funding Opportunities for City of Cottonwood Infrastructure

From: Jesus R. Rodriguez, Administrative Services General Manager

REQUESTED ACTION

Staff would like to discuss future possibilities of using the MPC to provide funding for the City of Cottonwood for major capital infrastructure.

BACKGROUND

The City of Cottonwood is still moving forward with its planned capital infrastructure and will need some funding mechanism in order to continue its capital improvement plans. There are several options available to the City, however, our Financial Consultants; Stone & Youngberg would like to get some feedback from the MPC as a possible candidate for funding.

ISSUE

The projects in mind at this time are:

| | |
|--|-------------|
| 12 th Street Reconstruction | \$2,300,000 |
| Mingus Avenue Reconstruction | 1,450,000 |
| Evidence Building Remodel | 1,000,000 |
| Communications Center | 4,060,000 |
| <hr/> | |
| Total | \$8,810,000 |

Please note that these are only estimates and the amounts may change as the project progress and plans are solidified.

By using the MPC, the City issuance of bonds is more streamlined and can be accomplished at any time of the year. In contrast, GADA loans are scheduled at only certain time of the year. Our financial consultants feel that the City would benefit to have its own funding rather than going through the state.

CITY OF COTTONWOOD
Municipal Property Corporation
Balance Sheet - Consolidated
June 30, 2010

ASSETS

Current Assets:

| | | |
|--|-----|---------------------|
| Cash | \$0 | |
| Trade Notes and accounts receivable (less allowance for bad debt) | 0 | |
| Inventories | 0 | |
| Other current assets | 0 | |
| Total Current Assets | 0 | |
| Land, buildings and other fixed assets (net of accumulated depreciation) | | 0 |
| Other assets - Lease Agreement | | 35,515,000 |
| Total Assets | | \$35,515,000 |

LIABILITIES

Current Liabilities:

| | | |
|---|---|---------------------|
| Accounts Payable | 0 | |
| Mortgages, notes, bonds (payable in less than one year) | 0 | |
| Other current liabilities | 0 | |
| Total Current Liabilities | | |
| Mortgages, notes, bonds (payable in more than one year) | | 35,515,000 |
| Fund Balances: | | |
| Restricted | 0 | |
| Unrestricted | 0 | |
| Total Fund Balances | 0 | |
| Total Liabilities and Fund Balances | | \$35,515,000 |

Prepared by: Jesus R. Rodriguez, CGFM

Date: September 20, 2010

CITY OF COTTONWOOD
Senior Lien Water System Revenue Bonds, Series 2004
Balance Sheet
June 30, 2010

ASSETS

Current Assets:

| | | |
|---|-------|----------------------------------|
| Cash | \$0 | |
| Trade Notes and accounts receivable (less allowance for bad debt) | 0 | |
| Inventories | 0 | |
| Other current assets | 0 | |
| | <hr/> | |
| Total Current Assets | | 0 |
| Land, buildings and other fixed assets (net of accumulated depreciation) | | 0 |
| Other assets - Lease Agreement | | 12,275,000 |
| Total Assets | | <hr/> <u><u>\$12,275,000</u></u> |

LIABILITIES

Current Liabilities:

| | | |
|--|-------|----------------------------------|
| Accounts Payable | 0 | |
| Mortgages, notes, bonds (payable in less than one year) | 0 | |
| | <hr/> | |
| Other current liabilities | | 0 |
| Total Current Liabilities | | |
| Mortgages, notes, bonds (payable in more than one year) | | 12,275,000 |
| | | <hr/> |
| Fund Balances: | | |
| Restricted | 0 | |
| Unrestricted | 0 | |
| | <hr/> | |
| Total Fund Balances | | 0 |
| Total Liabilities and Fund Balances | | <hr/> <u><u>\$12,275,000</u></u> |

Prepared by: Jesus R. Rodriguez, CGFM

Date: September 20, 2010

CITY OF COTTONWOOD
Senior Lien Water System Revenue Bonds, Series 2006
Balance Sheet
June 30, 2010

ASSETS

Current Assets:

| | | |
|---|-------|---------------------------------|
| Cash | \$0 | |
| Trade Notes and accounts receivable (less allowance for bad debt) | 0 | |
| Inventories | 0 | |
| Other current assets | 0 | |
| | <hr/> | |
| Total Current Assets | | 0 |
| Land, buildings and other fixed assets (net of accumulated depreciation) | | 0 |
| Other assets - Lease Agreement | | 23,240,000 |
| Total Assets | | <hr/> <hr/> \$23,240,000 |

LIABILITIES

Current Liabilities:

| | | |
|--|-------|---------------------------------|
| Accounts Payable | 0 | |
| Mortgages, notes, bonds (payable in less than one year) | 0 | |
| | <hr/> | |
| Other current liabilities | | 0 |
| Total Current Liabilities | | |
| Mortgages, notes, bonds (payable in more than one year) | | 23,240,000 |
| | | <hr/> |
| Fund Balances: | | |
| Restricted | 0 | |
| Unrestricted | 0 | |
| | <hr/> | |
| Total Fund Balances | | 0 |
| Total Liabilities and Fund Balances | | <hr/> <hr/> \$23,240,000 |

Prepared by: Jesus R. Rodriguez, CGFM

Date: September 20, 2010