



**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 30, 2011
8:00 a.m.
Finance Director's Office
Cottonwood Administrative Services Building
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 21, 2010
- IV. OATH OF OFFICE TO ALL BOARD MEMBERS
- V. APPOINTMENT OF OFFICERS
- VI. ANNUAL FINANCIAL REPORT
- VII. 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 27, 2011
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 30, 2011 AT 8:00 A.M. AT THE FINANCE DIRECTOR'S OFFICE, COTTONWOOD ADMINISTRATIVE SERVICES BUILDING, 816 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF MINUTES – MEETING OF SEPTEMBER 21, 2010
- IV. OATH OF OFFICE TO ALL BOARD MEMBERS
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MINUTES OF THE ANNUAL MEETING OF THE BOARD OF DIRECTORS OF THE MUNICIPAL PROPERTY CORPORATION OF THE CITY OF COTTONWOOD, ARIZONA, HELD SEPTEMBER 21, 2010 AT 1:09 P.M. AT THE FINANCE DIRECTORS'S OFFICE, 816 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

Call to Order

President Jauregui called the meeting to order at 1:09 p.m.. Roll call was taken as follows:

Introductions and Roll Call

Board members present:

Ruben Jauregui, President
Frank Leupold, Vice President
Mark Hobson, Secretary/Treasurer

Board member absent:

None

City staff present:

Jesus R. Rodriguez, Administrative Services General Manager

Visitors: None

Approval of the Minutes of the September 28, 2009 meeting

Secretary Mark Hobson motioned to approve the minutes as presented, Vice - president Frank Leupold 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 \$8.8M for street projects, remodel of a building to serve as an evidence holding facility, and the construction of a regional communication center.

Options available to the City are the use of the Greater Arizona Development Authority, floating our own bonds, or the MPC. Currently the ultimate decision has not been made and numbers have not been solidified. MPC board members were made aware that if the City should choose to use the MPC there would be more meeting than just the annual one.

Discussion continued over the 12th Street and the Mingus Avenue reconstruction and right of ways, infrastructure, and specifically the roundabout at Mingus and Willard. Though the decisions on all these topics are not within the prevue of this board they wanted to ensure that they would be in on the discussions should the MPC be used as the financing mechanism of choice.

They were assure that the MPC board would be very active once the decision was made to use them to finance any future projects.

Annual Financial Reports

City Finance Director presented the annual un-audited MPC financial reports for the year ending June 30, 2010. The reports reflect assets matching the liabilities to the total of \$35,515,000. The board was also made aware that the City was planning to pursue refinancing of these bonds through possibly a Water Infrastructure Finance Authority (WIFA) loan.

This would allow the City of Cottonwood and Town of Clarkdale to finally split the final tie to this arrangement, where the City of Cottonwood purchased Old Cottonwood Water Company and then established a purchase arrangement with the Town of Clarkdale to obtain possession of the assets in Clarkdale proper. Unfortunately, the liability for the debt service payment falls squarely on the City of Cottonwood, should Clarkdale default.

Adjournment

There not being any further business, Secretary Hobson motioned to adjourn the meeting, Board Vice - president Leupold seconded, motion passed unanimously.

Attest:

President

Secretary

City of Cottonwood, Arizona
City Council Agenda Communication



Meeting Date: September 30, 2011
Subject: Oath of Office for new and re-enlisted members
Department: Administrative Services
From: Jesus R. Rodriguez, CGFM, Administrative Services General Manager

REQUESTED ACTION

It is necessary for new and re-enlisted members to take an Oath Of Office prior to taking their place on their respective board, committee, or commission.

JUSTIFICATION/BENEFITS/ISSUES

Take the Oath of Office and sign the necessary paperwork.

ATTACHMENTS

Attachment A - Written copy of the Oath of Office

Attachment A

OATH OF OFFICE

State of Arizona, County of Yavapai, I _____, do solemnly swear (or affirm) that I will support the Constitution of the United States and the Constitution and laws of the State of Arizona, and will support the City Code and laws of the City of Cottonwood; that I will bear true faith and allegiance to the same, and defend them against all enemies, foreign and domestic, and that I will faithfully and impartially discharge the duties of the office of _____ according to the best of my ability, so help me God (or so I do affirm).

Dated this 30th day of September 2011.

Board member Signature

Attest:

Jesus R. Rodriguez, CGFM,
Administrative Services General Manager

City of Cottonwood, Arizona
City Council Agenda Communication



Meeting Date: September 30, 2011
Subject: Selection of Executive Board members
Department: Administrative Services
From: Jesus R. Rodriguez, CGFM, Administrative Services General Manager

REQUESTED ACTION

The MPC Board requires there be a President, Vice President, and a Secretary. We will need to select the various executive positions.

BACKGROUND

The most recent President was Ruben Jauregui, who resigned from the MPC Board to run for the City Council. The remaining board members are Vice President, Frank Leupold, and Secretary, Mark Hobson.

JUSTIFICATION/BENEFIT/ISSUES

It is important to succession planning to fill these positions as soon as possible. Below are the recommendations for the various executive board members.

RECOMMENDATION

It is the recommendation to elect:

-  President – Frank Leupold
-  Vice President – Mark Hobson
-  Secretary – Jake Gonzales

ATTACHMENTS

None

City of Cottonwood, Arizona
City Council Agenda Communication



Meeting Date: September 30, 2011
Subject: Annual Financial Report
Department: Administrative Services
From: Jesus R. Rodriguez, CGFM, Administrative Services General Manager

REQUESTED ACTION

We are requesting approval of the Annual Financial Statements for the Municipal Property Corporation.

BACKGROUND

Every year we are required to hold an annual meeting to discuss the MPC's financial status. Subsequently to this meeting, the City of Cottonwood is required to file its annual report with the Arizona Corporation Commission (ACC).

JUSTIFICATION/BENEFIT/ISSUES

There are no issues pending with this item

RECOMMENDATION

It is staff recommendation that the Board approve the financial statements as presented.

ATTACHMENTS

Attachment B – MPC Financials for the Year ended June 30, 2011

CITY OF COTTONWOOD
Municipal Property Corporation
Balance Sheet - Consolidated
June 30, 2011

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		34,610,000
Total Assets		\$34,610,000

LIABILITIES

Current Liabilities:

Accounts Payable	0	
Mortgages, notes, bonds (payable in less than one year)	0	
Total Current Liabilities	0	
Mortgages, notes, bonds (payable in more than one year)		34,610,000

Fund Balances:

Restricted	0	
Unrestricted	0	
Total Fund Balances	0	
Total Liabilities and Fund Balances		\$34,610,000

Prepared by: Jesus R. Rodriguez, CGFM

Date: September 30, 2011

CITY OF COTTONWOOD
 Senior Lien Water System Revenue Bonds, Series 2004
 Balance Sheet
 June 30, 2011

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	11,855,000	
Total Assets	\$11,855,000	

LIABILITIES

Current Liabilities:

Accounts Payable	0	
Mortgages, notes, bonds (payable in less than one year)	0	
Other current liabilities	0	
Total Current Liabilities	0	
Mortgages, notes, bonds (payable in more than one year)	11,855,000	
Fund Balances:		
Restricted	0	
Unrestricted	0	
Total Fund Balances	0	
Total Liabilities and Fund Balances	\$11,855,000	

Prepared by: Jesus R. Rodriguez, CGFM

Date: September 30, 2011

CITY OF COTTONWOOD
Senior Lien Water System Revenue Bonds, Series 2006
Balance Sheet
June 30, 2011

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		22,755,000
Total Assets		<hr/> <u><u>\$22,755,000</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)		22,755,000
		<hr/>
Fund Balances:		
Restricted	0	
Unrestricted	0	
	<hr/>	
Total Fund Balances		0
Total Liabilities and Fund Balances		<hr/> <u><u>\$22,755,000</u></u>

Prepared by: Jesus R. Rodriguez, CGFM

Date: September 30, 2011