

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