

**TOWN OF PRESCOTT VALLEY
SPECIAL COUNCIL MEETING
MINUTES
June 7, 2012**

Library Auditorium
7401 E. Civic Circle
Prescott Valley, Arizona 86314

1. CALL TO ORDER

Mayor Skoog called the meeting to order at 5:30 p.m.

2. ROLL CALL

Present: Council Member Tjiema, Mayor Skoog, Council Member Mallory, Vice Mayor Lasker, Council Member Nye, Council Member Anderson, and Council Member Whiting.

3. NEW BUSINESS (FOR REVIEW, COMMENT, AND/OR POSSIBLE ACTION)

a. Consideration of Resolution No.1793 approving actions by the Municipal Property Corporation (and related documents) to issue 2012 MPC Refunding Bonds

Bob Casillas of Stone & Youngberg, introduced Brigitte Green of Michael Cafiso's office. Bob noted that he updated Council in May about refinance opportunities. The interest rates were lower in May than they were in 2003. The volatility in the bond market continues with rates gyrating up and down. Through refinancing of both the Series 2003 Sewer Bonds and the Second Series 2004 MPC Bonds we have set the criteria to experience a minimum of 2 percent savings for each bond series. The financing team has a rating call next week with Standard & Poor's and hopes to be in a position in two weeks to price and underwrite the bonds, with a closure at the end of the month. An estimated \$500,000 savings is anticipated from the refinance action.

Town Manager Larry Tarkowski added that we took these steps a few years ago to refinance but didn't go through with the refinance due to the market change. We want to stay on top of this and jump into the market when we can get these types of saving. One refinance is for the sewer project and the second is bonds that were used to purchase the land (with the City of Prescott) for the Big Chino Water Ranch. While we plan to refinance the bonds, we will not be extending the terms on these bonds.

Town Attorney Ivan Legler commented that in the past both Mr. Casillas and Mr. Cafiso talked about this process including any meltdown scenarios. He suggested Brigitte Green say a few words in Mr. Cafiso's absence.

Brigitte said the documents are unusual as they are two different types of bonds - excise type bonds and sewer bonds. Because they wanted to give the Town the option to refund one or both

of them, they built into the resolution a slightly different amount of flexibility than we have seen before. If the 2004 bonds are not a candidate for refinancing (because we are taking sewer bonds and moving them over to the excise side of our obligations), we had to identify a piece of property that could be used to support those. Therefore, they included a First Amendment to the Second Series Ground Lease which will be added to the Amended 2004 Ground Lease. If the 2004 refinance does not go through, then we need to have a new Ground Lease with this separately identified property so that the structure goes from the sewer to the MPC structure. Both are included but only one will be used depending on whether we can refinance both types of bonds. Other than that, the documents are much the same as the 2011 MPC refunding we did last year.

Council Member Mallory made the MOTION, seconded by Council Member Anderson, to approve Motion to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1793, an emergency measure, authorizing the execution and delivery of an Amendment to Ground Lease, a Ground Lease, a Town Lease, a Bond Purchase contract and a Continuing Disclosure Undertaking; approving execution and delivery by the MPC of these and other documents and issuance by the MPC of not to exceed \$19,500,000 aggregate principal amount of one or more series of Municipal Facilities Revenue Refunding Bonds, Series 2012; delegating to the Town Manager and Management Services Director authority to determine various terms with respect to such bonds; providing for the transfer of certain moneys for the payment thereof and making certain covenants and agreements with respect thereto , by electronic vote. MOTION carried with 7 ayes and 0 nays.

4. COMMENTS FROM THE PUBLIC

Marty Grossman commented that it is nice to see the fiscal responsibility that this town has taken, unlike other municipalities. As President of the PV Police Foundation he announced a meeting Monday, June 11 at 6:00 p.m. at the Police Dept. training room. The Foundation 'Public Safety Event' held last Saturday was successful with checks for close to \$7,000 written to both the Foundation and another to the B & G Club from Kia. SWAT communication devices and headsets, and a ballistic blanket will be purchased with the funds.

5. ADJOURNMENT

Council Member Mallory made the MOTION, seconded by Council Member Whiting, to adjourn the meeting at 5:48 p.m., by electronic vote. MOTION carried with 7 ayes and 0 nays.

ATTEST:

APPROVED:

Diane Russell, Town Clerk

Harvey Skoog, Mayor

STATE OF ARIZONA)
COUNTY OF YAVAPAI) ss:

TOWN OF PRESCOTT VALLEY)

CERTIFICATE OF COUNCIL MINUTES

I, Diane Russell, Town Clerk of the Town of Prescott Valley, Arizona, hereby certify that the foregoing minutes are a true and correct copy of the Minutes of the Special Meeting of the Town Council of the Town of Prescott Valley, held on Thursday, June 7, 2012.

I further certify that the meeting was duly called and held and that a quorum was present.

Dated this June 12, 2012

Diane Russell, Town Clerk