

**MINUTES**  
**TOWN OF QUARTZSITE**  
**465 NORTH PLYMOUTH AVENUE, QUARTZSITE, AZ, 85346**  
**MEETING OF THE**  
**TOWN OF QUARTZSITE**  
**MUNICIPAL PROPERTY CORPORATION**  
**TUESDAY, OCTOBER 14, 2014, 5:00 P.M.**

**CALL TO ORDER:**

Meeting called to order at 5:00 p.m. as stated by President Thompson.

**PLEDGE OF ALLEGIANCE:**

The Pledge of Allegiance was led by President Thompson.

**INVOCATION:**

President Thompson gave a prayer.

**ROLL CALL OF THE BOARD OF DIRECTORS:**

President: Richard Thompson, present      Board Member: Darrell Crooks, present  
Secretary: Shaneen Bergette, attended telephonically

Staff present: Skylor Miller, Town Manager; Susan Goodwin, Town Attorney; Tina Abriani, Town Clerk

**BUSINESS:**

1. Discussion of the Authority and Obligations of the Municipal Property Corporation.

President Thompson discussed reports from previous years.

President Thompson stated he had this agenda item put on the agenda. President Thompson advised he would entertain a motion to discuss this first agenda item.

**Board Member Crooks moved** to discuss Mr. Thompson's agenda item and **President Thompson seconded** the motion. The vote was all in favor. **Motion Passed.**

President Thompson asked that the Interfund Balances and Activities be included in the agenda packet on an annual basis.

President Thompson advised there will be minutes on the next the agenda for the Board's approval.

President Thompson advised he wants there to be a protocol for these meetings.

Secretary Bergette agreed with President Thompson regarding the need to have, well before the meeting, more financial information, such as an Interfund Balance Sheet. Secretary Bergette stated she would like to see an audit report in the future.

Town Attorney Goodwin advised that anytime a board member of the corporation asks for additional financial information, it should be provided and Town Manager Miller stated he will provide additional information upon request.

## 2. Review of the Municipal Property Corporation Report of Total Debt and Repayment Status as of June 30, 2014 (Annual Report).

Town Manager Miller reviewed the Report of Indebtedness and the Arizona Corporation Commission Annual Report and Certificate of Disclosure.

- The Report of Indebtedness lists the Town's various bonds, the total amount of those, Interest Paid in Fiscal Year 14 and the Interest Paid to Date.
- The Third Party Report lists the Town's additional leases and other contracts.
- The Arizona Corporation Commission Annual Report and Certificate of Disclosure is an outline of the Town of Quartzsite Municipal Property Corporation, its officers and any disclosures.

Secretary Bergette asked if the bonds are a line item for payment in the budget every year.

Town Manager Miller advised that any debt the Town has may not be listed as individual line items, but is budgeted for each year.

Secretary Bergette asked if the budget is done by individual funds, or if it is just an overall budget.

Town Manager Miller stated it must be cited as an expenditure within the budget.

Secretary Bergette asked if it would be helpful to the citizens who review the budget, if the amount under the Municipal Property Corporation would be broken out into line items.

Town Attorney Goodwin explained the source of funds for all money owed by the Municipal Property Corporation is always the Town.

The source of funds is usually identified such as utility revenues. The source of the funds is always the Town; the Municipal Property has no real assets all by itself. A tie exists between the Municipal Property Corporation and the Town, so the two budgets go together. The Town's budget shows there is a debt and that an amount has been paid.

The Municipal Property Corporation was created as a financing mechanism to assist the Town in obtaining grants, loans and issuing revenue bonds. The budget will have an amount for debt service.

President Thompson stated the Secretary's duties are rather extensive, such as controlling all the books and making all the necessary adjustments and activities of the Municipal Property Corporation.

Town Attorney Goodwin advised it is typical that the Town do the Secretarial duties and provide the documents to the Secretary and the Municipal Property Corporation.

President Thompson wants to have more understanding of the Municipal Property Corporation and the funding.

Attorney Goodwin advised she did review the bylaws, the Articles of Incorporation and the statute. She stated the Municipal Property Corporation has very broad powers, just as any non-profit corporation, but there are practical limitations as the purpose of its creation is for that of a financing mechanism.

One practical limitation is that members are appointed by the Town Council and can be removed by the Town Council. If, as a Corporation, the Municipal Property Corporation does things that the Town Council does not think is within the purview of why it was created, there are ways to take care of that.

Another practical limitation is that the Municipal Property Corporation has no money. Although the Municipal Property Corporation issues debt and repays debt, it is all dependent upon its relationship with the Town and the usual way that is structured.

The basic structure is that the Municipal Property Corporation is created, members are appointed, it issues debt, it pays debt, but there is a contractual relationship with the Town. The Town, for all intents and purposes, owns the utility that generates the revenues to pay lease payments.

Usually the Town leases the property that it owns, for example, the plant, to the Municipal Property Corporation. The Municipal Property Corporation then leases it back. It is a financing mechanism. The source of revenue to repay the bond is the utility revenues.

Town Attorney Goodwin stated that is why the Municipal Property Corporation is so tied to the Town and is so important to the Town.

Secretary Bergette asked if a revision or addendum should be done to the bylaws to make them more in line with what is actually being done.

Town Attorney Goodwin advised any Municipal Property Corporation usually has town staff serving as staff to the Municipal Property Corporation. Town Attorney Goodwin stated that as long as the board is getting the information needed to be able to sign documents, the Municipal Property Corporation members are serving their purpose.

Town Attorney Goodwin stated the bylaws are typical and she would not make any changes as they have served the Municipal Property Corporation well since 1992.

Secretary Bergette asked if the payments are actual amounts that must be paid. She asked if the payments are figured on a twelve-month basis, and if there is anyway the payments could be made in advance if the funds are available.

President Thompson stated the bonds were actually sold at some time in the past. He advised that in a bond, when it is sold, is an established interest rate and a payment schedule.

President Thompson advised that the Bond of Indebtedness of the Town of Quartzsite will never disappear. The Bond of Indebtedness gets bigger as the Town grows because the systems need to be replaced, updated and expanded on a continuous basis.

President Thompson advised he will entertain a motion that the Municipal Property Corporation sign the form and Director Crooks seconded the motion.

President Thompson called for a roll call vote.

**ROLL CALL VOTE:** President Thompson voted aye, Director Crooks voted in the affirmative and Secretary Bergette voted aye. Motion Passed.

**ADJOURNMENT:** President Thompson adjourned the meeting at 5:35 p.m.

**CERTIFICATION:**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Meeting of October 14, 2014 of the Municipal Property Corporation of the Town of Quartzsite, Arizona, held on October 14, 2014.

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

DATED this 6<sup>TH</sup> day of OCTOBER <sup>TA</sup>2015 2014.



Tina M. Abriani, Town Clerk

Approved:



Richard Thompson, President,  
on behalf of the Town of Quartzsite  
Municipal Property Corporation,