



**POST ACTION AGENDA NOTICE
NOTICE OF MEETING
BOARD OF DIRECTORS OF THE
TOWN OF FOUNTAIN HILLS
MUNICIPAL PROPERTY CORPORATION**

**WHEN: THURSDAY, OCTOBER 19, 2017
TIME: 9:00 A.M.
WHERE: TOWN HALL, FOUNTAIN CONFERENCE ROOM
16705 EAST AVENUE OF THE FOUNTAINS
FOUNTAIN HILLS, ARIZONA**

*A majority of the Council members may be in attendance. No official action will be taken.
Municipal Property Corporation Board of Directors will attend either in person or by telephone conference call*

PROCEDURE FOR ADDRESSING THE BOARD

Anyone wishing to speak before the Board of Directors must fill out a speaker's card and submit it to the Executive Assistant prior to Board of Directors discussion of that Agenda item. Speaker Cards are located in the Fountain Conference Room.

Speakers will be called in the order in which the speaker cards were received either by the Executive Assistant or the Board Chair.

Speakers are asked to state their name and whether or not they reside in Fountain Hills (do not provide a home address) prior to commenting and to direct their comments to the Presiding Officer and not to individual Board members. Speakers' statements should not be repetitive. If a speaker chooses not to speak when called, the speaker will be deemed to have waived his or her opportunity to speak on the matter. Speakers may not (i) reserve a portion of their time for a later time or (ii) transfer any portion of their time to another speaker.

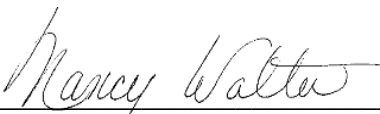
If there is a Public Hearing, please submit the speaker card to speak to that issue during the Public Hearing.

Notice is hereby given that pursuant to A.R.S. §1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the Town Council are audio and/or video recorded, and, as a result, proceedings in which children are present may be subject to such recording. Parents in order to exercise their rights may either file written consent with the Town Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the Town will assume that the rights afforded parents pursuant to A.R.S. §1-602.A.9 have been waived.

AGENDA:

- 1. CALL TO ORDER @ 9:02 a.m.**
- 2. ROLL CALL**
- 3. CALL to the PUBLIC**
 - a. Pursuant to A.R.S. §38-431-01(G), public comment is permitted (not required) on matters not listed on the agenda. Any such comment (i) must be within the jurisdiction of the Commission and (ii) is subject to reasonable time, place, and manner restrictions. The Commission will not discuss or take legal action on matters raised during "Call to the Public" unless the matters are properly noticed for discussion and legal action. At the conclusion of the call to the public, individual Commissioner may (i) respond to criticism, (ii) ask staff to review a matter or (iii) ask that the matter be placed on a future Commission agenda.
- 4. CONSIDERATION of Approving the October 20, 2016 meeting minutes **APPROVED****
- 5. CONSIDERATION of Electing Officers **APPROVED; ROGER RIGGERT APPOINTED PRESIDENT, CHESTER YON APPOINTED SECRETARY /TREASURER****
- 6. FINANCIAL REPORT for year ending June 30, 2017 **NO ACTION TAKEN****
- 7. ADJOURNMENT@ 9:07 a.m.**

DATED This 2nd day of October, 2017

By: 
Nancy Walter, Executive Assistant



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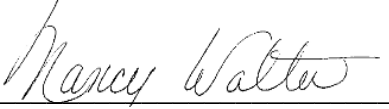
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- 5. CONSIDERATION** of Electing Officers
- 6. FINANCIAL REPORT** for year ending June 30, 2017
- 7. ADJOURNMENT**

DATED This 2nd day of October, 2017

By: 
Nancy Walter, Executive Assistant

TOWN OF FOUNTAIN HILLS
MUNICIPAL PROPERTY CORPORATION
Balance Sheet - Governmental Funds
As of June 30, 2017

	Municipal Property Corp Debt Service Fund
ASSETS	
Cash and Investments	\$ 169,563
Intergovernmental Receivable	<u>-</u>
Total Assets	<u><u>\$ 169,563</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts Payable	\$ <u>-</u>
Total Liabilities	<u>-</u>
Fund Balance:	
Restricted	<u>169,563</u>
Total Fund Balance	<u>169,563</u>
Total Liabilities and Fund Balance	<u><u>\$ 169,563</u></u>

**TOWN OF FOUNTAIN HILLS
MUNICIPAL PROPERTY CORPORATION**

Statement of Revenues, Expenditures and Changes in Fund Balance
for Fiscal Year Ended June 30, 2017

	FY15-16 Actual	FY15-16 Budget
REVENUES		
Excise Tax	\$ -	\$ -
Investment Earnings	2,315	300
Total Revenues	2,315	300
EXPENDITURES		
Debt Service:		
Principal	370,000	370,000
Interest	22,680	22,680
Fiscal Charges	1,010	10
Total Expenditures	393,690	392,690
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(391,375)	(392,390)
OTHER FINANCING SOURCES (USES)		
Transfer in	249,055	249,055
Total Other Financing Sources (Uses)	249,055	249,055
Net Change in Fund Balance	(142,320)	(143,335)
Fund Balance, Beginning of Year	311,883	1,760,662
Fund Balance, End of Year	\$ 169,563	\$ 1,617,327



Fiscal Year 2017/18

MUNICIPAL PROPERTY CORPORATION BONDS

Summary



DESCRIPTION OF MUNICIPAL PROPERTY CORPORATION BONDS

Description

Municipal Property Corporation (“MPC”) is a non-profit corporation created by the Town as a financing mechanism for the purpose of financing the construction or acquisition of Town capital improvement projects. The MPC is governed by a board of directors consisting of citizens from the community appointed by the Town Council. MPC bonds are secured by excise taxes or other undesignated general fund revenues. These bonds may be issued without a vote of the citizens and without limitation as to interest rate or amount.

Most municipalities in Arizona, including the Town of Fountain Hills, have utilized non-profit corporations to finance major public projects. A significant advantage of the MPC structure is that certain municipal capital needs can be financed without regard to, or effect on, statutory municipal bonding approvals.

Under this method of financing, the Town acquires the desired facilities from the non-profit corporation by means of a lease-purchase contract. In order to obtain the funds necessary for the construction of the facilities, the MPC issues its own bonds. The facility financed with the MPC bonds is then leased to the Town for lease-rental payments which mirror the semi-annual interest and annual principal payments on the MPC bonds.

Under this arrangement, the Town pledges certain of its unrestricted fines and forfeitures, license and permit fees, transaction privilege taxes, other transaction privilege, excise and business taxes, franchise fees and taxes, lease and rental payments and recreation and community program fees which the Town now or in the future imposes and collects, and all State shared sales taxes and all State shared income taxes collected and allocated or apportioned, now or hereafter, to the Town by the State of Arizona or any political subdivision thereof, or by any other governmental unit or agency and which are not required by State of Arizona law, rule or regulation to be expended for other purposes, such as motor vehicle fuel, donations, miscellaneous and sponsorships. The use of ad valorem (property) taxes for this purpose is specifically prohibited.

Similar to Revenue bonds, MPC bonds would pay slightly higher interest rates than a GO bond issue.

Debt Limitation

Although there is no statutory limitation as to the amount of bonds the MPC may issue, there are legal limitations through the covenants in the trust indenture.



SUMMARY OF OUTSTANDING DEBT BY ISSUE ⁽¹⁾

\$1,880,000
Municipal Facilities
Revenue Refunding
Bonds, Series 2015
Dated: 6/4/15

<u>Maturity Date (July 1)</u>	<u>Principal</u>	<u>Coupon</u>	<u>Total Principal Outstanding</u>
2018	\$360,000	4.00%	\$360,000
2019	370,000	4.00	370,000
2020	300,000	4.00	300,000
	<u>\$1,030,000</u>		<u>\$1,030,000</u>

Callable: **Non-Callable**

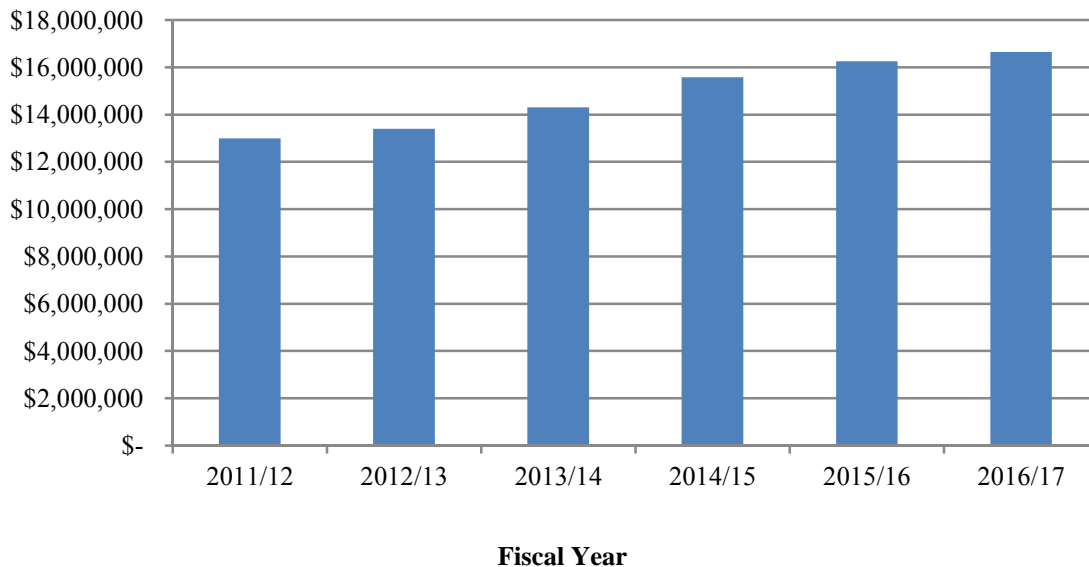
⁽¹⁾ All MPC Bonds are secured by a pledge of certain of the Town's Excise Taxes.



HISTORICAL EXCISE TAX COLLECTIONS

Revenue Source	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Town TPT	\$ 7,798,027	\$ 7,869,821	\$ 8,309,100	\$ 8,874,453	\$ 9,095,347	\$ 9,052,183
Charges for Services	258,999	162,084	161,376	176,541	188,469	359,614
Licenses and Permits	387,742	416,437	554,691	919,397	1,279,572	1,200,838
Franchise Fees	332,130	334,668	349,414	352,673	360,320	367,119
Fines and Forfeitures	203,350	173,024	154,024	167,491	185,279	211,190
Lease Rental Payments	206,018	213,870	252,585	269,754	255,024	284,090
Other	154,034	89,969	67,779	45,501	47,504	54,516
State Shared Sales Taxes	1,757,297	1,840,766	1,957,505	2,055,241	2,131,484	2,192,044
State Shared Income Taxes	1,898,088	2,297,203	2,506,685	2,722,433	2,707,673	2,923,870
Total	\$ 12,995,685	\$ 13,397,842	\$ 14,313,158	\$ 15,583,484	\$ 16,250,673	\$ 16,645,464

Excise Tax Collections





Fiscal Year 2017/18

MUNICIPAL PROPERTY CORPORATION BONDS

Bond Sale Summary and Debt Service Requirements



Fiscal Year 2017/18

BOND SALE SUMMARY

\$1,880,000
TOWN OF FOUNTAIN HILLS, ARIZONA
MUNICIPAL PROPERTY CORPORATION
EXCISE TAX REVENUE REFUNDING BOND, SERIES 2015
(PRIVATE PLACEMENT)

Purpose of Financing: The Bonds were issued to refund prior bonds as follows:

<u>Refunded Issue</u>	<u>Maturity Date (July 1)</u>	<u>Principal Amount Outstanding</u>	<u>Amount Being Refunded</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
Series 2005 Refunding Bonds	2015	\$995,000	\$995,000	N/A	N/A
	2016	445,000	445,000	7/1/15	100.00%
	2017	345,000	345,000	7/1/15	100.00
	2018	340,000	340,000	7/1/15	100.00
	2019	360,000	360,000	7/1/15	100.00
	2020	295,000	295,000	7/1/15	100.00
				\$2,780,000	

Dated Date: June 4, 2015

Closing Date: June 4, 2015

Maturity Range: July 1, 2016 to July 1, 2020

Average Bond Life: 2.884 years

Early Redemption: The Bonds are not subject to early redemption.

Bond Yield: 1.62%

Bond Ratings: Bond ratings not applied for.

Current Bond Registrar and Paying Agent: Zions First National Bank

Bond Counsel: Gust Rosenfeld P.L.C.

Purchaser: J.P. Morgan Chase Bank



Fiscal Year 2017/18

**\$1,880,000 Town of Fountain Hills, Arizona
Municipal Property Corporation,
Municipal Facilities Revenue Refunding Bonds, Series 2015**

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/01/2017	-	-	-	-	-
01/01/2018	-	-	8,343.00	8,343.00	-
07/01/2018	360,000.00	1.620%	8,343.00	368,343.00	376,686.00
01/01/2019	-	-	5,427.00	5,427.00	-
07/01/2019	370,000.00	1.620%	5,427.00	375,427.00	380,854.00
01/01/2020	-	-	2,430.00	2,430.00	-
07/01/2020	300,000.00	1.620%	2,430.00	302,430.00	304,860.00
Total	\$1,030,000.00	-	\$32,400.00	\$1,062,400.00	-



Fiscal Year 2017/18

MUNICIPAL PROPERTY CORPORATION BONDS

Allocation Breakouts

Wedbush Securities



Fiscal Year 2017/18

**\$1,880,000 Town of Fountain Hills, Arizona
MPC, Municipal Facilities Revenue Refunding Bonds,
Series 2015 - Civic Center I Portion**

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/01/2017	-	-	-	-	-
01/01/2018	-	-	8,343.00	8,343.00	-
07/01/2018	360,000.00	1.620%	8,343.00	368,343.00	376,686.00
01/01/2019	-	-	5,427.00	5,427.00	-
07/01/2019	370,000.00	1.620%	5,427.00	375,427.00	380,854.00
01/01/2020	-	-	2,430.00	2,430.00	-
07/01/2020	300,000.00	1.620%	2,430.00	302,430.00	304,860.00
Total	\$1,030,000.00	-	\$32,400.00	\$1,062,400.00	-