

MINUTES

**BOARD OF DIRECTORS
CITY OF SCOTTSDALE
MUNICIPAL PROPERTY CORPORATION**

Tuesday, January 20, 2026

**Community Design Studio
Business Administration Office
7506 E. Indian School Road
Scottsdale, AZ 85251**

PRESENT: David Smith, President
John Arnold, Vice President
Dennis Robbins, Secretary
Ken Harder, Treasurer
Fred Socoloff, Member

STAFF: Anna Henthorn, Assistant City Treasurer/Assistant Chief Financial Officer
Lydia Tulin, Assistant City Attorney II
Sonia Andrews, City Treasurer/Chief Financial Officer
David Walby, Interim Senior Director of Water Resources
Debora Ramirez, Sr. Accountant (via Teams)
Thomas Tigges, Account II (via Teams)

GUESTS: Bill Davis, Piper Sandler & Co.
Zach Sakas, Greenberg Traurig, LLP

1. Call to order and roll call

President Smith called the meeting to order at 9:09 a.m. A formal roll call confirmed Board Members present as noted.

2. Approval of Minutes – Request Approval of the Following Minutes:

a. Regular Meeting: January 21, 2025

Treasurer Arnold suggested amending the minutes on page 2, item 3-b, second paragraph, first sentence to read “In response to Board Member questions, Ms. Coombs explained that \$48.9 million is the maximum aggregate debt service for this financing with a potential \$120 million issuance of MPC Bond from Water and Sewer projects”.

Secretary Robbins noted within the vote for Item 3-c on page 3, he did not second the vote. Ms. Henthorn will review the record and make the amendment.

Ms. Henthorn noted for the record there was a memo from the MPC Board that was attached to the City Council Report Bond Authorization.

TREASURER HARDER MOVED TO APPROVE THE FEBRUARY 25, 2025, MEETING MINUTES AS AMENDED. SECRETARY ROBBINS SECONDED THE MOTION, WHICH CARRIED FIVE (5) TO ZERO (0). PRESIDENT SMITH, VICE PRESIDENT ARNOLD, SECRETARY ROBBINS, TREASURER HARDER, AND MEMBER SOCOLOFF VOTED IN THE AFFIRMATIVE. THERE WERE NO DISSENTING VOTES.

5. Staff update

Anna Henthorn, Assistant City Treasurer/Assistant Chief Financial Officer (CFO) provided an overview of the staff updates as noted below.

a. MPC Debt Issuance

As of now, the 2025 MPC Bond Issuance has the following project remaining unspent bond balances: \$10.4 million for Greenway Hayden Loop/Mayo Boulevard Sewer Improvement; \$13.5 million for Crossroads East Water System Improvement; \$8.8 million for Aquifer Storage and Recovery Wells; and \$5.2 million for Frank Lloyd Wright 24-inch Transmission Main & Booster Station 83B Modification.

In response to Board Member questions, Interim Senior Director of Water Resources David Walby confirmed these funds are adequate to finish the projects, all of which are progressing on schedule and within budget. Treasurer Harder congratulated the team for maintaining the budget despite rising construction costs.

b. Upcoming Debt Issuance

Ms. Henthorn reported ongoing updates to Capital projects, including water and sewer work, with Mr. Walby's team for possible Water Infrastructure Finance Authority of Arizona (WIFA) financing. The City has submitted a \$10.5 million loan application for the WestWorld drainage project.

Ms. Henthorn noted that, if approved, WIFA would provide a loan for WestWorld, to be repaid from Prop 490 funds.

Treasurer Harder said agenda item 5 was moved to accommodate a planned WIFA presentation explaining the differences between WIFA and Municipal Property Corporation (MPC) financing, but the presentation was postponed.

c. Bylaw Amendments

Ms. Henthorn summarized last year's amendments, which included aligning the fiscal year with the City's and edits for current technology and law. Ongoing review of the Bylaws has been postponed due to challenges by staffing shortages.

Treasurer Harder praised Ms. Henthorn and her team for their work without an accounting director or manager, and Ms. Andrews agreed.

3. Review of the Municipal Property Corporation Audited Financial Report, Fiscal Year Ended June 30, 2025:

Anna Henthorn, Assistant City Treasurer/Assistant CFO, reviewed the MPC Audited Financial Report for Fiscal Year (FY) 2025, noting a clean audit opinion was received from the independent auditor. There were no instances of non-compliance under the government auditing standards for internal controls over financial reporting, compliance, among other matters. Assets increased for receivables, the portion due from the City, and there is an increase in liabilities for the new bonds that were issued. The increase in net position is due to restricted fund balances for unspent capital project bonds as of June 30, 2025.

In response to President Smith's inquiry, Ms. Henthorn explained this would normally be a net position of zero; however, there is some debt-related restricted fund balance remaining, and once that is spent down, the MPC would pay the liability which offsets the receivables coming from the City. Ms. Henthorn reviewed the \$36.7 million principal reduction which includes the \$7.1 million redemption from August 2024.

In response to Board Member questions related to bonds, Bill Davis of Piper Sandler & Co. provided a detailed overview of the functioning bond process. This included how coupon (interest) rates are determined by the investors for the serial maturity bonds.

TREASURER HARDER MOVED TO APPROVE THE AUDITED FINANCIAL REPORT. VICE PRESIDENT ARNOLD SECONDED THE MOTION, WHICH CARRIED FIVE (5) TO ZERO (0). PRESIDENT SMITH, VICE PRESIDENT ARNOLD, SECRETARY ROBBINS, TREASURER HARDER, AND MEMBER SOCOLOFF VOTED IN THE AFFIRMATIVE. THERE WERE NO DISSENTING VOTES.

4. Review of MPC Pledged Revenues and Coverage Ratio

Ms. Henthorn provided an overview of the status of MPC bond proceeds and debt issuances. For FY24/25, actual excise tax collections amounted to \$318.2 million.

In response to President Smith's inquiry, Ms. Henthorn clarified that the privileged tax figures in this report excluded restricted items such as transaction privilege tax restricted for police, Preserve debt and transportation, transient occupancy tax, and other restricted taxes. Following discussion, Ms. Henthorn and Attorney Zach Sakas agreed to supply the Board with further information via email.

The FY25/26 budgeted excise tax collections are at \$307.2 million, which is an \$11 million reduction from the prior year attributable to the elimination of the residential rental sales tax and effects of the state flat tax.

Addressing President Smith's question regarding the AA rating, Mr. Davis discussed the assignment of the AA+ rating during the COVID-19 pandemic, noting it reflected concerns about tourism revenues. Additional discussion followed.

Ms. Henthorn stated that debt service for 2026 will total \$51.2 million, inclusive of the 2025 issuance. Looking forward, debt service is projected to rise to \$52.3 million by 2029, after which it is expected to decline, reaching \$46.9 million in 2030 and continuing in a downward trajectory as existing debt matures.

5. Board Member Rotation Vote

Potential rotation:

John Arnold, President
Dennis Robbins, Vice President
Ken Harder, Secretary
Fred Socoloff, Treasurer
David Smith, Member

SECRETARY ROBBINS MOVED TO APPROVE THE BOARD MEMBER ROTATION. TREASURER HARDER SECONDED THE MOTION, WHICH CARRIED FIVE (5) TO ZERO (0). PRESIDENT SMITH, VICE PRESIDENT ARNOLD, SECRETARY ROBBINS, TREASURER HARDER, AND MEMBER SOCOLOFF VOTED IN THE AFFIRMATIVE. THERE WERE NO DISSENTING VOTES.

6. Identification of Future Agenda Items

a. Next Board Meeting Date (not mentioned)

- Treasurer Harder suggested a presentation on the financing options, such as WIFA.
- President Smith suggested a presentation on the AA credit rating and how it can be changed.

TREASURER HARDER MOVED TO APPROVE THE BOARD'S SUGGESTED FUTURE AGENDA ITEMS. VICE PRESIDENT ARNOLD SECONDED THE MOTION, WHICH CARRIED FIVE (5) TO ZERO (0). PRESIDENT SMITH, VICE PRESIDENT ARNOLD, SECRETARY ROBBINS, TREASURER HARDER, AND MEMBER SOCOLOFF VOTED IN THE AFFIRMATIVE. THERE WERE NO DISSENTING VOTES.

7. Public Comment

There were no members of the public present.

8. Adjournment

MEMBER SOCOLOFF MOVED TO ADJOURN THE MEETING. VICE PRESIDENT ARNOLD SECONDED THE MOTION, WHICH CARRIED FIVE (5) TO ZERO (0). PRESIDENT SMITH, VICE PRESIDENT ARNOLD, SECRETARY ROBBINS, TREASURER HARDER, AND MEMBER SOCOLOFF VOTED IN THE AFFIRMATIVE. THERE WERE NO DISSENTING VOTES.

With no further business to discuss, being duly moved and seconded, the meeting adjourned at

9:57 a.m.

Recorded and Transcribed by eScribers, LLC. Respectfully submitted,

Ken Harder, Secretary

John Arnold, President