

APPROVED JANUARY 17, 2023

**BOARD OF DIRECTORS
SCOTTSDALE PRESERVE AUTHORITY
7408 E Osborn Road, Scottsdale AZ 85251**

**IN-PERSON AND VIRTUAL MEETING
Thursday, January 6, 2022 8:00 A.M.**

PRESENT: Kenneth Harder, President
Judith Frost, Vice President
Dennis Robbins, Secretary
Fredda Bisman, Treasurer
James Jenkins, Director

STAFF: Sonia Andrews, City Treasurer
Gina Kirklin, Enterprise Finance Director
Kim Campbell, City Attorney's Office
Ryan Fielder, Finance Manager

GUESTS: Bill Davis, Piper Sandler & Co.
Zach Sakas, Sherman & Howard L.L.C.

1. Call to order and roll call

President Harder called the meeting to order at 8:02 a.m. A formal roll call confirmed Board Members present as noted.

2. Old Business

- a. Request approval of minutes of January 26, 2021 Annual Board meeting.

President Harder commended staff on the detail and quality of the meeting minutes.

DIRECTOR JENKINS MOVED TO APPROVE THE ANNUAL BOARD MEETING MINUTES OF JANUARY 26, 2021 AS PRESENTED. VICE PRESIDENT FROST SECONDED THE MOTION, WHICH CARRIED FIVE (5) TO ZERO (0). PRESIDENT HARDER, VICE PRESIDENT FROST, SECRETARY ROBBINS, TREASURER BISMAN AND DIRECTOR JENKINS VOTED IN THE AFFIRMATIVE. THERE WERE NO DISSENTING VOTES.

3. New Business

- a. Introduction to City Treasurer, Sonia Andrews

President Harder introduced the new City Treasurer, Sonia Andrews. Ms. Andrews provided a brief review of her background and experience.

- b. Review the Scottsdale Preserve Authority Audited Financial Statements including debt outstanding

Gina Kirklin, Enterprise Finance Director, stated that the fiscal year 2020/21 audit found that the financial statements presented fairly, in all material respects the financial position of the governmental activities of the SPA. The auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters disclosed no instances of noncompliance on other matters that are required to be reported under Governmental Accounting Standards. No new SPA debt was issued for fiscal year 2020/21. Total bonds payable decreased by \$1.3 million. The last SPA bond will be paid this fiscal year, 2021/22.

- c. Discussion and possible adoption of Resolution No. SPA 2022-01 authorizing the City Treasurer to undertake certain actions pertaining to the winding down of the Scottsdale Preserve Authority

Zach Sakas, Sherman & Howard L.L.C. stated that the final principal and interest payment on the outstanding SPA debt will take place in July, 2022. As of now, there is no intent to issue additional SPA debt to acquire land for the Preserve. In light of this, the SPA has essentially served its purpose. As such, this Board may consider winding down the SPA as a corporate entity. Similar to the MPC, the SPA was formed as an issuing entity, wherein the City could pledge excise taxes and the SPA could issue bonds to finance the Preserve acquisition. The proposed resolution authorizes the City Treasurer to take necessary steps in connection with potentially winding down the SPA. Pursuant to SPA's articles of incorporation, if it is dissolved as a corporate entity, all assets and liabilities would transfer to the City. The resolution is not a final decision to dissolve the SPA, but delegates authority to the City Treasurer to take any necessary actions and provide an update to the SPA next year.

Secretary Robbins commented that this seems like a policy decision which should be made by the City Council. Future actions may be affected with dissolving the SPA. The original goal was to acquire 36,000 acres and approximately 30,000 acres were acquired in total. As such, there is potentially more to be acquired. There has also been discussion regarding maintenance of the Preserve in the future and what entity would be responsible for such maintenance.

Director Jenkins noted that the SPA would simply be making a recommendation and City Council will ultimately make the decision regarding winding down.

Director Jenkins stated that he would like to see the City Treasurer's report on actions taken and any remaining necessary actions pertaining to the corporate dissolution of the SPA in writing, rather than simply presented verbally, and would like to amend the resolution accordingly.

SECRETARY ROBBINS MOVED TO APPROVE RESOLUTION NO. SPA 2022-01 AS AMENDED. DIRECTOR JENKINS SECONDED THE MOTION, WHICH CARRIED FIVE (5) TO ZERO (0). PRESIDENT HARDER, VICE PRESIDENT FROST, SECRETARY ROBBINS, TREASURER BISMAN AND DIRECTOR JENKINS VOTED IN THE AFFIRMATIVE. THERE WERE NO DISSENTING VOTES.

d. Board member rotation vote

Potential rotation:

Judith Frost, President
Dennis Robbins, Vice President
Fredda Bisman, Secretary
Ken Harder, Treasurer
James Jenkins, Director

Director Jenkins suggested adjusting the rotation, assigning himself the Director role rather than the proposed Treasurer role as identified in the agenda.

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

4. Identification of Future Agenda Items

There were no items discussed.

5. Public Comment

There were no public comments

6. Adjournment

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

Respectfully submitted,
Recorded and Transcribed by eScribers, LLC

Fredda Bisman, Secretary

Judith Frost, President