

**BOARD OF DIRECTORS  
SCOTTSDALE PRESERVE AUTHORITY**

8:30 a.m., Tuesday, January 17, 2023

**Scottsdale Water Administration Water Colorado Room  
9379 E. San Salvador Drive  
Scottsdale, AZ 85258**

**PRESENT:** Judith Frost, President  
Dennis Robbins, Vice President  
Ken Harder, Treasurer and Acting Secretary

**ABSENT:** Vacant, Secretary  
Vacant, Director

**STAFF:** Gina Kirklin, Finance Director  
Sonia Andrews, City Treasurer  
Kim Campbell, Senior Assistant City Attorney

**GUESTS:** Bill Davis, Piper Sandler & Co. (MS Teams)  
Zach Sakas, Greenberg Traurig, LLP

**1. Call to order and roll call**

President Frost called the meeting to order at 8:32 a.m. A formal roll call confirmed Board Members present as noted.

Ms. Kirklin noted that Secretary Fredda Bisman has turned in her notice to retire from the Board. Because of the short notice, appointing her replacement will require another meeting. Treasurer Harder volunteered to act as secretary for this meeting.

**2. Old Business:**

- a. Request approval of minutes of the January 6, 2022 Annual Board meeting.

VICE-PRESIDENT ROBBINS MOVED TO APPROVE THE JANUARY 6, 2022 SCOTTSDALE PRESERVE AUTHORITY ANNUAL BOARD MEETING MINUTES AS PRESENTED. TREASURER HARDER SECONDED THE MOTION, WHICH CARRIED THREE (3) TO ZERO (0). PRESIDENT FROST, VICE-PRESIDENT ROBBINS, AND TREASURER HARDER VOTED IN THE AFFIRMATIVE. THERE WERE NO DISSENTING VOTES.

**3. New Business:**

- a. Recognize Director Jenkins' years of service.

Board Members recognized Director Jim Jenkins for his 14 years of service.

- b. Review the Scottsdale Preserve Authority Audited Financial Report, Fiscal Year Ended June 30, 2022 including debt outstanding.

Ms. Kirklin reported that the fiscal year 2021/22 audit found that the financial statements presented fairly, in all material respects, the financial position of the governmental activities. The auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters disclosed no instances of non-compliance or other matters that are required to be reported under Governmental Auditing Standards.

The final principal and interest payments of SPA debt were made in July 2022. There is no outstanding debt.

- c. Review City Treasurer's report on certain actions taken and remaining necessary actions pertaining to the winding down of the Scottsdale Preserve Authority.

President Frost reviewed the necessary actions that have been taken to wind down and dissolve the Scottsdale Preserve Authority and confirmed that no bonds are outstanding. Required actions were confirmed as follows:

- No bonds are outstanding
- Final rebate analysis – completed April 20, 2021
- UCC financing statements - terminations were filed and received
- SPA assets and liabilities - there are no SPA assets or liabilities
- Transfer of surplus funds with trustee - no funds remain with the Trustee

Ms. Andrews reviewed the history behind the 1997 formation of the Scottsdale Preserve Authority and the reasons that the SPA is no longer needed in order for the City to finance Scottsdale preserve land acquisitions. She explained that the SPA was formed as a financing conduit for the City, because at the time the City could not issue excise tax backed bonds directly. Legal interpretations now permit the City to directly issue excise tax debt to finance land acquisitions. Additionally, by using City general obligation bond financing for land acquisition, there is a stronger security and lower interest rate compared to an excise tax pledge financing.

- d. Discussion and direction regarding possible corporate action pertaining to winding down of Scottsdale Preserve Authority, including possibly requesting direction from the Mayor and City Council of the City of Scottsdale.

Mr. Sakas recalled that the Board discussed potentially dissolving the SPA during last year's annual meeting, since it was solely formed as a financing conduit to sell tax-exempt excise tax pledge bonds. The board discussed that it wanted to act first to recommend to City Council that the SPA be terminated. Accordingly, the SPA board will hold a follow-up meeting to finalize winding down procedures and adopt necessary corporate documents, subject to City Council approving the termination of the SPA. The SPA bylaws require that all assets and liabilities be transferred to the City. Staff and bond counsel will prepare a SPA resolution to complete the winding down process, terminate the corporate entity and file paperwork with the Arizona Corporation Commission, pending the City Council action to accept the assets and liabilities and terminate the entity.

- e. Discussion, possible interview(s), and possible vote(s) to nominate and/or elect a Director, subject to the approval of the Mayor and City Council of the City of Scottsdale, to fill one Board vacancy.

Because of the SPA's pending dissolution, the Board elected not to interview applicants for the vacant Board position.

- John Arnold
- Fred Socoloff
- David Smith
- Pete Wirski

\*\*Pending the prior agenda item to discuss the winding down of the Scottsdale Preserve Authority, the Board may also determine to leave this Director position vacant.

f. Board Member Rotation Vote.

Potential rotation:

Dennis Robbins, President  
Fredda Bisman, Vice President  
Ken Harder, Secretary  
Judy Frost, Treasurer  
Vacant/New Member, Director

TREASURER HARDER MOVED TO ADOPT THE ROTATION AS FOLLOWS, NAMELY: DENNIS ROBBINS, PRESIDENT; KEN HARDER, SECRETARY; JUDITH FROST, TREASURER, LEAVING THE POSITIONS OF VICE-PRESIDENT AND DIRECTOR VACANT. VICE-PRESIDENT ROBBINS SECONDED THE MOTION, WHICH CARRIED THREE (3) TO ZERO (0). PRESIDENT FROST, VICE-PRESIDENT ROBBINS, AND TREASURER HARDER VOTED IN THE AFFIRMATIVE. THERE WERE NO DISSENTING VOTES.

**4. Identification of future agenda items.**

Secretary Harder requested a future SPA board meeting to adopt a resolution terminating the SPA corporation, subject to City Council's approval.

**5. Public Comment**

There were no members of the public who wished to speak.

**6. Adjournment**

PRESIDENT ROBBINS MOVED TO ADJOURN THE MEETING. SECRETARY HARDER SECONDED THE MOTION, WHICH CARRIED THREE (3) TO ZERO (0). PRESIDENT ROBBINS, SECRETARY HARDER AND TREASURER FROST VOTED IN THE AFFIRMATIVE. THERE WERE NO DISSENTING VOTES.

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 8:47 a.m.

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Ken Harder, Secretary

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Dennis Robbins, President