

**MINUTES OF THE ANNUAL MEETING
OF THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE TOWN OF CHINO VALLEY**

**APRIL 29, 2013
4:00 P.M.**

The Industrial Development Authority of the Town of Chino Valley, Arizona, convened for an Annual Meeting in the Chino Valley Council Conference Room, located at 202 N. State Route 89, Chino Valley, Arizona.

Dr. Minnich called the meeting to order at 4:00 p.m.

Members Present: Dr. Ron Minnich (President), Travis Bard (Secretary-Treasurer), Michael Markgraf, Cheryl Romley

Members Absent: Ed Steinback (Vice-President)

Staff Present: Legal Counsel Bill Wilder (telephonically), Town Clerk Jami Lewis (Recorder)

3. Comments by legal counsel regarding Industrial Development Authorities.

Mr. Wilder presented a brief overview on Industrial Development Authorities in general, as well as the history of the Town's Authority:

- In 1970, the Arizona legislature created the Industrial Development Financing Act, which provided for forming Industrial Development Authorities as non-profit entities with the power to issue revenue bonds to finance certain types of projects. Said bonds were usually tax-exempt.
- The Authority was an economic development tool that served as a conduit for financing projects such as charter schools, senior living facilities, and certain health care facilities.
- Chino Valley's Authority was formed in 2007 to explore tax-exempt bond financing of a water transportation pipeline; however, the economic downturn which happened shortly thereafter kept the project from going forward.
- Before 2007, authorities around the state were fairly active, but since then, there was very little Authority activity.
- Authority board members had some liability, but as bonding had to be vetted by bond counsel and other financing entities, and the board members were not guarantors of the debt, their risk exposure was low.

Mr. Wilder added that regarding item 11 on this agenda, it made sense to have all the Town's legal matters under one firm, and he had no objections to the item. Mr. Wilder left the meeting at 5:25 p.m.

4. Approve July 12, 2007 special meeting minutes.

Mr. Bard MOVED; Ms. Romley seconded to approve July 12, 2007 special meeting minutes. Motion PASSED 4-0.

5. Discuss term endings and applications for re-appointment.

Ms. Lewis reviewed the process for applying for re-appointment. Mr. Bard indicated that he intended to apply for re-appointment, and Ms. Romley stated that she did not.

6. Select officers for the position of President, Vice-President, and Secretary/Treasurer.

Ms. Lewis reported that the Authority bylaws provided for a President, one or more Vice Presidents, a Secretary, a Treasurer, and one or more Assistant Secretaries or Treasurers. Per Mr. Wilder, the Board could either elect each officer separately or a group of officers as a slate. The current Town Attorney recommended that the Board elect five officers, so that each Director would have the authority to sign needed documents.

Ms. Romley MOVED; Mr. Bard seconded to select Ron Minnich as president. Motion PASSED 4-0.

Ms. Romley MOVED; Dr. Minnich seconded that Travis Bard serve as vice-president. Motion PASSED 4-0.

Ms. Romley MOVED; Dr. Minnich seconded that Michael Markgraf serve as secretary. Motion PASSED 4-0.

Ms. Romley MOVED; Mr. Markgraf seconded that Ed Steinback serve as treasurer. Motion PASSED 4-0.

Dr. Minnich MOVED; Ms. Romley seconded that the new person serve as assistant secretary-treasurer. Motion PASSED 4-0.

7. Amendment of the Open Meeting Law statement as required by the provisions of A.R.S. § 38-431.02.

Dr. Minnich explained that the Authority's current Statement needed to be updated to reflect the Authority's new address, as well as new legal counsel should the Authority approve item 11 on this agenda.

Mr. Bard MOVED; Ms. Romley seconded to approve the amended form of statement designating manner of noticing meetings and places for posting notices of meetings in the form presented to the meeting and direct that upon its execution, it be filed in the appropriate offices of the State of Arizona and Town of Chino Valley and kept on file in the records of the Authority. Motion PASSED 4-0.

8. Review of Annual Report, to be submitted by May 26, 2013.

Ms. Lewis reported that if the Board voted to change legal counsel in item 11, the new firm will become the Authority's new statutory agent.

The Directors reviewed the report and recommended no changes.

Dr. Minnich MOVED; Mr. Bard seconded to authorize the Authority's Statutory Agent to submit the May 2013 annual report. Motion PASSED 4-0.

9. Authorization to sign a letter changing the Authority's address with Foothills Bank from 1020 W. Palomino Road to 202 N. State Route 89 in Chino Valley.

Ms. Lewis reported that on July 12, 2007, the Board authorized the Authority to establish one or more bank accounts. As the Authority's address had changed, the Board needed to send a letter to Foothills Bank, authorizing them to change the address.

Mr. Bard MOVED; Ms. Romley seconded to authorize Dr. Minnich sign the letter to Foothills Bank. Motion PASSED 4-0.

10. Designation of authorized account signers with Foothills Bank.

Ms. Lewis reported that on July 12, 2007, the Board authorized the Authority to designate the authorized bank account signers. As the Board membership has changed, it needed to designate three Directors as account signers with Foothills Bank.

Mr. Bard MOVED; Ms. Romley seconded to authorize the President, Vice-President, and Treasurer as signers. Motion PASSED unanimously 4-0.

11. Recommend that the Chino Valley Town Council designate the law firm of Curtis, Goodwin, Sullivan, Udall & ~~Schwartz~~ Schwab to serve as the Authority's general legal counsel.

Ms. Lewis reported that on July 12, 2007, the Authority designated the law firm of Ryley Carlock & Applewhite to serve as the Authority's general legal counsel. In March 2013, the Town retained a new law firm, Curtis, Goodwin, Sullivan, Udall & Schwab, P.L.C. ("Curtis Goodwin"), to serve as its general counsel. As Curtis Goodwin had experience with Industrial Development Authorities, the Town Manager recommended that the Board recommend to the Town Council that it designate Curtis Goodwin as the Authority's new general counsel.

Ms. Romley MOVED; Mr. Bard seconded to recommend to the Town Council that it designate the law firm of Curtis, Goodwin, Sullivan, Udall & Schwab as the Authority's general legal counsel. Motion PASSED 4-0.

12. Adjourn.

Ms. Romley MOVED; Mr. Bard seconded to adjourn. Motion PASSED 4-0 at 5:35 p.m.

Dated this 1st day of May, 2013.

By: *Jami C. Lewis, Chino Valley Town Clerk*