

MINUTES OF SPECIAL MEETING IN LIEU
OF THE ANNUAL MEETING OF
THE BOARD OF DIRECTORS OF
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PRESCOTT

January 10, 2019

1. CALL TO ORDER:

A special meeting in lieu of the annual meeting of the Board of Directors of The Industrial Development Authority (IDA) of the City of Prescott was held at the law firm of Boyle, Pecharich, Cline, Whittington & Stallings, P.L.L.C., 125 North Granite Street, Prescott, Arizona, at 1:00 o'clock p.m. on Thursday, January 10, 2019.

2. ROLL CALL:

The following directors were present: Michael S. Danowski, Lon D. McAnally, Ted Gambogi, Roger Thomas and Ed Bowe. Also present was Donald C. Zavala, of Boyle, Pecharich, Cline, Whittington & Stallings, P.L.L.C., legal counsel for the Authority and Prescott City Clerk Maureen Scott.

3. CONSIDERATION AND APPROVAL OF HOLDING ANNUAL MEETING IN JANUARY 2019.

A. Discussion and possible action approving holding the Annual Meeting of the Board of Directors (typically held in November or December) in January 2019.

Mr. Zavala stated per the by-laws the annual meeting is held in November of each year. However, the January 2019 meeting is in lieu of the 2018 annual meeting.

Motion by Mr. Danowski; seconded by Mr. Gambogi to approve holding the 2018 annual meeting January 2019 this time only and acknowledging having the future annual meetings in November of each year per the Bylaws; Passed 5-0.

4. CONSIDERATION AND APPROVAL OF MINUTES.

A. Discussion and possible action approving Minutes of a Special Meeting in Lieu of the Annual meeting of the Board of Directors held on December 20, 2017.

Mr. Zavala suggested to have the current members make the motion and second on the December 20, 2017 minutes since the new members were not in attendance at that time.

Motion by Mr. Gambogi, Seconded by Mr. Danowski to approve the December 20, 2017 minutes as presented. Passed 5-0.

5. OTHER BUSINESS

A. Discussion and possible action regarding the election of officers of the Authority for the next year.

President McAnally stated the next order of business was the election of officers for the ensuing year. After discussion, and upon motion by Mr. Danowski, seconded by Mr. Gambogi; Passed 5-0.

The following persons were elected to the offices set opposite their names, to serve until the next annual meeting or until their successors have been elected and qualified:

| | | |
|---------------------|---|---------------------|
| Lon D. McAnally | - | President |
| Michael S. Danowski | - | Vice President |
| Ed Bowe | - | Secretary |
| Ed Bowe | - | Treasurer |
| Roger Thomas | - | Assistant Secretary |

B. Discussion regarding legal requirements and Board Member obligations under the Open Meeting Law and the Public Records law.

Mr. Zavala gave a briefing regarding Open Meeting Law and Public Records Requirements for board members.

City Clerk Maureen Scott explained that the City of Prescott has issued city email accounts for all boards and commission members to use for city business in lieu of using their personal accounts due to all city business is considered public including email. The city email helps with maintaining member's emails due to them being stored on the city servers.

C. Discussion regarding currently outstanding bonds of the Authority.

Mr. Zavala reviewed the following outstanding bonds which the last issuance was in 2008:

- *Prescott College Project (1997) – Amount of \$1,150,523
- *Evangelical Lutheran Good Samaritan Society Project (2001) – amount of \$3,685,000
- *Prescott College Project (2003) – amount of \$4,305,000
- *Mingus Mountain Estate Residential Center, Inc. Project (2008) – amount of \$5,000,000 (Maturity Date of January 1, 2029)

Mr. Zavala explained the Bond Counsel prepares the records. No money is passed through the Industrial Development Authority. There are indemnity provisions in the documents. The Prescott Industrial Development Authority would approve the bonds statutorily and then they would come before the Prescott City Council for their consideration and decision.

D. Discussion and possible action regarding dissolution requirements and option for the Industrial Development Authority of the City of Prescott, legal aspects required for dissolution, and related entity matters.

Mr. Zavala said research had been done to see if the Prescott Industrial Development Authority could be dissolved. He explained that there hasn't been any bonds issued since 2008 but the IDA cannot be dissolved until all of the bonds have been obligated and paid in full. The soonest that would be is 2029. They will continue to keep the Prescott Industrial Development Authority active. Mr. McAnally said there may be a few other opportunities that would come before the board. It may be better to go private due to lower interest rates. There isn't a lot of bond activity currently. Mr. Bowe said projects such as the Big Chino pipeline could be considered in the future.

E. Discussion and possible action regarding the future handling of legal fees and costs for counsel of the Authority.

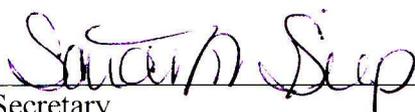
Mr. Zavala explained there are no funds for the IDA. The firm has been doing the work at no cost. They will now charge fees for their representation of the IDA and will bill the City of Prescott. In order to save fees, the Prescott City Clerk's Office will work with the attorney's office to schedule the meetings, prepare the agenda and process the minutes.

Let the minutes of this meeting reflect that no one from the public was present or appeared at this meeting.

6. ADJOURN THE MEETING.

The next meeting will be held November 2019.

There being no further business to discuss, a motion was made by Mr. Gambogi, and seconded by Mr. Danowski to adjourn the meeting at 1:40 p.m.


Secretary

APPROVED:

President