

Minutes
of the
Regular Meeting of the Board of Directors of
The Industrial Development Authority of the County of Maricopa
(the “Authority”)

Date: December 14, 2021, 9:30 a.m.

Place: GoToMeeting - virtually

Presiding: Jim Rounds

Present: Ronald J. Castro, Jr., Rebecca Burnham, Steve Bales, Ronald L. Westad, Maria Spelleri, Andrew M. Cohn, Lisa A. James, Jim Rounds and Jeremy Stawiecki

Absent: None

Executive Director: Shelby L. Scharbach

Administrators: Janis L. Larson and Kathleen Jakubowicz

Business Development Officer: Gregg Ghelfi

Attorney: William F. Wilder and John J. Fries of Ryley Carlock & Applewhite

Guests: Sandy Cronstrom, Scott Riffle, Tim Pickrell, Courtney LeVinus and Jake Hinman

Mr. Rounds called the Regular Meeting of the Board of Directors of the Authority to order at 9:30 a.m., noting the presence of a quorum.

1. APPROVAL OF MINUTES OF THE REGULAR MEETING OF THE BOARD HELD ON NOVEMBER 9, 2021.

On motion made by Mr. Cohn and seconded by Mr. Westad, the minutes of the November 9, 2021, Regular Meeting were approved as written.

The motion passed unanimously by a vote of (9-0).

2. REPORT FROM CLIFTONLARSONALLEN OF THE AUTHORITY'S AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021.

Sandy Cronstrom of CliftonLarsonAllen reported the Authority's fiscal audit ending June 30, 2021, was completed in November, and contained an unmodified opinion, which means the opinion was clean with no material misstatements in the financial statements. There were no internal control findings or recommendations as a result of the audit.

The Authority's fee income increased this fiscal year by about 100% due to the Home in 5 program. Overall expenses decreased about \$700,000 compared to 2020. Cash and investments were comparable between the two years.

Ms. Cronstrom thanked the Authority's accountant, Lynette Wachterhauser, and Ms. Scharbach for their very prompt responses to the auditors' requests.

3. DISCUSSION AND UPDATE FROM PIPELINE AZ REPRESENTATIVE AND ACTION AS DETERMINED.

This agenda item was moved to the January 11, 2022, Board meeting.

4. DISCUSSION AND UPDATE FROM STIFEL REPRESENTATIVE REGARDING THE 2019 HOME IN FIVE ADVANTAGE MORTGAGE ORIGINATION PROGRAM.

Scott Riffle of Stifel, Managing Director of Stifel's single family practice, gave a presentation and reported Stifel to be the number one underwriter in Arizona.

Mr. Riffle explained that both the Maricopa IDA and Phoenix IDA have gained over a million dollars in fees from the program this year, and have originated more than a half billion dollars in mortgages throughout the year in one of the most competitive down payment assistance markets in the country.

The program is one of the healthiest programs in Stifel's client base, with almost 40% of the reported homeowners being Hispanic, and the program is successfully meeting the needs of the community as a whole. More than 50% of the borrowers are below 80% of the area median income.

The Home in Five program is an economic driver in the community, assisting not only homebuyers but, realtors, appraisers, lenders, home repairmen, etc.

Since 2019, when Stifel became program administrator, the program has originated approximately \$1.5 billion of mortgages and \$62 million of down payment assistance funds, helping more than 6,000 families purchase homes.

5. LEGISLATIVE REPORT, DISCUSSION AND ACTION AS DETERMINED.

Ms. LeVinus referred to recent articles written in *The Arizona Republic* regarding out-of-state bond financings through the Arizona Industrial Development Authority, and said she would anticipate new legislation introduced to combat this current practice.

Ms. LeVinus then discussed the redistricting process still being finalized within the state and the budget surplus.

Mr. Hinman discussed various matters such as new legislature surrounding schools, tax reform and upcoming elections.

6. FINANCIAL REPORT.

Ms. Scharbach referred to the unaudited financial statements for the period ended November 30, 2021, a copy of which is attached hereto, and encouraged Board Members to contact her with their questions.

Ms. Scharbach commented on the Authority's healthy net position even after the recent grant approvals.

7. PAYMENT OF INVOICES.

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the month ended November 30, 2021.

Mr. Stawiecki moved to approve payment of the invoices as submitted for the period ended November 30, 2021. Ms. Burnham seconded the motion.

The motion passed unanimously by a vote of (9-0).

8. BUSINESS DEVELOPMENT OFFICER.

Mr. Ghelfi thanked Scott Riffle and the Stifel team for their work to make the Home in Five Program competitive.

Mr. Ghelfi encouraged Board Members to attend the upcoming I Am Home Breakfast.

9. PRESIDENT'S REPORT.

Mr. Rounds thanked the Board Members and staff for their work.

10. EXECUTIVE DIRECTOR'S REPORT.

Ms. Scharbach referred to the current state statutes with respect to industrial development authorities' ability to finance projects outside of the State of Arizona. Ms. Scharbach said it was her belief the Maricopa County IDA is financing projects in the way the statute intended.

Ms. Scharbach added that she and Mr. Ghelfi have also had conversations with Richard Ruelas, the reporter from *The Arizona Republic*.

11. LEGAL COUNSEL REPORT.

There was no legal counsel report.

12. COMMENTS FROM BOARD MEMBERS.

There were no comments.

13. CALL TO THE PUBLIC.

No members of the public commented.

ADJOURNMENT

With no further business to come before the Authority, upon motion made and duly seconded, the Regular Meeting was adjourned at 10:16 a.m., without objection.


