

Meeting Minutes

Industrial Development Authority

Regular Meeting

January 14, 2025 | 7:30 a.m.
Chandler City Council Chambers
88 E. Chicago Street, Chandler, AZ



Call to Order

The meeting was called to order by President Charles Ertl at 7:32 a.m.

Roll Call

Commission Attendance

President Charles Ertl
Vice President William Nolde
Secretary Shannon Wilson
Director Lee Kroll

Staff Attendance

Julie Goucher, Accounting Senior Manager
Jenny Winkler, Assistant City Attorney
Karla Lange, Management Assistant

Other Attendees

Zach Sakas, Bond Counsel, Greenberg Traurig, LLP

Absent

Treasurer John Lok

Scheduled and Unscheduled Public Appearances

None.

Approval of Minutes

1. Secretary Wilson moved to approve the December 10, 2024, Regular Meeting Minutes. Vice President Nolde seconded the motion. Motion approved unanimously (4-0).

Briefing Items

2. **November 2024 Financials:** Ms. Goucher presented the November Statement of Net Position that explained Total Current Assets with Cash in Bank of \$233,521, and Investments of \$1,118,266, providing Total Assets of \$1,351,787. Intel application deposit of \$3,000 is recorded as a Current Liability. The Beginning Net Position is \$1,325,396 and a Year-to-Date Change in Net Position of \$23,391, providing an Ending Net Position of \$1,348,787. The Statement of Revenues, Expenditures, and Changes in Net Position for the month ended November 30, 2024, includes Investment Income of \$3,912 and a bond application fee from Brinshore Development LLC of \$3,000, providing a Net Change in Net Position of \$23,391 through November.
3. **Discussion of possible refund of annual fee overpayments in connection with the Authority's Revenue Bond Series 2012-A and Series 2012-B (Tri-City Baptist Church Project).**
Ms. Goucher voiced that as part of the annual audit for fiscal year 2023-2024, the city reports the outstanding balance of the bonds that have been issued through the Industrial Development Authority. Representatives from Tri-City Baptist Church indicated that the bond issued to them had been paid in full as of December 2021, with an original maturity date of 2034. Ms. Goucher stated that the representatives at Wells Fargo Bank confirmed that the bond was paid in full. She continued that despite paying off the bond, Tri-City Baptist Church continued to pay their annual administration fee of \$2,000 in 2022, 2023 and 2024 to the Board, as invoiced by city staff, for a total amount of \$6,000. Staff is recommending that the Board approve the overpayment of these annual fees be refunded to Tri-City Baptist Church.

Mr. Sakas offered that sometimes bonds are sold to the general market and are publicly sold and there is a corporate trustee in place who keeps track and notifies the Board if a bond is paid off early. The bond issued to Tri-City Baptist was a direct bank placement, so it was essentially like a bank loan. For this issuance, Wells Fargo acted as both lender and trustee, and at some point, Wells Fargo sold off its Trust business to Computershare,

splitting the responsibilities, so when the bond was paid off, neither the Board or the City was notified. He noted this situation is unique, due to the combination of circumstances, and that it is uncommon for no notification to occur.

Responding to President Ertl, Mr. Sakas voiced that Intel has not experienced anything similar, because when Computershare purchased Wells Fargo's Trust business, everything related to Intel shifted to Computershare with that purchase. In the case of Tri-City Baptist, the business was split, with the lending portion remaining with Wells Fargo and the trustee portion moving to Computershare. He emphasized that it was challenging trying to get information from the bank on what exactly happened.

Action Agenda

4. **Discussion and possible adoption of Resolution 2025-01, authorizing the return of annual fee overpayments to Tri-City Baptist Church.**

Vice President Nolde moved to approve Resolution 2025-01, authorizing the return of annual fee overpayments to Tri-City Baptist Church as presented. Secretary Wilson seconded the motion. Motion approved unanimously (4-0).

Member Comments/Announcement

None.

Calendar

The next regular meeting will be held on Tuesday, February 11, 2025, at 7:30 a.m.

Informational Items

None.

Adjourn

The meeting was adjourned at 7:39 a.m.

Charles Ertl, President