

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

Date: December 9, 2013, 3:00 p.m.

Place: Gila County Courthouse  
Supervisors’ Hearing Room  
1400 E. Ash Street  
Globe, AZ

Presiding: Cliff Potts

Present: Cliff Potts, Fred Barcon, Stanley Gibson, Gerry Kohlbeck,  
Bill Byrne, Bob Pastor, Mac Feezor, Tim Grier

Absent: Tim Humphrey

Administrative Manager: Sandy Palmer

Guest Present: Randy Evans, Randal Evans Law (telephonically); Gary  
Mack, USDA (telephonically); Jennifer Burton, USDA  
(telephonically); Ellen Kretsch, Globe-Miami Chamber;  
Ted Quinn, Monster Media

Cliff Potts called the Regular Meeting of the Board of Directors of the Authority to order at 3:01 p.m., noting the presence of a quorum.

**1. APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF THE  
BOARD HELD ON OCTOBER 17, 2013.**

On motion made by Bob Pastor and seconded by Fred Barcon, the minutes of the Special Meeting of the Board held on October 17, 2013 were approved as submitted.

**2. INFORMATION/DISCUSSION/ACTION AS DETERMINED REGARDING PRESENTATION BY RANDY EVANS OF RANDAL EVANS LAW, AND GILA IDA'S NEED TO RETAIN GENERAL COUSEL.**

The IDA Board discussed the need to hire a bond attorney for bond issues and general counsel for issues other than bonding. While a general counsel attorney is not needed at the present time, it is wise to have a firm in mind when the time arrives.

Tim Grier stated the IDA should determine who will be communicating with the attorney, as it can get expensive. While the bond process requires a bonding attorney, Tim offered to answer many general questions for the IDA. If he is not confident with his answers, he will defer to outside counsel.

Randy Evans joined the meeting telephonically.

Randy Evans presented his history, area of expertise, and experience as general counsel for Phoenix IDA. He stated if he stumbles on a question he can't answer himself, he can talk to a partner or connection about those issues. If there is an extensive project outside of his area of expertise, he will draft a co-counsel agreement.

His fee: \$385 per hour; associates: \$245; legal assistants \$155. Advanced fee deposit to be paid initially, draws taken on the account. Refunds are issued once the work is complete. Fees can be paid hourly or negotiated lump sum. Maintaining an open dialog with the client is a priority. Careful attention is given to ensure the scope of work doesn't go beyond what the client is asking.

Cliff Potts asked Randy Evans his method for reporting to the Board when negotiating on the Board's behalf.

Poor connection, Randy Evans was unable to hear the question clearly.

The Board thanked Randy Evans for his time.

**3. INFORMATION/DISCUSSION/ACTION AS DETERMINED REGARDING USDA SMALL BUSINESS LOAN PROGRAM PRESENTATION BY GARY MACK.**

Gary Mack and Jennifer Burton joined the meeting telephonically.

Gary Mack and Jennifer Burton presented USDA's RBEG revolving loan program. RBEG funds can also be used for Technical Assistance grants, and are infrequently used to purchase equipment.

Gary Mack mentioned that due to budget restrictions, funds have been cut back. RBEG grant awards are limited to \$100,000. The primary function of the RBEG revolving loan program is to assist small business owners with capital loans. The scope of work must be clearly defined. The business plan must include a timeline.

Jennifer Burton stated the application must have a business plan. It must detail how the program will be managed. Loans are awarded through a scoring system. For example: If the director has experience administering loans that adds points to the score. An entity can also get extra points for leveraging loan funds. Higher score is given if there is interest in the funds.

Gary Mack mentioned the difficulty SGEDC had with their revolving loan program. One reason, they had a difficult time finding businesses that were bankable. Managing and operating a revolving loan program can be difficult.

The application for a Technical Assistance grant should include a feasibility study. There should be a need for the program. The funds are targeted to assist entrepreneurs starting a business, or those struggling to stay in business. Application must include a business plan. Include how often meetings will be held, what type of services will be offered, what you intend to do with the funds. State the eligible purpose and eligibility of the area.

Cliff Potts asked how competitive RBEG loan funds are, and the likelihood of receiving a loan.

Gary Mack stated that due to substantial funding cuts 2014 may be competitive. On the other hand, many say they are going to submit and don't. There has been increased interest in the loan. The applications are scored based on economic need in the area. He is expecting three applications this year.

Jennifer Burton said she will email the score sheet. The administrative notice will clarify the scoring application. Use the largest city in the area for the scoring, application is weighted for population. Use countywide data for other statics.

Cliff Potts asked if it's better to be small or large.

Jennifer Burton stated the more impoverished the better. Use the lower MHI, or lower population. If it doesn't lower your score, then it doesn't matter. If it does, you can play with it.

Gary Mack mentioned that if you go too wide and change your score too much, you can hinder yourself. The wider the area, the better off you are in some respects. It's a tradeoff. You need to determine the tradeoff.

Cliff Potts asked about the intensity of the procedures and reporting process.

Gary Mack said it is largely determined by the business plan/work plan you submit. USDA will review your work plan and follow your work plan and meeting regulations.

Cliff Potts asked the limitation on the size of the loan, and eligibility of subsequent grants.

Gary Mack stated the loan is for \$100,000, and if an entity has been successful administering loan funds, they can apply for subsequent grants. The purpose of the program is to provide seed money, spur economic growth.

Bob Pastor asked if loan funds could be used to establish educational programs at a junior college.

Gary Mack said they are not intended for educational purposes, mainly used to establish small businesses. You can use the funds to hire a specialist to come in and help small business owners with grant funds.

Cliff Potts stated with a February deadline the IDA Board will need to decide if they want to pursue the RBEG revolving loan.

Bob Pastor asked to see the score card.

Cliff Potts stated that it will boost the economy, and it will require administration. He suggested inviting Steve Burke to the next meeting.

Fred Barcon mentioned that Steve Burke only works 20 hours per week. The IDA would have to come up with the funds to hire him.

Cliff Potts briefly spoke about a loan program he was involved with years ago. He said it wasn't very complicated. Several loans were made and most were repaid. It's a worthwhile program; it gives a sense of doing something worthwhile in the community.

#### **4. INFORMATION/DISCUSSION/ACTION AS DETERMINED REGARDING MEDIA PROJECT UPDATE BY TED QUINN OF MONSTER MEDIA, AND THE IDA'S ROLE IN MARKETING GILA COUNTY.**

Ted Quinn had an emergency and had to leave. He will reschedule.

**5. INFORMATION/DISCUSSION AS DETERMINED REGARDING  
GLOBE-MIAMI CHAMBER PRESENTATION BY ELLEN KRETSCH.**

Ellen Kretsch said there is a regional tourism group being formed that will promote economic development in Globe-Miami. There is a need to get a cohesive group together. There are too many groups duplicating efforts.

Ellen Kretsch gave a short PowerPoint presentation to give the IDA an idea of what the Chamber does. There are two major fund raising events for the Chamber, both of which are in their 30th year. The events run on volunteer efforts.

The Chamber has a partnership with Arizona Office of Tourism. Go Wild is a new feature being used to increase tourism. Freeport is making efforts to establish a heritage committee to develop a new brand for the area and increase marketing efforts. Freeport's goal is to help mining communities develop revenue from other sources.

**6. INFORMATION/DISCUSSION/ACTION AS DETERMINED  
REGARDING A DATE, LOCATION, AND TOPICS FOR DISCUSSION  
AT THE IDA RETREAT.**

Topic to be discussed include:

USDA RBEG Loan Program

Tourism: a broader scope. Various entities involved in marketing efforts; outlying areas to be included in the IDA's regional marketing plan.

SWAT analysis of the entire county.

Revisit/revise IDA's mission statement, policies and procedures; tie in the mission statement to the overall purpose.

Financial: intended revenue source; determine a 1 year and 5 year plan; prioritize projects.

Cliff Potts asked if a facilitator would help the group stay on task.

Bob Pastor mentioned his past experience with facilitating and volunteered to help.

**7. INFORMATION/DISCUSSION AS DETERMINED REGARDING IDA FINANCIAL REPORT BY IDA TREASURER, STAN GIBSON.**

Stan Gibson presented the financial report and concluded by stating the IDA needs to establish a revenue stream before extending grants, or spending funds.

Bob Pastor stated Phoenix IDA has been enormously profitable charging user fees. Gila IDA needs to move in that direction while recognizing there is a cost of doing business; small costs will be incurred while moving forward.

**8. INFORMATION/DISCUSSION/ACTION AS DETERMINED REGARDING IDA STAFF JOB DESCRIPTION.**

Running short on time, Bob Pastor stated the reason he asked to have the item on the agenda was to ensure that staff is fairly compensated. After three years of employment without a raise, he asked the Board to consider a raise and take action.

Tim Grier concurred.

Cliff Potts expressed his appreciation of staff's service and dedication.

On motion made by Fred Barcon and seconded by Stan Gibson, motion to authorize pay raise passed unanimously by a vote (8-0).

**9. CALL TO THE PUBLIC**

With no further action to come before the Board, motion to adjourn made and dully seconded at 5:07 p.m.