

Board of Directors

Roles and Responsibilities with Statute Provisions

Industrial Development Authority of the County of Yavapai

Introduction: The Industrial Development Authority of the County of Yavapai (“YCIDA”) is a nonprofit corporation designated by statute as a political subdivision of the State of Arizona, duly formed under The Industrial Development Financing Act, A.R.S § 35-701 et seq. The YCIDA is governed by a Board of Directors consisting of 9 members, each of whom must be a qualified elector of Yavapai County and appointed by the Yavapai County Board of Supervisors. The YCIDA performs an essential government function by assisting in the financing of:

1. Facilities owned or operated by a nonprofit organization
2. Any commercial enterprise
3. Industrial park facilities
4. Health care institutions
5. Affordable housing

The YCIDA primarily fulfills its essential government function through the issuance of multiple revenue bonds, the interest income on which may either be tax-exempt or taxable. In most instances, the YCIDA issues its bonds on a "conduit basis" for the benefit of the prospective user of the bond proceeds (the "Borrower"), who, in turn, ultimately has an obligation to pay:

1. All the YCIDA's direct and indirect costs associated with the issuance of the bonds
2. The principal and interest on the bonds
3. A share of the YCIDA's administrative expenses incurred for each of the YCIDA's fiscal years during the period of time the Borrower's bonds are outstanding as specified in the Bond Fee Schedule

By statute, the YCIDA:

1. Does not have any taxing power
2. Is proscribed from pledging its full faith and credit
3. Is proscribed from pledging the full faith and credit or taxing power of the County for the repayment of the bonds

Board Member Qualifications (A.R.S § 35-705) include:

1. The authority shall have a board of directors in which all powers of the authority shall be vested and that shall consist of any number of directors, not less than three nor more than nine, all of whom shall be duly qualified electors of the municipality or county with respect to which the authority was formed.
2. The directors shall serve without compensation, except that the directors shall be reimbursed for their actual expenses incurred in the performance of their duties in the same manner as is provided for other state officers.

3. A director shall not be an officer or employee of the authorizing municipality or county.
4. All directors shall declare any conflict of interest as provided in title 38, chapter 3, article 8.
5. The directors shall be elected by the governing body of the authorizing municipality or county, and they shall be so elected that they shall hold office for overlapping terms.
6. The terms of all directors shall be six years. The governing body may remove a director at any time, with or without cause.

Meetings – Regular meetings of the Board are scheduled for the 4th Wednesday of every month at 1:30 pm. Additional meeting may be scheduled related to specific actions required by the Board.

Roles and Responsibilities: The Board of Directors of the YCIDA has established these standard operating procedures to ensure that it can fulfill its duties to the organization and that all board members understand their responsibilities and expectations. There are three main areas of responsibility for YCIDA board members:

1. **Reviewing and Recommending Bond Approval**
2. **Policy Making and Committee Service**
3. **Promoting the work of the YCIDA**

Bond Application Review & Approval. Each Director is expected to diligently review all bond materials provided and be prepared to interview the bond applicant to ensure the applicant and application are in compliance with the Arizona State Statute and the YCIDA’s stated mission.

Policy Making and Committee Service. Each director should actively participate on the board and be willing to serve on the Executive Committee and Grant Committee as needed. The board will meet as required to review bonds and grant requests, and new members are required to attend the "New Board Member Orientation Program" conducted by the YCIDA attorney and the Board Chair when they are first elected. Directors should familiarize themselves with the materials for board and committee meetings in advance and be available for input, guidance, and counsel throughout the year.

Promoting the Work of YCIDA. Each Director is expected to actively be informed, communicate, and participate in building awareness and promoting the YCIDA and its work, programs and services. This may be accomplished for example through displaying the YCIDA literature at your workplace, sharing information about YCIDA throughout your spheres of influence and network, or arranging for or making a presentation on YCIDA bond opportunities.

General Responsibilities of a Director as a Member of the Board as a Whole

In addition to these specific responsibilities, YCIDA board members have general responsibilities as part of the board as a whole. The board:

- Is the governing body responsible for determining the broad policies under which the YCIDA operates;
- Determines the organization's programmatic goals and ensures that it fulfills its purpose;
- Adopts the annual budget including significant programs included in the annual budget;

- Oversees the work of the organization, reviews its operations, and provides feedback to leadership at least annually;
- Receives reports from its committees;
- Sets its operating rules and regulations for the Board ;
- Ensures all legal and contractual reports are in compliance and submitted in a timely manner; and
- Recognizes that in all of its activities, the authority of the Board of Directors rests in the Board as a whole and not in its individual members or committees.

General Responsibilities of a Director as an Individual

Individual board directors also have general responsibilities, including:

- Serving the YCIDA to the best of his/her ability and to carry out their fiduciary and director duties in a manner that avoids conflicts of interest and is in the best interests of the YCIDA;
- Attending Board meetings regularly and addressing all major and significant issues;
- Becoming familiar with the role and strategic direction of the YCIDA, regional economic development issues, and the state and national picture of economic development;
- Acting as ambassador of the YCIDA and participate in community events and public meetings; and
- Encouraging entities to consider YCIDA bond financing.