

**NOTICE OF PUBLIC MEETING
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA
BOARD OF DIRECTORS**

Pursuant to A.R.S. Section 38-431.02, notice is hereby given to the members of **THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA, BOARD OF DIRECTORS**, and to the general public, that **THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA, BOARD OF DIRECTORS** will hold a meeting open to the public on **Wednesday, October 17, 2018 at 1:30 p.m.** located at **Phoenix City Hall, 200 W. Washington Street, 20th Floor, Conference Room 20E, Phoenix, Arizona.**

One or more board members may participate via teleconference.

The agenda for the meeting is as follows:

Call to Order

1. Approval of Meeting Minutes.

a. August 9, 2018 Regular Session

2. Dunlap Wellness Center, LLC Loan Request. Presentation, discussion, and possible action to approve Phoenix IDA participation in a loan by the Arizona Community Foundation.

3. Mid-Year Budget Adjustment. Presentation, discussion, and possible action to approve revisions to the Operating Budget for fiscal year 2018-2019.

4. Board of Directors Election of 2019 Officers.

5. 2019 Committee Assignments.

6. Call to the Public. Comments will be limited to two minutes per person.

Adjournment

For reasonable accommodations, please call Lydia Lee at Voice/602-534-9655 or TTY: use 7-1-1, as early as possible to coordinate needed arrangements.

Date Posted:

Item 1

**MINUTES OF PUBLIC MEETING
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA OF THE
BOARD OF DIRECTORS**

August 9, 2018

A public meeting of the Board of Directors of The Industrial Development Authority of the City of Phoenix, Arizona (the “Phoenix IDA”) was convened on Thursday, August 9, 2018 at 3:30 p.m., at the Phoenix City Hall, 200 W. Washington Street, 20th Floor, Conference Room 20E, Phoenix, Arizona.

Board Members present:

Mr. David Lujan
Mr. Bruce Mosby (*telephonic*)
Ms. Nicole Ong Colyer (*telephonic*)
Ms. Darcy Renfro
Mr. Lawrence Robinson (*telephonic, joined at 3:40 p.m.*)
Ms. Charlene Tarver (*telephonic*)

Board Members absent:

Mr. Sal Rivera
Ms. Barbara Ryan Thompson

Also present for all or portions of the meeting were:

Mr. Nick Andrews, Arizona BioEnergy
Mr. James Barham, Phoenix IDA
Mr. Murray Boess, Phoenix IDA
Mr. Luis Camacho, C.S.P.
Mr. Mike Farley, Leman Academy
Ms. Gina Flores, Phoenix IDA
Mr. Ryan Gray, Phoenix IDA
Ms. Lydia Lee, Phoenix IDA
Ms. Julia Meyerson, Vista College Prep
Ms. Michelle Moussa, Kutak Rock LLP
Ms. Rebecca Randall, Common Sense (*telephonic*)
Mr. Carlos Rascon, Education, Leadership & Analytics Foundation
Mr. CW Ross, Fennemore Craig, P.C.
Mr. Juan Salgado, Phoenix IDA
Mr. Mike Santellanes, Phoenix IDA
Mr. Steve Seleznow, Arizona Community Foundation
Mr. Glenn Wike, Arizona Community Foundation

Any member of the public that was present during the meeting was able to hear all discussions and actions taken by Board Members that were present, in person and over the phone, via a teleconferencing phone system.

Director Lujan called the Board meeting to order at 3:38 p.m. A quorum was noted.

ITEM 1: Approval of Meeting Minutes.

Meeting minutes for the June 14, 2018 Regular and Executive Sessions were presented for approval. Director Ong Colyer moved to approve the minutes. Director Mosby seconded the motion. **Motion carried unanimously.**

ITEM 2: Education Facility Revenue Bonds (Leman Academy of Excellence – Oro Valley Project) Series 2018.

Mr. Salgado introduced the item and asked Mr. Santellanes to brief the Board members on the Leman Academy of Excellence – Oro Valley Project.

Mr. Santellanes briefed the Board on the Leman Academy of Excellence – Oro Valley Project, as reflected in the Phoenix IDA’s records for this meeting, which are available upon request.

Mr. Santellanes introduced Ms. Moussa, legal counsel for the Phoenix IDA. Ms. Moussa recommended approval be granted subject to the terms and conditions contained in the Board resolution.

Mr. Santellanes introduced Mr. Farley, Leman Academy of Excellence, to provide background on the organization and the project.

Director Renfro moved to approve **Resolution No. 2018-09** as recommended by the Chief Executive Officer and legal counsel to the Phoenix IDA. Director Mosby seconded the motion. **Motion carried unanimously.**

ITEM 3: Common Sense.

Mr. Salgado introduced the item and requested that Ms. Lee brief the Board.

Ms. Lee briefed the Board on Common Sense and the request for \$270,000, as reflected in the Phoenix IDA’s records for this meeting, which are available upon request.

Ms. Lee introduced Mr. Seleznow, Arizona Community Foundation (ACF) and Ms. Randall, Common Sense, to brief the Board on ACF’s support and plans to open a regional office in Phoenix.

Discussion ensued.

Director Renfro moved to approve the disbursement of \$270,000 from the Phoenix IDA’s Community Development Fund in support of Common Sense. Director Mosby seconded the motion. **Motion carried unanimously.**

ITEM 4: Vista College Prep.

Mr. Salgado introduced the item and requested that Ms. Lee brief the Board.

Ms. Lee briefed the Board on the request for support of \$100,000, as reflected in the Phoenix IDA’s records for this meeting, which are available upon request.

Ms. Lee introduced Ms. Meyerson, Vista College Preparatory (VCP), who presented information to the Board about the school's model, growth plan, and details of VCP's grant request.

Ms. Lee also introduced Mr. Wike, Arizona Community Foundation (ACF). Mr. Wike informed the Board that ACF's Board recently approved funding to support VCP's growth strategy.

Discussion ensued.

Director Renfro moved to approve the disbursement of \$100,000 from the Phoenix IDA's Community Development Fund in support of Vista College Prep. Director Mosby seconded the motion. **Motion carried unanimously.**

ITEM 5: Operating Budget Fiscal Year 2018-2019.

Mr. Salgado introduced the item and requested Mr. Boess brief the Board on the Operating Budget for the current Fiscal Year (FY) 2018-2019.

Mr. Boess briefed the Board on the Operating Budget for FY 2018-2019, as reflected in the Phoenix IDA's records for this meeting, which are available upon request.

Director Robinson moved to approve the Operating Budget for FY 2018-2019, including the capital reserve, as presented. Director Mosby seconded the motion. **Motion carried unanimously.**

ITEM 6: Call to the Public.

Director Lujan made a call to the public. There were no comments.

With no further business to come before the Board, being duly moved and seconded, the Board meeting was adjourned at 4:46 p.m.

Item 2



MEMORANDUM

DATE: October 17, 2018

TO: Members, Board of Directors

FROM: Juan Salgado, Chief Executive Officer

SUBJECT: Dunlap Wellness Center, LLC Loan Request

BACKGROUND

Since 1972, Native American Connections, Inc. (NACI) has been improving the lives of individuals and families through Native American culturally appropriate behavioral health, affordable housing, and community development services. NACI began as a small grassroots organization operating one program for Native American men in recovery from substance abuse. Today, NACI owns and operates 18 sites throughout Central Phoenix offering a continuum of affordable housing, behavioral health, and community development services that touch and change the lives of over 10,000 individuals and families each year.

While progress has been made in recent years, Native Americans continue to have the highest incidence of alcohol and substance abuse of any ethnic group in the United States. In 2015, the U.S. Surgeon General Vivek H. Murthy, MD met with Native Americans to discuss prescription drug abuse and opioid addiction - the first time in history that a U.S. Surgeon General has met with tribal leaders. "The prescription opioid epidemic that is sweeping across the U.S. has hit Indian country particularly hard," Murthy said. He noted the community's efforts to bring together traditional Native culture with treatment and recovery programs. "When we strengthen culture and identity, we strengthen our communities," Murthy said. "Community is an antidote to isolation." The heart of NACI's behavioral health programming builds this very kind of community and connection among individuals working toward health and healing. At Patina Mountain Preserve, NACI seeks to enhance community through both the physical design and programming of the project.

PROJECT

NACI is developing the new Patina Mountain Preserve (Dunlap Wellness Center, LLC) on a 4.65-acre lot located at 1431 E. Dunlap Avenue in Phoenix. This residential care facility will provide substance abuse and co-occurring treatment services focusing on the integration of mind, body, and spirit. Current services are provided at the Patina Wellness Center, (Virginia Wellness, LLC). Patina Mountain Preserve will be a smaller, 50-bed facility and will only house men. Patina Virginia's 70-bed facility will be converted to a women's only facility.

For physical design, NACI has entrusted Perlman Architects, the original architects of Patina Wellness Center, to incorporate the Patina Mountain Preserve into the surrounding Phoenix Mountain Preserve desert landscape. To complement this environmentally sensitive design, the programming will utilize the desert habitat to introduce natural, exploratory, and physical components for recovery. These components will anchor to NACI's existing curriculum, which combines Native American traditions and customs with evidence-based practices to provide a whole health approach to the mind, body, and spirit. Construction is anticipated to begin in January 2019 and will take 12-14 months to complete.

PLAN OF FINANCING

This request seeks approval for the Phoenix IDA to participate at \$500,000 in a \$5,000,000 loan being led by the Arizona Community Foundation (ACF), to Dunlap Wellness Center, LLC dba Patina Mountain Preserve, to fund the project described above. The land has been pre-funded by LISC. A portion of the loan proceeds will be used to pay off the \$1,696,796 previously advanced by LISC.

This loan has a 7-year term beginning with a 12-month interest only period with monthly P & I payments of \$31,344 over the remaining 72 months. The loan yields 3.50% fixed interest to the Phoenix IDA, reflecting a 4.0% interest rate, less 0.5% allocated to the loan servicer, Business Development Finance Corp. The proposed participation provides the Phoenix IDA a pro rata share of interest income.

RISK RATING

NACI has the capability to service the debt. Collateral in the form of real estate is sufficient to secure the requested debt (subject to appraisal). NACI demonstrates satisfactory asset quality and liquidity, acceptable debt capacity and coverage and good management in critical positions. The company has good internal controls and suitable financial management. NACI's leadership has the demonstrated expertise to successfully manage the construction and maintenance of the buildings related to this project. Altogether these factors support an acceptable risk rating.

RECOMMENDATION

I recommend the Board approval to enter into a loan participation agreement with ACF on a pari-passu basis in the amount of \$500,000 in support of NACI's loan request of \$5,000,000 from ACF, subject to the terms and conditions contained in the Board approval resolution.

RESOLUTION NO. 2018-10

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA, GRANTING APPROVAL OF A PARTICIPATION LOAN IN THE AMOUNT OF \$500,000; AUTHORIZING THE EXECUTION AND DELIVERY OF A PARTICIPATION AGREEMENT AND OTHER DOCUMENTS REQUIRED IN CONNECTION WITH THE PARTICIPATION LOAN; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE PARTICIPATION LOAN; AND AUTHORIZING OTHER ACTIONS NECESSARY IN CONNECTION WITH COMPLETING THE PARTICIPATION LOAN.

WHEREAS, The Industrial Development Authority of the City of Phoenix, Arizona (the “Authority”), is an Arizona nonprofit corporation designated as a political subdivision of the State of Arizona (the “State”) empowered under A.R.S. § 35-706(A)(9) of the Industrial Development Financing Act, as amended (the “Act”), to make secured and unsecured loans for the purpose of financing the acquisition, construction, improvement or equipping of a “project” (as defined in the Act) on terms and conditions as its board of directors may deem advisable for the purposes set forth in the Act; and

WHEREAS, the Authority has entered into negotiations with respect to a Participation Agreement (the “Contract”) with Arizona Community Foundation, an Arizona nonprofit corporation (“ACF”), with respect to a loan in the amount of \$5,000,000 (the “Loan”) made by ACF to Dunlap Wellness Center, LLC, an Arizona limited liability company, to finance the costs of constructing and operating a residential care center providing substance abuse and treatment services at 1431 E. Dunlap Avenue, Phoenix, Arizona (the “Project”); and

WHEREAS, in furtherance of the purposes of the Act, the Authority is considering the purchase of an interest in the Loan in the amount of \$500,000 (the “Participation Loan”) to assist in the financing of the rehabilitation and improvement of the Project; and

WHEREAS, ACF has provided, or will provide, to the Authority the Contract and all other documents required in connection with the Loan (collectively, the “Participation Documents”).

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Industrial Development Authority of the City of Phoenix, Arizona as follows:

Section 1. Conditional Consent to Participation Loan. Upon satisfaction of all conditions referenced in Section 2 below, the Authority hereby consents to the Participation Loan.

Section 2. Conditions. The Authority’s consent to the Participation Loan is subject to the approval of the final version of the Contract by the Authority’s chief executive officer (the “CEO”) and legal counsel to the Authority, the satisfactory completion of all conditions to the Contract, and the Authority’s receipt of the Participation Documents and any other instruments

which the CEO and legal counsel to the Authority reasonably deem to be necessary or appropriate under the circumstances.

Section 3. Approval of Contract. The Authority hereby approves and consents to the Contract containing the substantive terms and conditions presented in this meeting, with such changes, additions or deletions as may be approved by the CEO and legal counsel to the Authority.

Section 4. Execution of Documents and Further Actions. The containing the substantive terms and conditions presented of the Authority is authorized to enter into, execute and deliver the Contract, the Participation Documents and any other agreement, amendment or other document or consent, upon advice of legal counsel to the Authority, deemed necessary or appropriate (a) to evidence the foregoing actions, or (b) to carry out the intent of this Resolution.

Section 5. Ratification of Actions. All actions (not inconsistent with the provisions of this Resolution) heretofore taken by or at the direction of the Authority and its directors, officers, counsel, advisors, agents or its CEO, including but not limited to the engagement of legal counsel, directed toward the completion of the Participation Loan, are hereby approved and ratified.

Section 6. Further Actions. The CEO, upon satisfaction of the conditions set forth in Section 2 hereof, shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby, including without limitation, the execution and delivery of the Participation Documents required to be delivered in connection with the Participation Loan.

Section 7. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 8. Waiver. Any provision of any bylaws, orders, procedural pamphlets and resolutions of the Authority inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any bylaw, order, procedural pamphlet or resolution or any part thereof.

Section 9. Open Meeting Laws. It is found and determined that all formal actions of the Authority and its Board of Directors concerning and relating to the adoption of this Resolution were adopted in an open meeting and that all deliberations that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements of the Authority and the State.

Section 10. Liability. The CEO, the members of the governing body of the Authority and any director, officer, official, employee or agent of the Authority shall not be subject to any personal liability or accountability by reason of the completion of the Participation Loan. The liability of the Authority with respect to any document executed in connection with the transactions contemplated hereby, including the Participation Documents, shall be limited as provided in the Act and such documents.

Section 11. Headings. Subject headings included in this Resolution are included for purpose of convenience only and shall not affect the construction or interpretation of any of its provisions.

Section 12. Effectiveness. This Resolution shall take effect immediately.

Section 13. Notice. Notice of Arizona Revised Statutes Section 38-511 is hereby given. The provisions of that statute by this reference are incorporated herein to the extent of applicability to matters contained herein under the laws of the State.

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PASSED, ADOPTED, AND APPROVED on this 17th day of October 2018.

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA

By: _____
Juan Salgado, Chief Executive Officer

Item 3

MEMORANDUM

DATE: October 17, 2018
TO: Members, Board of Directors
FROM: Juan Salgado, Chief Executive Officer
SUBJECT: Mid-Year Budget Adjustment

When the FY 2019 budget was proposed to the Board in August, we had not yet reviewed the year-end entries with the auditors in detail. In that review, the auditors advised that the recording of expenses for Community Development Fund (CDF) awards in FY 2018 was premature. They recommended that the budget for FY 2019 could reflect the CDF awards uncommitted as of June 30, 2018, if the Board wanted to continue the allocation into the current fiscal year.

The attached summary reflects those recommendations as a budget revision. The original summary budget (also attached) recognized \$2,000,000 in CDF awards for last fiscal year and a current fiscal year budget of \$625,000 (a total of \$2,625,000 for the two years). The revised budget recognizes \$120,000 of CDF awards for last fiscal year and a current fiscal year budget of \$2,505,000 (for the same \$2,625,000 total). The adjusted net positions for the two years remain the same in both the original summary budget and the revised summary budget. No other adjustments are proposed.

I recommend approval by the Board of Directors of the revised summary budget.

Phoenix IDA Summary Operating Budget FY 2019 - Revision 1

	<u>FY 2018 Budget</u>	<u>FY 2018 Est</u>	<u>FY 2019 Budget</u>
Operating Revenue			
Bond Redemption	0.00	14,278.12	17,000.00
User Assessment Fees	1,010,000.00	1,062,361.78	970,000.00
Residential Mortgage Program Fees	2,595,000.00	1,827,696.35	1,040,000.00
Fee Income	53,000.00	183,081.00	641,000.00
Total Operating Revenue	\$ 3,658,000.00	\$ 3,087,417.25	\$ 2,668,000.00
Operating Expenses			
General and Administration	1,516,450.00	1,494,572.54	1,778,540.00 ¹
Bond Administration	19,500.00	6,978.81	19,500.00
Other Programs	117,450.00	85,329.08	651,950.00 ¹
Community Development Fund	2,250,000.00	120,000.00	2,505,000.00 ¹
Program and Project Development	252,700.00	181,049.12	252,700.00 ¹
Loan Portfolio Administration	14,500.00	3,604.73	14,500.00
Total Expenses	\$ 4,170,600.00	\$ 1,891,534.28	\$ 5,222,190.00
Other Revenue			
Interest Income	257,250.00	365,470.30	436,000.00
Net Increase (Decrease) in the Fair Value of Investments	0.00	961,704.22	0.00
Other Non-Operating Income	0.00	0.00	0.00
Non-Operating Revenue	\$ 257,250.00	\$ 1,327,174.52	\$ 436,000.00
Bad Debt Expense	0.00	36,975.00	0.00
Net Other Revenue	\$ 257,250.00	\$ 1,290,199.52	\$ 436,000.00
Net Position	\$ (255,350.00)	\$ 2,486,082.49	\$ (2,118,190.00)
Depreciation Expense	0.00	0.00	45,000.00
Community Development Fund Carryover		(1,880,000.00)	1,880,000.00
One-time Assessment Fees, allocated over 10 years	0.00	0.00	202,200.00
Adjusted Net Position	\$ (255,350.00)	\$ 606,082.49	\$ 9,010.00
Transfer to Community Impact Investment Fund		0.00	0.00
Balance to Administrative Fund	\$ (255,350.00)	\$ 606,082.49	\$ 9,010.00
Net Operating Revenue Calculation			
Total Revenue (Operating Revenue + Non-Operating Revenue)	\$ 3,915,250.00	\$ 4,414,591.77	\$ 3,104,000.00
Total Expenses (above)			
Expenses excluded for 3 Year Operating Expense Reserve	\$ 2,535,450.00	\$ 356,897.45	\$ 3,369,950.00 ¹
Total operating expenses	\$ 1,635,150.00	\$ 1,534,636.83	\$ 1,852,240.00
Net Operating Revenue (Total Revenue - Total operating expenses)	\$ 2,280,100.00	\$ 2,879,954.94	\$ 1,251,760.00

¹ Expenses excluded in full, or in part, from operating expenses for 3-year reserve calculation

3 Year Operating Expense Reserve Based on FY 2019 Budget

	FY 2019 Budgeted	FY 2020 Projected*	FY 2021 Projected*	3 yr Total	Reserve
Total operating expenses (excludes non-recurring expenses)	\$ 1,852,240	\$ 1,945,000	\$ 2,037,000	\$ 5,834,240	\$ 5,825,000

* Projected based on 5% & 10% increase from FY 2019

Phoenix IDA
Summary Operating Budget FY 2019
as of June 30, 2018

	<u>FY 2018 Budget</u>	<u>FY 2018 Est</u>	<u>FY 2019 Budget</u>
Operating Revenue			
Bond Redemption	0.00	14,278.12	17,000.00
User Assessment Fees	1,010,000.00	1,062,361.78	970,000.00
Residential Mortgage Program Fees	2,595,000.00	1,827,696.35	1,040,000.00
Fee Income	53,000.00	183,081.00	641,000.00
Total Operating Revenue	\$ 3,658,000.00	\$ 3,087,417.25	\$ 2,668,000.00
Operating Expenses			
General and Administration	1,516,450.00	1,494,572.54	1,778,540.00 ¹
Bond Administration	19,500.00	6,978.81	19,500.00
Other Programs	117,450.00	85,329.08	651,950.00 ¹
Community Development Fund	2,250,000.00	2,000,000.00	625,000.00 ¹
Program and Project Development	252,700.00	181,049.12	252,700.00 ¹
Loan Portfolio Administration	14,500.00	3,604.73	14,500.00
Total Expenses	\$ 4,170,600.00	\$ 3,771,534.28	\$ 3,342,190.00
Other Revenue			
Interest Income	257,250.00	365,470.30	436,000.00
Net Increase (Decrease) in the Fair Value of Investments	0.00	961,704.22	0.00
Other Non-Operating Income	0.00	0.00	0.00
Non-Operating Revenue	\$ 257,250.00	\$ 1,327,174.52	\$ 436,000.00
Bad Debt Expense	0.00	36,975.00	0.00
Net Other Revenue	\$ 257,250.00	\$ 1,290,199.52	\$ 436,000.00
Net Position	\$ (255,350.00)	\$ 606,082.49	\$ (238,190.00)
Depreciation Expense	0.00	0.00	45,000.00
One-time Assessment Fees, allocated over 10 years	0.00	0.00	202,200.00
Adjusted Net Position	\$ (255,350.00)	\$ 606,082.49	\$ 9,010.00
Transfer to Community Impact Investment Fund		0.00	0.00
Balance to Administrative Fund	\$ (255,350.00)	\$ 606,082.49	\$ 9,010.00
Net Operating Revenue Calculation			
Total Revenue (Operating Revenue + Non-Operating Revenue)	\$ 3,915,250.00	\$ 4,414,591.77	\$ 3,104,000.00
Total Expenses (above)			
Expenses excluded for 3 Year Operating Expense Reserve	\$ 2,535,450.00	\$ 2,236,897.45	\$ 1,489,950.00 ¹
Total operating expenses	\$ 1,635,150.00	\$ 1,534,636.83	\$ 1,852,240.00
Net Operating Revenue (Total Revenue - Total operating expenses)	\$ 2,280,100.00	\$ 2,879,954.94	\$ 1,251,760.00

¹ Expenses excluded in full, or in part, from operating expenses for 3-year reserve calculation

3 Year Operating Expense Reserve
Based on FY 2019 Budget

	FY 2019 Budgeted	FY 2020 Projected*	FY 2021 Projected*	3 yr Total	Reserve
Total operating expenses (excludes non-recurring expenses)	\$ 1,852,240	\$ 1,945,000	\$ 2,037,000	\$ 5,834,240	\$ 5,825,000

* Projected based on 5% & 10% increase from FY 2019

Item 4

**October 17, 2018
(To Take Place as Last Action Item on the Agenda)**

1. Presentation of Candidates by Nominating Committee

Officers to be Elected. The Board will elect a President, a Vice President, a Treasurer, and a Secretary. Any number of offices may be held by the same person, except the offices of President and Secretary.

List of Candidates for Each Office. The Nominating Committee presents the following list of candidates, each of whom has been nominated by a director and each of whom has accepted such nomination:

<u>Office</u>	<u>Candidate</u>
President:	Barbara Ryan Thompson
Vice President:	David Lujan
Treasurer:	Bruce Mosby
Secretary:	Darcy Renfro

2. Statements by Candidates (optional)

3. Vote

Vote by Secret Ballot for Contested Offices. Starting with the office of President and continuing with the offices of Vice President, Treasurer and Secretary, each director may write his or her vote on a ballot for the office.

Candidates being Considered Leave Room during Vote for Candidates' Office. While Arizona statutes do not expressly prohibit an individual from voting for himself or herself in an election of officers, case law from other jurisdictions suggests that such voting could jeopardize the election if the individual casts the deciding vote. To avoid any possible question as to the validity of the elections and the validity of any bonds subsequently issued by the Phoenix IDA, Legal Counsel has taken the position in the past that a nominee should not vote for himself or herself. In addition, we ask that the nominee leave the room during the vote for that office because if they stay in the room, he or she will be counted as present and could vote for another candidate. If the nominee leaves the room during the vote for that office, he or she is not counted as present and no vote is counted.

Tallying of Vote. For each office, the current President will count the ballots, verify the count with Legal Counsel and announce the votes for each nominee. All votes will be a matter of public record and will be recorded in the minutes of the meeting. The candidate selected for the particular office will be announced, and the next office will be voted upon in the same manner until all officers are elected. If any individual receives the votes of a majority of those directors present and entitled to vote, that individual will be elected. If no one receives a majority of the votes, a second vote will be required, and so on.

Alternative Vote for Uncontested Offices. If so desired, if there is only one candidate nominated for a particular office, any director may make a motion to accept that particular candidate as presented and have one roll call vote to elect the sole candidate for a particular office instead of conducting a vote by secret ballot when there is only one candidate. In the case of this 2018 election, a single motion may be considered to hold one roll call vote for each of the offices of President, Vice President, Treasurer, and Secretary. Upon receipt of a second to such motion, the Board may proceed to vote by roll call to accept the alternative voting procedure. If such motion is accepted by a majority of the directors, the election of the President, Vice President, Treasurer, and Secretary, by roll call vote may proceed. For the reasons stated in the prior memorandum on the election process, Legal Counsel requests that a nominee refrain from making the motion to elect himself/herself into office, seconding such motion or voting for himself/herself.

Item 5

**2019
COMMITTEE ASSIGNMENTS**

Executive Committee

Ms. Barbara Ryan Thompson, Chair
Mr. David Lujan
Mr. Bruce Mosby
Ms. Darcy Renfro

Appointed

October 17, 2018
October 17, 2018
October 17, 2018
October 17, 2018

Finance Committee

Mr. Bruce Mosby, Chair
Mr. Lawrence Robinson
Ms. Nicole Ong Colyer

October 17, 2018
October 17, 2018
October 17, 2018

Nominating Committee

Ms. Barbara Ryan Thompson, Chair
Mr. Bruce Mosby
Vacant

October 17, 2018
October 17, 2018
TBD

Communications and Government Affairs Committee

Mr. David Lujan, Chair
Ms. Nicole Ong
Ms. Charlene Tarver

October 17, 2018
October 17, 2018
October 17, 2018

Community Impact Fund Committee

Mr. Darcy Renfro, Chair
Mr. Lawrence Robinson
Vacant

October 17, 2018
October 17, 2018
TBD

Item 6

CALL TO THE PUBLIC