

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

Date: July 14, 2020, 9:30 a.m.

Place: GoToMeeting - virtually

Presiding: Ronald L. Westad

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

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: Courtney LeVinus, Jake Hinman, Denyce Doubleday, Scott Riffle, Lisa Hartsock, Steve Purves, Claire Agnew and Michael White

Mr. Westad 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 JUNE 9, 2020.**

On motion made by Mr. Cohn and seconded by Mr. Bales, the minutes of the June 9, 2020 Regular Meeting were approved as submitted.

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

2. Discussion and action as determined regarding a proposal from Valleywise Health.

Mr. Westad introduced the following persons from Valleywise Health who were in attendance in support of the proposed grant request: Steve Purves, President and CEO; Dr. Michael White, Chief Medical Officer; Claire Agnew, Sr. VP Finance; and Lisa Hartsock, Foundation Relations Executive.

Mr. Purves gave some history of Valleywise Health, and explained that the hospital originally started in 1887 as a “pest house,” and today is the largest and longest serving public teaching hospital and safety net system of care in Arizona. The hospital is independent, public and serves a large portion of the underserved.

Mr. Purves said Valleywise Health consists of a teaching hospital, burn center, level I trauma center, three behavioral health centers, 12 community health centers, and an emergency center in Maryvale.

Valleywise Health established one of Arizona’s first residency programs in 1952, and today has the largest residency program of any single hospital in Maricopa County, with approximately 75% of the physicians who train at Valleywise Health remaining in Arizona.

Mr. Purves explained that the new state-of-the-art teaching hospital, which should be completed in 2023, will be a 10-story, 233-bed private room facility, with one floor being dedicated to the Arizona Burn Center.

Mr. Purves also discussed various Valleywise Health care centers either opening or being converted throughout the Valley.

Mr. Purves noted that Valleywise Health is also the designated POTUS hospital in the area, in case the President and/or his staff are in town and need care.

Claire Agnew then discussed the Valleywise Health financial statements for the fiscal year ended 2019, and noted the revenues and expenses were very close, and that includes \$8.8 million of bond interest and investment income that cannot be used for operations.

Ms. Agnew also noted that 70% of Valleywise Health’s gross income comes from Medicare, Medicaid and Federal Emergency Services, with 12% coming from uninsured patients.

Dr. Michael White said Valleywise Health will be training the next generation of healthcare professionals through simulation and simulation training, which improves the overall experience, and the overall skill set of clinicians. Through simulation, healthcare professionals learn skills and are better prepared to apply these skills with real patients. Currently, this type of training has to be outsourced.

The proposed simulation center will be located in the support services building adjacent to the hospital on Roosevelt.

Dr. White explained that the request of the Authority is for approximately \$3 million to be paid over a three-year period, with the majority of the costs to be used on technology acquisition. The return on the investment is to have better trained healthcare professionals in Arizona.

Ms. Agnew then reviewed the economic impact of the project and keeping these healthcare professionals in the state of Arizona.

Ms. Burnham clarified that she does not have any formal affiliation with Valleywise Health, but does have an affiliation with another organization – Crisis Nursery, and that was how she became familiar with Valleywise Health. Ms. Burnham said she became aware of their need and agreed to shepherd Valleywise through the grant request process with the Authority.

Mr. Rounds asked that Valleywise Health provide periodic reports to the Board. Ms. Scharbach said this request will be included in the funding agreement.

After further discussion and upon motion made by Ms. Burnham and seconded by Ms. Spelleri, the following was adopted:

RESOLVED to adopt a resolution approving the grant request for the Valleywise Health project as proposed in the amount of \$3,000,901, paid over a three year period: \$1,365,977 in 2020, \$749,308 in 2021, and \$885,616 in 2022.

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

### **3. LEGISLATIVE REPORT, DISCUSSION AND ACTION AS DETERMINED.**

Courtney LeVinus and Jake Hinman were in attendance to report on legislative matters.

Mr. Hinman reminded the Board Members that the Arizona Legislature adjourned some time ago sine die; however, there have been discussions about reconvening in a special session to discuss such things as budgetary issues relating to COVID, economic recovery, premise liability protection, especially liability protections for business owners, property owners, cities, counties, other political subdivisions, schools, hospitals, etc. to protect them against lawsuits.

Mr. Hinman then discussed the State's budgetary shortfall with projections from \$120 million to \$638 million for 2020 and another \$460 million for 2021. Mr. Hinman reminded the Board that in January, the State had a \$1 billion surplus.

Mr. Hinman also discussed potential business closures in light of COVID and the pressure being put on the Governor.

4. **FINANCIAL REPORT.**

Ms. Scharbach referred to the unaudited financial statement for the period ended June 30, 2020. Copies of those statements are attached hereto.

Ms. Scharbach reviewed the June 30, 2020 unaudited financial statements, and reminded the Board of the \$5.5 million in grants during the 2020 fiscal year, while still maintaining a healthy balance sheet.

The Board then discussed possible restrictions/limitations on the amount of funds for grant distribution.

5. **PAYMENT OF INVOICES.**

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the month ended June 30, 2020.

Mr. Stawiecki moved to approve the payment of invoices as submitted for the period ended June 30, 2020. Mr. Bales seconded the motion.

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

*Ms. Spelleri and Mr. Bales left the meeting at 11:00 a.m.*

6. **BUSINESS DEVELOPMENT OFFICER.**

Mr. Ghelfi referred to the business development office and Home in Five reports in the Board Member packages.

7. **PRESIDENT'S REPORT.**

Mr. Westad had no report; however, he requested Ms. Burnham provide an update regarding the potential slate of officers which will be voted on at the Authority's August annual meeting.

Ms. Burnham explained that she spoke with Ms. Spelleri, Mr. Castro, Mr. Rounds and Ms. James, and each has agreed to serve as an officer for the 2020/2021 fiscal year.

8. **EXECUTIVE DIRECTOR'S REPORT.**

Ms. Scharbach reported the August Board meeting will be held virtually, as well as all other meetings through the remainder of the year. Ms. Scharbach thanked the Board Members for their participation.

9. **LEGAL COUNSEL REPORT.**

Mr. Wilder reported that a request for final approval for the United Dairymen bond issue is expected to be on the Board's agenda in September.

10. **COMMENTS FROM BOARD MEMBERS.**

There were no comments from the Board.

11. **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 11:06 a.m., without objection.

  
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