



Pike Place Market Preservation and Development Authority (PDA)

**FINANCE COMMITTEE
Meeting Minutes**

**Tuesday December 18th, 2012
4:30 p.m. to 6:00 p.m.
Elliott Bay Room**

Committee Members Present: Matt Hanna, Ann Magnano, Bruce Lorig, David Ghoddousi, Gerry Kumata, Gloria Skouge

Other Council Members Present:

Staff Present: Ben Franz-Knight, Sabina Proto, Jay Schalow, Dianna Goodsell

Others Present:

The meeting was called to order at 4:30p.m. by Ann Magnano

I. Administrative

- A. Approval of the Agenda
The agenda was approved by acclamation.

- B. Approval of the November 20th, 2012 Minutes
The minutes were approved by acclamation.

II. Announcements and Community Comments

None

III. Review of the Financial Statements for November 2012

A. PDA Operating Statements

Sabina Proto discussed the Balance Sheet and PDA Operating Statement ending for the Month of November. Under Current Assets there was an increase in the Unrestricted Cash Balance and Misc. Accounts Receivable. She reported the following: The Designated Cash decreased due to the transfer of funds out of the CRRF Reserve to the Operating cash for the budgeted capital expenditures. The Restricted Cash decreased because of the annual payment to the Principal and semiannual payment of the interest on the PC-I Bond. The Current Liabilities decreased mainly in the Accrued interest on the PC-I Bond due to payment in November and also in the Accrued Payroll. The Long Term Debt decreased due to the monthly payments on loans, mortgage and bonds. The Net Operating Capital had increased overall. Current Operating Result increased from the prior month and the Levy Funds received in total as of today is \$ 64.67 million; amount received in 2012 YTD is \$6.12 million.

Sabina Proto reported under the Accounts Receivable Activity Report, the accounts receivable decreased overall in November. The Total Revenue for the end of November 2012 was \$13,250,341 or over budget by \$361,730. The Total Operating Expense was \$ 9,455,410 or under budget by \$ 271,918. The Net Result for the end of November was \$ 3,794,931 which was \$ 633,648 over budget. The Net Result after Debt Service & Reserves: Annual Budget was \$493,710 and the actual YTD as \$ 1,127,433; this amount exceeds the budget by \$633,723.

Sabina Proto presented the Revenue in the Operating Statement and stated that the Commercial Revenue was over budget by \$ 92,113. She added overall there was good performance of the Percent Rent. She noted that we are caught up in the Office Rent; in the prior months we had been under budget due to the unanticipated construction impacts of the Levy Phase II. She added that one of the ATM's has not been operational for several months. She stated that CAM is under budget because the loss of revenue for the US Bank space. Direct utilities are under budget because of the vacancies in commercial spaces during construction; this is associated with less spending on the electricity, water and sewer expenses. She stated that Residential Revenue variance was on track due to the growing occupancy; this was anticipated for the second part of the year. She reported that the residential vacancy rent has dropped to 2%. Under Daystall Revenue, the Craft's revenue was on track while under Farm Revenue some of the predominant farmers have left. There was more revenue with locker rent, performer permits and late fees. Lastly, the Surface, Miscellaneous Revenue and the Garage Revenue were over budget. The garage was over budget by \$ 115,000 which was better than anticipated. She noted that we have been in participation with the AWW Parking Mitigation Program since July 1st, and per agreement with the City of Seattle, we received a \$14,000 monthly fee, \$ 70,000 up to date in collection on fees from July through November 2012.

Sabina Proto lastly reported that the Operating Expenses were over budget in some departments and under budget in others. She reported that we have had additional needs for temporary work in the Residential and Daysall department. She also added that here have been some staffing vacancies in Management as well as differences in the timing of the invoices from the budget trending. She stated the following: there had been extensive repair on the fire panel in the garage, credit cards fees were over budget due to the increase in revenue, insurance rates were lower than budgeted and marketing spending would increase during the last quarter. She noted that the Percent Rent spreadsheet presents the performance of the percent rent, concluding that the Percent Rent was over budget by \$135,000 YTD, \$156,000 over budget over the same period last year. She lasted reported that the Capital Reserve Status Report represents the amount contributed to the reserve, and the amount spent year to date out of the capital reserve. The Capital Reserves total was \$ 10,049,199 as of 11/30/2012. Total Capital Expenditures (budgeted) was \$931,539 as of 11/30/2012. The amount spent on the Waterfront Design and Development was \$477,970.

Bruce Lorig noted that we should do a comprehensive report on Parking rates and usage.

There was a brief discussion regarding the bank fees for credit card usage, especially regarding the garage merchant service fees. Ben Franz-Knight invited the committee to see a detailed list of credit card fees.

Ann Magnano inquired to see if there is a way to discuss options for having the bank fees reduced.

IV. Checking Account Activity Report

The Checking Account Activity Report was distributed to Dianna Goodsell, Administrative Services Coordinator.

V. Presentations and Discussion Items

A. Budgetary Review of Proposed Spending Resolutions

Ben Franz-Knight noted that he had a detailed discussion with Matt Hanna regarding the spending resolutions for December. He noted that any concerns and questions could be raised at the full Council meeting since the Chair was absent and that the resolutions were discussed in detail at the Asset Management meeting. The following resolutions were on the agenda for review:

Review of Proposed Resolution **12-83**: Authorization for Contract Authority - Capital Needs Assessment

Review of Proposed Amended Resolution **12-86B**: Authorization for Contract Authority - SRG Partnership, Inc. - Architectural Services

Review of Proposed Resolution **12-92**: Authorization for Contract Authority - Contract Project Administration

Review of Proposed Resolution **12-96**: Authorization for Contract Authority - Livingston Baker Residential Hot Water Loop Replacement - Livingston Baker Building

Review of Proposed Resolution **12-99**: Authorization for Contract Authority - Additional TI Reimbursement, Pike Market Child Care

VI. Other Reports and Action Items

None

VII. Items for Consent Agenda

None

VIII. Public Comment

None

IX. Concerns of Committee Members

None

X. Adjournment

The meeting was adjourned at 4:56 p.m. by Ann Magnano

Meeting minutes submitted by:
Dianna Goodsell, Administrative Services Coordinator