



Pike Place Market Preservation and Development Authority (PDA)

---

**FINANCE COMMITTEE**  
**Meeting Minutes**

---

**Tuesday February 19<sup>th</sup>, 2013**  
**4:30 p.m. to 6:00 p.m.**  
**Goodwin Library**

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

**Other Council Members Present:**

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

**Others Present:**

The meeting was called to order at 4:38p.m. by Ann Magnano

**I. Administrative**

- A. Approval of the Agenda  
The agenda was approved by acclamation.
  
- B. Approval of the January 15<sup>th</sup>, 2013 Minutes  
The minutes were approved by acclamation.

**II. Announcements and Community Comments**

None

**III. Financials**

- A. Review of the Final Unaudited Financial Statements for the year ending December 31, 2012

*Bruce Lorig entered in at 4:40pm*

Sabina Proto reviewed the Final Unaudited Financial Statements for the year ending December 31, 2012 with the Committee. The Final Unaudited Financial Statements for the year ending December 21, 2012 was included with the meeting minute's record.

*Ben Franz-Knight entered in at 4:48pm*

Sabina reviewed the following unaudited materials with the Committee: Pike Place Market PDA Balance Sheet, Operating Budget Comparison Statement, 2012 Actuals Summary with 5 Year Comparison and the 2012 Budget- Actuals Comparison. She noted that the first quarter of last year was the end of Phase III of renovation. She noted that the commercial department performed very well and that we overspent on the operations due to the new systems in place from the renovation including the new restrooms. Sabina distributed the Balance Sheet of Primary Government and Discrete Component Units for the period ending December 31, 2012 including a Statement of Revenues, Expenses and Changes in Net Assets for the period ending December 31, 2012; a copy of the document has been included with the minutes.

Ben Franz-Knight noted that overall it was a pretty impressive year especially after the impacts of the renovation construction and the economy.

Ann Magnano turned the meeting over to Bruce Lorig, Vice-Chair at 4:51 pm

Ann Magnano noted that we need to think about putting the money towards all the new systems placed in and improvements for the Market. Ben Franz-Knight noted that there would be a capitol reserves study to address this issue.

Bruce Lorig noted that the Pike Place Market PDA has had a strong business model.

The Pension Allocation Plan Calculation discussion was moved after Section III, Item A.

#### B. Pension Plan Allocation Calculation

There was discussion of the PPMPDA Pension Plan. Sabina Proto briefly reviewed the PPMPDA Pension Plan calculation; the Allocation of \$307,000 fits both the parameters (no more than 25% Net Operating Surplus before Capitol and parking 3-6% of eligible payroll). The Pension Plan Allocation Calculation document was included with the meeting minute's records.

#### C. Review of the Financial Statements for January 2013 - PDA Operating Statements

Sabina Proto discussed the Balance Sheet and PDA Operating Statement ending for the Month of January 2013. She stated there were no major changes to be reported on the Balance Sheet. She reported that the accounts receivable decreased in January under the Accounts Receivable Activity Report and that the delinquency rate was very low. Under the PDA Operating Statement, she stated that the Total Revenue for the end of January 2013 was \$1,292,752 or over budget by \$90,022. The Total Operating Expense was \$879,082 or under budget by \$48,076. The Net Operating Result for January was \$413,670 which was \$138,098 over budget. Under the Net Result after Debt Service & Reserves, the Annual Budget was \$1,884,836 and for January the actual amount is \$264,979.

Sabina Proto reviewed the Operating Statement and stated that the Commercial Revenue was over budget; Base Rent was \$20,323 over budget while Percent Rent was \$50,892 over budget. She noted that Residential Revenue was on track and that Daystall Revenue was over budget by \$2,304. She reported the following: Community Events and Programs was under budget, Surface Revenue was over budget, Garage Revenue was slightly over budget and Miscellaneous Revenue was on track.

Sabina Proto lastly reported that the Operating Expenses were under budget in almost all of the departments. She noted that it is only the first month of the year and that the reason for the variances is the trending and the timing of the invoices. She noted that the Percent Rent was over budget by \$50,000 as compared to 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 Financial Statements for January 2013 have been included with the minutes.

#### IV. **Checking Account Activity Report**

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

#### V. **Action Items**

##### A. **Action Item:** Proposed Resolution 13-13 Allocation of 2012 Year End Balance

Sabina Proto introduced the resolution which states that the PDA staff has carefully reviewed the 2012 year-end PDA un-audited operating statements and finds that there is a year-end net-result operating balance after debt service and reserves of \$ 849,223; and, the full PDA Council in their annual budget process had budgeted a surplus of \$707,091 to be contributed to PDA capital repair and replacement fund (CRRF), leaving an unallocated balance from 2012 operations of \$142,132; and, the PDA Finance Committee

has considered PDA Council priorities and alternatives for use of additional year end monies available, and annually recommends to the full Council use of any such un-programmed operating balance.

THEREFORE BE IT RESOLVED that the PMPDA Council allocates the remaining year-end operating balance as follows: \$142,132 to the Capital Repair and Replacement Fund (CRRF).

David Ghoddousi moved, Gerry Kumata seconded

There was a brief discussion that followed.

For: Bruce Lorig, David Ghoddousi, Ann Magnano, Gloria Skouge, Gerry Kumata

Against: 0

Abstain: 0

Resolution 13-13 passed with a vote 5-0-0.

## **VI. Presentations and Discussion Items**

### **A. Budgetary Review of Proposed Spending Resolutions**

There was a brief budgetary review of Proposed Spending Resolutions 13-09 Authorization for Contract Authority – Garage Replace Fire Panel and 13-10 Authorization for Contract Authority – Refurbish Upper Economy Restrooms – Economy Building. Ben Franz-Knight noted that both resolutions passed unanimously out of the Asset Management Committee.

## **VII. Items for Consent Agenda**

Resolution 13-13 was moved to the Consent Agenda.

## **VIII. Public Comment**

None

## **IX. Concerns of Committee Members**

Bruce Lorig noted that he would like to have some type of understanding and rationale between CAUT/COMA calculations and the evolution of the model with the PMPDA as well as calculating the appropriate rent for the Pike Place Market merchants.

Sabina Proto noted that we are working on reassessing CAUT/COMA models for the Market.

Ben Franz-Knight noted that he could provide a presentation regarding the history of CAUT/COMA and merchant rents in the Market for the next Finance Committee meeting.

David Ghoddousi noted a question of the gross revenue received from the PDA and how much they can yield from the merchant's revenue; he would like this issue reviewed in the future.

## **X. Adjournment**

The meeting was adjourned at 5:40 p.m. by Bruce Lorig, Vice-Chair

Meeting minutes submitted by:

Dianna Goodsell, Administrative Services Coordinator