



Pike Place Market Preservation and Development Authority (PDA)

FINANCE & ASSET MANAGEMENT
Meeting Minutes

Tuesday August 17th, 2010
4:30 p.m. to 6:00 p.m.
PDA Conference Room

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

Other Council Members Present: Patrick Kerr

Staff Present: Carol Binder, Anita Neill, Sabina Proto, Jennifer Maietta, Joe Strong, John Turnbull

Others Present:

The meeting was called to order at 4:30 p.m. by Matt Hanna, Chair.

I. Administration

- A. Approval of Agenda
Carol requested that the action items be moved to item II on the agenda.
The agenda was approved, as amended, by acclamation.
- B. Approval of July 20th, 2010 Minutes
The minutes were approved by acclamation.
- C. Announcements and Community Comments

II. Other Reports and Action Items

- A. **Action Item: Proposed Resolution 10-49: Authorization for Contract Authority – Upgrade PPM PDA's PBX Phone System.**
Carol reported that the PDA's phone system was old and failing to keep up with the communication demands of the office. The system was originally installed in the mid 90's and had been repaired over the years but was now outdated and in need of replacement. Joe Strong, the IT Manager, noted that the system was very volatile and when changes were made, the system would not respond or fail and phone communications would be temporarily lost. He further explained that with each update it could not be predicted how the system would react and could crash all together. Matt asked for more detail on the failures and if it was working now. Joe explained that the system was operable but with any changes, i.e, adding new employees, it could fail at anytime. He further noted that the cost would include new equipment, software, manufacturers warranty and training among other items. Carol noted that this was not a budgeted item but would not result in the Capital Projects budget going over what was approved, as some other projects had been deferred or under budget.

David Ghoddousi moved and Ann Magnano seconded.

For: Matt Hanna, Bruce Lorig, David Ghoddousi, Ann Magnano, Gerry Kumata, Gloria Skouge
Against:
Abstain:

Proposed resolution **10-49** passed unanimously.

- B. **Action Item:** Proposed Resolution **10-56:** Medical and Dental Coverage 2010-2011.
Carol reviewed the resolution; she noted that with our current provider There was a significant renewal increase in the cost of the current medical coverage, over 26%. We solicited addition bids from other carriers and Regence was selected at only a 3% increase. Ann asked if merchants could buy into the health coverage. Carol responded that the plan was an employer group plan and only PDA employees could enroll. She also noted that the Merchants Association offers group insurance that is available to the Merchants.

Gerry Kumata moved and David Ghoddousi seconded.

For: Matt Hanna, Bruce Lorig, David Ghoddousi, Ann Magnano, Gerry Kumata, Gloria Skouge
Against:
Abstain:

Proposed resolution **10-56** passed unanimously.

III. **Review of Financial Statements for JULY 2010**

A. PDA Operating Statements

Sabina reviewed the financial statements for July; she explained the increases and decreases on the balance sheet noting that it was in good shape and there was nothing unusual to report. In the Operating statement, revenues were on budget and expenses continued to be under.

In revenues, commercial continued to be significantly above budget with percent rent being the major contributor. Residential was under budget due in part to forecasting the renting of the Livingston Baker and the vacating of the Sanitary building. The surface lots were below budget, Sabina handed out a trending report that was requested by the committee. Carol noted that with the contracting out of the surface lots many of the revenue collection problems would be resolved. There was some discussion on the advantages of the paying and tracking system capabilities that Republic Parking had. Matt questioned how the revenues would be tracked with the new system. Carol explained the revenue reporting that was anticipated and how it would be reported in the PDA's accounts. Matt questioned the outstanding receivable in Daystall. Sabina replied that it was due to their payment schedule being at the end of the month instead of before. Sabina continued her report; the garage revenues are up significantly over this time last year. Miscellaneous revenue was above budget due mainly in part to investment income and the NMTC interest payment to the PDA. Under expenses, most departments were under budget. Security continued to be above budget mostly to security expense in payroll for special events and filming. Utilities were above budget due to timing of billing tenants under the new system and rate increases that were higher than previously estimated by City Light and SPU. David and Patrick, both tenants in the Market, noted that their utility bill has gone up since the PDA took over the billing process and there was no longer a break down explanation of the billing. John T explained in detail the billing process and noted that he would look into their accounts for any inaccuracies. Matt suggested providing tenants with a breakdown and explanation of billing to tenants. Sabina concluded her report noting that percent rent continued to do well and the last two pages showed the activity on the reserve account and status of Capital Projects.

IV. **Checking Account Activity Report**

The checking account activity report was submitted to the Executive Assistant for inclusion in the minutes.

V. **NMTC Update**

Carol reported that the valuation piece had not been completed yet due to a turnover of appraisers which delayed completion. Matt noted that he would like Carol to convey to the transaction partners that there was some frustration from Council that the business aspects have not yet been completed. There

was some discussion and Matt further noted his concerns that Council already approved the transaction documents with the caveat that there would only be minimal changes.

VI. Audit Status

Carol noted that there were several problems and issues encountered with out last auditors. The PDA would like to search for another auditor for next year's audit. A couple of firms are being considered, that have more experience with tax credit transactions, particularly New Markets, and who also have audited other PDA's. Carol noted that the constituency would be apprised in the auditor selection process so they could schedule a concurrence vote.

VII. Items for the Consent Agenda

None

VIII. Public Comment

None

IX. Concerns of Committee Members

None

X. Adjournment

The meeting was adjourned at 5:50 p.m. by Matt Hanna, Chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant