



Pike Place Market Preservation and Development Authority (PDA)

**FINANCE & ASSET MANAGEMENT
Meeting Minutes**

**Tuesday February 16th, 2010
4:30 p.m. to 6:00 p.m.
PDA Conference Room**

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

Other Council Members Present:

Staff Present: Carol Binder, Anita Neill, Sabina Proto, Jay Schalow

Others Present: Haley Land

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

I. Administration

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

Ann Magnano joined at 4:31 p.m.
- B. Approval of January 19th, 2010 Minutes
The minutes were approved by acclamation.
- C. Announcements and Community Comment
None

II. Review of Final Financial Statements for December, 2009

- A. PDA Operating Statements
Sabina reviewed the unaudited final financial statements for December, 2009. She noted that last years numbers were given for side by side comparison. Sabina continued to report major changes on the statement; and described what comprised the designated cash and the restricted cash accounts. Carol clarified the difference between the two accounts. There was a large increase in designated cash due to funds from the levy to reimburse previous costs. These funds were used to pay for the design drawings in 2008 and were reimbursed to the account in 2009. Miscellaneous accounts had decrease due to the receivable write offs after the purchase of the Livingston Baker. Fixed assets had increased due to several factors including capital projects and the purchase of the Livingston Baker. Long term receivable and investments were up due to receivables from the QALICB. These funds would be moved to fixed assets and building improvements when the QALICB term expired. Current liabilities increased due mainly to the accrual of renovation invoices. Carol noted that the levy funds would be reflected in the capital funds instead of revenue and that this was a common practice with capital projects funded from taxes or grants.

Reviewing the actual to budget comparison, over all it was a good year, total revenues were above budget and operating expenses were under budget. The net result was an excess in the budget which would be allocated to reserve accounts. Carol noted that next years revenues are anticipated to remain relatively flat as operating expenses steadily increase.

B. Capital Projects Closeout

Carol reviewed the 2010 approved capital projects sheet. She explained that a project was considered closed once it had been completed and capitalized. Some projects contained many components that did not exceed \$10,000 therefore they did not need approval through a resolution but when the components combined, some projects exceeded \$10,000. Matt noted concern that Council was not involved with these projects at the beginning and requested that Council be kept updated and involved of all projects from the beginning and as they proceeded. He noted that there needed to be a process to oversee capital projects effectively and appropriately and that he would give this issue further thought. It was decided that staff would provide Council earlier involvement with projects and they evolve and develop.

III. Review of Financial Statements for January, 2010

Sabina reviewed the financial statements for January 2010. There was not a lot of activity or anything unusual to report this early in the year. She noted that in the operating statement, revenues were above budget and the garage continued to struggle, and expenses were under budget. Percent rent showed significant increase over last year which was effected by a snow storm. A list of approved capital projects was included in the packet. Matt requested that Steve Nelson, Director of Operations, give a quarterly presentation to the Finance committee on the progress of the projects, beginning in March.

IV. Checking Account Activity Report

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

V. Other Reports and Action Items

A. Action Item: Proposed Resolution 10-04: Allocation of 2009 Year End Balance

After staff had prepared the 2009 year-end PDA unaudited operating statements, a year-end net-result operating balance surplus after debt service resulted in addition to what had already been budgeted. The resolution was to designate which account the surplus went to. It was decided in light of the current economic conditions and the anticipated flat decline in revenue for 2010 that the surplus would be allocated to the Minimum Operating Reserve (MOR) and Capital Repair and Replacement Fund (CRRF).

There was some discussion on how the surplus amount was determined and how much was designated to each fund. Carol further explained that the recommendation was conservative to maintain an operating reserve in addition to the CRRF fund because many projects were already being completed with the levy renovations.

Ann Magnano moved and David Ghoddousi seconded.

For: Matt Hanna, Bruce Lorig, David Ghoddousi, Ann Magnano, Gloria Skouge

Against:

Abstain:

Proposed resolution 10-4 passed unanimously.

B. Staff Reports

Pension Contribution Calculation

Sabina explained the process for the pension allocation reconciliation. She noted that a maximum of 25% of the Net Operating Surplus before Capital and parking was used for the calculation. Employees received contributions of 3%-6% of their eligible payroll. Sabina continued to explain the details of the spreadsheet. There was some further discussion on the pension plan, when and how it was started, how the figures were calculated and other retirement options that were available for employees through the PDA. Sabina concluded that the amount in the 2010 budget was within the pension

plan parameters and so this amount as approved by Council in the budget process would be the contribution in 2010.

NMTC Update

Carol reported that US Bank was interested as being the main investor for the NMTC and are assisting in the search for CDE's. Two large national enterprises have shown interest, LIIF and Enterprise. Plans were still in the beginning stages but the structure would be similar to the one used for the Leland/Fairley. Carol further explained that she would like to see some of the funds generated by the NMTC used for the unforeseen expense of relocating and rebuilding the Corner and Sanitary tenants and other improvements to Pike Place.

VI. Items for the Consent Agenda

None

VII. Public Comment

None

VIII. Concerns of Committee Members

None

IX. Adjournment

The meeting was adjourned at 5:54 p.m. by Matt Hanna, Chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant