



Pike Place Market Preservation and Development Authority (PDA)

FINANCE & ASSET MANAGEMENT
Meeting Minutes

Thursday, March 12th, 2009
8:00 a.m. to 9:30 a.m.
PDA Conference Room

Committee Members Present: Jim Savitt, Ann Magnano, Gloria Skouge, Gerry Kumata, David Ghoddousi

Other Council Members Present:

Staff Present: Carol Binder, Anita Neill, Sabina Proto, Tracy Roueche, Bob Beckstrom

Others Present: Paul Dunn

I. Administration

A. Approval of Agenda

Carol added resolution 09-15 before the Checking Account Activity Report, as item 3 on the agenda.

The agenda, as amended, was approved by acclamation.

B. Approval of February 17th, 2009 Minutes

The minutes were approved by acclamation.

C. Announcements and Community Comments

II. Review of Financial Statements

A. Review of LaSalle Sr. Housing LLC Audit Reports

Carol reported on the LaSalle Sr. Housing LLC Audit Reports. Due to the Federal funding there were several reports included in the packet. Carol gave an explanation of each of the reports, including the reports on compliance with Federal funding, internal control, the financial statement audit and the report on tax credit compliance. All reports indicated no instances of non compliance, financial issues or internal control issues.

B. Review of Quarterly Market Housing Financial Statements

Sabina reported on the balance sheet of the Market Housing financials. She noted that the majority of the funds for the plumbing and the exterior projects had been collected, the balance was high in liabilities to the PDA, the bottom line to the income statement looked good but it was due to the grant funding and not the operations. Carol gave a quick update on the acquisition of the LB. She noted that the HUD checklist had been completed and the next step was to get approval to pay off the mortgage. There have been no problems yet, just a lengthy and time consuming process, and hope to close by April. Gloria suggested that there should be a meeting or the information should be sent to the Market Housing Board for review. Jim questioned if the outstanding AR would be written off in the purchase, to which Carol responded yes it would become a part of the consideration for the property.

C. Review of PDA February 2009 Financial Statements

Jim asked Sabina when it would be expected to see the trending in the budget to decreased expenses. Carol responded that a wage freeze has already been put into effect and will be reflected in lower expense amounts in upcoming months. She noted that a majority of the decline in revenue was due to the bad weather in December that reflected in January's percent rent, and not expenses. She additionally noted that she remained optimistic that the sales would only be 2-3% under by years end. Once the bond refinancing and the LB purchase are complete, revisions to the budget would be made.

Jim questioned the three items on the Capital Projects Budget with no budgeted amount. Carol noted they were levy expenses that would later be credited back, and the Sr. Center capital improvements were being paid by a reserve account held by the PDA and costs needed to be accumulated and reported back. Jim suggested this reporting be changed so that these not show up a PDA funded capital projects.

Sabina noted that the reimbursement received from the levy projects has been summarized in the note I and was applied to the CRRF reserve account.

III. **Action Item:** Proposed Resolution **09-15:** Authorization for Contract Authority – Shower Remodel – Stewart House SRO Units.

Bob reported that the SRO showers had reached the end of their useful life and it was necessary to have them remodeled. The PMPDA has executed a competitive bid process to replace the floor and wall tiles and necessary repairs as needed. Bids were solicited and Signature Tile was selected.

Gerry moved and David seconded.

For: Jim Savitt, Ann Magnano, Gloria Skouge, Gerry Kumata, David Ghoddousi

Against:

Abstain:

Proposed Resolution 09-15 passed unanimously.

Jim proposed to move proposed resolution 09-15 to the consent agenda, it was agreed unanimously.

IV. **Checking Account Activity Report**

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

V. **Policy Discussion**

A. PDA Charter \$10,000 Transaction Approval Process

Jim handed out and noted that the drafted proposed resolution was for review today and requested it be placed on the agenda as an action item for next month. He reviewed and explained the proposed resolution then asked that Council members note any changes to Carol and be prepared to vote on it next month.

B. Reserve Policies

Action Item: Proposed Resolution **09-01:** Minimum Operating Reserve (MOR) Policy

Jim noted that there were two proposed versions for proposed resolution 09-01. The only difference between the two was that one had an addition of romanette two. Jim reviewed the resolutions and answered questions from the Council. It was decided that the version with the romanette two would be selected.

Gloria moved and Gerry seconded.

For: Jim Savitt, Ann Magnano, Gloria Skouge, Gerry Kumata, David Ghoddousi

Against:

Abstain:

Proposed resolution 09-01 passed unanimously.

Action Item: Proposed Resolution **09-02:** Capital Repair and Replacement Fund (CRRF) Policy and Contribution

Jim reviewed the proposed resolution and answered questions from Council.

Gerry moved and Gloria seconded.

For: Jim Savitt, Ann Magnano, Gloria Skouge, Gerry Kumata, David Ghoddousi

Against:

Abstain:

Proposed resolution 09-02 passed unanimously.

VI. Public Comment

VII. Concerns of Committee Members

Carol gave an update on the bond refunding. She noted that the PDA has entered into an agreement with the City of Seattle. Our bonds would be paid from the City's 2009 annual bond issue and we would in turn pay back the City under the same terms as our bonds. The City bonds went to market yesterday would be issued on March 25 at which time the PDA bonds would be paid off. Refunding of these bonds would save the PDA approximately 30-40k per year, for about \$600k for the remainder of the life of the bonds.

VIII. Adjournment

The meeting was adjourned at 9:30 a.m. by Jim Savitt, chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant