



Pike Place Market Preservation and Development Authority (PDA)

**FINANCE & ASSET MANAGEMENT
Meeting Minutes**

**Tuesday May 19th, 2009
4:30 p.m. to 6:00 p.m.
PDA Conference Room**

Committee Members Present: Jim Savitt, Ann Magnano, Gloria Skouge, Matt Hanna, David Ghoddousi

Other Council Members Present:

Staff Present: Anita Neill, Sabina Proto, Jay Schalow

Others Present:

The meeting was called to order at 4:30 p.m. by Ann Magnano, Vice Chair, on behalf of Jim Savitt, Chair.

I. Administration

- A. Approval of Agenda
The agenda was approved by acclamation.
- B. Approval of April 21st, 2009 Minutes
The minutes were approved by acclamation.
- C. Announcements and Community Comments
Sabina announced that Tracy Rouche was no long with the PDA and two new accountants, Jay Schalow and Dorothy Malinski have been hired.

II. Review of Financial Statements for April 2009

- A. PDA Operating Statements
Sabina gave the following report on the April financial statements; she pointed out on the balance sheet that collection of funds from the levy begun in April. These funds were being used to pay off the bridge loan which would in turn lower the debt balance. In the work in progresses fixed asset line there was a drop due to the construction cost for the levy projects and the asset had been moved to the QALICB books. The construction asset would accumulate and show on the QALICB books up to the amount of the loan and investment in that entity.

Jim Savitt joined at 4:36 p.m.

At this time Ann turned the meeting over to Jim.

Matt noted that he thought the funds were to be built up and not used for levy projects. Sabina explained that the asset generated from the NMTC would be transferred back to the PDA at the dissolution of the QALICB. There was a discussion about the process of the bridge loan funds to the QALICB and using these funds for the levy projects. Matt noted that the funds that were to be used for the levy projects were being used to pay off the bridge loan and was concerned about this

treatment. It was decided that Matt, Jim, Sabina and Carol would have a follow up conversation to discuss the issue. If it was not resolved satisfactory it would be discussed at the next Finance meeting.

Sabina continued her report on the Operating Statement; she noted that the budget was under in both revenue and expenses. Commercial percentage rent and the Garage were the major causes of revenue being under budget. Spending was being closely monitored by department managers which were keeping expenses down. Sabina continued to review both in detail. There was a discussion about the surface revenue versus the garage revenue and why the surface revenue was doing better as compared to the garage. There was some discussion on how to increase the garage revenue. Jim noted that he would like Suzanne, the parking manager, give a presentation to the committee next month to review the objectives of the garage and surface parking.

Sabina continued with the revenue report, in miscellaneous revenue, investment income were down significantly due to the low interest rates. Sabina noted that alternate investments were being sought but were limited on where public funds could be invested.

Sabina noted that nearly all departments were under budget in expenses and this was mainly due in part to managers being careful with spending. Jim questioned what percentage in the reduction of expenses was due to the wage freeze. Sabina responded that she would get that information and send a report to Jim. The last page of the report was the list of Capital Projects and their status. Jim requested to have Steve Nelson present at the next Finance meeting to give a brief update.

III. Checking Account Activity Report

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

IV. Other Reports and Action Items

- A. **Action Item:** Proposed Resolution **09-35:** Bank Accounts and Signature Authority – Pike Place Market PDA – PDA Refunded Bond Reserve – LGIP.
Sabina noted that one of the requirements for the bond refinancing was to create a reserve account and this resolution was in response to that requirement.

David Ghoddousi moved and Ann Magnano seconded.

For: Jim Savitt, Ann Magnano, Gloria Skouge, Matt Hanna, David Ghoddousi

Against:

Abstain:

Proposed Resolution 09-35 passed unanimously.

- B. **ACTION ITEM:** Proposed Resolution **09-36:** Bank Accounts and Signature Authority – Pike Place Market PDA Construction Escrow Account with Columbia Bank.
Sabina noted that this account was created as a retainage account to be paid monthly by the PDA then in full to Turner at the completion of the renovations. This was a money market account and Turner did not have signature authority.

Ann Magnano moved and Gloria Skouge seconded.

For: Jim Savitt, Ann Magnano, Gloria Skouge, Matt Hanna, David Ghoddousi

Against:

Abstain:

Proposed Resolution 09-36 passed unanimously.

V. Proposed Budget Revision

- A. Introduction and Discussion
Sabina distributed the proposed budget revisions and narrative. In commercial revenue, percent rent was reduced by 15% based on anticipated reduction for the remaining months. CAUT and COMA

was adjusted to reflect the CAM charges that should have been placed in a separate category. Other reductions in the budget under commercial revenue included storage, cooler, garage and interest income.

In residential, estimated revenue from the purchase of the Livingston Baker and the increase in rental reimbursement from HUD was added to the budget beginning in June. Cable payments were being made directly to the provider and not the PDA and were reduced in the budget accordingly. The garage revenue was decreased due to lower volume. There was a reduction in investment income and management fees for the Livingston Baker.

In the expenses category, expenses from the transaction of the Livingston Baker purchase would be reimbursed. Managers have made proposals of reductions to expenses for their departments and some items from the Capital Projects list had been eliminated.

Ann questioned when it would be decided to adopt a revised budget. Sabina recommended and it was decided that final revisions would be discussed and decided upon in June and adopt the revised budget in July. Jim requested that Sabina distribute a PDF of the revised budget to full Council for review.

Matt requested Sabina to explain the residential revenue increase by 6%. Sabina noted that this was due to the acquisition of Market Housing. Jim questioned how revenue could increase when MHB was not making revenue before. Sabina reviewed in detail where the 6% increase came from.

VI. Items for the Consent Agenda

Proposed resolution 09-35 and 09-36 were moved to the Consent Agenda by acclamation.

VII. Public Comment

VIII. Concerns of Committee Members

IX. Adjournment

The meeting was adjourned at 5:40 p.m. by Jim Savitt, chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant