



Pike Place Market Preservation and Development Authority (PDA)

**FINANCE & ASSET MANAGEMENT
Meeting Minutes**

**Tuesday, July 21st 2009
4:30 p.m. to 6:00 p.m.
PDA Conference Room**

Committee Members Present: Jim Savitt, Ann Magnano, Gloria Skouge, Gerry Kumata, Theresa Alexander

Other Council Members Present:

Staff Present: Carol Binder, Anita Neill, Tyler Jamison, Steve Nelson, Jay Schalow, Dorothy Malinski

Others Present:

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

I. Administration

- A. Approval of Agenda
The agenda was approved by acclamation.
- B. Approval of June 16th, 2009 Minutes
The minutes were approved by acclamation.
- C. Announcements

II. Review of Financial Statements for June, 2009

A. PDA Operating Statements

Carol reviewed the financial statements pointing out any changes. On the balance sheet, market buildings had gone up due to the purchase of the Livingston Baker. The long term debt was decreasing with the bridge loan being paid off with the monthly levy draws from the City. On the receivables there was nothing unusual to report. In the PDA operating statement, revenues continued to be under budget and this was primarily due to the low percent rent and lower garage revenues. The garage revenues were down mostly due to the decrease in the amount of daily parkers. Last season there were a lot of construction workers parking in the garage and the City was creating incentives to people to drive less, use public transportation and reduce single occupancy drivers. Hourly parking in various categories was holding similar to prior years.

Theresa questioned when bonds would be paid off on the garage so there wouldn't be restrictions on how the garage could be utilized. Carol responded that she would look it up and follow up with her outside of the meeting.

Operating expenses continued to be under budget mainly due in part to decreased spending and cost control efforts. Carol noted that pages four and five gave a detailed look at the revenues and some items would change after the adoption of the revised budget. Page six offered the financial details of each expense department.

The financial statements for the Livingston Baker, LaSalle and the Pike Place Market QALICB were also included in the Finance packet. Next month, the Livingston Baker would be incorporated into the next PDA Operating Statement.

III. **Checking Account Activity Report**

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

IV. **Budget Discussion**

A. Review of Revised Budget

i. Follow Up

There was a follow up discussion and explanation of the Capital Projects and the Livingston Detail budget report.

Carol noted that the information booth remodel was removed from the list because the PDA was no longer going to utilize the space and rented it out to the Seattle Convention and Visitors Bureau. Steve continued to review the Capital Projects list, explaining which items had been completed, were in progress or had been deferred and the reasoning behind each. Repairs and painting to the southwest metal staircase in the garage, restoration to the trademarked clock and restoration and painting to Market signs were deferred until after the Phase I renovations were completed. After further investigation of the Sanitary deck it was discovered that the project would be much more involved than previously thought and only the design work was charged to the budget. After some discussion it was decided that the project should be renamed and the budget changed to reflect only the design work in the budget. The 1st and Pine Building emergency lighting project was not removed from the list as previously thought. All finished projects were completed under budget. The remaining projects were on or close to on budget with the exception of the parking garage controls.

Carol reviewed in detail the impact the purchase of the Livingston Baker had on the operating statement and the flow of funds through the budget. A hand out was distributed. The major point of increase in revenue was due to the termination of the contract with low rent reimbursement rates, the new HUD contract had higher rates, and there was no longer interest or HUD reserve requirement. Carol continued to explain in detail why the statement showed a net increase to the PDA budget but the building was operating at a loss.

B. **Action Item:** Proposed Resolution **09-47:** Amendment to the Adoption of the 2009 PDA Operating and Capital Projects Budgets.

It was decided that Council would like to revisit the discussion after a few more months of operations. Currently the operating budget was slowly recovering but council was still concerned that it was not enough to justify lifting the wage freeze.

Jim asked for further explanation of the decrease in the CRRF contribution. Carol noted that the anticipated net results in the revised budget had decreased and this number reflected that decrease.

There were no further questions on the budget.

Theresa Alexander moved and Gerry Kumata seconded **09-47**.

Jim suggested revising the resolution to delete...as specified in the 2009 revised budget overview...and replace it with...attached here to. It was agreed and the resolution was amended.

For: Ann Magnano, Gloria Skouge, Gerry Kumata, Jim Savitt, Theresa Alexander

Against:

Abstain:

Proposed resolution **09-47** passed unanimously.

C. 2010 Budget Process and Review (Bruce Lorig Memo)

Carol reviewed Bruce Lorig's PDA Budgets memo. In the memo he noted that the current budget reporting was inadequate for Council in the decision making process. He proposed that the report should be viewed by one of function, more specifically adding to the existing revenue and expense report a report on the cost breakdown by business unit. He felt that the use of cost centers should be used for the major business centers in which all cost would be allocated to. The memo gave an example of the major unit breakdown.

Gerry questioned if employees accounted for their time when spent working in another department other than their own. Carol responded that time was not segregated out by function, as operations staff serve the whole market, not just one building or area.

Jim noted that the issue would be further discussed in the Finance committee for the next couple of months. He requested that Council members consider solutions to the budget process and forward any ideas or questions to Matt and Carol.

- V. Action Item: Proposed Resolution 09-48: Livingston Baker Design Work for Fire Doors and Hardware.** Carol reviewed the proposed resolution. It was determined that the apartment unit doors and common area flooring had deteriorated and was in need of replacement. The current doors were not up to safety standards and would be replaced with one hour fire doors, new fixtures would be easier for the elderly tenants to operate and the carpet replacement would eliminate the trip hazard. A bid process has been executed and an architect, SABAarchitects, has been selected to design the replacement of the apartment unit doors and common area flooring. The architect would also be designing the paint colors and light fixtures in the common area as a bid alternate. A grant proposal for state funds has been submitted and granted for the work to be completed.

Gerry Kumata moved and Ann Magnano seconded.

Gerry suggested changing...need replace...to ...be replaced as to make it grammatically correct. Theresa suggested noting in between the second and third whereas that the funds for this project were granted to the PDA through a grant from the State. It was agreed and the resolution was amended.

For: Ann Magnano, Gloria Skouge, Gerry Kumata, Jim Savitt, Theresa Alexander

Against:

Abstain:

Proposed resolution **09-48** passed unanimously.

- VI. Items for the Consent Agenda**
09-48 was moved to the consent agenda unanimously.

- VII. Public Comment**
None

- VIII. Concerns of Committee Members**
None

- IX. Adjournment**
The meeting was adjourned at 5:35 p.m. by Jim Savitt on behalf of Matt Hanna, Chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant