



# Finance & Asset Management Committee Meeting Minutes

**Tuesday, August 19th, 2014**  
**4:00 p.m. to 6:00 p.m.**  
**The Classroom**

**Committee Members Present:** Gloria Skouge, David Ghoddousi, Ann Magnano, John Finke

**Other Council Members Present:** Betty Halfon

**Staff Present:** Ben Franz-Knight, John Turnbull, Jay Schalow, Jennifer Maietta, Matt Holland, Steve Nelson, Bob Beckstrom, Andre Zita, Brady Morrison, Holly Southern, Jessica Carlson, Dianna Goodsell

**Others Present:** Howard Aller, Joan Paulson

The meeting was called to order at 4:03 p.m. by Gloria Skouge, Chair.

## **I. Administration**

- A. Approval of the Agenda  
The agenda was approved by Acclamation
- B. Approval of the Finance & Asset Management July 15<sup>th</sup>, 2014 Meeting Minutes.  
The minutes were approved by Acclamation

## **II. Announcements and Community Comments**

Howard Aller noted his concerns regarding Proposed Resolution 14-49: Authorization for Contract Authority - Replacement of Windows in the 1<sup>st</sup> & Pine Building and Market House. He wanted a public statement confirming that the windows would indeed be replaced in kind, including no finish on the interior and stained.

Joan Paulson commented on the Strategy for the budget planning since there was an increase of \$100,000 under the Security Operations expense; she wanted to know how the PDA would make up for the increase in spending in other portions of the overall annual budget.

## **III. Reports & Discussion Items**

- A. Review of the Financial Statements for July 2014  
Jay Schalow, PDA Accounting Manager presented a brief overview of the Financial Statements for July 2014. The following content was included under the Financial Statements for July 2014; Current Assets increased by \$881,793, which was associated with the increase mainly on Unrestricted Cash and Miscellaneous Accounts Receivable. Designated Cash increased because of the monthly contribution to the CRRF. Restricted cash increased due to the contribution to the Debt Service Account. Fixed Assets

increased due to the work completed under Capital Projects during July. Current Liabilities increased in the categories of accounts payable, accrued payroll and other liabilities. Long Term Debt decreased due to the payments on our long term obligations and our Net Position for the current year operating result was \$2,355,379. Under the Accounts Receivable Report, the accounts receivable decreased compared to the balance of the prior month.

Ben Franz-Knight provided a brief update regarding the performance of the parking garage and potential for next year of an automated system to track the usage of the garage.

Under the PDA Operating Statement, the Total Revenue for the end of July 2014 was \$9,570,107 or over budget by \$557,790. The Total Operating Expense YTD was \$7,022,333 or \$138,763 under budget. The Net Operating Result YTD for the end July was \$2,547,774 or \$696,553 over budget. Under the Net Result after Debt Service & Reserves, the Annual Budget was \$ 1,618,408 and for the end of July the actual amount was \$1,161,976.

Footnotes on the Operating Expenses noted the following: Commercial Revenue was over budget mainly in Base Rent and Percent Rent and Direct Utilities; Percent Rent was \$296,374 over budget. Residential Revenue was over budget overall by \$ 24,872; Surface Revenue was over budget by \$50,860. Garage Revenue was over budget by \$216,620 because of more parkers in the garage.

- I. Checking Account Activity Report  
The Checking Account Activity Report was distributed to Dianna Goodsell, Administrative Services Coordinator.

#### IV. Reports and Action Items

- A. **Action Item:** Proposed Resolution **14-52:** Authorization for Contract Authority - Install Condenser Pump on HVAC Hydronic System

Brady Morrison introduced the resolution which states the Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. Seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and survival of small businesses , and the expansion of services to the public market and community; and, WHEREAS, in order to maintain the viability of the Pike Place Market buildings and to facilitate the expansion of the central plant system to accommodate new tenant equipment requests, i.e. freezers, coolers and heating/air conditioning systems, the PPMPDA has determined that an additional condenser pump needs to be installed into the main HVAC hydronic system WHEREAS, the PPMPDA has executed a bid process to install the condenser pump

BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Comfort Systems USA Merit

Mechanical in an amount not to exceed \$38,995.69 for the execution of work necessary to accomplish scope. The funds for this project will be drawn from the Capital Inventory Budget, 160780-00

John Finke moved, Ann Magnano seconded

For: Gloria Skouge, David Ghoddousi, Ann Magnano, John Finke

Against: 0

Abstained: 0

There was a brief discussion that followed.

Resolution **14-52**: Authorization for Contract Authority - Install Condenser Pump on HVAC Hydronic System passed unanimously.

- B. **Action Item**: Proposed Resolution **14-55**: Authorization for Contract Authority - Western Avenue Window Repair & Replacement Project - Levy Work

Andre Zita introduced the resolution the Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. Seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and survival of small businesses , and the expansion of services to the public market and community; and, WHEREAS, in order to maintain the viability of the Pike Place Market buildings the PPMPDA has determined that the windows of the Fairley and Leland Buildings are in need to be repaired and repainted. WHEREAS, the PPMPDA has executed a bid to repair Western Avenue windows. NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Legacy Renovation Products & Services, Inc., in an amount not to exceed \$942, 323 for the execution of work necessary to accomplish scope. The funds for this project will be drawn from the Levy Budget, 163726-00.

John Finke moved, David Ghoddousi seconded

There was a discussion that followed.

John Finke inquired on the resolution if there was a basic assumption for each window on the work that is required (change order). Andre noted that there is a consultant which is already on contract to assist with the estimates for the windows.

Betty Halfon inquired the anticipated start date for the windows construction.

Andre Zita noted that the windows construction is anticipated for September of this year.

For: Gloria Skouge, David Ghoddousi, Ann Magnano, John Finke

Against: 0

Abstained: 0

Resolution **14-55**: Authorization for Contract Authority - Western Avenue Window Repair & Replacement Project - Levy Work passed unanimously.

C. **Action Item:** Proposed Resolution **14-56**: Authorization for Contract Authority - Elevator Maintenance Contract - ELTEC

Bob Beckstrom introduced the resolution which states that the Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. Seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and survival of small businesses , and the expansion of services to the public market and community; and, WHEREAS, in order to maintain the viability of the Pike Place Market buildings the PPMPDA has determined that a 24/7 elevator maintenance contract is necessary, WHEREAS, the PPMPDA has executed a bid process to sign a five year elevator maintenance contract, NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with **ELTEC** in an amount not to exceed **\$54,373.32 per year** for the execution of a 24/7 on-call elevator maintenance contract. The funds for this project will be drawn from the Maintenance Operating Budget: 481011-20

David Ghoddousi moved, John Finke seconded

For: Gloria Skouge, David Ghoddousi, Ann Magnano, John Finke

Against: 0

Abstained: 0

There was a brief discussion that followed

Resolution **14-56**: Authorization for Contract Authority - Elevator Maintenance Contract - ELTEC passed unanimously

D. **Action Item:** Proposed Resolution **14-57**: Medical and Dental Coverage 2014-2015

Ben Franz-Knight introduced the resolution which states that the PDA Council authorizes the PDA Executive Director or his designee, to enter into contracts with Regence BlueShield for employee medical coverage, SunLife Insurance for employee life insurance and Washington Dental Service for employee dental coverage for 2014-2015 policy year in the amount not to exceed \$753,000.

|                  |                  |
|------------------|------------------|
| Medical Coverage | \$670,000        |
| Life Insurance   | \$ 36,000        |
| <u>Dental</u>    | <u>\$ 47,000</u> |

\$753,000

- A cushion to account for a flux in number of employees was taken into account.

Ann Magnano moved, John Finke seconded

For: Gloria Skouge, David Ghoddousi, Ann Magnano, John Finke

Against: 0

Abstained: 0

There was a brief discussion that followed

Resolution **14-57**: Medical and Dental Coverage passed unanimously

- E. **Action Item**: Proposed Resolution **14-58**: Authorization for Contract Authority - Repair Main Waste Line at Livingston Baker Building

Brady Morrison introduced the resolution which states that the Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. Seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and survival of small businesses , and the expansion of services to the public market and community; and, WHEREAS, in order to maintain the viability of the Pike Place Market buildings the PPMPDA has determined that emergency main waste line repairs at the Livingston Baker Building are necessary WHEREAS, the PPMPDA has responded to a recent blockage where it was identified that a broken main waste line was in need of emergency repair NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with **STOP Inc.** in an amount not to exceed **\$21,620.78**. The funds for this project will be drawn from the Maintenance Operating Budget: 481010-02

Patrice Barrentine moved, Jim Savitt seconded

For: Gloria Skouge, Patrice Barrentine, David Ghoddousi, Ann Magnano, Patrick Kerr

Against: 0

Abstained: 0

There was a brief discussion that followed

Resolution **14-58**: Authorization for Contract Authority - Repair Main Waste Line at Livingston Baker Building passed unanimously

**V. Property Management**

- A. Residential Property Management Report

John Turnbull introduced Holly Southern as the new Events & Programs Manager. He distributed the Residential Report for August 2014. He reported that the Residential vacancy rate was at 2.7%. He briefly commented on an isolated report of Bed Bugs and some concerns regarding the smoking policy in the Market and in the residential units.

Betty Halfon inquired regarding the recent pests issues in some of the commercial businesses.

Matt Holland provided an update to the committee regarding any recent pest concerns from the business tenants.

Ann Magnano inquired on the increased vacancy rate in the LaSalle building. John Turnbull noted that the increased vacancy rate in the LaSalle is partially due to deceased tenants and turning over their residential units. He also noted that we are being more thorough on criminal background checks with prospective residential applicants.

David Ghoddousi inquired on the -Cigarette policy. He noted that it would be nice to have an official document provided from the PDA banning the E-Cigarette. Ben noted that the E-Cigarette policy is a new and ongoing issue on the federal level as well and that we would look further in to it.

#### **VI. Public Comment**

Howard Aller commented on stating publically on what the windows would be as assured by the PDA Council.

Steve Nelson noted that we would not end up with painted windows; he added that the windows would be replaced with the natural wood and sealed.

Joan Paulson commented on the window proposal. She noted that because of the time when the windows are being done, the PDA needs to engage early with the public and the businesses in the Market. She added that we need to think of a comprehensive plan on the Western Ave side including safety while working on the windows.

#### **VII. Closed Session**

*The Committee entered into Closed Session at 4:54p.m*

- I. Property Management Report - *Closed Session (RCW 42.30.110[c])*
- II. Review of Lease Proposals
- III. Review of Delinquency Report
  - a. Vacancy Report
  - b. Current Lease Negotiations

*The Committee entered into Open Session at 5:13p.m*

#### **VIII. Open Session**

**IX. Resolutions to be added to the Consent Agenda**

Resolutions 14-52, 14-56, 14-57 and 14-58 were added to the Consent Agenda.

**X. Concerns of Committee Members**

Betty Halfon noted that she would like to take Joan Paulson's consideration regarding maintenance of the windows seriously.

John Finke commented on the windows. He noted that we had placed tremendous efforts with the windows and hopes we can get a better response from the MHC in the future. He lastly noted that the type of windows being repaired and replaced is contrary to City's own energy code.

**XI. Adjournment**

The meeting was adjourned at 5:18p.m by Gloria Skouge, Chair

Meeting minutes submitted by:  
Dianna Goodsell, Administrative Services Coordinator