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**Pike Place Market Preservation and Development Authority (PDA)**

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**FINANCE COMMITTEE  
Meeting Minutes**

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**Tuesday April 16<sup>th</sup>, 2013  
4:30 p.m. to 6:00 p.m.  
Goodwin Library**

**Committee Members Present: Gloria Skouge, Gerry Kumata**

**Other Council Members Present: Betty Halfon**

**Staff Present: Ben Franz-Knight, Sabina Proto, Jay Schalow, Dianna Goodsell**

**Others Present: Marilee Combs, Joan Paulson**

The meeting was called to order at 4:35p.m. by Gloria Skouge

**I. Administrative**

**A. Approval of the Agenda**

A quorum of the meeting was not present to approve the agenda

**B. Approval of the March 19<sup>th</sup>, 2013 Minutes**

A quorum of the meeting was not present to approve the meeting minutes form March 19<sup>th</sup>, 2013

**II. Announcements and Community Comments**

None

*Gerry Kumata entered in at 4:37pm*

**III. Review of the Financial Statements for March 2013**

**A. PDA Operating Statements**

Sabina Proto gave a brief overview of the Financial Statements for March. The following content was included with the Financial Statements for March 2013. Under Current Assets one of the reasons for the decrease was the annual contribution to the company pension plan in the amount of \$307,000. Designated Cash decreased due to budgeted capital expenditures during the first quarter of the year. Restricted Cash decreased because of the final payment of the retention to the Turner Construction. Fixed Assets increased because of the work performed in different capital projects. Under the Accounts Receivable Activity Report, the accounts receivables increased slightly in March, but the delinquency rate is very low.

Under the PDA Operating Statement, the Total Revenue for the end of March 2013 was \$3,493,756 or over budget by \$97,541. The Total Operating Expense was \$2,553,788 or under budget by \$95,582. The Net Operating Result for March was \$939,968 which was \$194,123 over budget. Under the Net Result after Debt Service & Reserves, the Annual Budget was \$1,884,836 and for the end of March the actual amount was \$186,866.

Footnotes on the Operating Expenses noted the following: Commercial Revenue was over budget; Base Rent by \$13,611 and Percent Rent by \$68,848. Residential Revenue was reduced because of the shortage on the payment from HUD for Pine Residential. Daystall Revenue was over budget by \$4,544 under Daily Crafts and \$1,569 under Daily Farm. Under Community Events and Programs, it was under budget. Surface Revenue was over budget by \$17,125, Garage Revenue was also over budget by \$26,939 and Miscellaneous Revenue was over budget in March with Filming and Trademark. Overall, Operating Expenses were under budget in almost all departments.

Next month there was a request to bring back a rough estimate of the booking rental values for the event meeting room spaces.

#### **IV. Presentations and Discussion Items**

**A. Insurance Renewal - Presentation by the representative from Arthur J. Gallagher Risk Management Services, Inc.**

Marilee Combs from Arthur J. Gallagher Risk Management Services presented an overview of the 2013 Insurance Renewal and provided a copy of the 2013 Insurance Proposal Executive Summary along with a chart of the Pike Place Market Premium Summary. A copy of the documents was included with the meeting minute's record. Some highlights from the 2013 Insurance Proposal Executive Summary included the following:

- Overall Premiums are down approximately \$ 5,000 with increased coverage
- Premium is down by \$1000 under Automobile
- Property values increased from \$122,585,748 to \$ 123,349,188
- Fiduciary Liability increased from \$1,000,000 to \$2,000,000
- Employee Dishonesty increased from \$200,000 to \$250,000
- Added coverage's for Computer Fraud and Funds Transfer up to \$250,000 limit

The total insurance premium charges for 2013 were \$529,786 compared with \$535,935 from last year's amount.

**I. Action Item: Proposed Resolution 13-28: Insurance Renewal**

The resolution states that the PDA is responsible for obtaining insurance coverage for its Pike Place Market properties, and for the property managed by the PDA in the Market Historic District, the LaSalle Senior Housing LLC. The PDA Finance Committee has been presented the renewal package for the 2013-2014 property and liability insurance coverage for both the Pike Place Market PDA, and the property managed by the PDA in the Market Historic District. NOW, THEREFORE BE IT RESOLVED, that the PDA Council hereby authorizes the PDA Executive Director, or his designee, to approve policy terms and conditions and to pay the premiums and brokerage fees not to exceed **\$535,000** for the coverage period May 1, 2013 through April 30, 2014. AND BE IT FURTHER RESOLVED, that the PDA Council hereby authorizes the continuation of the brokerage representation and services provided by Arthur J. Gallagher Risk Management Services, Inc.

Sabina Proto noted that the resolution would need to be amended to adjust the premiums and brokerage fees that amounted to \$530,000, not \$535,000.

A quorum of the meeting was not present to vote on Proposed Resolution 13-28.

#### **V. Checking Account Activity Report**

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

#### **VI. Other Reports**

**A. Action Item: Proposed Resolution 13-27 New Bank Account for reimbursements from City of Seattle for the PC-I North Project Costs**

The resolution states that the Pike Place Market PDA has opened a new account for the PC-I North Project with Bank of America and Merrill Lynch; LET IT BE RESOLVED, that the following bank be, and

hereby is authorized to honor and pay checks or other appropriate orders for the payment or withdrawal of money drawn in the name of Pike Place Market Preservation and Development Authority (PPMPDA) in this new account:

Bank of America and Merrill Lynch:

Waterfront Project (new)

BE IT FURTHER RESOLVED, that the following persons are duly designated to authorize deposits and withdrawals of funds for the above listed account:

- (a) Checks up to \$250.00: Any one of the following: Ben Franz-Knight (Executive Director) alone; Sabina Proto (Director of Finance) alone, John Turnbull (Director of Asset Management) alone.
- (b) Checks over \$250.00:
  - Ben Franz-Knight , Sabina Proto, John Turnbull

All signatories are reminded, especially those who are co-signing checks, to verify that the check is completely filled out and the purpose of the check is clearly known before signing, including, and not limited to:

- Against what invoice is the check being drawn?
- To satisfy what obligation is the check being written?
- Is the amount of the check appropriate to its purpose?
- For what reason are monies being transferred between accounts?

The Market relies on the diligence of its check signatories. These public funds are deposited in accordance with laws of the State of Washington. This authority revokes all previous authorities for these accounts, and shall continue in force until notice in writing of its revocation shall have been received by said bank.

Ben Franz-Knight briefly noted that the first reimbursement from the City would be roughly \$200k, \$40k short of what was anticipated due to the timing of the costs for the project.

A quorum of the meeting was not present to vote on Proposed Resolution 13-27.

**B. Budgetary Review of Proposed Spending Resolutions**

There was a brief budgetary review of Proposed Spending Resolutions 13-24 Authorization for Contract Authority – Install Stewart House Exterior Awnings on South and West Elevations - Stewart House and 13-26 Authorization for Contract Authority - Add floor Texture to Fish Markets . Ben Franz-Knight noted that both of the resolutions passed unanimously out of the Asset Management Committee.

**VII. Items for the Consent Agenda**

None

**VIII. Public Comment**

None

**IX. Concerns of Committee Members**

None

**X. Adjournment**

The meeting was adjourned at 5:11 p.m. by Gloria Skouge

Meeting minutes submitted by:  
Dianna Goodsell, Administrative Services Coordinator