



Pike Place Market Preservation and Development Authority (PDA)

**FINANCE & ASSET MANAGEMENT
Meeting Minutes - DRAFT**

**Tuesday, December 13th 2011
4:30 p.m. to 6:00 p.m.
PDA Conference Room**

Committee Members Present: Bruce Lorig, Gloria Skouge, Ann Magnano, David Ghoddousi, Gerry Kumata

Other Council Members Present:

Staff Present: Ben Franz-Knight, Ryan Yale, Sabina Proto, Jay Schalow, John Turnbull, Tyler Jamison, Bob Beckstrom, Brad Reinke

Others Present:

This meeting was called to order at 4:35pm by Ann Magnano, Vice Chair

Others Present:

I. Administration

- A. Approval of Agenda
The agenda was approved by acclamation.
- B. Approval of November 15th, 2011 Minutes
The minutes were approved by acclamation.
- C. Announcements and Community Comments
None

II. Review of Financial Statements for November 2011

- A. PDA Operating Statements
Sabina reported on the Operating Statements and stated the PDA that we continue to perform very well in revenues, and are under the budget in expenses. The Percent rent has been the highest ever at the end of November. The Residential revenue is under budget due to a higher vacancy and we are experiencing some delays on filling the Sanitary units. In addition, the Stewart project will require more empty units available in order to relocate the tenants during the construction project in that building. The Farm and Daystall revenue has increased, however, weather and temperature contributed to a late start for the farm season. The net operating result after required reserves and debt service to date is \$1,779,229 exceeding the budget projections by \$690,824.
Sabina continued to give an overview of the Balance Sheet and PDA Operating Statement and stated that Current Assets decreased mainly in Unrestricted Cash category which was higher

at the end of October. The Designated Cash increased because of the monthly budgeted contribution to CRRF. Restricted Cash decreased due to the payment of annual amount of principal and semiannual amount of interest to the PC-I bondholders. Our Current Liabilities decreased in the Accounts Payable due to the Levy Invoices payable for the end of October was quite high. The Long Term Debt decreased due to the monthly payments on loans, mortgage and bonds. November is the month when the annual amount of the principal on the PC-I Bond is paid to the bondholders. Our Net Operating Capital saw an overall increase and the Current Operating Result increased from the prior month. The Levy Funds received in total as of today is \$ 56.1 million, and the amount received in 2011 YTD is \$15.4 million. The Accounts Receivable Activity Report decreased slightly in November, and our delinquency rate continues to be very low

Sabina reported on the PDA Operating Statement and stated that the Total Revenue for the end of November is \$ 12,213,333, or over budget by \$ 158,720. The Total Operating Expense is \$ 8,436,270 or under budget by \$531,811. The Net Operating Result for the end of November is \$3,777,063, which means \$690,531 over budget. The Net Result after Debt Service & Reserves: Annual Budget is \$1,179,679, and actual YTD is \$1,779,229.

The Contribution to the Pension Plan approved by Council for the amount of \$263,000 was done in April. She added that the Commercial Revenue is over budget due to a lower vacancy than budgeted and CAUT/COMA is under budget due to the reduced CAUT/COMA rates for the relocated tenants. The Direct Utilities is under budget due to the vacancies related to the renovation, but this is offset by the reduction of the utility expenses. The Residential Revenue is under budget because of the vacancies in Sanitary (it's taking longer to fill the vacant units), and in Stewart House and Livingston Baker where we purposely have to keep vacant units available to relocated tenants during the construction in Stewart Building. She noted that the Daystall Revenue has performed better than anticipated. The Surface Revenue is over budget and a higher amount compared to the same period of the last year. The Garage Revenue is over budget; YTD amount is higher compared to the same period of the last year.

Parking is up overall due to the stronger economy, automated equipment, stronger controls and better management, which results in the Miscellaneous Revenue being over budget due to the increase in Management Fee in addition to the Filming and Trade Marks. Sabina stated that the Operating Expenses are under budget in almost all departments. We have had some staffing vacancies and some instances when the timing of the invoices is different from the budget trending. The Surface Lots Expense is over budget due to the Management Fee which is higher than budgeted because the Surface Lots Revenue has caused increase of the Management Fee payable to the Republic Parking. Sabina noted that in the Utilities section, Electricity, Water & Sewer are under budget and believes the vacant commercial spaces, cooling tower and improved system are the reasons for less consumption of Electricity and Water & Sewer. It is also believed that there are some utility bills yet pending, which are related to the new meters. Pest Controls continue to be a high expense due to the bed bug treatment in several buildings. The Percent Rent spreadsheet presents the performance during the 11 months of the current year, as well as how they compare to the same period in 2010 and 2009. So far, we are doing very well in this category- over budget by \$ 89.8k. The Capital Reserve Status Report represents the amount contributed to the reserve, and the amount spent year to date out of the capital reserve. Sabina reported on the Status of the Capital Projects and noted there are 32 projects in the Capital Projects list. Fifteen of them are completed, six are deferred and the rest are in progress. The reason few projects were put on hold is because of the renovation work in these areas.

III. Checking Account Activity Report

The Checking Account Activity Report was distributed to Ryan Yale, Executive Assistant

IV. Other Reports and Action Items

- A. **Action Item:** Proposed Resolution **11-99** Authorization for Contract Authority – Apply Non-Skid Surface to the 2nd and 3rd Floor Sections of the Main Arcade
Bob presented the resolution and stated it has determined the 2nd and 3rd floor sections of the main arcade are very slippery during flower season and when wet, and need a non - skid surface. He stated that he has executed a competitive bid process to apply a non-skid surface to both the 2nd and 3rd floor sections of the main arcade to prevent potential slips and falls. It was requested that the PPMFDA Council authorizes the PPMFDA Executive Director or his designee to enter into a contract with **Concrete Restoration, Inc.** in an amount not to exceed **\$17,561.61**, for the execution of resurfacing the 2nd and 3rd floor sections with a non-skid texture. The funds for this project will be drawn from the Capital Projects Budget,

Gerry moved, Gloria seconded

Approve: Bruce Lorig, Gloria Skouge, Ann Magnano, David Ghoddousi, Gerry Kumata

Against: 0

Abstain: 0

Resolution 11-99 passed unanimously

Action Item: Proposed Resolution **11-100** Authorization for Contract Authority – Repair Pike Place Window and Siding – Fairley Building

Tyler presented the resolution and stated it has determined that the wood windows and wood siding have deteriorated and needs to be repaired. Tyler has executed a public bid process for the repairing of the wood windows and wood siding. It was requested that the PPMFDA Council authorizes the PPMFDA Executive Director or his designee to enter into contract with **In-Store Services, Inc.** in an amount not to exceed **\$227,977.27**, for the execution of repairing the wood windows and wood siding at the Fairley Building. The funds for this project will be drawn from the Capital Projects Budget, Repair Pike Place Window and Siding.

The committee moved to postpone voting on Resolution #11-100 until a more detailed description of the budgeted amount could be confirmed.

VI. Items for the Consent Agenda

Resolution 11-99 was moved to the Consent Agenda

VII. Public Comment**VIII. Concerns of Committee Members**

None

IX. Adjournment

Meeting was adjourned at 5:09 p.m. by Ann Magnano, Vice Chair.