



Finance & Asset Management Committee Meeting Minutes

Tuesday, September 21st, 2015
4:00 p.m. to 6:00 p.m.
The Atrium Loft

Committee Members Present: Gloria Skouge, David Ghoddousi, Betty Halfon, John Finke, Jim Savitt

Other Council Members Present:

Staff Present: Ben Franz-Knight, Sabina Proto, Jay Schalow, Tamra Nisly, Jennifer Maietta, John Turnbull, Cathy Silva, Andre Zita, Steve Nelson, Dianna Goodsell

Others Present: Joan Paulson, Chris Scott, Chris Paris

The meeting was called to order at 4:02 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 Committee June 16, 2015 and August 18th, 2015 meeting minutes.

The Finance & Asset Management Committee June 16, 2015 and August 18th, 2015 meeting minutes were approved by Acclamation.

II. Announcements and Community Comments

Joan Paulson commented on the 30 Year Capital Needs Assessment project status. She said she did not see a section regarding security upgrades that may wish to be explored under the current CNA; this would be in order to enhance and engage an emergency preparedness exiting strategy for all of the Market buildings.

Chris Scott noted that there has been a packet created for all the residents that deals with emergency and evacuation process in the Market, which will be implemented very soon.

III. Reports & Discussion Items

A. Review of the Financial Statements for August 2015

Sabina Proto, PDA Director of Finance presented a review of the Preliminary Financial Statements for August 2015. Sabina Proto discussed the PDA Balance Sheet with the Committee. She reported that there was a slight decrease from the prior month under Current Assets. Designated cash showed a decrease from the prior month due to withdrawals for capital improvements. Restricted cash had increased due to the

contribution to the debt service account on the 2015 bond. Fixed Assets had increased due to the work completed under Capital Projects. Current Liabilities had increased due to the unearned State funds. Long Term Debt had decreased due to the payment on our 2009 bond. Our Net Position for the current year operating result was \$3,314,252. Lastly, under the Accounts Receivable Report, the accounts receivable increased in August 2015 compared to the balance of the prior month.

Under the PDA Operating Statement, the Total Revenue for the end of August 2015 was \$11,986,296 or over budget by \$657,106. The Total Operating Expense YTD was \$8,366,641 or \$154,161 under budget. The Net Operating Result YTD for the end of August was \$3,619,655 or \$811,267 over budget. The Net Result after Debt Service & Reserves included in the following Annual Budget was \$2,055,516, and for the end of August the actual amount year-to-date was \$2,074,416.

I. Budget Schedule for 2016

Sabina Proto briefly reviewed the 2016 Budget Review and Approval process with the Committee. She distributed a copy of the budget schedule for the 2016 Budget process.

Ben Franz-Knight noted that the MarketFront Budget process would be phased in during 2016 to prepare for the 2017 year.

II. Checking Account Activity Report

The Checking Account Activity Report for the month of July 2015 was distributed to Dianna Goodsell, Executive Administrator.

B. WISErg Harvester Update

Tamra Nisly reported on the WISErg Harvester Update and presented two final location options for the trial installment of the composter equipment. Chris Paris, Mechanical Engineer from WISErg was available at the meeting to answer questions regarding the Harvester machine as well as the two final location options along Pike Street. Tamra noted that the location north of the Market Grill outdoor seating area in front of the non-operable door behind Manzos Produce Stand would be recommended for the trial installation of the Harvester.

Betty Halfon proposed a resolution to approve the trial installation of the food waste technology referred to as the "Harvester" on Pike Place north of the Market Grill outdoor seating area in front of the non-operable door behind Manzos Produce Stand.

Betty Halfon moved, John Finke seconded.

For: Gloria Skouge, Betty Halfon, David Ghoddousi, John Finke, Jim Savitt

Against: 0

Abstained: 0

The resolution was identified as Proposed Resolution 15-65 was passed by the Committee by a vote of 5-0-0.

C. Review of 30 Year Capital Needs Assessment

Steve Nelson, Director of Operations provided an overview of the 30 Year Capital Needs Assessment project status with the Committee. A summary of the CNA projects completed and in process from 2014 and 2015 was included with the meeting materials.

Steve Nelson reviewed the Completed CNA Projects from 2014 as follows:

Corner Market:

Replace LED light fixtures (Maintenance) - \$15,842

Economy Market:

Retrofit clocks with new gears and electronic controls - \$4,365

Fairley Building:

Lower Level (Down Under) painting with MHC approved colors - \$29,554

(Fairley & Leland) Repair and Paint - Exterior Buttress wall & wood bumps - \$217,000

Leland Building:

Replace and repaint all fascia panels and medallions - \$18,000

Sanitary Market:

Replace all residential awnings - \$32,581

Replace glass skylights and frame over sidewalk - \$4,285

Soames-Dunn:

Repair and repaint marquee fascia and panels - \$2,526

Paint exterior windows and cladding - \$30,464

Stewart House:

Design and install HVAC unit on rooftop - \$248,142

Install new locker units at day-stall storage - \$87,176

Repaint and replace tenant bathroom fixtures (Rummage Hall) - \$14,000

Triangle Market:

Replace marquee gutter system and downspouts - \$9,350

Total - \$713,286

Steve Nelson reviewed the Other 2014 Completed Capital Projects as follows:

1st and Pine Building:

Replace all residential refrigerators - \$97,387

New windows installation (whole building) - \$165,012

Economy Market

Installation Post Alley Commercial Doors - \$22,000

Install new Atrium gourmet kitchen - \$285,000

Garage:

Installation of elevator cameras inside hoist cab - \$23,685

Pressure wash and seal concrete structure - \$41,780

Install additional security cameras in 13 locations - \$26,777

LaSalle Hotel:

Install cameras in residential commons - \$5,000

Leland Building:

Leland elevator repair - \$4,461

Soames-Dunn:

Develop & design retaining wall and new seating - \$3,940

Total Other Capital Projects - \$675,042

Steve Nelson reviewed the 2015 Capital Needs Assessment Projects as follows:

Corner Market:

Repaint and replace tenant bathroom fixtures (Storyville coffee) - \$14,000

Economy Market:

Sand and refinish wood floors - \$18,878

Fairley Building:

Sand and refinish wood floors - \$35,000

Repair and repaint exterior building windows and cladding - \$778,673

Modernization of freight elevators - \$240,465

LaSalle Hotel:

Repair and repaint exterior building windows and cladding - \$138,572

Paint storefront (Maintenance) - \$12,895

Replace PVC roof over Pike Place Fish - \$21,621

Replace LED Fixtures (Maintenance) - \$40,000

Leland Building:

Sand and refinish wood floors - \$24,420

Repair and repaint exterior building windows and cladding- \$161,996

Sanitary Market:

Repair and repaint exterior building windows and cladding - \$47,300

Soames-Dunn:

Repaint of Storefront (Maintenance) -\$36,666

Triangle Market:
 Replace marquee gutter system and downspouts - \$6,396

On Schedule
 Economy Market:
 Restore the storefronts and paint upper and lower windows

Fairley Building:
 Replace Lowell's and elevator PH roofs

Livingston-Baker"
 Install new metal stair rails to replace old wood rails

Total \$1,576,882

There was a discussion that followed by the Committee.

Ben Franz-Knight mentioned preparing a 3 year assessment of upcoming CNA projects.

IV. Action Items

A. Action Item: Proposed Resolution **15-62**: Authorization for Contract Authority – Rehabilitation of Heritage Building Cladding – Experienced Construction

Andre Zita 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 the Heritage building cladding is in need of repair; and, Whereas, the PPMPDA has executed a competitive bid process to perform the necessary scope to repair, protect and preserve the Heritage building existing cladding; and, Now, therefore be it resolved that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Experienced Construction Inc. in an amount not to exceed \$159,587 for their services in rehabilitation of the Heritage building cladding.

The funds for this project will be drawn from the Capital Projects Budget, 2015 Heritage Bldg. Envelope (Cladding) Protection - GL 163774-00

Betty Halfon moved, John Finke seconded

There was a brief discussion that followed.

David Ghoddousi asked about the flexibility of color options for painting the exterior Heritage building. He had mentioned the opportunity with coordinating colors along Western Ave to help with the activation of that street.

For: Gloria Skouge, Betty Halfon, David Ghoddousi, John Finke, Jim Savitt

Against: 0

Abstained: 0

Resolution 15-62: Authorization for Contract Authority – Rehabilitation of Heritage Building Cladding – Experienced Construction passed with a vote of 5-0-0.

V. Property Management

A. Residential Property Management Report

John Turnbull presented the Residential Property Management Report for the month of August 2015. He reported that the residential vacancy rate at the Market was roughly below 2%. He noted that we are currently looking at new service options for laundry equipment in the Residential buildings.

VI. Public Comment

Joan Paulson elaborated on some missing components of the 30 Year Needs Assessment. She noted that with the construction and completion of the PC1N project, the Market would increase by 25 percent in square footage. She noted that the Heritage House had 25 years of deferred maintenance and was not part of the 30 Year CNA. She said that we have significant and economical responsibilities that need to be reflected and integrated within the 30 year CNA and the current Budget. She commented on the proposed budget schedule along with the annual PDA Council Retreat, noting that there will not be enough time to vet through the budget process, including incorporating community feedback with the timing of the Retreat. She lastly commented on the Harvester noting that we need to have the ability to analyze whether it is working or not. She said that there should be a two-step process, immediately after it has been implemented and seeing whether we would want to continue the program after a year.

VII. Closed Session

The Committee entered into Closed Session at 5:00pm

- I. Property Management Report - *Closed Session (RCW 42.30.110[c])*
- II. Review of Lease Proposals
 - Lease Renewal - Pastakia & Associates, LLC - 94 Pike Street
 - Lease Renewal - Polish Pottery Place - 1501 Pike Place #55
 - Lease Renewal - Ugly Baby & La Ru - 1430 Western Ave
- III. Review of Delinquency Report
 - a. Vacancy Report
 - b. Current Lease Negotiations

The Committee entered into Open Session at 5:18pm

VIII. Open Session**A. Action Item: Proposed Resolution 15-63: Lease Proposals – September 2015**

Jennifer Maietta introduced the resolution which states the lease proposals for September 2015 as follows:

<u>Tenant</u>	<u>Term</u>	<u>Start Date</u>
Pastakia & Associates, LLC Tejal Pastakia	Three (3) Years	September 1, 2015
Polish Pottery Hanna Tabaczynski & Margaret Rzymowska	Five (5) Years	October 1, 2015
Ugly Baby & La Ru Rosalie Gale & Lauren Rudeck	Two (2) Years	October 1, 2015

Betty Halfon moved, David Ghoddousi seconded

For: Gloria Skouge, Betty Halfon, David Ghoddousi, John Finke, Jim Savitt

Against: 0

Abstained: 0

Resolution **15-57: Lease Proposals - August 2015** passed unanimously by the Committee by a vote of 5-0-0.

IX. Resolutions to be added to the Consent Agenda

Resolutions **15-62: Authorization for Contract Authority – Rehabilitation of Heritage Building Cladding – Experienced Construction House** and **15-63: Lease Proposals for September 2015** were added to the September 24th PDA Council meeting Consent Agenda.

X. Concerns of Committee Members

None

XI. Adjournment

The meeting was adjourned at 5:22p.m by Gloria Skouge, Chair

Meeting minutes submitted by:
Dianna Goodsell, Executive Administrator