



Pike Place Market Preservation and Development Authority (PDA)

**FINANCE & ASSET MANAGEMENT
Meeting Minutes**

**Tuesday, August 17th, 2008
4:30 p.m. to 6:00 p.m.
PDA Conference Room**

Committee Members Present: Jim Savitt, Ann Magnano, David Ghoddousi, Gloria Skouge

Other Council Members Present: Patrick Kerr, Bruce Lorig

Staff Present: Sabina Proto, Tracy Roueche, Tamra Nisly, Anita Neill, Carol Binder, Joe Paar

Others Present: Dale Wittner

The meeting was called to order at 4:31 p.m. by Jim Savitt, Chair.

I. Administration

- A. Approval of Agenda
The agenda was approved by acclamation.
- B. Approval of July 22nd, 2008 Minutes
The minutes were approved by acclamation.
- C. Announcements and Community Comments
Sabina introduced the newest member of the Accounting department, Tracy Roueche.

II. Review of Financial Statements for July, 2008

- A. PDA Operating Statements
Sabina reviewed the financial statements for July, 2008. She noted that the balance sheet was consistent with prior months; there was nothing unusual to be reported. She went on to discuss and explain the significant variances over and under budgeted amounts focusing on the major revenues and expense areas. The Operating statement was above budget in revenue and under budget in expenses. Commercial revenue showed above budget and this was due to the CAUT/COMA, base and percent rent. Residential revenue was under budget but this was improving monthly as the vacancy rate decreased. Jim asked if she knew what the variance was last month. There was some discussion then Carol noted that we could bring the month to month variances to the next Finance meeting. The Daystall was above budget in craft area and under budget in the farm area, this was due to the late start of the season and farmers experienced a delay in their crops and they have been unable to recover from this delay. Parking, revenue was on track in the garage. Commercial was under due to vacancies. Interest income was under due to lower interest rates than budgeted. Miscellaneous revenue would be above what was budgeted for the remainder of the year.

Bruce Lorig joined at 4:39 p.m.

In the expenses, all departments were on track. Utilities continue to be above budget due to increased water and sewer usage.

- B. Market Housing
Sabina reviewed the first quarter ending for the Livingston Baker. Sabina noted that their fiscal year runs from April to March. The report was normal other than the appropriation from the state for maintenance projects.
- C. LaSalle Operations
Sabina reviewed the second quarter balance sheet of LaSalle, ending in June. She noted that it was doing well and was showing significant cash flow. There was a discussion about the cash flow, depreciation and amortization and Carol gave an explanation of the reserves. Overall the business was doing well and the vacancies were low.
- D. Capital Projects Update
Carol reported that the ongoing major projects were the 1st and Pine building resealing and the Triangle windows. Jim inquired as to why certain projects went over budget. Joe replied that this was due to a change in scope of the projects.
- E. Capital Renovations Update
Carol gave an update on the Capital Renovations projects. She noted that there was an increase in the budget by two million dollars allocated to contracts for 2008, primarily design and investigative work. She also noted that a resolution had been passed to reflect this. There were four resolutions for investigative work to be discussed and voted on by the Council. Carol reviewed the four resolutions and their purpose. Carol answered questions that the council had about these resolutions. She noted that the goal was to keep the process moving steadily and carefully forward until after the levy vote in November. The focus was on projects that could be utilized in the future if the levy did not pass. Jim questioned the order of how the resolutions were being presented to different committees. He felt that the Capital Renovation committee should have reviewed and voted on these resolutions first then moved to the Finance committee for review. Carol noted that this was the timing of the resolutions without delaying the projects and Capital Renovations committee had discussed this work, but did not actually vote to approve it. The committee reviewed how they felt they should proceed.

It was decided that the finance committee would vote on the four resolutions today with the caveat (stipulation) that the Capital Renovations committee would have a discussion and vote on the proposed resolutions before bringing them to the next council meeting.

Jim moved and David seconded.

Joe noted that the Potholing on the Hillclimb was a time sensitive issues as the project was scheduled to occur when the children would not be in session at the preschool. If the resolution was delayed this would create an enormous risk in being able to proceed further with the design. Jim expressed that he was offended by pressure to push the process.

For: Savitt, Ghoddousi, Skouge
Against: Magnano
Abstain:

Note: resolution 08-42, 08-46, 08-47 and 08-48 were voted on dependant upon the Capital Renovation committee's consideration and approval on each resolution prior to the next full council meeting where there would be a final discussion and vote.

III. Other Reports and Action Items

- A. **ACTION ITEM:** Proposed Resolution **08-42:** Authorization for Contract Authority – Utility and Footings Potholing Survey for the Hillclimb.

Ann moved and Jim seconded.

Gloria asked if this \$40,000 was part of the two million allocated. Carol replied that it was. Jim noted for the minutes that it was the committees understanding that every dollar talked about today (in

regards to the renovation projects) was part of the two million allocated. Carol clarified that this was a budget allocation for this type of work.

Patrick questioned Joe about the validity of the steps being taken and if it was a necessary part of the process. Joe described the process and explained that it was the next proper step in the process of construction development.

For: Savitt, Magnano, Ghoddousi, Skouge

Against:

Abstain:

Proposed Resolution **08-42** passed unanimously.

- B. **ACTION ITEM:** Proposed Resolution **08-46:** Authorization for Contract Amendments – Architectural & Engineering Services for the Renovation of the Market.

Ann moved and Gloria seconded.

For: Savitt, Magnano, Ghoddousi, Skouge

Against:

Abstain:

Proposed Resolution **08-46** passed unanimously.

- C. **ACTION ITEM:** Proposed Resolution **08-47:** Authorization for Contract Authority – Hazardous Material Survey, Testing, and Consulting Work.

Ann moved and David seconded.

Joe explained the purpose of this work and the necessity of it.

For: Savitt, Magnano, Ghoddousi, Skouge

Against:

Abstain:

Proposed Resolution **08-47** passed unanimously.

- D. **ACTION ITEM:** Proposed Resolution **08-48:** Authorization for Contract Authority – Investigative Work for Phase One Design Development – Turner Construction.

Carol noted that after further investigation the amount was reduced from \$75,000 to \$40,000, the resolution was amended appropriately. Ann questioned if this was due to the scope of the work. Joe replied that after drilling down on the scope of the work it was discovered that costs would be reduced by using some of our own resources.

Ann moved and David seconded.

For: Savitt, Magnano, Ghoddousi, Skouge

Against:

Abstain:

Proposed Resolution **08-48** passed unanimously.

- E. **ACTION ITEM:** Proposed Resolution **08-49:** Medical and Dental Coverage 2008/2009. Carol reviewed the medical benefit premiums for the past three years and passed around a handout. There was a discussion about costs and Carol noted that this was shopped for every year.

Gloria moved and David seconded.

For: Savitt, Magnano, Ghoddousi, Skouge

Against:

Abstain:

Proposed Resolution **08-49** passed unanimously.

F. Staff Reports

Sabina followed up on a question Jim raised from the last Finance meeting. Jim had questioned why the increase in rent revenue was the same as the increase in expenses. Sabina replied that it was a coincidence that the numbers were similar amounts. She additionally explained that 2007 was an unusual year with the centennial and sales increased which increased the numbers significantly in rent revenue. Sabina explained that the property management expenses included all departments in that category, excluding security and parking. Additionally there were certain events from the centennial that factored into the numbers.

Carol noted that the formal PDA financial audit report was sent out to all Council members that receive the Finance packet. Members who were not on that list would be sent a copy this week. It was noted to bring the copy with you to the Full Council meeting where it would be reviewed and pass the resolution to adopt the auditors report.

Carol requested that all Council members attend the State auditors exit conference on September 9th from 4:00-5:00 p.m. in the PDA conference room. An email was sent to full council to this affect.

Carol reported that the Yardi Voyager upgrade has been implemented and was running smoothing with some minor reporting glitches.

Carol reported that the professional service contracts were to be renewed every 5 to 6 years. The auditors with Peterson and Sullivan have completed their 6th year and the re-selection process would begin this fall. Carol requested that a member of the Finance committee and the Constituency sit on the selection committee. Ann questioned if the same auditors could compete for this renewal and Carol responded that they could.

IV. Items for the Consent Agenda

Jim recommended that Proposed Resolution 08-49 be moved to the consent agenda.

V. Checking Account Activity Report

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

VI. Public Comment

VII. Concerns of Committee Members

VIII. Adjournment

The meeting was adjourned at 5:44 p.m. by Jim Savitt, chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant