



Pike Place Market Preservation and Development Authority (PDA)

**FINANCE & ASSET MANAGEMENT
Meeting Minutes**

**Tuesday November 17th, 2009
4:30 p.m. to 6:00 p.m.
PDA Conference Room**

Committee Members Present: Matt Hanna, Bruce Lorig, Theresa Alexander, David Ghoddousi, Ann Magnano, Gloria Skouge

Other Council Members Present: Jim Savitt, Patrick Kerr

Staff Present: Carol Binder, Anita Neill, James Haydu, Steve Nelson, Sabina Proto, Jay Schalow, Dorothy Malinski, John Turnbull

Others Present: Marlys Erickson, Dale Wittner, Liza Couchman, Jill Andrews

The meeting was called to order at 4:33 p.m. by Bruce Lorig, Vice Chair.

I. Administration

- A. Approval of Agenda
Bruce Lorig opened the meeting.
Matt Hanna joined at 4:33 p.m.
The agenda was approved by acclamation.
- B. Approval of October 20th, 2009 Minutes
The minutes were approved by acclamation.
- C. Announcements and Community Comments
None

II. Garage Automation Discussion

- A. **Action Item:** Proposed Resolution **09-56:** Authorization for Contract Authority – Garage Parking Controls Automation PCI Parking Garage.
Matt noted that the garage automation proposal was a continued detailed discussion as requested from last months Finance meeting. He also noted that included in the packet was a detailed report on the parking controls. Carol gave a summary report noting that the old equipment was at the end of its useful life, continually breaking down and has been on the Capital Projects list for several years. The design portion of the project was approved by resolution back in early 2009 and it was now time to enter into the contract portion phase. Steve continued to further review in detail the complications with the current system, it was continually breaking down due to its age, and was becoming increasingly hard to find parts and was expensive to maintain. In time, the new machines would pay for themselves with reduced costs of staffing two exit booths. He reviewed the estimated costs and benefits of adding the new machines.

Jim Savitt joined at 4:40 p.m.

There was further discussion about the current system and what the new system would entail. Steve noted that the funds to pay for the new equipment would come from the garage's capital reserves.

Ann Magnano moved and David Ghoddousi seconded.

There was some question from committee members as to what would happen if the new machines malfunctioned. Steve responded that quality machines had been selected but if complications should arise, there would be a staff member available through the intercom to trouble shoot problems, security continually patrols the garage and parking lots and could be of assistance, and maintenance personnel could be contacted to come and fix any mechanical problems.

Theresa questioned if there was a minimum amount required to be in the garage reserves. Carol replied that it was not specified other than that year end deposits would be made to the reserve as determined by the PDA. Jim noted that it would be about 4 to 5 years before a profit would be seen on the investment of the machines and wondered how long they were expected to last. Steve replied that the machines that were picked out were of high quality at a reasonable price and should last about 10 years.

For: Matt Hanna, Bruce Lorig, Theresa Alexander, David Ghoddousi, Ann Magnano, Gloria Skouge
Against:
Abstain:

Proposed Resolution 09-56 passed unanimously.

III. Budget Discussion

A. Continuing Discussion of Capital Projects and the Market Foundation

Matt noted that the discussion of Capital Projects and the Market Foundation were a continuation of the discussion of the budget from previous month's Finance meeting.

Matt noted that reserves from the CRRF funds were to be transferred to the Capital Projects budget to complete projects in order to take advantage of a favorable bidding environment. Steve noted that there were two additions that were submitted by staff, the painting of the Stewart House canopy and the tenant restrooms were overdue for an overhaul. Steve continued to review in detail the Capital Projects, most were small projects and only a couple were over \$100,000 with one to be reimbursed with funds from a state grant. Also included in the budget was a small amount for tenant compensation and TI's (tenant improvements) both which were typically included in capital improvement budgets. Contingencies for unknown projects and the A&E were included in the budget. There was further discussion of the projects and why some had not been included as part of the renovations, Steve explained that the projects were more maintenance issues than renovations. David requested to remove the Livingston Baker courtyard landscaping project from the budget. He felt that it was not a good idea to complete such a project in the current poor economic environment. Matt, Theresa and Gloria agreed with David and it was removed from the budget.

Carol briefly explained the background and purpose of the services agreement with the Market Foundation. She noted that historically the PDA has supported the salary of the Executive Director and in busier times, for example the centennial and early in the Foundation's existence, the PDA also paid the salary of other FTE's. She further explained the role of that FTE position. Now that the centennial was over the Foundation was only requesting half of that FTE be paid by the PDA. Carol stated that the Foundation continues to provide certain services to the PDA, grant writing, public relations, fundraising for the PDA in addition to their normal fundraising for their agencies.

Gloria requested a further explanation of the state auditor findings regarding the PDA and the Market Foundation relationship. Carol responded that it was found that the relationship was different than for example, the Library or Parks foundations as they solely raised money for their entities where as the Market Foundation's primary purpose was to raise funds for the social service agencies in the Market. They did from time to time assist the PDA is raising money through grants or appropriations. The PDA and Market Foundation relationship was defined in a services contract, but the PDA did not direct the Foundation or control it. The state auditor after reviewing all the relevant documentation concurred. David requested that the half FTE salary be removed from the budget again noting the poor economic conditions. Carol noted that the Foundation did some work, grant writing, for the

PDA and they promoted the entire Market and merchants with their events and public campaigns. Matt noted that the full services agreement could be further discussed in detail and changes could be made but suggested the budget remain as recommended by staff until a significant portion of time could be set aside to discuss. David agreed and withdrew his request.

Bruce Lorig left at 5:43 p.m.

B. Continuing Discussion of changes to the Budget

Carol reviewed the points of the suggested changes by staff to the budget, they included reducing the residential rent increase, reducing parking expenses, reducing overall payroll costs, retaining the addition of an FTE in the facilities budget and retaining the Market Foundation Budget. In the residential rent an increase of 1.5% was proposed to the market rate. Rents were already significantly lower than other comparable apartments in the area. This was determined by a rent comparability study as required by our HUD contract renewals. Overall merit increases had been modified to reflect a reasonable expectation of the actuals but staff did not recommend budgeting a vacancy rate. Management continued to be flexible in setting wage increases as they are based on performance and what was affordable. The proposal of an additional FTE remained in the facilities budget, this was a much needed managerial position to oversee and quality control the evening crew.

Matt noted that due to time constraints items five through eight on the agenda would be removed or moved to next months agenda.

Theresa Alexander moved the changes to the agenda and Ann Magnano seconded, it passed unanimously.

IV. Discussion and Adoption of the 2010 PDA Operating and Capital Budgets

A. Action Item: Proposed Resolution 09-58: Adoption of 2010 PDA Operating and Capital Projects Budgets.

Matt requested that a committee member move the proposed resolution to adopt the 2010 PDA Operating and Capital Budgets with staff corrected changes.

Ann Magnano moved and Gloria Skouge seconded.

Due to the vacancy of several businesses in the Market, the poor economy and lack of revenue coming in, David requested a wage freeze for 2010. Additionally he was against the hiring of the facilities night manager. Carol further explained why the hiring of the night manager was necessary. Theresa asked that the position be discussed in detail before someone was hired for the position.

For: Matt Hanna, Ann Magnano
Against: Theresa Alexander, David Ghoddousi
Abstain: Gloria Skouge

Proposed Resolution 09-58 failed.

Matt noted that despite the resolution not passing the committee, it was an important Council action to act on the annual budget and it would move forward and be voted on in full Council.

Due to time constraints the following items were moved to the December agenda or skipped all together.

V. Review of Financial Statements for October 2009

Matt moved to the December agenda.

VI. Checking Account Activity Report

Matt moved to the December agenda.

VII. Items for the Consent Agenda

Due to time constraints this item was skipped.

VIII. Public Comment

Due to time constraints this item was skipped.

IX. Concerns of Committee Members

Theresa questioned what happened to the compost and childcare issue. Carol responded that the compost budget had been reduced and the full Council would continue to be updated on the childcare issues, but no actions have been taken by the PDA relative to the childcare.

X. Adjournment

The meeting was adjourned at 6:14 p.m. by Matt Hanna, chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant