



Pike Place Market Preservation and Development Authority (PDA)

FINANCE & ASSET MANAGEMENT
Meeting Minutes

Tuesday December 15th, 2009
4:30 p.m. to 6:00 p.m.
PDA Conference Room

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

Other Council Members Present:

Staff Present: Carol Binder, Anita Neill, Sabina Proto, Marlys Erickson, Tyler Jamison, Steve Nelson, John Turnbull, Dorothy Malinski

Others Present:

The meeting was called to order at 4:29 p.m. by Matt Hanna, Chair.

I. Administration

- A. Approval of Agenda
The agenda was approved by acclamation.
- B. Approval of November 17th, 2009 Minutes
The minutes were approved by acclamation.
- C. Announcements and Community Comments

II. Foundation Service Contract Review / Discussion

Matt noted that the Foundation Service Contract had been brought up for discussion during the budget approval process. The line item in question was the labor cost of 1 ½ FTE for the Market Foundation. Council members questioned what the relationship was between the PDA and Market Foundation. Matt had decided to remove it from the budget process discussion so it could be discussed in detail on its own. Carol gave the background and history of the contract. She noted that the original contract was created back in 1990 and was used to define the roles of the PDA and the Market Foundation. A revised and more descriptive contract was created and signed in January of 2007.

David Ghoddousi joined at 4:34 p.m.

Carol continued to explain that the contract was used to define and codify the relationship between the entities. The original contract funded the salary of the foundation Executive Director and from time to time the salary of additional foundation employee's dependant on the amount of projects being worked on. Renewal of the agreement was up every 5 years with the option to continue to review on a year to year basis. 2012 was when the current contract expired. Matt asked if Council and staff had any changes to the agreement for consideration including the labor cost issue in this years budget. Everyone agreed that they were comfortable with the current agreement and had no recommended changes. Matt questioned if the contract should be reviewed in respect to the foundations place / relationship to the PDA so that there would be no adverse findings or problems with the auditors. Carol noted that there

was a good audit trail and it would not be necessary to change the contract. Matt recommended getting another auditors opinion for security. There was a long discussion about the history and development of the social services programs and the PDA's and Market Foundations role in taking care of the residents of the market.

Ann commented that she felt the current relationship between the PDA and the Market foundation was good because the PDA's role was property development and not fundraising.

Matt noted that he would give a brief report at full Council and report that the committee had no recommended changes to the agreement or to the budget regarding the 1 ½ FTE.

III. **Review of Financial Statements for October & November 2009**

Sabina reviewed the financial statements for November. She noted that because the statements were cumulative and there were no major transactions in October, there was no need to review the October statement separately.

Sabina continued to report on the November financials; on the balance sheet, current assets dropped from the prior month due to the semi annual payment of principal and the annual payment of the PC-I bonds. The designated cash increase was due to the transfer of funds from the QALICB. Carol further explained that because the bridge loan was paid off funds being reimbursed by the City for the renovations were being using to pay bills and the remainder was being held in a reserve account until it was needed, and spent on non-levy funds.

Ann questioned when the QALICB was scheduled to expire. Carol responded that the plan was to dissolve the entity shortly after the required seven years and that there would be a QALICB board meeting in March to discuss this further.

Sabina continued with the financial report; there was nothing unusual to report on the accounts receivable. The operating statement continued to be above the budget in revenues and under in expenses with a net result above the budget which strongly suggested ending the year in the positive. Carol noted that this amount was close to the original budget before the revision because the declines in revenue were not as much as expected. Sabina reviewed the footnotes to the statement of revenues and expenditures explaining the under and over budget in each department. In revenues she noted that Residential continued to be low due to the renovation of rental units. There was some discussion on why it was taking so long for the project to be completed. Daystall continued to be above budget which was due to good weather and a long farm season. Parking continued to be down in revenues and Carol noted that a consultant would be brought in to assist in setting up the new automated system and setting price points. In expenses Sabina noted that residential had increased expenses due to the bedbug infestation, the garage had a lot of credit card fee expenses, facilities had extra window cleaning due to the renovations, maintenance had the added expense of new uniforms that were a requirement of the union, and HR they had the added expense of an hiring a temporary employee. Percent rent was doing well and was expected to exceed the budget by year end.

Carol briefly reviewed the 2009 capital projects. She noted that on completed projects, efforts were being made to get all the bills in and finalized by the end of the year. A couple of projects would carry over into next year.

IV. **Checking Account Activity Report – October & November**

The checking account activity report for October & November was submitted to the Executive Assistant for inclusion in the minutes, October's would be included with the November's minutes.

V. **Other Reports and Action Items**

A. Staff Reports
None

B. **Action Item:** Proposed Resolution **09-62:** Authorization for Contract Authority – Floor Replacement Maximilien's Restaurant Prep Space, 2nd Floor LaSalle.

Carol gave some background information on the Maximilien prep space noting that the floor had deteriorated and was in need of replacement and it's repair had been included as part of the lease negotiations. A wall divider would also be installed because Maximiliens did not need all the space and the other half would be rented out to another tenant. A bid process had been executed and the contractor Schultis-Sundberg, Inc. was selected. A cost was determined which included tax and contingencies.

David Ghoddousi moved and Ann Magnano seconded.

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

Proposed Resolution **09-62** passed unanimously.
Matt noted that the resolution would not be placed on the consent agenda.

Carol suggested a presentation to the committee to review the small works contracts policy and procedure, Matt agreed and it would be put on a future agenda.

VI. Public Comment

None

VII. Concerns of Committee Members

None

VIII. Adjournment

The meeting was adjourned at 5:48 p.m. by Matt Hanna, chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant