



Pike Place Market Preservation and Development Authority (PDA)

**FINANCE & ASSET MANAGEMENT
Meeting Minutes**

**Tuesday January 19th, 2010
4:30 p.m. to 6:00 p.m.
PDA Conference Room**

Committee Members Present: Matt Hanna, Bruce Lorig, David Ghoddousi, Gerry Kumata, Gloria Skouge

Other Council Members Present:

Staff Present: Anita Neill, Sabina Proto, Joe Paar, Jay Schalow, Bob Beckstrom, John Turnbull

Others Present:

The meeting was called to order at 4:32 p.m. by Matt Hanna, Chair.

I. Administration

A. Approval of Agenda

The agenda was approved by acclamation.

B. Approval of December 15th, 2009 Minutes

The minutes were approved by acclamation.

C. Announcements and Community Comments

None

II. Review of Financial Statements for December 2009

A. PDA Operating Statements

Sabina noted that report reflected the preliminary figures for 2009, the final figures would be reviewed at the February Finance committee meeting. She continued to review the financial statements for December 2009 noting where there would be significant changes in next months final statements. Current Assets, restricted cash increased due to the payment to the debt service account and the contribution to retainage account for Turner Construction. Designated cash increased due to the transfer funds from the QALICB for the non-levy projects. Sabina noted that she did not foresee any changes in the final figures for the current assets. There would be changes in the fixed assets due to the capitalization of the work in progress for the completed projects. Also, the final financials would have the addition of depreciation for 2009. Current liabilities, Accounts Payable were expected to increase on the final financials as the final invoices were received; Other Liabilities would increase due to the accrual of contribution to the pension plan. No changes were expected in long term debt. The current year result would decrease due to depreciation.

Matt requested a comparison of the prior year on the final balance sheet for analysis. Sabina noted that prior and current year would be on the final balance sheet next month.

Sabina continued to report that there was little change from last month's accounts receivable and the write offs for the year were already included and would not change significantly in the final figures. Matt had some questions about the write offs, how much they amounted to and if there was a guarantor on the leases. John T. replied that there were no guarantors on leases, just the security deposit. The amount of write off is usually small, but during year 2009 there was an unusual situation with one tenant.

Sabina reported that the operating statement continued to be above budget in revenue and under in expense. She was not anticipating major changes in revenue but expenses were expected to increase due to still receiving final invoices for 2009. In the February's Finance Committee it will be decided about the amount of surplus which would be allocated into reserve accounts. Sabina reviewed the footnotes to the statement of revenues and expenditures explaining the under and over budget in each department.

Bruce Lorig left at 4:46 p.m.

Commercial rent was under budget due to vacancies and CAUT and COMA was a direct reflection of this. Percent rent continued to do well. Matt asked Sabina to provide a report showing the monthly budgeted CAUT and COMA and the actual revenue. Residential revenue was under budget due to vacancy on the Livingston Baker because of construction work in the LB units, and over budgeting of the HUD units Revenue in other buildings. Daystall continues to do well this year and was above budget. Parking and surface revenue are under budget. Miscellaneous revenue was doing well particularly with trademarks. David requested a chart that showed a comparison with this year and last years revenue separating out the early birds.

Administration expenses increased due to increased usage of the office supplies because of renovation. HR had increased due to the hiring of temporary personnel in the farm department to help with the remote markets. Gerry suggested adding a line item under HR to reflect the temp person expense. The Capital replacement reserve report would change after the year end evaluation of the capital projects. Matt suggested reorganization of the capital projects spreadsheet so it would organize projects by completion and their running total costs.

III. Checking Account Activity Report

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

IV. PDA Purchasing and Procurement Discussion

Sabina reported that the PDA annually reviewed the purchasing policy, made necessary changes and updates. Auditors also compared the processes against the policies followed annually. Sabina continued to review the PDA purchasing policies and procedures in detail. Matt asked how often the contracts and service agreement process changed. Joe and Bob responded that it did not change.

Joe explained that large projects would go through the construction procurement process. Smaller projects go through the small projects bid process. He continued to explain the process in detail. He also described the basis for qualifications when hiring contractors for the job.

Bob described the PDA small works contract roster. Bob annually runs an ad in the DJC, two times in a week in January to solicit new contractors to add to the roster. Bob continued to describe the roster and its purpose in detail noting that the contractors on the list have already completed an application, had been pre approved and had all the proper insurance and licensing etc.

V. Other Reports and Action Items

A. Staff Reports

i. NMTC Update

John T. noted that there was not a lot to report at this time. John F. and Matt noted that they were in the process of searching for investors.

VI. Public Comment
None

VII. Concerns of Committee Members
None

VIII. Adjournment
The meeting was adjourned at 5:56 p.m. by Matt Hanna, Chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant