



Pike Place Market Preservation and Development Authority (PDA)

**FINANCE & ASSET MANAGEMENT
Meeting Minutes**

**Tuesday, June 16th, 2009
4:30 p.m. to 6:00 p.m.
PDA Conference Room**

Committee Members Present: Jim Savitt, Ann Magnano, Gloria Skouge, Bruce Lorig, Gerry Kumata, Matt Hanna

Other Council Members Present:

Staff Present: Suzanne Stevens, Carol Binder, Anita Neill, Sabina Proto, Steve Nelson, Dorothy Malinski, Jay Schalow, Tyler Jamison

Others Present: Fiona Tsui, Horace Francis, Neha Agarwac

The meeting was called to order at 4:30 p.m. by Jim Savitt, Chair.

I. Administration

- A. Approval of Agenda
The agenda was approved by acclamation.
- B. Approval of May 19th, 2009 Minutes
The minutes were approved by acclamation.
- C. Announcements and Community Comments

II. Audit Presentation by Francis and Company

Fiona Tsui, Horace Francis and Neha Agarwac from Francis and Company were present at the meeting. They distributed audit materials and a draft of the audit report. Horace explained the scope of their audit engagement and their responsibility in relationship with the Financial Statements; he went through the financial statements (Balance Sheet, Income Statement, and Cash Flow Statement) and Fund Balance noting the most material changes from the prior year's audit. He emphasized that Pike Place Market is in a strong position financially. Neha then reviewed the notes and points of interest to the financial statements

Bruce Lorig left at 5:12 p.m.

Carol noted that committee members should begin to formulate a strategy for the refinancing of long term obligation bonds and bonds payable.

Fiona reviewed the combined revenue and expense statement for the PC-I and PDA, and the Sanitary Market.

Fiona briefly reviewed the required communications set as a professional standard by the American Institute of Certified Public Accountants. These communications were required by independent auditors to communicate certain matters directly to the Audit Committee or equivalent. She gave a brief

explanation of each of the most significant communication requirements and their (the Auditors) response as it relates to the PDA.

Jim questioned when the audit would be finalized. Carol responded that any correction and proposed changes would be made before printing the final copy, then it would be passed through resolution at the June meeting. Jim reminded committee members to review the audit and be prepared to vote in the June Council meeting.

Horace noted that they would reach out to Council next year, a few months before the audit season, to prepare and give the Council the opportunity to ask questions.

Jim excused himself and turned the meeting over to Ann Magnano at 5:27 p.m.

III. Other Reports and Action Items

A. Action Item: Proposed Resolution **09-38**: Authorization Contract Authority – Triangle Breezeway Stair Replacement Triangle Building.

Steve reported that the Triangle Building Breezeway stairs had deteriorated and was in need of replacement. He showed a sample of the material that would be used to replace the old wood. He noted that this material was a little more expensive but in the long run would need less maintenance and save money.

Jim questioned what the bid process was for the job. Steve replied that a prevailing wage bid was required because the PDA was a public agency. Carol further explained that the state auditors last year noted that the PDA was identified as a public agency and would be required to follow the public works policy and that the purchasing policies were revised to reflect this.

Matt Hanna moved and Bruce Loig seconded.

For: Jim Savitt, Ann Magnano, Gloria Skouge, Bruce Lorig, Gerry Kumata, Matt Hanna

Against:

Abstain:

Proposed resolution **09-38** passed unanimously.

Jim noted that he would like to have a prevailing wage process presentation put on next months agenda.

IV. Parking Objectives Presentation and Discussion

Suzanne passed around a hand out that showed comparison charts for volume, car counts and revenue. She noted that there was a significant decrease in the 2009 early bird which was due to a low turn over rate. Some strategies to increase revenue included increasing rates, particularly during the busy season, additional signage and tenants walking through to assist customer with parking and deterring double space parkers. Additionally a new automated system would be installed in the fall which would eliminate human error and lost revenues. The City has asked the Market to participate in the space available notification automation. A sign would be place at Steinbrueck park at the end of Virginia, which would notify drivers of the spaces available in the Market parking garage. There would be no expense to the PDA to participate in the program.

V. Revised Budget Discussion

Sabina noted that there were no comments or revisions from Council to the proposed revised budget since was distributed in last month's FAM. Sabina did have one change to the rental revenue on the Livingston Baker line. SHS has required the PDA to give tenants a 60 day notice of the rental increase, which means that the new rates will start later from initially thought.

VI. Review of Financial Statements for May, 2009

A. PDA Operating Statements

Sabina gave the following report on the May financial statements; she noted on the balance sheet that the restricted cash had been decreased due to pay out the semi annual interest for the PC-I bond;

the prepaid insurance increase was due to the prepayment of the renewed insurance for the new year (May 2009-April 2010). The Current Year Result includes not only the operating result but the levy funds received from City of Seattle year to date. In the Operating Statement, revenue continued to be under budget but was slowly catching up, and operating expenses continued to be under budget mostly due in part to the wage freeze and staffing vacancies.

Steve reviewed the Capital Projects list. He noted that the 1st and Pine piping and loop replacement would be done as a GC/CM change order contract through Turner. He continued to point out the major projects for the year and their progress. These projects included the garage automated system, the roof of the LaSalle which turned out to be a smaller project than initially expected and the Steward SRO housing projects. In order to keep expenses under budget, some items had been removed from this year's project list.

Carol noted that time was running short and the LaSalle, Market Housing and QALICB reports could be skipped. She noted that there was nothing new or unusual to report and committee members could review the materials on their own time. Matt requested that these reports be included regularly in the monthly packets. Carol responded that starting next month they would be included.

- B. LaSalle Sr. Housing LLC
- C. Market Housing (Livingston Baker)
- D. Pike Place Market QALICB

VII. Checking Account Activity Report

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

VIII. Items for the Consent Agenda

Ann recommended the proposed resolution 09-38 be moved to the consent agenda, it was agreed upon unanimously.

IX. Public Comment

None

X. Concerns of Committee Members

None

XI. Adjournment

The meeting was adjourned at p.m. by Ann Magnano, Vice Chair on behalf of Jim Savitt, Chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant