



Pike Place Market Preservation and Development Authority (PDA)

**FINANCE & ASSET MANAGEMENT
Meeting Minutes**

**Tuesday, August 18th, 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, Tyler Jamison, Steve Nelson, Jay Shalow, Dorothy Malenski, Coyle Jefferson

Others Present:

The meeting was called to order at 4:00 p.m. by Matt Hanna, Chair.

I. Administration

- A. Approval of Agenda
The agenda was approved by acclamation.
- B. Approval of July 21st, 2009 Minutes
The minutes were approved by acclamation.
- C. Announcements and Community Comments
None

II. Review of Financial Statements for July, 2009

- A. PDA Operating Statements
Sabina gave the following report on the July financial statements; she noted that there were significant changes on the balance sheet, with the purchase of the Livingston Baker, Market Housing was now part of the PDA. She continued to point out the significant changes it made on the current and fixed assets and noted that there were no additional liabilities. Other transactions that impacted the balance sheet were the payment of the bridge loan which was anticipated to be paid off in November. The Operating statement reflected the inclusion of Market Housing and budget revisions that were approved by Council in July. Due to these changes, the budget was now above in revenues and under in operating expenses. Carol noted that these changes were not only due to the budget revisions but revenues were doing better this summer. Residential revenue was under budget but was expected to increase due to the incorporation of Market Housing. The garage continued to be under budget. Carol noted that this was mainly due in part to the decrease of the daily parkers. The long term goal and work strategy for the garage went with the City's plan for short term parking only and should increase revenues in the long run.

Ann questioned if it was possible for the one hour free parking program to be reinstated. Carol responded that it would be possible but the lost revenues would need to be made up somewhere

else. Matt suggested that this topic be brought up for further discussion in the Strategic committee meeting. Sabina continued with her report noting that Miscellaneous continued to be under budget which was mainly due in part to investment income, percent rent spreadsheet reflected that revenues were moving in a positive direction.

David noted that he was concerned that the street closure was creating a carnival like atmosphere and was taking away business from merchants. Matt noted that the trend on the spreadsheet showed otherwise. There was some discussion about the street closure and the desire of the City and public to participate in the street closure program.

B. Capital Projects Update

Steve reviewed the capital projects update report. He noted which projects were completed, which had been deferred or were currently in progress. The Livingston Baker renovation was not reflected in the spreadsheet because it was not considered a PDA Capital Project but will be funded by a state grant.

III. Checking Account Activity Report

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

IV. Other Reports and Action Items

A. Action Item: Proposed Resolution 09-28: Authorization for Contract Authority – Repair / Replace Gutters in Marquee – 1st & Pine Building.

Steve reported that the gutters in the marquee at the 1st and Pine Building had deteriorated and were in need of replacement. A proper bid process was executed and a contractor, Tatley-Grund Inc., was identified to complete the project.

David Ghoddousi moved and Bruce Lorig seconded.

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

Against:

Abstain:

Proposed Resolution **09-28** passed unanimously.

B. Action Item: Proposed Resolution 09-51: Medical and Dental Coverage 2009-2010.

Carol reported that the medical and dental coverage plan was due for renewal. United Health Care and Group Health along with the Washington Dental Service were selected. This year the plan rate was increased by 9% where as the state average was over 13%.

Ann questioned what the co-payments were for employees. Carol responded that there was a \$250 deductible, \$15 co-payment for office visits and \$100 co-payment for emergencies room visits. The PDA pays for 100% coverage for its employees and dependants can be added at the employees' expense.

David Ghoddousi moved and Ann Magnano seconded.

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

Against:

Abstain:

Proposed Resolution **09-51** passed unanimously.

C. Staff Reports

Carol noted that the Market Housing audited financial statements were included in the packet and reflected a good and clean audit.

i. State Audit Entrance Conference

Carol handed out copies of the state auditor's entrance conference packet. The packet described the scope of the audit including the federal single audit as prescribed by the Office of Management and Budget Circular A-133, an audit of federal funds. This year the auditors would require that all discrete component units be included in the financial statements and consider Market Foundation as a component unit of the PDA. Carol handed out the balance sheet of primary government and discrete component units as of June 30th, 2009. She noted that because the PDA was not a recipient of funds from the Foundation nor do they have access to their books and have different missions, they therefore should not be included in the PDA books. If the auditors found that it should be included in the books and the PDA was non-compliant they would note an 'adverse finding' on the audit report. The PDA was working towards the requirement of adding all other component units including the LaSalle, Market Housing, and the QALICB. There was a lengthy discussion of the ramifications of including, or not including the Market Foundation in the PDA books with the Finance committee concluding that the Foundation was not a component unit of the PDA and instructing staff to research the criteria and provide our position to the state auditor.

V. Items for the Consent Agenda

Matt Hanna moved proposed resolutions 09-28 and 09-51 to the consent agenda, it was agreed upon unanimously.

VI. 2010 Budget Process and Cost Center Reporting

Bruce noted that the current presentation of the PDA budget(s) were awkward with revenues and expenses not presented together for easy analysis. Most departments' costs were not broken down to show allocations to business units. He proposed that cost centers for the major business units be established and allocate all costs to them. He continued to review the handout that was included in the Finance packet. There was discussion about allocation processes and how they were not completely representative of the situation in the Market campus, as operations staff are not assigned to specific buildings. It was agreed that the cost center reporting be included with the budget process and analysis this year, and the budget be summarized. The detail accounts would still be available to Council members who desired them. There was a lengthy discussion about the details that should be included in the budget reporting. It was decided that department heads would attend the early budget presentation meetings to review their departments budget in detail.

VII. Public Comment

None

VIII. Concerns of Committee Members

None

IX. Adjournment

The meeting was adjourned at 5:54 p.m. by Matt Hanna, Chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant