



Pike Place Market Preservation and Development Authority (PDA)

**FINANCE & ASSET MANAGEMENT
Meeting Minutes**

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

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

Other Council Members Present:

Staff Present: Carol Binder, Anita Neill, Sabina Proto, Bob Beckstrom, Steve Nelson, Dorothy Malenski, Jay Shalow

Others Present:

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

I. Administration

- A. Approval of Agenda
The agenda was approved by acclamation.
- B. Approval of August 18th, 2009 Minutes
The minutes were approved by acclamation.
- C. Announcements and Community Comments

II. Review of Financial Statements for August 2009

- A. PDA Operating Statements
Sabina reviewed the financial statements for August 2009; in the balance sheet she noted an increase in restricted cash due to contribution to debt service, an increase in designated cash and fixed assets due to capital projects, a decrease in liabilities due to the paying off of the bridge loan.

Gerry Kumata joined at 4:33 p.m.

Matt asked if the market rate receivables had a different collection issue and if it could be separated out in the balance sheet detail. Carol replied that it did and that adding that separation to the sheet was a good idea.

Gerry questioned what the ratio was of market rate to subsidized housing. Carol responded that it was roughly 30 / 70 and did not including the SRO.

The Operating Statement continued to be above the budget in revenue and under in expenses. Sabina distributed revised page four to the footnotes of revenues and expenditures. Commercial was under budget in base rent due to vacancies from the renovations. CAUT and COMA was under which was a reflection of retail being under budget and percent rent was above revised budget. Storage continued to be under which was due to the lost space from renovations. Residential was catching up from high vacancies earlier in the year. Daystall had a good year and was a above budget.

Parking continued to be significantly under budget which was mainly due to the decrease of daily parkers. Carol noted that several ideas were being developed to increase revenues to the garage, this included an automated ticket and pay booth systems, participation in the City's automated sign program and hiring a consultant to help assess our pricing and operations. Miscellaneous revenue was above budget which was due to trending of trademark receipts and should catch up by the end of September. Property management had an increase in expenses due to a bed bug epidemic. Surface revenues were above budget but had the potential to be higher without the added expense of having to pay for numerous credit card transaction fees. The Facilities and Human Resource department were above budget in expenses due to the back pay to a reinstated employee and the legal fees associated with the process. Sabina noted that the last two pages reviewed the status of the capital reserves and projects.

Matt noted that with the favorable pricing of labor and materials in this economy it would be a good time to complete capital projects. Steve noted that pricing was better than in years past but it was not a sure thing as most of our jobs are primarily labor and the PDA was required to follow the prevailing wage guidelines. Carol and Steve would review the options and bring forward for discussion at the next Finance meeting.

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 **09-53:** Authorization for Contract Authority – Replace Soames-Dunn Courtyard Staircase.

Bob reviewed the proposed resolution, it had been determined that the Soames-Dunn courtyard staircase had deteriorated and was in need of replacement. A competitive bid process has been completed and a contractor, Adatto Construction Inc., has been selected. He noted that four proposals were received and was able to get a good price with a good contractor at prevailing wage.

Gerry Kumata moved and Bruce Lorig seconded.

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

Against:

Abstain:

Proposed Resolution **09-53:** Passed unanimously.

- B. **ACTION ITEM:** Proposed Resolution **09-54:** Use of Visa Business Credit Cards by Pike Place Market PDA.

Sabina reviewed the proposed resolution. She noted that credit card and online purchases have become more common in the business place. Often online purchase offered the best deals and managers would use their personal credit cards to make work purchases and be reimbursed. This was becoming increasingly expensive and inconvenient. In the past the Auditors had been opposed, but were now realizing the need in today's business and were ok with it. Sabina has written up policies and use would be closely monitored.

Bruce Lorig moved and Ann Magnano seconded.

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

Against:

Abstain:

Proposed Resolution **09-54:** Passed unanimously.

- C. Staff Reports

Staff reported that

V. 2010 Budget Process and Overview

Sabina gave the following 2010 budget process; the budget process had begun, preliminary revenue and expense reports have been completed, on October 14th there would be Finance public hearing from 5:00 – 6:00 p.m. then the regular Finance meeting on October 20th. The meeting has been advertised and the Finance Department was hoping for some interest by the public. Matt questioned where the meeting had been advertised. Sabina responded that it was advertised in the Market Insider which was inserted into every tenant bill. Matt requested that the meeting be advertised on the website as well in an attempt to get more community members to attend. He would like to see more direct input from community members and encouraged the public meeting to be advertised diversely. Carol suggested using the email blasts to tenants used by the Renovation Department. Sabina continued her report noting the following; at the October 20th Finance meeting, managers would present their 2010 budgets and review their process. By the end of October, the proposed budget would be complete and copies would be available at the front desk. At the November 19th full Council meeting the final budget would be presented for approval and adoption. Carol noted that the feedback she received from OPSCOM was that Council wanted to focus on the funding of the capital reserves and the food and farm program.

Carol gave the following 2010 budget overview; in the expense category, operations and property management accounted for over 50% of the expenses, parking was about 10% of the budget, Marketing and Programs was a non revenue generating department in the traditional sense but it did bring business into the Market and accounted for 11% of the expenses, Administration accounted for 15% of the expenses. Debt services was a fixed cost and is based on actual payments due.

Revenues were very predictable with tenant leases and no new growth expected in the Market. Commercial rents represented 60% of the revenues but was expected to decrease next year due to the renovations, the temporary closure of some businesses and temporary relocation of tenants. The Livingston Baker would create additional revenue next year now that tenants were on new section 8 vouchers that had a higher reimbursement from HUD and with the upgrade of units to be rented out at market rate. There was not much room for growth in Daystall and was expected to remain relatively the same at 28% of total revenues. Ann questioned if the number included the Satellite markets. Carol responded that they were included in this year's daystall revenue. Farm revenue was dependant on the growing season. Parking was expected to continue declining as the trend for public transportation and the City's green program grew in popularity. Miscellaneous revenues were dependant on how well investments performed and trade marking agreements.

VI. Items for the Consent Agenda

Proposed resolution 09-53 and 09-54, were moved to the Consent Agenda.

VII. Public Comment

None

VIII. Concerns of Committee Members

Gloria encouraged committee members attend an auction tonight at Local Color. The proceeds went to a community member who was suffering from cancer.

Matt noted that the PDA should take advantage of the competitive pricing for the capital projects.

IX. Adjournment

The meeting was adjourned at 6:02 p.m. by Matt Hanna, Chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant