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**Pike Place Market Preservation and Development Authority (PDA)**

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**FINANCE COMMITTEE  
Meeting Minutes**

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**Tuesday August 20<sup>th</sup>, 2013  
4:30 p.m. to 6:00 p.m.  
Goodwin Library**

**Committee Members Present: John Finke, Gloria Skouge**

**Other Council Members Present:**

**Staff Present: Ben Franz-Knight, Sabina Proto, Dianna Goodsell**

**Others Present:**

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

**I. Administrative**

**A. Approval of the Agenda**

The agenda was approved by acclamation.

**B. Approval of the June 18<sup>th</sup>, 2013 Minutes**

The minutes were approved by acclamation.

**II. Announcements and Community Comments**

None

**III. Review of the Financial Statements for July 2013**

**A. PDA Operating Statements**

Sabina Proto gave a brief overview of the Financial Statements for July. The following content was included with the Financial Statements for July 2013. Under Current Assets there was an increase in unrestricted cash due to the busy season and great overall performance of the Market up to date in 2013. Designated Cash increased from the prior month because of funds received from WSDOT and SDOT related to the PCI-North Projects; also the monthly budgeted contribution to the CRRF. Restricted Cash increased because of the contribution to the Debt Service Account. Fixed Assets increased because of the work performed in different capital projects. Current Liabilities decreased slightly from the prior month. The current year operating result increased from the prior month by \$1,157,438 because of the PCI-N reimbursements from WSDOT and SDOT, and \$355,678 from operating surplus during July. Under the Accounts Receivable Activity Report, the accounts receivables decreased in July compared to June in all categories.

Under the PDA Operating Statement, the Total Revenue for the end of July 2013 was \$8,873,420 or over budget by \$258,151. The Total Operating Expense was \$6,270,461 or under budget by \$180,048. The Net Operating Result for July was \$2,602,959 which was \$438,199 over budget. Under the Net Result after Debt Service & Reserves, the Annual Budget was \$1,884,836 and for the end of July the actual amount was \$1,255,024.

Footnotes on the Operating Expenses noted the following: Commercial Revenue was over budget; Base Rent by \$3,821 and Percent Rent by \$159,258. Residential Revenue was over budget overall. Surface Revenue was over budget by \$14,827 (net of City Share), Garage Revenue was also over budget by \$80,381 and Miscellaneous Revenue was over budget in July with Filming and Trademark. Under Operating Expenses, Residential expenses were over budget mostly in payroll, Daystall expenses were over budget due to the spending of the Arcade Lights Event, Surface Lots expenses were over budget because of the larger amount of the Management fee due to the increase in Revenue and the Utilities were over budget mainly due to the higher electricity consumption and the price rate increases. Community and Events was over budget; we are working hard to increase the revenue in the upcoming months.

**IV. Checking Account Activity Report**

The Checking Account Activity Report was distributed to Dianna Goodsell, Administrative Services Coordinator.

**V. Other Reports**

**A. 2014 Budget Prep Discussion**

Sabina Proto noted that we officially start the Budget Prep tomorrow. Ben Franz-Knight added that the biggest piece of information for the budget preparations this year is from the capital assessment study.

**B. Update on State Audit Process**

Sabina Proto noted that we have finished the field work for the audit process. We are prepared for a clean opinion. She noted that there were two parts to the audit; federal audit and accountability audit. The audit heavily focused on commercial leases, surface lots and tracking the revenue. She noted that we anticipate that the Audit Exit Conference will be scheduled on September 11<sup>th</sup>, tentatively at 3pm.

**C. Mid-Year Budget Review**

Ben Franz-Knight noted that there is a potential budget adjustment under capital projects; there should be only minor adjustments for the Mid-Year Budget Review.

**D. Action Item: Proposed Resolution 13-57: Medical and Dental Coverage for 2013-2014**

Sabina Proto introduced the resolution which states that the PDA Council authorizes the PDA Executive Director or his designee, to enter into contracts with Regence BlueShield for employee medical coverage, SunLife Insurance for employee life insurance and Washington Dental Service for employee dental coverage for 2013-2014 policy year in the amount not to exceed \$720,000.

Medical Coverage	\$623,517
Life Insurance	\$ 35,747
<u>Dental</u>	<u>\$ 58,560</u>
	\$717,824

A cushion to account for a flux in number of employees was taken into account

There was not a quorum present to vote on Proposed Resolution 13-57.

**E. Action Item: Proposed Resolution 13-58: Western Avenue Low-Income Housing LLC**

Ben Franz-Knight introduced the resolution which states that The Pike Place Market Preservation & Development Authority, a City of Seattle Public Development Authority (the "PDA") desires to participate in the development of 40 units of housing for low-income seniors to be located at 1901 Western Ave, Seattle, WA. 98101 (the "Project"). WHEREAS, funding for the Project will come from a variety of public and private funding sources including but not limited to the City of Seattle (the "City") and the use of Low-Income Housing Tax Credits; WHEREAS, to utilize the Low Income Housing Tax Credits, the PDA will form a limited liability company to be known as Western Avenue Low-Income Housing LLC in which it will serve as the managing member (the "Company"). WHEREAS, the PDA desires to authorize the formation of the Company and the submittal of a funding application to the City and a Low-Income Housing Tax Credit application to the Washington State Housing Finance Commission (the "WSHFC").

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

RESOLVED that the PDA is authorized to execute and deliver such documents as may be required for the creation of the Company, including but not limited to a Certificate of Formation and initial Limited Liability Company Operating Agreement. FURTHER RESOLVED that the PDA, either in its own capacity or as the managing member of the Company, is authorized to execute and deliver such documents as may be required to submit a funding application to the City for an award of up to approximately \$2,500,000. FURTHER RESOLVED that the PDA, either in its own capacity or as the managing member of the Company, is authorized to execute and deliver such documents as may be required to submit a Low-Income Housing Tax Credit application to the WSHFC for an award of 2014 low-income housing tax credits.

FURTHER RESOLVED that the Executive Director of the PDA is authorized to execute and deliver all such documents as may be required to effectuate the foregoing.

There was not a quorum present to vote on Proposed Resolution 13-58.

There was a brief discussion that followed.

There was a request to have Beacon Development Group attend the Executive Committee meeting on August 26<sup>th</sup> to discuss Proposed Resolution 13-58 with the Committee.

**F. Budgetary Review of Proposed Spending Resolutions**

There was a brief budgetary review of Proposed Spending Resolutions **13-52** Authorization for Contract Authority - North Arcade Repair Gutters and Downspouts, **13-53** Authorization for Contract Authority – Triangle Market Replace Marquee Gutters and Downspouts. Ben Franz-Knight noted that all of the resolutions passed unanimously out of the Asset Management Committee.

**VII. Items for the Consent Agenda**

None

**VIII. Public Comment**

None

**IX. Concerns of Committee Members**

Gloria Skouge noted that there is only five members on the Finance Committee; she noted that the Committee was supposed to be comprised of six members.

John Finke noted that he would talk to Matt Hanna about the comment Gloria Skouge brought up.

**X. Adjournment**

The meeting was adjourned at 5:30 p.m. by John Finke, Chair

Meeting minutes submitted by:  
Dianna Goodsell, Administrative Services Coordinator