



Pike Place Market Preservation and Development Authority (PDA)

**FINANCE COMMITTEE
Meeting Minutes**

**Tuesday September 17th, 2013
3:30 p.m. to 5:00 p.m.
Goodwin Library**

Committee Members Present: John Finke, Jim Savitt, Gloria Skouge

Other Council Members Present: Betty Halfon

Staff Present: Ben Franz-Knight, Sabina Proto, Jay Schalow, Joseph Strong, Dianna Goodsell

Others Present: Joan Paulson

The meeting was called to order at 3:30p.m. by John Finke, Chair

I. Administrative

A. Approval of the Agenda

The agenda was approved by acclamation.

B. Approval of the August 20th, 2013 Minutes

The minutes were approved by acclamation under Section III when there was a quorum present.

II. Announcements and Community Comments

None

III. Review of the Financial Statements for August 2013

A. PDA Operating Statements

Jim Savitt entered in at 3:33p.m.

Sabina Proto gave a brief overview of the Financial Statements for August. The following content was included with the Financial Statements for August 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 decreased from the prior month because of funds transferred out of the CRRF to the Operating Account which were related to the PC-I North Project; also transfer into the CRRF the monthly budgeted contribution. 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 increased in the Accounts Payable and Accrued Liabilities. The current year operating result increased from the prior month by \$449,959. Under the Accounts Receivable Activity Report, the accounts receivables increased slightly in August compared to July in the Commercial category.

There was a discussion regarding the PCIN funds. Jim Savitt noted the importance of the total amount spent on the Pike Place Waterfront Entrance Project (PCIN) to date.

Under the PDA Operating Statement, the Total Revenue for the end of August 2013 was \$10,436,275 or over budget by \$364,854. The Total Operating Expense was \$7,279,129 or under budget by \$121,401. The Net Operating Result for August was \$3,157,146 which was \$486,255 over budget. Under the Net Result after Debt Service & Reserves, the Annual Budget was \$1,884,836 and for the end of August the actual amount was \$1,660,505

Footnotes on the Operating Expenses noted the following: Commercial Revenue was over budget; Base Rent by \$5,224 and Percent Rent by \$219,530. Residential Revenue was over budget overall. Surface Revenue was over budget by \$12,993 (net of City Share), Garage Revenue was also over budget by \$85,881 and Miscellaneous Revenue was over budget in August 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.

Ben Franz-Knight noted that Seattle City Light would like to meet this Thursday with him and Sabina regarding the increase in the Electricity rates.

There was a discussion regarding the tracking of Capital Projects and spending. John Finke mentioned the idea of including total project costs in future resolutions and the including the specific total contract amount.

The committee approved the minutes since there was a quorum.

IV. Checking Account Activity Report

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

V. Reports and Action Items

- A. **Action Item:** Proposed Resolution **13-60:** Authorization for Contract Authority - Upgrade PPM PDA;s Database Server

Ben Franz-Knight introduced the resolution which states that The Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion of survival of small businesses, and the expansion of services to the public market community; and, WHEREAS, in order to maintain the quality and reliability of the PPMPDA's database information and services the PPMPDA has determined that the current database hardware and software is outdated and needs to be replaced, and; WHEREAS, the PPMPDA has executed a competitive pricing review process to upgrade the PPMPDA's current HP Proliant server hardware and associated database server software. THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA to purchase the server hardware and associated software from Insight in an amount not to exceed \$21,300.00, for the upgrading the PPMPDA's database server. The funds for this project will be drawn from the Capital Projects Budget Accounting Code 160730-00 Capital Inventory – Computer Equipment

Gloria Skouge moved, Jim Savitt seconded

For: Gloria Skouge, John Finke, Jim Savitt
Against: 0
Abstain: 0

Resolution 13-60 passed unanimously

- B. Update on State Audit Results

John Finke presented a brief update on the State Audit Results. He noted that that there was the State Audit Exit Conference held on September 11th.

C. Capital Needs Assessment Introduction

Ben Franz-Knight noted that there will be a full presentation next week at the full council meeting regarding the 30 Year Capital Needs Assessment. He distributed a copy of the Executive Summary for the Capital Needs Assessment Study, which was conducted by SHKS Architects. A copy of the Executive Summary was included in the meeting minute's record. Ben lastly noted that we will see the integration of the results in the Capital Assessment study with the 2014 Budget planning.

There was a brief discussion that followed regarding the results from the Capital Needs Assessment Study.

D. Budgetary Review of Proposed Spending Resolutions

There was a budgetary review of Proposed Resolution 13-61 Pike Place Market Waterfront Entrance (PCIN) Miller Hull - Architectural Services, Design Development.

VII. Items for the Consent Agenda

Resolution 13-60 was moved to the consent agenda.

VIII. Public Comment

Joan Paulson commented on the 30 Year Capital Needs Assessment Study. She noted that it would be appropriate to define what preservation is and what development is in the 30 year capital investment study. She separately noted that we need to think about savings with electricity and plan for energy conservation in the Market.

Ben Franz-Knight distributed the 2014 Budget Review and Approval Schedule. He noted that the original scheduled Finance Committee meeting time would need to be amended to accommodate the October Finance Budget meeting, which would start at 3:00p.m.

IX. Concerns of Committee Members

None

X. Adjournment

The meeting was adjourned at 4:36 p.m. by John Finke, Chair

Meeting minutes submitted by:

Dianna Goodsell, Administrative Services Coordinator