



Pike Place Market Preservation and Development Authority (PDA)

**FINANCE & ASSET MANAGEMENT COMMITTEE**  
**Meeting Minutes**

Thursday January 16<sup>th</sup>, 2013  
4:00 p.m. to 6:00 p.m.  
Goodwin Library

**Committee Members Present: Gloria Skouge, Patrick Kerr, Betty Halfon, Patrice Barrentine, David Ghoddousi**

**Other Council Members Present:**

**Staff Present: Ben Franz-Knight, John Turnbull, Jennifer Maietta, Jay Schalow, Kateesha Atterberry, Joseph Strong, Matt Holland, Dianna Goodsell**

**Others Present: Howard Aller**

The meeting was called to order at 4:01 p.m. by Gloria Skouge, Chair

**I. Administrative**

A. Approval of the Agenda

There was a correction to the lease proposals info.  
The agenda, as amended, was approved by acclamation.

B. Approval of the December 17<sup>th</sup>, 2013 Finance & Asset Management Committee Minutes.

**II. Announcements and Community Comments**

None

**III. Presentations and Discussion**

A. Review of the Financial Statements for December 2013

Jay Schalow gave a brief overview of the Financial Statements for December 2013. The following content was included with the Financial Statements for December 2013. Current Assets decreased compared to the prior month mostly in the unrestricted cash Category. Designated Cash shows an increase; the balance will change due to further reconciliation of Capital Reserves. Restricted Cash decreased due to the payment of the principal and interest on the PC-1 Bond. Fixed Assets increased because of the work performed in different capital projects. Current Liabilities increased mainly in the category of Accounts Payable. Long Term Debt decreased due to the monthly payments on our long term obligations. Our Net Position for the current year operating result was \$2,382,386. Under Accounts Receivable Report, the accounts receivable increased in December compared to November mostly in the commercial category.

Under the PDA Operating Statement, the Total Revenue for the end of December 2013 was \$15,824,928 or over budget by \$725,834. The Total Operating Expense YTD was \$11,124,900 or over budget by \$2,702. The Net Operating Result YTD for December was \$4,700,028 or \$723,132 over budget. Under the Net Result after Debt Service & Reserves, the Annual Budget was \$ 1,884,836 and for the end of December the actual amount was \$2,559,982 which exceeded the annual projection by \$ 723,440. Based on the Transfer

Agreement between PDA and QB2, the amount of \$675,146 had been transferred to QB2 in order to comply with the requirement on threshold balance of cash on QB2. The amount represents the excess revenue over budgeted amount generated from the properties of the QB2, and it doesn't create any shortage on PDA's side.

Footnotes on the Operating Expenses noted the following: Commercial Revenue was over budget mainly in Base Rent and Percent Rent. Percent rent was \$376,123 over budget. Residential Revenue was over budget overall by \$ 28,026. Surface Revenue was on track for the end of December, Garage Revenue was over budget by \$129,119 and Miscellaneous Revenue was over budget at the end of November in Trademark. Under Operating Expenses, Residential expenses were over budget mostly in payroll and in Bad Debt, 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.

There was a request to include a footnote and exhibit regarding the transfer of funds \$675,146 to the QB2 account under the December 2013 financial statements.

I. Checking Account Activity Report

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

**IV. Reports and Action Items**

A. **Action Item: Proposed Resolution 14-01: New Bank Accounts and Signature Authority - Pike Place Market PDA Investment Account with Cetera Investment Services**

Ben Franz-Knight introduced the resolution which states that The Pike Place Market PDA has opened a new account to invest funds with Cetera Investment Services. LET IT BE RESOLVED, that the following banks be, and hereby are, authorized to honor and pay checks or other appropriate orders for the payment or withdrawal of money drawn in the name of Pike Place Market Preservation and Development Authority (PPMPDA) in this new account, and all accounts set forth below:

Bank of America:

Operating Account  
Payroll Account  
PCI General Reserve Fund Basic Account  
PCI Revenue Fund  
PC I Revenue Fund II  
Parking Trust Account  
HUD Depository Account (Checking and Saving)  
Sanitary Market Replacement Reserves  
In Trust for Residents  
Low Income Housing Reserve  
PCI South Condominium Association  
Pine Residential Revenue Fund  
Pike Place Market PDA Levy Funds  
Farm Program Account (SNAP and Credit/Debit Cards)  
Waterfront Project (new)

US Bank - Bond Accounts:

Refunding Bonds Series 2002 Debt Service Fund  
Refunding Bonds Series 2002 Debt Service Reserve  
2002 Refunding Bonds Sinking Funds

State of Washington Local Government Investment Pool:

L.G.I.P. - PPMPDA

Cetera Investment Services:

Portfolio Investment as follows

- Investment Grade Fixed Income  
PIMCO GNMA P  
Pioneer Government Income Y
- Municipal Bonds  
Nuveen In term Duration Muni Bond I  
Nuveen Short Term Municipal Bon I
- Short-Duration Bond(STB)  
Loomis Sayles LTD Term Govt and Agency Y

BE IT FURTHER RESOLVED, that the following persons are duly designated to authorize deposits and withdrawals of funds for the above listed accounts:

- (a) Checks up to \$250.00: Any one of the following: Ben Franz-Knight (Executive Director) alone; Sabina Proto (Director of Finance) alone, John Turnbull (Director of Asset Management) alone.
- (b) Checks over \$250.00:
- Ben Franz-Knight , Sabina Proto, John Turnbull

All signatories are reminded, especially those who are co-signing checks, to verify that the check is completely filled out and the purpose of the check is clearly known before signing, including, and not limited to:

- Against what invoice is the check being drawn?
- To satisfy what obligation is the check being written?
- Is the amount of the check appropriate to its purpose?
- For what reason are monies being transferred between accounts?

The Market relies on the diligence of its check signatories. These public funds are deposited in accordance with laws of the State of Washington. This authority revokes all previous authorities for these accounts, and shall continue in force until notice in writing of its revocation shall have been received by said bank.

Betty Halfon moved, Patrice Barrentine seconded

There was a brief discussion that followed regarding the memo.

David Ghoddousi inquired about the resolution and the investment services and specific risks for the investment services. David wanted to incorporate specific language in the resolution which states the risks associated with the proposed investments.

Ben Franz-Knight discussed the various types of proposed bonds and their potential risks.

Gloria Skouge thought that there should be a change in the first whereas statement since the account had not been opened yet.

David Ghoddousi requested to have the resolution to be tabled.

David Ghoddousi moved to table the Proposed Resolution 14-01, Betty Halfon seconded the motion

For: Gloria Skouge, Patrick Kerr, Betty Halfon, Patrice Barrentine, David Ghoddousi

Against: 0

Abstain: 0

The motion to Table Proposed Resolution 14-01 was passed unanimously

- B. **Action Item:** Proposed Resolution **14-03:** Authorization for Contract Authority - Consolidate all PDA Security Camera Recordings to New Server and Software

Joseph Strong 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, reliability, and usefulness of the PPMPDA's security camera recordings and services the PPMPDA has determined that the current recording systems are fragmented and unproductive and need to be replaced; and, WHEREAS, the PPMPDA has executed a competitive pricing review process to upgrade and consolidate the PPMPDA's current security camera systems into a single server and expandable recording software platform. THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA to purchase the server hardware and associated software from Insight and Siemens in an amount not to exceed \$16,000.00, for the upgrading and consolidation of the PPMPDA's security camera system. The funds for this project will be drawn from the Capital Projects Budget. The Accounting Code for this project is 163730-00 Capital Inventory – Computer Equipment.

David Ghoddousi moved, Patrick Kerr seconded

There was a brief discussion that followed.

For: Gloria Skouge, Patrick Kerr, Betty Halfon, Patrice Barrentine, David Ghoddousi

Against: 0

Abstain: 0

Resolution 14-03 passed unanimously

**V. Public Comment**

None

**VI. Property Management**

**A. Residential Property Management Report**

John Turnbull distributed a copy of the Residential Property Management Report. A copy of the Residential Property Management Report was included with the meeting minute's record.

*Closed Session started at 4:45p.m.*

**B. Closed Session (RCW 42.30.110 [c])**

- I. Review of Lease Proposals
- II. New Lease - Slow Loris Studio - 1501 Pike Place #316  
Lease Renewal - Pen & Ink - 1501 Pike Place #323  
Lease Renewal - Rotary Grocery - 1504 Pike Place
- III. Review of Delinquency Report
  - a. Vacancy Report
  - b. Current Lease Negotiations

**C. Open Session: Approval of Lease Proposals**

*Closed Session ended at 5:05p.m.*

*Open Session started at 5:06p.m.*

**E. Action Item: Proposed Resolution 14-02: Lease Proposals - January 2014**

Jennifer Maietta introduced the resolution which states the Lease Proposals for January 2014 below:

<u>Tenant</u>	<u>Term</u>	<u>Start Date</u>
Slow Loris Studio Jessica Lynch & Arlo Rumpff	One (1) Year	March 1, 2014

Pen & Ink Drawings Patrick Kerr	Three (3) Years	February 1, 2014
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Rotary Grocery Henry & Jane Kim	Three (3) Years	February 1, 2014
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Betty Halfon moved, Patrice Barrentine seconded

Patrick Kerr specifically noted to recuse himself from the vote.

For: Gloria Skouge, Betty Halfon, Patrice Barrentine, David Ghoddousi

Against: 0

Abstain: Patrick Kerr

Resolution 14-02 passed with a vote of 4-0-1

**VII. Resolution(s) to be added to the Consent Agenda**

Resolution 14-03 was moved to the Consent Agenda.

**VIII. Concerns of Committee Members**

None

**IX. Adjournment**

The meeting was adjourned at 5:07 p.m. by Gloria Skouge, Chair

Meeting minutes submitted by:

Dianna Goodsell, Administrative Services Coordinator