



Finance & Asset Management Committee Meeting Minutes

Thursday, April 15, 2014
4:00 p.m. to 6:00 p.m
The Classroom

Committee Members Present: Gloria Skouge, David Ghoddousi, Patrick Kerr, Ann Magnano

Other Council Members Present:

Staff Present: Ben Franz-Knight, Jay Schalow, John Turnbull, Jennifer Maietta, Matt Holland, Andre Zita, Steve Nelson, Bob Beckstrom, Dianna Goodsell

Others Present: Marilee Combs, Howard Aller

The meeting was called to order at 4:04 p.m. by Gloria Skouge, Chair.

I. Administration

- A. Approval of the Agenda
The agenda, as amended was approved by Acclamation
- B. Approval of the Market Programs March 18th, 2014 Meeting Minutes.
The minutes were approved by Acclamation

II. Announcements and Community Comments

None

III. Presentation and Discussion Items

- A. Review of the Financial Statements for March 2014
Jay Schalow, Accounting Manager presented a brief overview of the Financial Statements for March 2014. The following content was included under the Financial Statements for March 2014. Current Assets increased compared to the prior month mostly in the cash for expenses category. Designated Cash showed an increase of 100k because of the transfer for capital reserves. Fixed Assets increased because of the work performed in different capital project. Current Liabilities decreased because of the pension fund payment. Long Term Debt decreased due to the payments on our long term obligations and our Net Position for the current year operating result was \$994,802. Under the Accounts Receivable Report, the accounts receivable stayed steady compared to February.

Under the PDA Operating Statement, the Total Revenue for the end of March 2014 was \$3,863,284 or over budget by \$275,490. The Total Operating Expense YTD was \$2,721,117 or over budget by \$426,255. The Net Operating Result YTD for the end March was \$1,142,167 or \$294,600 over budget. Under the Net Result after Debt Service

& Reserves, the Annual Budget was \$ 1,78,4088; for the end of March the actual amount was \$445,854.

Footnotes on the Operating Expenses noted the following: Commercial Revenue was over budget mainly in Base Rent and Percent Rent and Direct Utilities; Percent Rent was \$65,512 over budget and \$91,532 over the actuals of the same period last year. Residential Revenue was over budget overall by \$ 12,292 Surface Revenue was over budget by \$9,498 Garage Revenue was over budget by \$55,850 because on Early Bird customers and increases in the number of construction workers parking in our garage. Miscellaneous Revenue was slightly under budget overall. Under Operating Expenses, expenses were under budget in most departments.

I. Checking Account Activity Report

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

B. Market Wi-Fi Discussion

Ben Franz-Knight discussed on Wi-Fi in the Pike Place Market, as part of Patrick Kerr's request from March's Finance and Asset Management Committee meeting. He presented a brief overview on the work estimates completed in Late 2012 regarding installation of Wi-Fi throughout several areas in the Market, specifically Wi-Fi throughout the North Arcade. Ben reported on the 2012 cost estimates from Digital Seattle. Work and equipment necessary for installation of Wi-Fi in the North Arcade would range nearly \$8,000, not including monthly ISP and software costs. He noted that he could provide an update in the following months if the committee would like to pursue interest in extending Wi-Fi throughout the Market.

There was a brief discussion that followed.

Ann Magnano entered in at 4:33p.m.

IV. Reports and Action Items

A. **Action Item:** Proposed Resolution **14-25:** Insurance Renewal for period May 1, 2014 - April 30, 2015

Ben Franz-Knight introduced the resolution which states that the PDA is responsible for obtaining insurance coverage for its Pike Place Market properties, and for the property managed by the PDA in the Market Historic District, the LaSalle Senior Housing LLC. WHEREAS, the PDA Finance Committee has been presented the renewal package for the 2014-2015 property and liability insurance coverage for both the Pike Place Market PDA, and the property managed by the PDA in the Market Historic District.

NOW, THEREFORE BE IT RESOLVED, that the PDA Council hereby authorizes the PDA Executive Director, or his designee, to approve policy terms and conditions and to pay the premiums and brokerage fees not to exceed **\$530,000** for the coverage period May 1, 2014 through April 30, 2015. AND BE IT FURTHER RESOLVED, that the PDA Council hereby authorizes the continuation of the brokerage representation and services provided by Arthur J. Gallagher Risk Management Services, Inc.

David Ghoddousi moved, Betty Ann Magnano seconded

For: Gloria Skouge, David Ghoddousi, Ann Magnano, Patrick Kerr

Against: 0

Abstained: 0

There was a presentation from Marilee Combs, Area Vice President with Arthur J Gallagher Risk Management Services on the PPM PDA's Proposal of Insurance; a copy of the presentation was included with the meeting minute's record.

Resolution **14-25**: Insurance Renewal for period May 1, 2014 - April 30, 2015 passed unanimously

- B. **Action Item**: Proposed Resolution **14-24**: Authorization for Contract Authority - Paint Lower Levels - DownUnder

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 and survival of small businesses, and the expansion of services to the public market and community; and, WHEREAS, in order to maintain the viability of the Pike Place Market buildings the PPMPDA has determined the lower levels of the Market are in need of painting. WHEREAS, the PPMPDA has executed a competitive bid process to change the paint colors and repaint the lower levels. BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Long Painting Company in an amount not to exceed \$32,509.46 for the execution of painting the lower Downunder levels. The funds for this project will be drawn from the Capital Projects Budget, Paint lower levels Accounting Code 163768-00.

David Ghoddousi moved, Betty Ann Magnano seconded

For: Gloria Skouge, David Ghoddousi, Ann Magnano

Against: 0

Abstained: Patrick Kerr

There was a brief discussion that followed.

Resolution **14-24**: Authorization for Contract Authority - Paint Lower Levels - DownUnder passed with a vote of 3-0-1.

- C. **Action Item**: Proposed Resolution **14-26**: Authorization for Contract Authority - HVAC Rooftop Unit Replacement - Stewart House

Ben Franz-Knight introduced the resolution which states that

Patrick Kerr moved, Ann Magnano seconded

For: Gloria Skouge David Ghoddousi, Ann Magnano, Patrick Kerr

Against: 0

Abstained: 0

There was a brief discussion that followed.

Resolution **14-26:** Authorization for Contract Authority - HVAC Rooftop Unit Replacement - Stewart House passed unanimously

D. Action Item: Proposed Resolution **14-27:** Authorization for Contract Authority - Entrance Design Adjustment - Western Avenue Garage

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 and survival of small businesses , and the expansion of services to the public market and community; and, WHEREAS, in order to maintain the viability of the Pike Place Market buildings the PPMPDA has determined to perform minimal necessary scope to accommodate Class 6 trucks including food bank delivery truck and other service vehicle entering through the Western Ave. Garage entrance. WHEREAS, the PPMPDA has executed a competitive bid process and obtained Administrative Approval from MHC for adjusting the entrance to accommodate Class 6 trucks including food bank delivery truck and other PPM service vehicles. BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Experienced Construction, Inc. in an amount not to exceed \$118,264 for the execution of work necessary to accomplish scope. The funds for this project will be drawn from the Capital Projects Budget, 2014 COMGAR - Adjustment - Entrance design: 163760-00

Ann Magnano moved, Patrick Kerr seconded

For: Gloria Skouge, David Ghoddousi, Ann Magnano

Against: 0

Abstained: Patrick Kerr

There was a brief discussion that followed.

Resolution **14-27:** Authorization for Contract Authority - Entrance Design Adjustment - Western Avenue Garage passed with a vote of 3-0-1.

E. Action Item: Proposed Resolution **14-28:** Authorization for Contract Authority - Western Ave. Windows Design - Fairley Building

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 and survival of small businesses , and the expansion of services to the public market and community; and, WHEREAS, in order to maintain the viability of the Pike Place Market buildings the PPMPDA has determined the window façade of the Fairley Building on Western Avenue is in need of repair and repaint. WHEREAS, the PPMPDA has executed a Request for Design Proposal from qualified Architects for the design portion of the Western Ave Windows Repair and Restoration project. BE IT RESOLVED that the PPMPDA Council

authorizes the PMPDA Executive Director or his designee to enter into a contract with SHKS in an amount not to exceed \$24,090 for the design portion of the Western Ave. Windows Repair and Restoration project. The funds for this project will be drawn from the Levy Budget, 2014 COMFAI - Western Ave. Windows - Design: 163726-00

Ann Magnano moved, Patrick Kerr seconded

For: Gloria Skouge, David Ghoddousi, Ann Magnano
Against: 0
Abstained: Patrick Kerr

There was a brief discussion that followed.

Resolution **14-28**: Authorization for Contract Authority - Western Ave. Windows Design - Fairley Building passed with a vote of 3-0-1.

V. Property Management

A. Residential Property Management Report

John Turnbull presented the Residential Property Management Report for the month of April 2014; a copy of the report was included with the meeting minute's record.

VI. Public Comment

None

VII. Closed Session

The Committee entered into Closed Session at 5:09p.m

- I. Property Management Report - *Closed Session (RCW 42.30.110[c])*
- II. Review of Lease Proposals
 - Lease Renewal - Choice Produce - 1514 Pike Place #4
 - Lease Renewal - Japanese Gourmet - 82 Stewart Street
 - Lease Renewal - 3D Wood Puzzle - 76 Pike Place 35
 - Lease Renewal - Marakesh Leather - 76 Pike Place #1
 - Lease Renewal - Metsker Maps - 1511 First Avenue
 - Lease Renewal - Quality Produce - 1508 Pike Place
 - Lease Renewal - Sergio's Barber Shop - 1530 Post Alley #4
 - Lease Renewal - Swanberg's Gifts - 1525 Pike Place
- III. Review of Delinquency Report
 - a. Vacancy Report
 - b. Current Lease Negotiations

The Committee entered into Open Session at 5:34p.m

IV. Open Session

Action Item: Proposed Resolution **14-30**: Lease Proposals - April 2014

Jennifer Maietta introduced the resolution which states the lease proposals for April 2014 as follows:

<u>Tenant</u>	<u>Term</u>	<u>Start Date</u>
Choice Produce Ju-Ha Lee (Justin Lee)	Five (5) Years	May 1, 2014
Japanese Gourmet Sook Hyun Cho	Five (5) Years	June 1, 2014
3D Wood Puzzles Lee Development Group, LLC (Dominic Lee)	Five (5) Years	May 1, 2014
Marakesh Leather Jan Michael Patterson	Five (5) Years	April 1, 2014
Metsker Maps Anderson Map Company (Jay Brown)	Five (5) Years	May 1, 2014
Quality Produce Frank Genzale Sr.	Five (5) Years	May 1, 2014
Sergio's Barber Shop Sergio Curiel	Five (5) Years	March 1, 2014
Swanberg's Gifts John Blocker	Five (5) Years	May 1, 2014

Ann Magnano moved, David Ghoddousi seconded

For Gloria Skouge, David Ghoddousi, Ann Magnano, Patrick Kerr

Against: 0

Abstained: 0

Resolution 14-30 passed unanimously

VIII. Resolutions to be added to the Consent Agenda

Resolutions 14-25, 14-26 and 14-30 were added to the Consent Agenda.

IX. Concerns of Committee Members

None

X. Adjournment

The meeting was adjourned at 5:40 pm by Gloria Skouge, Chair

Meeting minutes submitted by:

Dianna Goodsell, Administrative Services Coordinator