



Finance & Asset Management Committee Meeting Minutes

Tuesday, June 17th, 2014
4:00 p.m. to 6:00 p.m.
Elliott Bay Room

Committee Members Present: Gloria Skouge, David Ghoddousi, Patrick Kerr, Jim Savitt, Patrice Barrentine

Other Council Members Present:

Staff Present: Ben Franz-Knight, Sabina Proto, Jay Schalow, John Turnbull, Jennifer Maietta, Matt Holland, Brady Morrison, Steve Nelson, Jeff Jarvis, Andre Zita, Jessica Carlson, Dianna Goodsell

Others Present: Ray Holmdahl, Matt Smith, Sharon Mukai, Joan Paulson, 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 was approved by Acclamation
- B. Approval of the Market Programs May 20th, 2014 Meeting Minutes.
The minutes were approved by Acclamation

II. Announcements and Community Comments

None

III. Presentation Items

- A. Presentation of the PDA Annual Audit Report for the year 2013
Auditors Ray Holmdahl and Matt Smith from Peter Sullivan LLP presented the PDA Annual Audit Report for the year 2013 with the committee; a copy of the presentation was included with the meeting minute's record.
- B. Presentation of Security Review & Recommendations
Randy Stegmeier gave a presentation on the Pike Place Market Security Review & Recommendations to the committee.

Randy Stegmeier presented Proposed Resolution **14-48: Authorization for Budget Allocation Additional Security Staffing**. Proposed Resolution 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, the safety and security at the Pike Place Market is of the highest priority and most effectively provided through a planned combination of staffing and technology and; WHEREAS, PPMPDA management has conducted a workforce analysis of current security staffing, services and technological capabilities and; WHEREAS, PPMPDA Management believes that the additional staffing will significantly enhance the department's ability to utilize technology that is now available and consistently increasing to monitor Market property, deter criminal activities, and respond more effectively to incidents of concern; WHEREAS, these staff positions were not originally included in the 2014 PDA Annual Operating Budget approved by the PDA Council in November 2013, NOW, THEREFORE, BE IT RESOLVED that the PDA Council authorizes an additional annual expense of \$100,000 to the PDA Annual Operating Budget to support additional staffing for security.

David Ghoddousi moved, Jim Savitt seconded

For: Gloria Skouge, Patrice Barrentine, David Ghoddousi, Jim Savitt, Patrick Kerr

Against: 0

Abstained: 0

There was a brief discussion that followed.

Resolution **14-48**: Authorization for Budget Allocation Additional Security Staffing passed unanimously

IV. Reports & Discussion Items

A. Review of the Financial Statements for May 2014

Sabina Proto, Director of Finance presented a brief overview of the Financial Statements for May 2014. The following content was included under the Financial Statements for May 2014. Current Assets decreased by %561,248. Designated Cash increased due to the contribution to the CRRF. Fixed Assets slightly decreased due to the net impact between the contribution to the debt service account and semiannual portion of the PC1 Bond interest which comes out of the debt service account. Current Liabilities decreased compared to the prior months mostly in the categories if accounts payable, accrued payroll and deferred revenue. Long Term Debt decreased due to the payments on our long term obligations and our Net Position for the current year operating result was \$1,590,431 Under the Accounts Receivable Report, the accounts receivable increased slightly in commercial and daystall categories.

Under the PDA Operating Statement, the Total Revenue for the end of May 2014 was \$6,523,144 or over budget by \$352,667. The Total Operating Expense YTD was \$4,685,934 or \$196,266 under budget. The Net Operating Result YTD for the end May was \$1,837,210 or \$548,933 over budget. Under the Net Result after Debt Service & Reserves, the Annual Budget was \$ 1,745,408; for the end of May the actual amount was \$748,788.

- 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 **14-44:** Authorization for Investment of Pike Place Market PDA monies in Local Governmental

Sabina Proto introduced the resolution which states that the Pike Place Market PDA has for many years invested some of its funds in the Local Governmental Investment Pool (LGIP). Recently, LGIP has created a new prospectus in order to provide more clarity with respect to how the LGIP operates, and as a result of the recently amended WACs. Because of the release of this prospectus Pike Place Market PDA, like all the other local government entities investing in the LGIP must complete and update the Resolution Authorizing Investment of Monies in the LGIP, and WHEREAS, pursuant to Chapter 294, Laws of 1986, the Legislature created a trust fund to be known as the public funds investment account (commonly referred to as the Local Government Investment Pool (LGIP)) for the contribution and withdrawal of money by an authorized governmental entity for purposes of investment by the Office of the State Treasurer; and WHEREAS, from time to time it may be advantageous to the authorized governmental entity, Pike Place Market PDA, to contribute funds available for investment in the LGIP; and WHEREAS, the investment strategy for the LGIP is set forth in its policies and procedures; and WHEREAS, any contributions or withdrawals to or from the LGIP made on behalf of the Pike Place Market PDA shall be first duly authorized by the Pike Place Market PDA council, the “governing body” or any designee of the governing body pursuant to this resolution, or a subsequent resolution; and WHEREAS the Pike Place Market PDA will cause to be filed a certified copy of said resolution with the Office of the State Treasurer; and WHEREAS the PPM PDA council and any designee appointed by the PPM PDA council with authority to contribute or withdraw funds of the governmental entity has received and read a copy of the prospectus and understands the risks and limitations of investing in the LGIP; and WHEREAS, the PPM PDA council attests by the signature of its members that it is duly authorized and empowered to enter into this agreement, to direct the contribution or withdrawal of PPM PDA monies, and to delegate certain authority to make adjustments to the incorporated transactional forms, to the individuals designated herein.

NOW, THEREFORE, BE IT RESOLVED that the PPM PDA council does hereby authorize the contribution and withdrawal of PPM PDA monies in the LGIP in the manner prescribed by law, rule, and prospectus.

BE IT FURTHER RESOLVED that the PPM PDA has approved the Local Government Investment Pool Transaction Authorization Form (Form A) as completed by Ben Franz-Knight and incorporates said form into this resolution by reference and does hereby attest to its accuracy. BE IT FURTHER RESOLVED that the Pike Place Market PDA

designates Ben Franz- Knight, Executive Director, the “authorized individual” to authorize all amendments, changes, or alterations to the Form or any other documentation including the designation of other individuals to make contributions and withdrawals on behalf of the Pike Place Market PDA. BE IT FURTHER RESOLVED that this delegation ends upon the written notice, by any method set forth in the prospectus, of the governing body that the authorized individual has been terminated or that his or her delegation has been revoked. The Office of the State Treasurer will rely solely on the governing body to provide notice of such revocation and is entitled to rely on the authorized individual’s instructions until such time as said notice has been provided.

BE IT FURTHER RESOLVED that the Form as incorporated into this resolution or hereafter amended by delegated authority, or any other documentation signed or otherwise approved by the authorized individual shall remain in effect after revocation of the authorized individual’s delegated authority, except to the extent that the authorized individual whose delegation has been terminated shall not be permitted to make further withdrawals or contributions to the LGIP on behalf of the governmental entity. No amendments, changes, or alterations shall be made to the Form or any other documentation until the entity passes a new resolution naming a new authorized individual; and BE IT FURTHER RESOLVED that the governing body acknowledges that it has received, read, and understood the prospectus as provided by the Office of the State Treasurer. In addition, the governing body agrees that a copy of the prospectus will be provided to any person delegated or otherwise authorized to make contributions or withdrawals into or out of the LGIP and that said individuals will be required to read the prospectus prior to making any withdrawals or contributions or any further withdrawals or contributions if authorizations are already in place.

David Ghoddousi moved, Jim Savitt seconded

For: Gloria Skouge, Patrice Barrentine, David Ghoddousi, Jim Savitt, Patrick Kerr

Against: 0

Abstained: 0

There was a brief discussion that followed.

Resolution 14-44: Authorization for Budget Allocation Additional Security Staffing passed unanimously

B. Action Item: Proposed Resolution **14-45:** Approval of 2013 PDA Audited Financial Statements

Sabina Proto introduced the resolution which states that the PDA Council hereby approves the 2013 PDA financial statements, audited by Peterson Sullivan LLP, Certified Public Accountants, covering the period beginning January 1, 2013 through December 31, 2013.

Jim Savitt moved, David Ghoddousi seconded

For: Gloria Skouge, Patrice Barrentine, David Ghoddousi, Jim Savitt, Patrick Kerr
 Against: 0
 Abstained: 0

There was a brief discussion that followed

Jim Savitt proposed an amendment to the resolution which included the following language subject to further information about the characterization of the grant from QALICB 2.

Amended Resolution **14-45**: Approval of 2013 PDA Audited Financial Statements passed unanimously

C. Action Item: Proposed Resolution **14-40**: Authorization for Contract Authority - Replacement of Deteriorated Panels above Main Entry into the Market - Leland Building

Steve Nelson 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 that four metal panel's right above the main Market entrance at the clock, are in need of replacement. WHEREAS, the PPMPDA has executed a bid to replace the badly deteriorated panels. NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Miller SheetMetal, in an amount not to exceed \$14,303.44 for the execution of work necessary to accomplish scope. The funds for this project will be drawn from the Capital Inventory Budget, 163758-00

Patrice Barrentine moved, Jim Savitt seconded

For: Gloria Skouge, Patrice Barrentine, David Ghoddousi, Jim Savitt, Patrick Kerr
 Against: 0
 Abstained: 0

There was a brief discussion that followed

Resolution **14-40**: Authorization for Budget Allocation Additional Security Staffing passed unanimously

D. Action Item: Proposed Resolution **14-42**: Authorization for Contract Authority – Repair & Paint Western Facing Wall Facade and Windows of the LaSalle

Andre Zita 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 that the western facing wall façade and windows of the LaSalle Building are in need of repairs and paint. WHEREAS, the PPMPDA has executed a competitive bid process to repaint and repair windows and wall façade facing westward only. NOW, THEREFORE, 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 \$178,665 for repairing and repainting west facing windows and wall façade. \$40,000 of the funds for this project will be drawn from the Capital Projects Budget, 163769-00 COMLAS - Paint/Repair - Windows & Facade on Western Ave and the remaining amount will be paid from LaSalle Senior Housing LLC, Replacement Reserve, Account 110570-00.

Patrick Kerr moved, Patrice Barrentine seconded

For: Gloria Skouge, Patrice Barrentine, David Ghoddousi, Jim Savitt, Patrick Kerr

Against: 0

Abstained: 0

There was a brief discussion that followed regarding the sources of funding for the project. It was noted a portion in an amount not to exceed \$40,000 would come from the Capital Inventory Budget and the remaining from LaSalle Senior Housing LLC, Replacement Reserve, Account 110570-00.

Resolution **14-42**: Authorization for Contract Authority – Repair & Paint Western Facing Wall Facade and Windows of the LaSalle passed unanimously

V. Property Management

A. Residential Property Management Report

John Turnbull presented the Residential Property Management Report for the month of May 2014; a copy of the report was included with the meeting minute's record. He reported that residential was at 95 percent.

VI. Public Comment

None

VII. Closed Session

The Committee entered into Closed Session at 5:38p.m

- I. Property Management Report - *Closed Session (RCW 42.30.110[c])*
- II. Review of Lease Proposals

New Lease - Chin Music Press - 1501 Pike Place #329
 New Lease - Rummage Around - 1501 Pike Place #312

- III. Review of Delinquency Report
 - a. Vacancy Report
 - b. Current Lease Negotiations

The Committee entered into Open Session at 6:05p.m

- IV. Open Session
 - Action Item:** Proposed Resolution **14-36:** Lease Proposals - June 2014

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

<u>Tenant</u>	<u>Term</u>	<u>Start Date</u>
Chin Music Press Bruce Rutledge & Yuko Enomoto	One (1) Year	July 1, 2014
Rummage Around Mark Brady	One (1) Year	July 1, 2014

David Ghoddousi moved, Patrick Kerr seconded

For: Gloria Skouge, David Ghoddousi, Patrice Barrentine, Jim Savitt,
 Against: Patrick Kerr
 Abstained: 0

Resolution **14-46** Lease Proposals - June 2014 passed with a vote of 4-1-0

- VIII. **Resolutions to be added to the Consent Agenda**
 Resolutions 14-44, 14-40, 14-42 were added to the Consent Agenda.

- IX. **Concerns of Committee Members**
 Betty Halfon noted that she has heard several complaints regarding the lesser sales on the third level down under of the arcade. She would like to have a report on the sales of the various businesses located in the lower levels of the arcade.

- X. **Adjournment**
 The meeting was adjourned at 6:11 pm by Gloria Skouge, Chair

Meeting minutes submitted by:
 Dianna Goodsell, Administrative Services Coordinator