



Finance & Asset Management Committee Draft Meeting Minutes

Tuesday, July 15th, 2014
4:00 p.m. to 6:00 p.m.
The Classroom

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

Other Council Members Present: Betty Halfon

Staff Present: Sabina Proto, Jay Schalow, Jennifer Maietta, Matt Holland, Steve Nelson, Bob Beckstrom, Andre Zita, Jessica Carlson, Dianna Goodsell

Others Present: Howard Aller, Joan Paulson

The meeting was called to order at 4:03 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 June 17th, 2014 Meeting Minutes.
The minutes were approved by Acclamation

II. Announcements and Community Comments

Howard Aller noted his concerns regarding Proposed Resolution 14-49: Authorization for Contract Authority - Replacement of Windows in the 1st & Pine Building and Market House. He commented on the possible impacts of the work being proposed with the resolution, including tenant displacement and the impact on the windows.

III. Reports & Discussion Items

- A. Review of the Financial Statements for June 2014
Sabina Proto, Director of Finance presented a brief overview of the Financial Statements for June 2014. The following content was included under the Financial Statements for June 2014; Current Assets increased by \$219,527, there was no change under Designated Cash. Fixed Assets increased due to the work completed under Capital Projects during June. Current Liabilities increased in the categories of accounts payable, accrued payroll and other liabilities. Long Term Debt decreased due to the payments on our long term obligations and our Net Position for the current year operating result was \$1,968,345. Under the Accounts Receivable Report, the accounts receivable decreased slightly in commercial and daystall categories.

Under the PDA Operating Statement, the Total Revenue for the end of June 2014 was \$7,983,267 or over budget by \$442,391. The Total Operating Expense YTD was \$5,720,614 or \$167,834 under budget. The Net Operating Result YTD for the end of June was \$2,262,653 or \$610,225 over budget. Under the Net Result after Debt Service & Reserves, the Annual Budget was \$ 1,025,543 and for the end of June the actual amount was \$610,276.

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 \$116,472 over budget and \$174,531 over the actuals of the same period last year. Residential Revenue was over budget overall by \$ 21,057; Surface Revenue was over budget by \$44,482. Sabina noted that we had taken in consideration during the 2014 budget process of the closing of the Desimone lot, but this was postponed for this year; we expect this item to be over budget for the remaining of the year. Garage Revenue was over budget by \$152,158 because of more parkers in the 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. Wi-Fi Update

Tamra Nisly and Joe Strong presented an update regarding Market Wi-Fi. A summary of the Wi-Fi report was noted below;

Patrick Kerr entered in at 4:23p.m.

Tamra Nisly reviewed estimates for expansion of Wi-Fi services throughout parts of the Market, including a breakdown of cost estimate in phases. She reviewed the Economy building W-Fi use including tenant usage.

Initial Installation cost estimates

- Phase 1 - North Arcade: \$15,000
- Phase 2 - Down Under: 10,000
- Phase 3 - Western Avenue: \$4,000

Monthly Service Fee Ranges - \$200 to \$900

- Approximately \$200 month for 100mb download/10mb upload
- Approximately \$900 month for 100mb download/100mb upload

Economy Tenant Use Summary

- 13 tenants have access to Economy wi-fi
- 6 tenants have their own service and do not use the free wi-fi service
- 3 tenants use the free wireless service consistently for their business
- 1 tenant use the wi-fi services occasionally

- 3 businesses do not access the internet at all

Questions/Issues/Concerns

- Service Goals
- Overall security for businesses
- Bandwidth
- MHC approval needed
- Staff Management

There was a discussion from the committee regarding recommendations and next steps for the Market Wi-Fi.

IV. Reports and Action Items

- A. **Action Item:** Proposed Resolution **14-41:** Authorization for Contract Authority - Addition of Security IP Cameras in Garage and Surrounding Areas

Andre Zita introduced the resolution which states that 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 additional cameras be added in the garage to provide greater security coverage WHEREAS, the PPMPDA has executed a bid process to add additional cameras to the garage. NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Siemens in an amount not to exceed \$40,619 for the execution of adding 12 cameras in the garage. The funds for this project will be drawn from the Capital Projects Budget, 2014 COMGAR – CC Security IP Camera: 163762-00

Patrick Kerr moved, Ann Magnano seconded

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

There was a brief discussion that followed.

Resolution **14-41:** Authorization for Contract Authority - Addition of Security IP Cameras in Garage and Surrounding Areas passed unanimously

- B. **Action Item:** Proposed Resolution **14-49:** Authorization for Contract Authority - Replacement of Windows in the 1st & Pine Building and Market House

Andre Zita introduced the solution 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 windows on the Market House, 1st and Pine Building, are not energy efficient. WHEREAS, the PPMPDA has secured a City of Seattle grant of \$111,826 to substantially offset labor and material costs. The Department of Housing/Homewise has identified these windows as needing replacement as part of an ongoing effort to meet its city-wide energy conversation goals WHEREAS, the PPMPDA has executed a competitive bid process and obtained Administrative Approval from MHC for replacement of these windows, and other related energy saving work. NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Raatz Construction Company Inc. in an amount not to exceed \$198,270 for the execution of replacing the windows on the Market House. The funds for this project will be drawn from the Capital Budget, 162005-00

Patrick Kerr moved, Patrice Barrentine seconded

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

Against: 0

Abstained: 0

There was a discussion that followed

Steve Nelson and Andre Zita addressed Howard Aller's concerns regarding the work being proposed in the resolution. It was noted that the window replacement in the residential building would not cause tenant displacement and that the work would try to be isolated to the window repair area. It was also noted that the windows being replaced would maintain the wood surface in the interior and the aluminum on the exterior.

Resolution 14-49: Authorization for Contract Authority - Replacement of Windows in the 1st & Pine Building and Market House passed unanimously.

C. Action Item: Proposed Resolution **14-50:** Authorization for Contract Authority - Replacement of Deteriorated Panels above Main Entry into the Market - Leland Building

Bob Beckstrom 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 windows on the Market House, 1st and Pine Building, are not energy efficient. WHEREAS, the PPMPDA has secured a City of Seattle grant of \$111,826 to substantially offset labor and material costs. The Department of Housing/Homewise has identified these windows as needing replacement as part of an ongoing effort to meet its city-wide energy conversation goals WHEREAS, the PPMPDA has executed a competitive bid process and obtained Administrative Approval from MHC for replacement of these windows, and other related energy saving work. NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with **Raatz Construction Company Inc.** in an amount not to exceed **\$198,270** for the execution of replacing the windows on the Market House. The funds for this project will be drawn from the Capital Budget, 162005-00

Patrice Barrentine moved, Jim Savitt seconded

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

Against: 0

Abstained: 0

There was a brief discussion that followed

Resolution **14-50**: Authorization for Contract Authority - Replacement of Deteriorated Panels above Main Entry into the Market - Leland Building passed unanimously

V. Property Management

A. Residential Property Management Report

John Turnbull was not present at the Finance & Asset Management Committee meeting to discuss the Residential Property Management Report.

VI. Public Comment

Joan Paulson commented on the need for a policy on the security cameras in the Market and what the cameras are being and should be used for.

VII. Closed Session

The Committee entered into Closed Session at 5:19p.m

- I. Property Management Report - *Closed Session (RCW 42.30.110[c])*
- II. Review of Lease Proposals
 - Lease Renewal - Hands of the World - 1501 Pike Place # 428
 - Lease Renewal - Lungu Gifts - 1906 Pike Place #7
 - Lease Renewal - Pike Place Gifts - 1501 Pike Place #429
- III. Review of Delinquency Report
 - a. Vacancy Report
 - b. Current Lease Negotiations

The Committee entered into Open Session at 5:52p.m

VIII. Open Session

Action Item: Proposed Resolution **14-51:** Lease Proposals - July 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>
Hands of the World Cynthia Hope	Five (5) Years	August 1, 2014
Lungu Gifts & Antiques Philip Kwara	Three (3) Year	August 1, 2014
Pike Place Gifts Young Sun Kim	Five (5) Year	August 1, 2014

David Ghoddousi moved, Patrice Barrentine seconded

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

Against: 0

Abstained: 0

Resolution **14-51:** Lease Proposals - July 2014 passed unanimously.

IX. Resolutions to be added to the Consent Agenda

Resolutions 14-41, 14-50, 14-51 were added to the Consent Agenda.

X. Concerns of Committee Members

Patrick Kerr noted that he would like to have a discussion with the committee for the August FAM agenda regarding the possibility of installing canopies along Western Ave.

XI. Adjournment

The meeting was adjourned at 5:55p.m by Gloria Skouge, Chair

Meeting minutes submitted by:
Dianna Goodsell, Administrative Services Coordinator