



Finance - Meeting Agenda

Date: Tuesday, August 20th 2013

Time: 4:30 p.m. – 6:00 p.m.

Location: Goodwin Library

Committee Members: John Finke (Chair), David Ghoddousi (Vice Chair), Gloria Skouge, Jackson Schmidt and Rico Quirindongo

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|---------------|--|---------------------|
| 4:30pm | I. Administrative: | Chair |
| | A. Approval of Agenda | |
| | B. Approval of the June 18 th , 2013 Minutes | |
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| 4:35pm | II. Announcements and/or Community Comments | |
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| 4:45pm | III. Review of the Financial Statements for July 2013 | Sabina Proto |
| | A. PDA Operating Statements | |
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| 5:15pm | IV. Checking Account Activity Report | Sabina Proto |
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| 5:20pm | V. Reports and Action Items | Sabina Proto |
| | A. 2014 Budget Prep Discussion | |
| | B. Update on State Audit Process | |
| | C. Mid-year budget review | |
| | D. Action Item: Proposed Resolution 13-57: Medical and Dental Coverage for 2013-2014 | |
| | E. Budgetary Review of Proposed Spending Resolutions | Chair |
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| 5:30pm | VI. Items for the Consent Agenda | Chair |
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| 5:50pm | VII. Public Comment | |
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| 5:55pm | VIII. Concerns of Committee Members | Chair |
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| 6:00pm | IX. Adjournment | Chair |

Enclosures: Minutes for June 18th, 2013
Financial Statements for July 31st, 2013
Proposed Resolution 13-57
Budgetary Review of Proposed Spending Resolutions: 13-52 & 13-53



Pike Place Market Preservation and Development Authority (PDA)

FINANCE COMMITTEE
Meeting Minutes

Tuesday June 18th, 2013
4:30 p.m. to 6:00 p.m.
Goodwin Library

Committee Members Present: Matt Hanna, Gloria Skouge, Ann Magnano, David Ghoddousi

Other Council Members Present:

Staff Present: Ben Franz-Knight, Sabina Proto, Jay Schalow, John Turnbull, Dianna Goodsell

Others Present: Matt Smith, Keaton Wersen, Janice Hansen

The meeting was called to order at 4:32p.m. by Matt Hanna, Chair

I. Administrative

- A. Approval of the Agenda
The agenda was approved by acclamation.
- B. Approval of the May 21st, 2013 Minutes
The minutes were approved by acclamation.

II. Announcements and Community Comments

None

III. Discussion about Increase on Electricity Charges

This item was presented after the presentation of the Pike Place Market PDA Audit for the year ended December 31, 2012.

Ben Franz- Knight reported the Seattle Light City Representative would be in attendance at the July Finance Committee meeting regarding the discussion about the increase on Electricity Charges in the Market. He noted that he has productive conversations with Seattle City Light regarding the concern over the pronounced increase in the Market's electricity charges.

There was a discussion that followed regarding the recent and future conversations with Seattle City Light and remedying the situation over the increased electricity rate charges.

Matt Hanna noted that it could be productive to involve individual PDA Council members to meet with Seattle City Light as well as Electrical Engineers who helped assist with installation of the new meters during renovation.

David Ghoddousi noted that our rates should be less since the Market consolidated all of its meters and updated the systems. He noted that the decision to upgrade and consolidate the meters was made prior to Ben Franz-Knight and John Turnbull's employment with the PDA.

Sabina Proto noted that Seattle City Light has also changed the methodology for the calculation of downtown area charges.

There was a graph distributed noting the changes in Kilowatt cost by each of the Markets buildings. A copy of the chart was included with the meeting minute's record.

Ann Magnano entered in at 4:36pm.

IV. Presentation of the Pike Place Market PDA Audit for the year ended December 31, 2012

There was a presentation from Matt Smith and Keaton Werson from Perterson Sullivan regarding the Pike Place Market PDA Audit for the year ended December 31, 2012. A copy of the presentation was included with the meeting minute's record. Matt Smith gave an overview of the Audit process for the 2013 year and explanation of their Final Audit Report included with the Finance Committee meeting Packet.

Matt noted that overall Audit came back clean with zero adjustments. He congratulated Sabina and the Accounting Staff for their excellent work.

V. Review of the Financial Statements for May 2013

A. PDA Operating Statements

Sabina Proto gave a brief overview of the Financial Statements for May. The following content was included with the Financial Statements for March 2013. Under Current Assets the prepayment of the Property Insurance was one of the largest payments for the month of May. Designated Cash decreased due to budgeted capital expenditures and spending's out of the PDA funds. Restricted Cash decreased because of the payment of the semiannual portion of the interest to the PC- I Bondholders. Fixed Assets increased because of the work performed in different capital projects. Under the Accounts Receivable Activity Report, the accounts receivables increased slightly in May. The increase on the Daystall Receivable was caused by higher rates and attendance related to the Season.

Ben Franz-Knight entered in at 5:17pm.

Under the PDA Operating Statement, the Total Revenue for the end of May 2013 was \$6,083,484 or over budget by \$262,086. The Total Operating Expense was \$4,439,045 or under budget by \$138,919. The Net Operating Result for May was \$1,644,439, which was \$401,005 over budget. Under the Net Result after Debt Service & Reserves, the Annual Budget was \$1,884,836 and for the end of May the actual amount was \$593,916.

Footnotes on the Operating Expenses noted the following: Commercial Revenue was over budget; Base Rent by \$13,198 and Percent Rent by \$104,478. Residential Revenue was over budget overall, because of the shortage on the payment from HUD for Pine Residential; other than that the vacancy rate has been lower than anticipated. Daystall Revenue was over budget; the Arcade Lights event generated higher revenue from what was anticipated. Surface Revenue was over budget by \$5,775 (net of City Share), Garage Revenue was also over budget by \$47,427 and Miscellaneous Revenue was over budget in May with Filming and Trademark. Operating Expenses were over budget in departments including; Daystall, Surface Lots, and Community Events. Sabina reported under the Percent Rent spreadsheet that Percent Rent was \$104,478 over budget as compared to the same period as of last year.

IV. Checking Account Activity Report

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

V. Other Reports

A. Action Item: Proposed Resolution 13-41: Approval of the PDA Audit for the year ended 12/31/2012

Sabina Proto introduced the resolution which states that the resolution states that the PDA Council hereby approves to pay Market Foundation a Management Fee in the amount of \$11,460 for their services

David Ghoddousi moved, Ann Magnano seconded

For: Ann Magnano, Gloria Skouge, Matt Hanna, David Ghoddousi
Against: 0
Abstain: 0

Resolution 13-41 passed unanimously

B. Budgetary Review of Proposed Spending Resolutions

There was a brief budgetary review of Proposed Spending Resolutions **13-38** Proposed Contract with Trade-Marx Sign & Display for Fabrication & Installation of Phase I Signage of the Wayfinding Signage Project, **13-39** Authorization for Contract Authority – Atrium Loft and Elliot Bay Room – Economy Atrium Audio and Visual Equipment and Proposed Resolution **13-42** Authorization for Contract Authority for Farmers Market Consumer Research. Ben Franz-Knight noted that all of the resolutions passed unanimously out of the Asset Management Committee and Market Programs Committee.

C. Exploration of Investment Options

Sabina Proto gave an overview of potential investment options for the Pike Place Market PDA. She provided a brief synopsis of preliminary options provided from two investment services which included RBC Wealth Management and Homestreet Bank investment services. She noted we currently are receiving less than 1% annual return on our portfolio of the 12 million invested. She noted that our objective with exploring investment options was to protect the PDA's capital while improving our return on investment. The two investment options she briefly overviewed had significantly greater annual yields with greater potential annual estimated income for the Pike Place Market PDA.

There was a brief discussion over investment options for the PDA.

Matt Hanna inquired about the Capital Assessment Study in regards to thinking about investment options for the PDA. He noted it would be good to know the results of our Capital Investment Study before knowing how much we can invest. He mentioned thinking about who would be the best partner for the PDA in terms of providing investment and financial services.

VII. Items for the Consent Agenda

Resolution 13-41 was moved to the Consent Agenda.

VIII. Public Comment

None

IX. Concerns of Committee Members

None

X. Adjournment

The meeting was adjourned at 6:03 p.m. by Matt Hanna, Chair

Meeting minutes submitted by:
Dianna Goodsell, Administrative Services Coordinator



Pike Place Market Preservation and Development Authority (PDA)

PROPOSED RESOLUTION: 13-57

Medical and Dental Coverage 2013-2014

AUGUST 2013

BE IT RESOLVED, that the PDA Council authorizes the PDA Executive Director or his designee, to enter into contracts with **Regence BlueShield** for employee medical coverage, **SunLife Insurance** for employee life insurance and **Washington Dental Service** for employee dental coverage for 2013-2014 policy year in the amount not to exceed \$720,000.

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|------------------|------------------|
| Medical Coverage | \$623,517 |
| Life Insurance | \$ 35,747 |
| <u>Dental</u> | <u>\$ 58,560</u> |

\$717,824

- A cushion to account for a flux in number of employees was taken into account.

Gloria Skouge, Secretary/Treasurer

Date

Date Approved by Council:

For:

Against:

Abstained:



Pike Place Market Preservation and Development Authority (PDA)

Proposed Resolution 13-52

Authorization for Contract Authority – North Arcade Repair Gutters and Downspouts

August 2013

WHEREAS, 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 North Arcade gutter system is leaking, rusting, and need of repairs.

WHEREAS, the PPMPDA has executed a competitive bid process to repair the North Arcade gutters and downspouts.

BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with **Miller SheetMetal Inc.** in an amount not to exceed **\$12,606.30** for the execution of repairing the North Arcade gutters and downspouts.

The funds for this project will be drawn from the Capital Projects Budget, **Accounting Code 163741-00.**

Gloria Skouge, Secretary/Treasurer

Date

Date Approved by Council:

For:

Opposed:

Abstained:

Asset Management Meeting, August 13, 2013
Proposed Resolution #13-52 Description

Proposed Resolution: North Arcade Repair Gutters and Downspouts

Proposed Resolution Costs: \$12,606.30

Current Budget: \$8,000

Account: Capital Projects

Accounting Code: 163741-00

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- **Project Description:**
Replace and repair the gutter system.
- **Scope:**
The purpose of this project is to repair and replace the damaged gutter sections and downspouts

Bid process:

Solicited four contractors and received four bids:

- **Miller SheetMetal Inc.** **\$11,460.27 (\$12,606.30 with 10% contingency).**
- Schultis-Sundberg Walked the project, did not submit bid
- Mantis Manufacturing Walked the project, did not submit bid
- Construction & Designs Associates LLC Walked the project, did not submit bid.





Pike Place Market Preservation and Development Authority (PDA)

Proposed Resolution 13-53

Authorization for Contract Authority – Triangle Market Replace Marquee Gutters and Downspouts

August 2013

WHEREAS, 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 Triangle Market gutter system is leaking, rusting, and need of replacement

WHEREAS, the PPMPDA has executed a competitive bid process to replace the Triangle Market gutter systems, including paint, and associated repairs.

BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with **Miller SheetMetal Inc.** in an amount not to exceed **\$19,016.65** for the execution of replacing and repairing the Triangle Market Building Gutter Systems.

The funds for this project will be drawn from the Capital Projects Budget,
Accounting Code 160213-00.

Gloria Skouge, Secretary/Treasurer

Date

Date Approved by Council:

For:

Opposed:

Abstained:

Asset Management Meeting, August 13, 2013
Proposed Resolution #13-53 Description

Proposed Resolution: Triangle Market Replace Marquee Gutters and Downspouts

Proposed Resolution Costs: \$19,016.65

Current Budget: \$35,000

Account: Capital Projects

Accounting Code: 160213-00

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- **Project Description:**
Replace the marquee gutters and downspouts
- **Scope:**
The purpose of this project is to repair and replace the damaged gutter sections and downspouts

Bid process:

Solicited four contractors and received four bids:

- **Miller SheetMetal Inc.** **\$19,016.65 (\$17,287.86 with 10% contingency).**
- Schultis-Sundberg Walked the project, did not submit bid
- Mantis Manufacturing Walked the project, did not submit bid
- Construction & Designs Associates LLC Walked the project, did not submit bid.

