



Finance & Asset Management Committee Meeting Minutes

Tuesday, December 9th, 2014
4:00 p.m. to 6:00 p.m.
Elliott Bay Room

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

Other Council Members Present:

Staff Present: Ben Franz-Knight, Sabina Proto, Jay Schalow, Jessica Carlson, Steve Nelson, Tamra Nisly, John Turnbull, Jennifer Maietta, Matt Holland, Cathy Silva, Dianna Goodsell

Others Present: Howard Aller, Chris Scott, Joan Paulson

The meeting was called to order at 4:02 p.m. by Gloria Skouge, Chair.

I. Administration

A. Approval of the Agenda

There was an amendment to the agenda under Reports and Action Items. Proposed Resolution 14-79: Approval of Acceptance of USDA Grant Funding and Contract Approval for Lease of Farm Program Vehicle was added to the agenda under Section IV, as item B.

The agenda, as amended, was approved by Acclamation

B. Approval of the Finance & Asset Management Committee November 11th, 2014 Meeting Minutes.

II. Announcements and Community Comments

None

III. Reports & Discussion Items

A. Review of the Financial Statements for November 2014

Sabina Proto, PDA Director of Finance presented a review of the Financial Statements for November 2014. Sabina discussed the PDA Balance Sheet. She reported that Current Assets had decreased by \$355,225. Designated Cash had increased by \$148,619, which was primarily due to the net of two transactions: an increase due to the monthly contribution to the CRRF and a decrease due to the expenditures under capital projects. Restricted cash had increased due to the contribution to the Debt Service Account. Fixed Assets had increased due to the work completed under Capital Projects during November. There was a decrease of \$42,046 from the prior month under the Current Liabilities. Long Term Debt had decreased due to the payments on our long term obligations. Our Net Position for the current year operating result was \$4,164,964. Finally, under the

Accounts Receivable Report, the accounts receivable increased compared to the balance of the prior month.

Under the PDA Operating Statement, the Total Revenue for the end of November 2014 was \$15,631,136 or over budget by \$1,098,173. The Total Operating Expense YTD was \$10,934,492 or \$85,530 under budget. The Net Operating Result YTD for the end of November was \$4,696,644 or \$1,183,703 over budget. The Net Result after Debt Service & Reserves including the following Annual Budget of \$ 1,618,408, resulting in the actual amount of \$2,716,094 for the end of November.

Lastly, Footnotes on the Operating Expenses reported the following: Commercial Revenue was over budget mainly in Base Rent and Percent Rent, Common Area Utilities, Direct Utilities and Late Fess by \$625,921. Residential Revenue was over budget overall by \$49,281. Surface Revenue was over budget by \$87,386. Garage Revenue was over budget by \$347,596 due to increased parkers in the garage and Percent Rent was \$350,991 over budget; \$313,240 over the actuals of the same period of last year.

Sabina Proto provided further background on the increased utilities expenses under the Operating Expenses categories. She reported that the Utilities were over budget by \$122,000, which was largely in part from the increased water and garage expenses and possibly a combination of other factors.

Ben Franz-Knight stated that traditionally garbage has had a direct correlation to the volume of sales and amount of activity in the Market. He further explained that we were aggressively looking at innovative ways to reduce the waste stream, including the use of composting; he would be able to provide a report on additional options in early next year. He lastly noted on the water and sewer side, he believes that there are more aggressive measures that we can take in 2015; this would include a look at total water consumption in the Market and looking at opportunities in becoming more efficient.

I. Checking Account Activity Report

The Checking Account Activity Report for the month of November 2014 was distributed to Dianna Goodsell, Administrative Services Coordinator.

B. Western Avenue Activation

Tamra Nisly presented a review of the Western Avenue Activation including an overview of the current entrances and views along Western Avenue. She briefly discussed the current challenges, design opportunities, next steps and potential scope of the project. She further discussed potential new entrances, to and from Western Avenue from the Waterfront and the future MarketFront site. There was a brief review of design opportunities for Western Avenue and the Lower Level Market entrances. Potential opportunities for design included artwork, enhancements to the stairs and balconies, iconic neon signage and options for additional directional signage to the Market.

There was a discussion that followed by the committee on the next steps and scope regarding the Western Avenue Activation.

Jim Savitt noted that activation of Western Avenue is divided two different issues; the first issue being the aesthetics to visitors to the Market, who emerged from the MarketFront. The second issue is regarding directing people, who emerged from the MarketFront, into the existing Market, particularly into the DownUnder. He further noted that before we start to design something, we need to understand more about pedestrian flow. He briefly commented on one of the designs that included a stairway into the DownUnder, which looked scary and uninviting.

Patrice Barrentine commented on the color coordinated Market wayfinding indicators, noting that the colors were helpful with directions and syncing the various market levels.

Gloria Skouge commented that many parents are shocked during the school tours regarding the actual Market boundaries, understanding that the Market is just along Pike Place.

IV. Reports and Action Items

A. **Action Item:** Proposed Resolution **14-76:** Approval of Insurance and Risk Management Broker for Pike Place Market PDA

Ben Franz-Knight introduced the resolution which states that the Pike Place Market PDA undertook the search for an Insurance and Risk Management Broker firm, WHEREAS, a panel comprised of the Chair of PDA Finance and Asset Management Committee, Executive Director and Director of Finance was engaged in a competitive process to insure that the best firm was selected for this task, and unanimously agreed on the selection of Arthur J. Gallagher & Co. to provide the insurance brokerage and risk management services. NOW, THEREFORE, BE IT RESOLVED, that the PDA Council authorizes the PDA Executive Director or his designee to enter into a contract with Arthur J. Gallagher & Co. in an amount not to exceed \$24,000 per year for the insurance brokerage and risk management services to Pike Place Market PDA.

Ann Magnano moved, Jim Savitt seconded

David Ghoddousi moved, Jim Savitt seconded

Ben Franz-Knight and Sabina Proto briefly discussed the interview and selection process for the Insurance and Risk Management Broker for the Pike Place Market PDA.

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

Against: 0

Abstained: 0

Resolution **14-76:** Approval of Insurance and Risk Management Broker for Pike Place Market PDA passed unanimously.

B. **Action Item:** Proposed Resolution **14-79:** Approval of Acceptance of USDA Grant Funding and Contract Approval for Lease of Farm Program Vehicle

Kelly Lindsay introduced the resolution which states that the United States Department of Agriculture Agricultural Marketing Service annually awards competitive grants to expand marketing through the Farmers Market Promotion Program (FMPP). FMPP makes investments in marketing and promotion activities for farmers markets, CSAs and other direct producer-to-consumer outlets for local food, and;

WHEREAS, the USDA has awarded \$43,500 in an FMPP grant to Pike Place Market Preservation and Development Authority (PDA), Seattle, WA. The purpose of the grant is to support the operation of small-scale farmers' markets (Pike Place Express Markets) in five dense urban neighborhoods with concentrations of low-income residents around downtown Seattle, and; WHEREAS, this grant funding will be used to obtain a large cargo vehicle that will transport items efficiently between the Express Market locations, and; WHEREAS, PDA staff has solicited five bids for the long-term lease of a cargo vehicle capable of transporting all of the equipment necessary to conduct the Express Markets, including a bid from AutoNation Bellevue in an amount not to exceed \$37,500, and; WHEREAS, the remaining \$6,000 in grant funding will be used for supplies, branding, and maintenance of the vehicle. NOW THEREFORE BE IT RESOLVED, that the PDA accept grant funding from the USDA in the amount of \$43,500, and; BE IT FURTHER RESOLVED, that the PDA enter into a two-year lease agreement with AutoNation Bellevue for a 2014 Dodge Ram ProMaster for an amount not to exceed \$37,500.

David Ghoddousi moved, Patrice Barrentine seconded

There was a brief discussion that followed by the committee.

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

Against: 0

Abstained: 0

Resolution **14-79**: Approval of Acceptance of USDA Grant Funding and Contract Approval for Lease of Farm Program Vehicle passed unanimously.

V. Property Management

A. Residential Property Management Report

John Turnbull presented the Residential Property Management Report for the month of November 2014. The report update included that the Market-wide vacancy rate was at 4% through November. The report highlighted several projects that were underway including the window replacement and weatherization project at the Market House and the residential refrigerator replacements. There will be a new addition of coffee/tea service space and resident artist display areas in the residential building common rooms. Lastly, there was a brief summary of the Thanksgiving Potluck and Holiday activities the residents and community participated in.

VI. Public Comment

Joan Paulson commented on the Western Avenue Activation discussion. She provided a suggestion of the ability to perform pedestrian counts in the near future. She noted that performing pedestrian counts now would allow data to be compared year over year.

VII. Closed Session

The Committee entered into Closed Session at 5:15p.m

- I. Property Management Report - *Closed Session (RCW 42.30.110[c])*
- II. Review of Lease Proposals
- III. Review of Delinquency Report
 - a. Vacancy Report
 - b. Current Lease Negotiations

The Committee entered into Open Session at 5:25p.m

VIII. Resolutions to be added to the Consent Agenda

Resolution 14-76: Approval of Insurance and Risk Management Broker for Pike Place Market PDA and Resolution 14-79: was placed under the Consent Agenda for the PDA Council Meeting.

IX. Concerns of Committee Members

Jim Savitt inquired about Joan Paulson's previous comments regarding the seven percent increase in the approved PPM PDA budget. Jim was curious on what specific figure Joan was referring too and how she calculated that figure. He had further asked if a response was provided to Joan regarding her repeated comments on the PPM PDA Budget increase.

X. Adjournment

The meeting was adjourned at 5:34p.m by Gloria Skouge, Chair

Meeting minutes submitted by:
Dianna Goodsell, Administrative Services Coordinator