



Meeting of the Finance Committee
 Wednesday, April 6, 2022, 9:00 – 10:30 AM

Meeting: <https://zoom.us> | Meeting ID: 858 1206 6388
<https://us02web.zoom.us/j/85812066388?pwd=dWlzelJMKzYyTU1SajZGTHFycUwdz09>
Phone Option: +1 253 215 8782
Password: HAPPY40 (Numeric Password for Phone: 5685521)

MEMBERS PRESENT		NOT PRESENT	ALSO PRESENT	
Sue Taoka	Doris Koo (arrived 9:10am until 9:59am)	Gloria Burton	John Kim	Gene Yoon
Bob Cook	Paul Feldman		Christina Bernard	Denise Stiffarm
AyeNay Abye			Whitney Regan	Michael Finch
			Ellie Menzies	

Bob Cook called the meeting to order at 9:04 a.m. A quorum was present. There was no public comment.

Consent Calendar Minutes

The Finance Committee voted to approve the Finance minutes from March 2, 2022 (Moved/2nded by Paul Feldman/AyeNay Abye, 3 of 4 in favor) (Sue Taoka Abstained)

Update on Program Committee and Grantmaking

The Executive Director updated the Finance Committee on Program Committee and grant activities.

- The Grants Manager sent a survey to eleven (11) New Major applicants and received three (3) anonymous responses. The survey included questions about the grant process, grant guidance, application, webinar, and individual applicant meetings with PHPDA grants staff.
- PHPDA has selected three Health Equity Scholars this year.
- Renewal Grants Review Panel meets tomorrow, April 7 to review 14 applications. Their recommendations will be forwarded to the Governing Council for approval.
- New Major Grants: Invited 12 full applications from the LOIs and 11 applications were submitted. Review Panel meeting will be in early May.
- Program Committee discussed workforce development and pay equity. They talked about ways PHPDA can narrow their scope around pay equity conversations.

Financial Stewardship

Investment Update

The Associate Director discussed LGIP investments. The rate doubled between February and March.

February 2022 Financial Statements

The Associate Director discussed the February 2022 Financial Statements:

- North Lot parking income has been inconsistent. We received it late and in smaller payments. In addition, we should provide more clarity around when parking in that lot will end.
- There is a small charge from the State Auditor for a review of the Clark Nuber audit. The review usually takes place between state audit years.
- The statements include the payment to our mosaic artist. Payments to Seattle Mosaic Arts will be divided into three installments: (1) before opening reception, (2) prior to community events this summer, and (3) after the mosaic is completed in the fall.



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The Finance Committee voted to accept the February 2022 Financial Statements. (Moved/2nd by Sue Taoka/Doris Koo, 5 of 5 in favor)

Update on 2021 Audit

The Associate Director updated the Committee on Audit activities. The exit meeting is scheduled for Monday, May 2.

- The Clark Nuber audit will occur the last full week of April and take place remotely. The Associate Director will check in with the auditors each day and the Office Coordinator will help gather any additional documents if needed.
- We did provide clarity around capital charges and amortization going forward under the new PacMed lease.
- The auditors will present their final report at the June Finance Committee meeting.

Insurance Renewal Authorization

The Associate Director discussed PHPDA's annual Insurance Renewal Authorization.

- Renewal date of June 1 every year. All insurance policies are included in this authorization.
- The Committee discussed whether the North Lot would be removed from the policy once SCIDpda breaks ground. PHPDA will pay in full upfront and receive a credit if the premium decreases.
- PHPDA is currently paying for the Quarters insurance without reimbursement.

The Finance Committee voted to authorize the Associate Director and Executive Director with the advice of the Treasurer to renew the Insurance Policies. (Moved/2nd by Paul Feldman/AyeNay Abye, 5 of 5 in favor)

Real Estate

Update on North Lot Project

The Executive Director and Real Estate Consultant Michael Finch updated the Committee on current North Lot activities.

- SCIDpda is working diligently to close the condominium sale to AiPACE. The condominium sale is to be completed by May 2 to help keep SCIDpda on track for a summer closing.
- SCIDpda continues to work through complications from the concrete strike.
- PHPDA and our Real Estate Consultant facilitated conversations between SCIDpda and PacMed regarding parking spots. A North Lot equity investor asked for additional parking spots.
 - PacMed is forwarding SCIDpda's parking request to the PacMed legal team.
- SCIDpda is still talking to the City of Seattle about water usage. The 8" water main may not be efficient enough and a new policy requires a 12" water main be installed.
 - New policy states that a 12" water main must be added to commercial property or for commercial actions taking place. Daycare and elderly centers are considered commercial.
 - The 12" main would be coming from an 8" feeder and cost \$1 million.
 - The Committee suggested sharing this issue with Seattle City Council
 - When SCIDpda renewed water permits, they only renewed for Building A, not B. The policy changed as they were in the renewal process.



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Update on Quarters Buildings

Real Estate Consultant Michael Finch and the Executive Director updated the Committee on current Quarters activities.

- Department of Commerce and SHKS Architects are in Phase 2 of their Quarters feasibility study.
 - In addition to residential use, they plan to look at other potential uses.
- A Washington state budget proviso includes funds for a possible short-term Quarters lease with Commerce and funds for a work group focusing on possible Quarters programming.
 - The Executive Director is considering the Department of Commerce as master lessee, for only one tenant in the Tower and Quarters.
- The Executive Director had a conversation with Legislature's office about programming opportunities for the Quarters buildings. They are open to look at other potential uses besides residential.

Pacific Tower Heating System


The Executive Director reported on Pacific Tower Heating System updates.

- The heating system on the Seattle Colleges' floors is not up to spec and breakdowns could occur
 - Currently running the system above capacity and causing strain to the system. JLL supplemented by using other units that are not typically used for this purpose. Energy codes require JLL and Commerce to run the heating system at an unsuitable level.
 - It would cost roughly \$180,000 for the repairs and Commerce does not have the funds until July 2023.
- PHPDA, Commerce and JLL worked together to find a solution. They decided to postpone window repairs until July 2023 and use those funds to repair the heating system. The initial window repair work and storing the windows will be free of charge.
- Commerce will submit a budget for the heating system and window repairs at the 2023 legislative session. They will include additional allocation for yearly heating system repairs.
- The Committee discussed the possibility of acquiring a newer heating system for replacement.
 - Commerce could conduct a study to look at the cost to replace the older system
 - The goal would be modernizing the current system without compromising the historical building to avoid approval through Landmarks
 - JLL has conducted a comprehensive maintenance schedule
- If PHPDA changes the lighting on campus to LED lighting, it would save a lot of energy and costs, but the upgrade costs are expensive and Commerce is not prepared for the costs.
 - PHPDA can encourage a sustainability evaluation that Commerce funds.

The Committee discussed the 40th Anniversary activities taking place later this year.

Adjournment

The meeting adjourned at 10:13 a.m.

Minutes approved:  5/23/22
(Date)