



**Meeting of the Finance Committee**  
 Wednesday, May 4, 2022, 9:00 – 10:30 AM

**Meeting:** <https://zoom.us> | Meeting ID: 860 0287 1268  
<https://us02web.zoom.us/j/86002871268?pwd=cmdEd1FZRvZLN3VBRmp0TDI5QkYJdz09>  
**Phone Option:** +1 253 215 8782  
**Password:** STARWARS (Numeric Password for Phone: 00684199)

MEMBERS PRESENT		NOT PRESENT	ALSO PRESENT	
Sue Taoka	Doris Koo	Gloria Burton	John Kim	Christina Bernard
Bob Cook	Paul Feldman		Mallory Fitzgerald	Gene Yoon
AyeNay Abye			Michael Finch	Denise Stiffarm (until 10:28am)
			Whitney Regan	

Bob Cook called the meeting to order at 9:01 a.m. A quorum was present. There was no public comment.

**Consent Calendar Minutes**

The Finance Committee voted to approve the Finance minutes from April 6, 2022. (Moved/2<sup>nd</sup>ed by Paul Feldman/Doris Koo, 5 of 5 in favor)

**Update on Program Committee and Grantmaking**

- The Executive Director updated the Finance Committee on Program Committee and grant activities.
- Program Committee discussed the 2021 New and Renewal Major Grant quarterly reports as well as the Nimble Grant quarterly and final reports.
  - The Grants Manager updated Program on the Renewal and Major Grant processes. Renewal grantees are currently completing their contract revisions.
  - The 2022 New Major Grant Review Panel will be meeting, Friday, May 6 and they will provide award recommendations to the Governing Council for consideration.
  - The Executive Director provided an update on the Seattle University Law Clinic. PHPDA staff have met with the professor to discuss the course description. PHPDA staff are looking to find ways to incorporate grantee data into the course.

**Financial Stewardship**

*Investment Update*

The Associate Director discussed LGIP investments. Largest rate increase in some time. She asked the auditors at Clark Nuber about other potential investment options and advisors/brokers that other public entities work with.

*March and Q1 2022 Financial Statements*

- The Associate Director reported on the March and Q1 2022 Financial Statements.
- Accounts receivable for March include unexpended funds from an organization recently closed. We received their unexpended funds before they closed.
  - The PHPDA parking income receipts have been somewhat inconsistent, though total amounts for the year are not significantly changed.
  - PHPDA received a \$3,500 payment from SEIU to use Quarters 10 temporarily.
  - The fees for the mosaic artist and commissioned mosaic are listed under expenses, but will be capitalized and moved to fixed assets because the total will be over \$10,000.
  - The Associate Director is arranging the accounting for the East Garage repair costs, which will be partially capitalized.



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- The North Lot parking income will end once SCIDpda breaks ground.

The Finance Committee voted to accept the March and Q1 2022 Financial Statements and forward them to the Governing Council for review. (Moved/2<sup>nd</sup>ed by Sue Taoka/AyeNay Abye, 5 of 5 in favor)

### *Update on 2021 Audit*

The Associate Director updated the Committee on Audit activities.

- PHPDA's staff and 2021 Council Treasurer met with the Auditors. PHPDA expects a clean audit.
- The auditors and PHPDA staff discussed preparation for the North Lot closing, though we do not expect the sale to be completed by the end of this audit.
- There will be a discussion about new lease accounting standards later in the year.
- The Governing Council will consider approving the Audit at their June meeting after the auditors provide a presentation to the Finance Committee.

### **Property Management**

#### *Q1 2022 Tower Operating Expenses*

The Associate Director reviewed the Q1 2022 Tower Operating Expenses provided by JLL.

### **Governance**

#### *Operating Policies*

The Associate Director discussed PHPDA Operating Policies.

- The Finance Committee workplan lists the review of operating policies and the Employee Handbook. The Associate Director is checking all policies for best practices and updates.
- PHPDA may reach out to an HR or Legal Consultant and ask them to review some policies and the Employee Handbook to ensure that operations are up-to-date and consistent with current HR standards.
  - K&L Gates has assisted us in the past with HR related subjects.
- The Associate Director plans to review the accounting manual for necessary changes.
- The reimbursement policy may change due to the fraud event that occurred last year.
- Staff will bring a full set of proposed changes to policies and the Employee Handbook for consideration later in the year.

#### *Proposed Rules & Regulations Changes*

The Associate Director reported on proposed Rules and Regulations changes, which will be considered by the Governing Council next week.

- Emergency proclamations related to the Open Public Meetings Act (OPMA) were established during the pandemic and allowed for virtual meetings with a public call in option. The proposed changes to the Rules and Regulations will start when the emergency proclamations terminate.
- During the 2022 legislative session, amendments were made to the OPMA permitting all members of a governing body to attend meetings by phone or other electronic means. These proposed changes would make the PHPDA Rules and Regulations consistent with the OPMA changes.



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- We must have a space for the public to attend in person. As of right now, the space will be the boardroom in the PHPDA Office and at least two PHPDA staff members will meet in person.
  - The Office Coordinator has spoken to Smart Buildings, located in the Tower, about possibly reserving a room for the Governing Council and Committee meetings. The rooms are ADA accessible while our boardroom is not.
  - If we change the meeting location, we are required to amend our Rules and Regulations.
- Program Committee suggested making changes to Article 1 (Council), Section 2 (Qualifications for Council Memberships) of the Rules and Regulations in the future. It does not list community organizers, community leaders, and those with lived experience as potential Governing Council qualifications.
- PHPDA could create a shared drive for Governing Council members and include our charter, policies, and Rules and Regulations. PHPDA staff could review policies periodically and bring any changes to the Governing Council when needed.
- The Committee considered reviewing our charter because the deed restriction has been lifted. The Committee may include a charter review in the 2023 workplan.

### *New Strategic Advisor*

The Executive Director discussed a potential new Strategic Advisor to Finance Committee.

- City of Seattle is working on two potential Governing Council mayoral appointments.
- The current Finance Committee Strategic Advisor is one of the potential mayoral appointees, which may leave no Strategic Advisor to Finance.
- The Executive Director asked the Finance Committee if they have any suggestions for a possible Strategic Advisor. The Committee suggested emerging leaders from the BIPOC community and past grantees that have shown interest in this type of role/opportunity.

### **Real Estate**

#### *Update on North Lot*

The Executive Director updated the Committee on current North Lot activities.

- The earliest possible closing date for the North Lot is end of June.
- An equity investor continues to push for additional parking spots. SCIDpda is now considering a new strategy to address the equity investors' request.
- PHPDA plans to connect with SCIDpda about a pre-closing checklist and timeline. These could identify and prioritize processing requirements, rules, and regulations.

#### *North Lot Water Main System Improvement Contract*

The Executive Director discussed the North Lot Water Main System Improvement contract.

- SCIDpda's Water Availability Certificate expired and a policy change occurred before renewal.
  - New policy requirement is to design and install approximately 570 feet of a 12-inch water main on private property that extends from 12<sup>th</sup> Ave South to Golf Drive.
  - The current water feeder is only 8" and a new 12" water main will cost roughly \$1 million.
- SCIDpda plans to submit a contract for the 12" water main. The contract is a prerequisite to building permits and SCIDpda needs theirs to close.
- As the current owner, PHPDA would be the signatory on the Water Main System Improvement contract, but SCIDpda is the financially responsible party.



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The Finance Committee did not take action on the North Lot Water Main System Improvement Contract.

*Update on Quarters Buildings*

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

- Department of Commerce, SHKS Architects, and sub-contractors continue to evaluate the Quarters Buildings.
- PHPDA is helping Commerce and SHKS Architects identify the best uses of the Quarters using the least amount of capital.
- A Washington State budget proviso includes funds for a possible short-term Quarters lease with Commerce that covers Quarters 3-10 rent and operating expenses for a year. PHPDA anticipates a one-year lease agreement with a possible thirty-year lease extension.
  - The lease extension was included in the proposal PHPDA sent to Commerce.
  - Commerce will have the option to terminate after the first year if they do not receive additional funding during the 2023 legislative session.
  - PHPDA could potentially offer another short-term lease with Commerce after the first one ends, but prefers to include the thirty-year lease from the start.
  - The Committee discussed whether Commerce could commit to a thirty-one year lease without specific funding. The one-year lease with an option to extend if they choose avoids potential legal conflict.
  - Real Estate Consultant will review the renewal when the short-term lease ends.
  - The proposed thirty-one year lease could allow Washington State Representatives and Commerce to utilize the Quarters as written in the state budget proviso.
- PHPDA plans to include the use of Maker's Master Plan in the lease because it will provide framework when Commerce is planning future programming
  - Including the Master Plan helps protect PHPDA and allows campus stakeholders to have a say in the potential uses.
- Maker's Master Plan includes an evaluation tool that provides consultation to the Council.

**Adjournment**

The meeting adjourned at 10:29 a.m.

Minutes approved: Robert J. Cook 4/1/22  
(Date)