



Meeting of the Finance Committee Wednesday, September 7, 2022, 9:00 – 10:30 AM

Physical Location: Quarters 2 Building, Pacific Tower, 1200 12th Ave S., Seattle, WA 98144

Virtual Location: <https://zoom.us> | Meeting ID: 895 5667 3446
<https://us02web.zoom.us/j/89556673446?pwd=YWRibGkybkxrQk1OenZIN1VZR2V3dz09>

Phone Option: +1 253 215 8782

Password: SCHOOL (Numeric Password for Phone: 464529)

MEMBERS PRESENT		NOT PRESENT	ALSO PRESENT	
Doris Koo	Bob Cook	Gloria Burton	John Kim	Christina Bernard
Sue Taoka	AyeNay Abye	Ellie Menzies	Mallory Fitzgerald	Gene Yoon
			Whitney Regan	Denise Stiffarm
			Michael Finch	

Bob Cook called the meeting to order at 9:03 a.m. A quorum was present. There was no public comment.

Consent Calendar Minutes

The Finance Committee voted to approve the Finance minutes from August 3, 2022. (Moved/2nded Doris Koo/Sue Taoka, 4 of 4 in favor)

Update on Program Committee and Grantmaking

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

- He updated Finance on PHPDA advocacy projects:
 - Seattle University Health Law Clinic has begun. Five students enrolled in the class with two professors. Students will vote for two topics out of five to focus on throughout the quarter then split into two teams, each team focusing on one topic. Once topics are chosen, PHPDA will provide some data and information.
 - Gradually PHPDA would like to stop funding the SU course and focus on sharing grantee data and learned experiences that can be translated into policy.
 - A University of Washington School of Public Health capstone project will begin this fall and run through spring 2023. The selected UW student will gather data and information, analyze it, and provide policy and advocacy recommendations. Marc Provence will assist as a UW Faculty Supervisor.
- Program Committee discussed preliminary 2021 Major and Renewal Grant final report summaries. The Grants Manager highlighted narratives and quotes from grantees as a way to share learned experiences.
- The 2023 Nimble Grant Guidance was accepted by the Program Committee and will be forwarded to the Governing Council for approval. Nimble Cycle 1 will open on September 14.
- Program continued discussing 2023 Major Grants, including potential focus areas.

Financial Stewardship

Investment Update

The Associate Director reviewed the LGIP investments. Rates have gone up to over 2%. She continues to reach out to Verdant and Clark Nuber regarding investment options.

July 2022 Financial Statements

The Associate Director reported on the July 2022 Financial Statements.



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- Prepaid expenses were adjusted due to the renewal of our grant software.
- Commerce was able to pay eighteen months of deferred payments related to the 2020 lease amendment. The remaining payment (for six months) is expected in 2023.
- PHPDA received all Quarters rent from PacMed for July and August. The Quarters income is over budget for the year.
- The Associate Director discussed PHPDA's new website costs with our accountant. Portions of the website may be capitalized and some costs will move out of expenses by the end of the year.

The Finance Committee voted to accept the July 2022 Financial Statements. (Moved/2nded by Bob Cook/AyeNay Abye, 4 of 4 in favor)

CD Investments (Res. 08-2022)

The Associate Director reviewed the CD Investments (Res. 08-2022).

- The Committee discussed changing the CD Investment review to a permanent authorization rather than an annual review in future years. PHPDA could potentially add it to our operations policy review.

The Finance Committee voted to accept and forward Resolution 08-2022 CD Investments to the Governing Council. (Moved/2nded by Sue Taoka/Doris Koo, 4 of 4 in favor)

Other Updates

The Associate Director and Finance Chair met with a potential Strategic Advisor and plan to meet with another candidate this month. They may bring recommendations to the Finance Committee next month.

The Associate Director will be gathering information for the Executive Director Salary Review. She is going to meet with the Finance Chair and Governing Council Chair to discuss the review. In addition, she will be reviewing the Staff Salary and Executive Director Salary policies to see if they can be on the same review schedule.

The Associate Director has started the first draft of next year's budget and the Committee will review it at the October meeting.

Professional Services

Renewal of Professional Services Relationship with Pyramid Communications (Res. 09-2022)

The Associate Director discussed renewal of the professional services relationship with Pyramid Communications (Res. 09-2022).

- Going forward, renewal of Pyramid's contractual services will be reviewed at the end of the calendar year.
- PHPDA Staff are happy with the work Pyramid has done so far and trusts Pyramid's team on scope and deliverables such as their successful work on the 2021 Annual Report and the new website. Pyramid has been pivotal at providing PHPDA with cornerstones needed and instrumental in developing the Strategic Communications plan.



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- Pyramid provides feedback when needed and anticipates our needs. They are thoughtful around raising topics we may have not thought about and suggesting ways to implement them. They help us connect with other clients working in a similar field.
- The Committee discussed PHPDA's mission and alignment with Pyramid's professional services.

The Finance Committee voted to accept and forward Resolution 09-2022 Renewal of Professional Services Relationship with Pyramid Communications to the Governing Council. (Moved/2nded by Doris Koo/Sue Taoka, 4 of 4 in favor)

Real Estate

North Lot Update

The Executive Director and our Legal Counsel provided an update on the North Lot.

- PHPDA has adopted a first amendment to the North Lot Purchase and Sale Agreement, which extends the closing deadline to October 31, 2022.
- SCIDpda is targeting a September 15 close.
- AiPACE/ICHS dropped out of the condominium sale due to financing and the construction schedule. SCIDpda left the door open for AiPACE in case they want to potentially return as a tenant.
- SCIDpda received a \$3 million unrestricted grant from Amazon and proposed a promissory note to PHPDA that would cover about \$500,000. A promissory note was included in the original PSA and guaranteed SCIDpda will be a party to the loan.
 - SCIDpda requested an additional year to pay back the loan. The promissory note will be paid back in forty-eight months rather than thirty-six months.
 - SCIDpda will pay no interest for thirty-six months then will be charged a 5.5% interest rate during the last twelve months. SCIDpda has agreed to the terms.
 - PHPDA's Legal Counsel is discussing these terms with SCIDpda's Legal Counsel. Our Legal Counsel received the proposed changes from SCIDpda, but the draft did not include the provision for interest.
- A Deed of Trust was created to secure the promissory note and narrow the encumbrance on the property to where the condominium unit will be housed. Without the Deed of Trust, the promissory note would burden the entire North Lot property.
- Lot on the Hill LLLP (SCIDpda's partner) will own the condominium until the unit is transferred to a third party. SCIDpda is trying to find a replacement for the AiPACE run program. The allocated funds are specifically for a program serving Pioneer Square/International District.
- PHPDA Legal Counsel is going to look into who will legally own the condominium if SCIDpda cannot find a buyer and needs to lease it.
- The promissory note and Deed of Trust will be sent to the Governing Council next week for approval.
- There will be a Subordination Agreement in relation to the PSA. The PSA anticipated the Deed of Trust, Option Agreement, and Right of First Refusal. It was agreed upon that part of the PSA would be subordinate to the affordable housing funding.



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Update on Quarters Buildings

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

- PHPDA and Commerce are still finalizing the Quarters Access Agreement. PHPDA met with Commerce to answer questions and work through any of Commerce’s concerns.
- There are no indemnifications because Quarters use has limited access at Commerce’s request. Commerce will not receive keys to the Quarters buildings.
- The agreement allows Commerce use of the Quarters buildings for study purposes and Commerce can utilize the Washington State budget proviso, which provided them funds to lease the Quarters short-term.
- Commerce, SHKS Architects, and sub-contractors are primarily looking at the space for potential programming. They have completed testing within the buildings.
- Commerce will share their learnings and provide information to the legislature prior to next year’s session. Commerce could potentially receive program money and authorization for a long-term Quarters lease.

Department of Commerce Access Agreement

The Real Estate Consultant and Executive Director discussed a Department of Commerce Access Agreement.

- The agreement was not ready in time for the Finance Committee to review. PHPDA plans to have it ready for Governing Council approval next week.

The Finance Committee did not take action on the Department of Commerce Access Agreement.

Adjournment

The meeting adjourned at 10:07 a.m.

Minutes approved: _____

10/5/2022
(Date)