



Meeting of the PHPDA Governing Council

Tuesday, November 8, 2022 5:30 - 7:00 PM

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

Virtual Location: <https://zoom.us> | Meeting ID: 820 1354 3349

<https://us02web.zoom.us/j/82013543349?pwd=QVJCUFduZVZk0OHJNZVZi9pWFRLQT09>

Phone Option: +1 253 215 8782

Password: ELECTIONS (Numeric Password for Phone: 672418586)

MEMBERS PRESENT		NOT PRESENT	ALSO PRESENT	
Doris Koo	Virgil Wade		John Kim	Christina Bernard
Bob Cook	Gloria Burton (until 6:43pm)		Mallory Fitzgerald	Gene Yoon
Sue Taoka	AyeNay Abye		Whitney Regan	Denise Stiffarm
Nancy Sugg	Doug Jackson		Michael Finch	
Paul Feldman				

Doris Koo called the meeting to order at 5:31 PM. A quorum was present. There was no public comment.

Consent Calendar Minutes

The Governing Council approved the minutes for the October 11, 2022 Governing Council meeting. (Moved/2nded by Nancy Sugg/Paul Feldman, 9 of 9 in favor)

The Governing Council accepted as information:

- The Program Committee minutes from October 5, 2022
- The Finance & Audit Committee minutes from October 5, 2022

Staff Report

The Executive Director updated the Governing Council on the Staff Report.

- The Associate Director has been working on updating the operating policies and Employee Handbook with PHPDA's Legal Counsel and K&L Gates.
- The updated operating policies and Employee Handbook will likely be brought to Finance Committee and Governing Council next month for approval.
- The Office Coordinator provided an update on the 40th Anniversary closing reception and community mosaic unveiling happening on November 14.

Financial Stewardship

Q3 2022 Financial Statements

The Associate Director reported on the Q3 2022 Financial Statements.

- Received unexpended funds from several grantees. PHPDA Grants Staff spoke to some Major grantees about their funding which allowed for adjustments to their unexpended funds.
- North Lot sale will appear on the books in October and the Reserve and Savings balance will increase. The note payable and deposit on sale for the North Lot will both come off the balance sheet.
- Department of Commerce adopted an amendment to their 2013 lease that deferred their 2021 and 2022 rent increases until August 2023. They have made payments for eighteen of the



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twenty-four months so far and PHPDA noted them as prepaid because they are not due until next year.

- PacMed rental income was over budget because they stayed in the Quarters buildings longer than anticipated.

The Governing Council voted to approve the Q3 2022 Financial Statements. (Moved/2nd by Sue Taoka/Bob Cook, 9 of 9 in favor)

Lease Accounting

The Associate Director and Governing Council Treasurer discussed new lease accounting framework. The Finance Committee reviewed the recommended framework and forwarded it to the Governing Council.

- The Government Accounting Standards Board (GASB) adopted the new lease accounting standards a few years ago and they take effect in 2022. Lessors and lessees must adopt the new standards and apply them to all leases.
- The Associate Director provided a summary of PHPDA's lease accounting recommendations.
- The statements will be restated beginning with 2020 and applied to both 2020 and 2021. The requirement for prior year restatement goes back to the earliest year reported in the next independent audit.
- Under assets PHPDA will book a receivable for the entire lease that will be recognized over time. There will be an offsetting liability for deferred income.
- The income will come from recognized deferred lease income and implied interest recognizing the receivable. Income will not match the amount of rental payments received. The new accounting only applies to lease payments, not operating expenses.
- PHPDA discussed whether to include lease extension periods. Under the new standards, we can include extensions if we are reasonably certain they will be exercised. We plan to only include the base terms of the lease without extensions due to the timeframe of the Commerce and PacMed leases.
- The interest rate and discount rate will look different for each lease. For the interest rate, we can use the lessees borrowing rate.
 - We can refer to the Washington State interest rate for the Department of Commerce lease and potentially look at Providence for the PacMed interest rate.
 - Most organizations are currently using the prime interest rate, which we will use if there is no information on individual tenants' rates.
- Commerce's Quarters Access Agreement does not meet the terms of a lease and is for less than a year so we are treating it as standard income.
- The lease accounting entries will be made at the end of each year rather than every month. Throughout the year the income statements will only reflect the payments received from/owed by tenants. In December, we will have two sets of statements, one without lease accounting entries and one with the entries. The latter will be the final statements for the year, to be sent to auditors for review.



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- Our accountants have a new lease accounting software that will help configure the lease accounting numbers for us.

The Governing Council voted to approve the new recommended lease accounting framework. (Moved/2nded by Bob Cook/AyeNay Abye, 9 of 9 in favor)

2023 Draft Budget and Reserve Plan

The Associate Director discussed the 2023 Draft Budget and Reserve Plan.

- The Finance Committee has reviewed the proposed budget and the Program Committee supports the programmatic portions.
- The Quarters Access Agreement income will be split between 2022 and 2023 because it starts September 2022 and ends June 2023.
- PHPDA received the 2023 Tower budget which includes roughly \$5 million for an elevator project (expense, as well as reimbursed income).
- The Tower insurance renews in June each year. It increased in 2022 and expected to increase again in 2023.
- Proposed increasing Renewal Grants to a total of \$2.3 million. The Nimble Grant Guidance has already been approved by the Council for 2023, but could still add more funds for the year.
- Recommending funds for consultants assisting with TA/cohorts and other general TA/cohort work.
- Increased the Health Equity Scholar rate to \$4,000 from \$3,500.
- Professional development includes funds from the Executive Director's coalition work.
- Accountant fees are increasing next year. The Associate Director plans to meet with them soon to discuss the increase.
- Proposed to pay for a Campus Expansion Planning Consultant. PHPDA has a limited number of development opportunities on Campus once Quarters are leased. Funds in the budget help cover the beginning stages of discussing other future developments, which will likely occur in Q3 or Q4 2023.
- Added funds for an HR Consultant to look at how PHPDA approaches staff salaries.
 - The Council inquired about Cost-of-Living Allowance (COLA). PHPDA plans to address it with an HR Consultant. Finance Committee considered including two types of pay increases, one for cost-of-living and the other for merit.
- Proposed funds for an IT penetration test next year. The Associate Director included a quote from Clark Nuber and suggested getting a second quote in 2023.
- Suggested an increase to catering because PHPDA expects more in person events next year due to additional technical assistance and cohort work.
- Reserve and Savings Plan: the updated total goal amount includes a larger amount for campus capital expenses.
- The Associate Director suggested Council members reach out to her if they have any questions or recommended changes.



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Advocacy

Report on Theory of Change Workshop & Other TA Work

The Associate Director reported on the Theory of Change workshop and other upcoming technical assistance work.

- PHPDA hosted their first technical assistance (TA) session at the end of September and it focused on aviation impacts in King County.
- PHPDA's second TA session was on October 26, a workshop focused on Theory of Change/Logic Models. There were fewer attendees than expected, but it worked out for the best because participants had more time for discussion.
- Most attendees did not provide their own Theory of Change/Logic Model prior to the workshop. Those that did not have a model prepared ahead of time were able to talk about their program and/or organization and facilitators took notes on Jamboards to help them start building a model.
- The Associate Director shared Jamboards from the workshop with the Council.
- PHPDA Staff created a post-survey for workshop participants. There were comments about the homework and lacking time to prepare prior to the session. Going forward, PHPDA may provide a recording ahead of time for attendees to watch before the workshop.
- PHPDA started to think about future TA topics. We did a poll at the end of the Theory of Change workshop to get an idea of what people were interested in.
 - Considering these topics: translating community experience into academic research and policy ideas; tailoring program descriptions for different grant applications; and financial tracking and reporting for multiple funding sources.
- TA and cohort work is a big step for PHPDA. We want to support grantees as more than just a funder.

Professional Services

Professional Services Relationship with Tan Mats (Res. 14-2022)

The Associate Director discussed the professional services relationship with Tan Mats (Res. 14-2022). The Finance Committee reviewed the resolution and forwarded it to the Governing Council.

- The budget for PHPDA's IT Consultant will go over \$10,000 for the first-time next year. Consultant budgets over \$10,000 annually must get Governing Council approval every three years.
- PHPDA's IT Consultant has worked with us for several years and started their own consulting firm, Tan Mats, in 2019.

The Governing Council voted to approve Resolution 14-2022 Professional Services Relationship with Tan Mats, authorizing the Executive Director to enter into annual contracts with Tan Mats. The level of the annual contracts will be consistent with the annual PHPDA operating budget. (Moved/2nded by Sue Taoka/Virgil Wade, 9 of 9 in favor)



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Personnel

Executive Director Salary Range Review

The Associate Director and Governing Council Treasurer discussed the Executive Director salary range review. The Finance Committee reviewed the proposed salary range and forwarded it to the Governing Council.

- The proposed salary range was updated following the Finance Committee meeting. The Council Chair reached out to another PDA that was not initially included.
- Going forward, PHPDA plans to conduct the Executive Director's salary range review at the same time as the other staff salary reviews.

The Governing Council voted to approve the proposed Executive Director salary range for the next three to five years. (Moved/2nded by Doris Koo/Doug Jackson, 8 of 8 in favor)

Governance

Strategic Advisor to Program Committee

The Executive Director discussed a potential Strategic Advisor to Program Committee, Marguerite Ro.

- The Executive Director and Associate Director met with the potential candidate in September. They have shown a strong interest in joining the Program Committee. The candidate used to work at Public Health – Seattle and King County and currently works at AARP of Washington.
- Program Committee recommended the Strategic Advisor candidate to Governing Council.

The Governing Council approved Marguerite Ro as Strategic Advisor to the Program Committee starting January 1, 2023. (Moved/2nded by Sue Taoka/Virgil Wade, 8 of 8 in favor)

2023 Governing Council Officers (Res. 15-2022)

The Council Chair thanked Gloria Burton for her work as Council secretary this year.

The Governing Council voted to adopt Resolution 15-2022 appointing Virgil Wade as Chair, Doris Koo as Vice Chair, Paul Feldman as Secretary, and Bob Cook as Treasurer as Governing Council Officers for 2023. (Moved/2nded by Doris Koo/Doug Jackson, 8 of 8 in favor)

Finance & Program Committee Members (Res. 16-2022)

The Governing Council Chair and Associate Director discussed Resolution 16-2022 Finance Committee and Program Committee members.

The Governing Council adopted Resolution 16-2022 confirming the members of the Program Committee and Finance & Audit Committee, to serve a one-year term beginning January 1, 2023. (Moved/2nded by Doris Koo/Sue Taoka, 8 of 8 in favor)



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2023 Governing Council Retreat

The Executive Director led a discussion on the 2023 Governing Council retreat.

- Planning to schedule the 2023 Governing Council retreat in February. Possibly a full day meeting in lieu of the February Council meeting.
- Potentially discuss PHPDA Charter amendments as way to expand our work.
- The Council suggested discussing the retreat in more detail at upcoming Committee meetings in addition to Governing Council meetings.

Property and Real Estate

North Lot Update

The Executive Director updated the Governing Council on the North Lot.

- PHPDA Communications Manager plans to meet with SCIDpda’s communication team on a regular basis. They plan to keep the Pacific Tower Campus stakeholders and surrounding neighborhoods up to date on the construction.

Update on Quarters Buildings

The Real Estate Consultant Michael Finch provided an update on the Quarters Buildings.

- The Executive Director and Real Estate Consultant met with people involved in the Quarters feasibility study to discuss the report. The report is expected to include ranges for programming costs, but may not include specific programming ideas.
- The feasibility study is due before the end of the year so Washington State representatives can review it prior to next year’s legislative session.
- PHPDA’s Real Estate Consultant and Executive Director will meet with key stakeholders involved in the programming discussions to learn more about the program planning.
- Department of Commerce received funds from a Washington State budget proviso for additional community outreach, including reaching out to Pacific Tower Campus neighbors.
- PHPDA will keep the Finance Committee and Governing Council informed about the steps needed to move forward and discuss possible report findings and any potential barriers.

Adjournment

The meeting was adjourned at 7:03 PM.

Minutes approved 

12/16/2022
(Date)

From: [Whitney Regan](#)
To: [Doris Koo](#)
Subject: RE: PHPDA GC Chair Signature Requested
Date: Friday, December 16, 2022 1:22:00 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)

Thank you, Doris! I will add your digital signature to the documents.



Whitney Regan (she/her) | **Office Coordinator**
206.432.3027 | w.regan@phpda.org | [2021 Annual Report](#)

Pacific Hospital Preservation & Development Authority
[1200 12th Ave S](#) Quarters 2 Seattle, WA 98144



For grant related matters, please email grants@phpda.org.
[Join our email list](#) for newsletters, grant announcements, and reports.

From: Doris Koo <doris.w.koo@gmail.com>
Sent: Friday, December 16, 2022 1:21 PM
To: Whitney Regan <w.regan@phpda.org>
Subject: Re: PHPDA GC Chair Signature Requested

CAUTION: This email originated outside the organization. Please don't click links, open attachments, or reply with confidential details unless you are certain you know the sender and are expecting the content. **NEVER PROVIDE CREDENTIALS** via email!

Please affix my digital signature to these documents. Thanks.

On Dec 16, 2022, at 1:03 PM, Whitney Regan <w.regan@phpda.org> wrote:

Good Afternoon Doris,

Please see attached for the Governing Council's 11/8 minutes and Resolutions 17-2022 and 18-2022 which were approved at the 12/13 meeting.

With your permission, I can add your digital signature to the documents.

Thank you!

<[image001.png](#)>
NEW.phpda.org

Whitney Regan (she/her) | **Office Coordinator**
206.432.3027 | w.regan@phpda.org | [2021 Annual Report](#)

Pacific Hospital Preservation & Development Authority
[1200 12th Ave S](#) Quarters 2 Seattle, WA 98144
<[image002.png](#)> <[image003.png](#)>

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<A1. Governing Council Minutes 11.8.2022.docx>

<E1. Resolution 17-2022 Approve 2023 Operating Budget.docx>

<TO BE EMAILED - Resolution 18-2022 Nimble Grant 2023 Cycle 1 Awards.docx>