



Meeting of the Finance Committee
 Wednesday, July 5, 2023, 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: 898 0025 6025
<https://us02web.zoom.us/j/89800256025?pwd=TnRlbEczaWVYY1IxNitrRUNZOWU0QT09>

Phone Option: +1 253 215 8782

Password: FREEDOM (Numeric Password for Phone: 3940270)

MEMBERS PRESENT		NOT PRESENT	ALSO PRESENT	
Bob Cook	Doris Koo	Sue Taoka	Virgil Wade	Christina Bernard
Gloria Burton	Diane Pietrowski	Kara Zollner	Mallory Fitzgerald	Gene Yoon
		AyeNay Abye	Whitney Regan	Denise Stiffarm
			Michael Finch	

Bob Cook called the meeting to order at 9:06 a.m. A quorum was present. There was no public comment.

Consent Calendar Minutes

The Finance Committee voted to approve the Finance minutes from the June 7, 2023 meeting. (Moved/2nded Doris Koo/Gloria Burton, 4 of 4 in favor)

Update on Program Committee & Grantmaking

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

- The ad hoc grants work group provided an update. They discussed the following at their recent meetings: changing the Letter of Intent (LOI) review panel format; increasing the size of grant review panels in case some reviewers cannot complete reviews in time; creating a database of grantee information and possibly hire a consultant to assist with development; potentially remove Major Grant focus areas; removing program budgets from Major Grant scoring; possibility of multi-year Major Grant awards or simplification of renewal process; conduct a thorough review of all grant forms; and the funding gap between Major and Nimble Grants and possibly increasing the max funding for Major Grants.
 - The ad hoc grants work group will likely provide a full report out at the September or October Program Committee and Governing Council meetings. Some things will be recommended for action this year while others will be recommended for continued discussion into 2024.
- Program Committee recommended that the Governing Council decrease the number of Nimble Grant cycles to two from three annually.
- The Grants Manager updated Program Committee on the status of 2023 New and Renewal Major Grant contracts.
 - PHPDA did not renew one Renewal grantee whose award was contingent on meeting certain additional requirements after an audit of their grant records earlier in the year. They did not meet the requirements by the deadline put in place by the Renewal panel and Governing Council. PHPDA plans to stay in touch them and invite them to future technical assistance sessions and other potential learning sessions. Grants Staff will continue to update Program Committee as things progress.
 - Program Committee discussed possible next steps with regard to the unexpended funds. Grants Staff tried to work with the second-year grantee on their reporting and how best to return the unexpended funds.
- Program Committee discussed potential additional mitigation to add to the Risk Management Plan.



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- The Associate Director provided updates on upcoming technical assistance work, 2024 cohort, and the next University of Washington capstone project topic.
- Staff met with the Seattle University College of Nursing Dean and a staff member to discuss a possible partnership.

Financial Stewardship

Investment Update

The Associate Director reviewed the LGIP investments. The rate increased to over 5%. PHPDA continues to be over our budgeted interest for the year.

May 2023 Financial Statements

The Associate Director reported on the May 2023 Financial Statements.

- She updated the accrued PTO after the former Executive Director left PHPDA. It was a larger impact than when previous employees left.
- There was a large expense due to annual insurance renewals. PHPDA will receive reimbursement from tenants for the Tower insurance.
- Department of Commerce paid the remaining deferred payments related to the 2020 lease amendment in early July. The remaining payments were due this year.

The Finance Committee voted to accept the May 2023 Financial Statements. (Moved/2nded Doris Koo/Diane Pietrowski, 4 of 4 in favor)

Personnel

Staff Time Tracking January- June 2023

The Associate Director reviewed the Staff Time Tracking for January- June 2023 and described the process. This summary is reported to the Finance Committee bi-annually.

- Staff updated the categories in 2023 to include Other Program Work.
- The hours spent on property management are charged back to the tenants.
- Financial Stewardship was higher in April due to the independent audit.

Staffing Updates

The Executive Director and Associate Director led a discussion on PHPDA staffing updates.

- After the Executive Director evaluated the Staff's current and upcoming workloads, he noticed Staff have sizeable workloads and he wants to avoid Staff burn out.
- The Executive Director shared his recommended staffing changes. The Associate Director described the staffing changes in more detail and reviewed the current and future budget implications.



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- Finance Committee asked why PHPDA plans to change the Office Coordinator role to Office Administrator. The new staff member will likely not help with program work and probably focus more on finance related tasks.
- When Staff worked on the 2023 budget, they thought the current Staff size would be sufficient through 2023 then possibly discuss staffing changes in early 2024. A few months into 2023, Staff realized staffing changes should occur sooner due to increasing workloads.
- Carrying out the new Strategic Framework requires more staff capacity. Additionally, Staff capacity is required in activities such as more touchpoints with grantees, evaluating grantee data, and more big picture thinking on PHPDA's impact in the community.
- After PHPDA hires a new Office Administrator, the Associate Director will share the budget changes with the Committee.
- Finance Committee suggested PHPDA keep various scenarios in mind when projecting the budget impacts, such as include the possibility the new Office Administrator may have dependents.
- If the staffing updates are forwarded to Governing Council, the Council will only approve the budget changes, not the actual staffing changes, which are within the Executive Director's authority.

The Finance Committee voted to recommend the Governing Council review the Executive Director's recommended staffing budget updates. The predicted budget impacts were included in the updated staffing plans and recommendation. (Moved/2nd Bob Cook/Doris Koo, 4 of 4 in favor)

Risk Management

Updating Risk Management Plan

The Associate Director and Committee Chair led a discussion on updating the PHPDA Risk Management Plan to include potential additional mitigation.

- The Associate Director sent a spreadsheet to both Committees a couple of weeks ago that includes the risks, compiled average scores, and current mitigation. She asked Committee members to review the spreadsheet and consider potential additional mitigation.
- The Associate Director received a couple of recommendations prior to today's Committee meetings:
 - Under Succession Risks, possibly add cross training of PHPDA staff
 - Coordinate with SCIDpda to discuss potential challenges that could occur with mixed-use housing on campus
- Finance Committee suggested all the campus property managers convene on a monthly basis when the new residential buildings first open to discuss possible challenges and how best to address issues as they occur.
 - Create a list of contacts to reach out to when an issue arises, including who to call when specific issues occur.
 - Possibly set up an email notification group to keep people on campus in the loop when issues come up.



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- The Associate Director asked PHPDA’s insurance broker about the possible risk of having mixed-use housing on campus and they do not think there will be an impact on premiums for additional risk.
- Program Committee suggested under Relationship/Reputation with Public, ensure there is a community partner on Governing Council by including a seat specifically for someone that is a strong community partner, such as a former grantee. PHPDA must keep in mind possible conflicts of interest.
- The Committee recommended Staff send the adopted Risk Management Plan to PHPDA’s Real Estate Consultant and property manager.
- The Associate Director will send an updated spreadsheet to both Committees next week with the recommended additional mitigation she received so far. Committee members can continue brainstorming potential additional mitigation and send recommendations to the Associate Director and/or Council Treasurer by end of July. The Governing Council will likely vote at their August meeting to adopt the Risk Management Plan.
 - All Committee members were asked to let the Associate Director know whether they reviewed the updated spreadsheet even if they do not have recommendations.

Real Estate

North Lot Update

The Executive Director and PHPDA Legal Counsel updated the Committee on North Lot activities.

- North Lot construction is on schedule and on budget.
- SCIDpda agreed to pay for a portion of the Pacific Tower water pumps and filtration system upgrades because North Lot construction affects the water in the Tower.
 - PHPDA plans to write a simple agreement for SCIDpda’s portion of the reimbursements.
- The Executive Director and Communications Manager met with the Seattle Department of Transportation (SDOT) to discuss the new proposed bike lanes near the campus. They discussed the impact on street parking because the proposed bike lanes will likely decrease the amount of street parking around campus.
- AiPACE is moving forward with a Purchase and Sale Agreement for a condominium in Building A on the North Lot.
 - AiPACE is concerned about a provision in the Continuing Property Conditions Agreement put in place when SCIDpda purchased the North Lot. The provision states PHPDA has the right of first offer and right of first refusal if SCIDpda decides to sell the property.
 - PHPDA will likely meet with AiPACE to answer questions and explain why the provision is in place.
- A community member suggested PHPDA and SCIDpda share more information about the North Lot construction with the community. They recommended posting signage on the North Lot, in the Pacific Tower, and in the PacMed Clinic. Also, possibly send a recurring email to campus tenants and sub-tenants that includes construction updates.
- PHPDA is hosting a virtual meeting with Tower tenants and sub-tenants next week to share campus updates and introduce the new PHPDA Executive Director.



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Department of Commerce Quarters Access Agreement Extension

The Real Estate Consultant Michael Finch and Executive Director discussed the Department of Commerce Quarters Access Agreement extension.

- PHPDA’s Real Estate Consultant has drafted a new Temporary Use License to allow Commerce access to the Quarters Buildings for two more years. PHPDA is asking for a one-time payment of \$800,000 (\$400,00 per year).
- The license states Commerce has the right for first negotiation for a Quarters lease. If that does happen, PHPDA and Commerce may first discuss amending the current Tower lease to include a Quarters lease. Additionally, if a Quarters lease is entered into for at least twenty-five years or the Tower lease is extended for ten years to include the Quarters, Commerce may receive a credit toward future base rent payments.

The Finance Committee did not take action on the Department of Commerce Quarters Access Agreement extension at this time.

Update on Quarters Buildings

The Executive Director provided an update on the Quarters Buildings.

- He has an in-person meeting with Department of Commerce in Olympia on the Quarters Buildings.
- The Executive Director is meeting with Commerce and a State Representative in early August to continue discussing the potential Quarters programming and the Request for Proposals (RFP) for a Quarters operator or provider.
- Staff continue to set up Quarters outreach meetings with organizations that work with homeless youth and young adults to discuss the potential Quarters programming and introduce the new Executive Director.
- PHPDA informed Commerce that we would like to be involved in the RFP process and share information we receive from our grantees and other organizations that work with homeless youth and young adults.

Adjournment

The meeting adjourned at 10:23 a.m.

Minutes approved: _____

8/8/2023
(Date)

From: [Whitney Regan](#)
To: [Bob Cook](#)
Subject: RE: PHPDA FC Chair Signature Requested
Date: Tuesday, August 8, 2023 4:50:00 PM
Attachments: [image005.png](#)
[image006.png](#)

Thank you, Bob! I will add your digital signature to the meeting minutes.



[2022 Annual Report](#)

Whitney Regan (she/her) | **Office Coordinator**
206.432.3027 | w.regan@phpda.org | www.phpda.org

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



For grant related matters, email grants@phpda.org.
Join our [email list](#) for news and funding announcements.
View PHPDA's [Privacy Policy](#) and public records requirements.

From: Bob Cook <bob.cook@outlook.com>
Sent: Tuesday, August 8, 2023 4:49 PM
To: Whitney Regan <w.regan@phpda.org>
Subject: RE: PHPDA FC 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 sign as you have indicated.

From: Whitney Regan <w.regan@phpda.org>
Sent: August 3, 2023 9:07 AM
To: Bob Cook <Bob.cook@outlook.com>
Subject: PHPDA FC Chair Signature Requested

Good Morning Bob,

Please see attached for the Finance Committee's 7/5 meeting minutes which were approved at the meeting yesterday 8/2.

With your permission, I will add your digital signature to the minutes.

Thank you!

Whitney Regan (she/her) | **Office Coordinator**



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