



## Meeting of the Finance Committee Wednesday, August 2, 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: 878 1549 0648  
<https://us02web.zoom.us/j/87815490648?pwd=R21lbEZMSHEwaHpvdIpacmhJWTJpQT09>

**Phone Option:** +1 253 215 8782

**Password:** COMMUNITY (Numeric Password for Phone: 959527725)

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

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

### Consent Calendar Minutes

The Finance Committee voted to approve the minutes from the July 5, 2023 meeting. (Moved/2<sup>nd</sup>ed Doris Koo/Diane Pietrowski, 4 of 5 in favor) (Sue Taoka abstained because she did not attend the last meeting)

### Update on Program Committee & Grantmaking

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

- 2023 Nimble Grant Cycle 3 applications are due on Friday, August 11. Review Panel members can begin evaluations the same day.
- The ad hoc grants work group continues to work on grantmaking recommendations.
  - Governing Council approved the decrease in Nimble Grant cycles to two from three annually starting in 2024.
  - Possibly remove Major Grant focus areas starting in 2024. Plan to discuss this in more detail at the next ad hoc group meeting and future Program Committee meetings.
  - The ad hoc group will likely share a final report at the September Program Committee and Governing Council meetings.
- A 2022 Health Equity Scholar presented on “Facilitators and Barriers to Integrating Behavioral Health and Primary Care to Increase Mental Health Utilization Access in the Asian American Community” and shared recommendations at the systematic and clinical level.
- The Associate Director provided updates on the 2023 Health Equity Scholars. All three scholars have started their projects.
- The Associate Director updated the Program Committee on other program work, including technical assistance sessions, 2024 cohort, and the 2023- 2024 UW School of Public Health capstone project.

### Financial Stewardship

#### *Investment Update*

The Associate Director reviewed the LGIP investments. The rate increased to about 5.2%. The rate will likely remain about the same for a while so PHPDA does not plan to look into other investment options at this time.

#### *June & Q2 2023 Financial Statements*

The Associate Director reported on the June and Q2 2023 Financial Statements.



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- There are still some older outstanding grant unexpended funds in receivables. Grants Staff met with PHPDA Legal Counsel to discuss the late return of unexpended funds. The grantee has remained in communication with Grants Staff and is working on a repayment plan.
  - Staff will continue to monitor the return of funds and anticipate the grantee will have additional unexpended funds from their 2022 grant.
- PHPDA still has not seen large expenses for the Pacific Tower elevator project. We expect to see some later this year.
- The cost for Staff benefits increased in June and will remain over budget for the year because the new PHPDA Executive Director is enrolled in more benefits than the previous Executive Director.
- Going into 2024, we may consider restructuring how PHPDA accounts for operating for Quarters 2-10 now that JLL manages all the Quarters Buildings.
- The auditor costs year-to-date include the State and Independent audits. The State Auditors did not finish by end of 2022 so some costs rolled into 2023.
- A Committee member suggested adding a third column to the balance sheet that shows year-end 2022. The Associate Director will check with PHPDA's accountants to see if they can add the additional column.

The Finance Committee voted to accept and forward the June and Q2 2023 Financial Statements to the Governing Council for approval. (Moved/2<sup>nd</sup>ed Sue Taoka/Doris Koo, 5 of 5 in favor)

### Property Management

#### *Q2 2023 Tower Operating Expenses*

The Associate Director discussed the Q2 2023 Tower Operating Expenses provided by JLL. Every quarter the Associate Director meets with the Property Manager to compare financial reports and make sure they align.

- A little behind budget for the year due to some savings and lower costs.
  - Chief Engineer position has been vacant
  - Electricity costs were not as high as budgeted
- Fire alarm repairs were a large expense in Q2 2023
- The Associate Director updated the Committee on the Pacific Tower water pumps and filtration system upgrades.
  - PHPDA has not received a bill for the upgrades.
  - Tenants will be billed for reimbursement. Once PHPDA knows the amounts and due dates, we will work on a repayment plan for tenants and SCIDpda.

### Professional Services

#### *Renewal of Audit Professional Services (Resolution 06-2023)*

The Associate Director discussed renewing audit consulting services and recommended the Finance Committee to continue working with Clark Nuber.

- While some recommend regularly changing auditors to get new perspectives, it is no longer considered a requirement or even best practice to change frequently. Clark Nuber assigns



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different staff to PHPDA's field work year-to-year, fulfilling this recommendation without having to start from the beginning with a new firm.

- The Associate Director shared Clark Nuber's updated costs with the Committee. PHPDA does not expect the cost to change a lot between now- 2026. Only slight increases year over year.
  - The cost for the 2022 audit was higher than usual due to the North Lot sale and new lease accounting entries.
- A Committee member suggested PHPDA release a new Request for Proposals (RFP) before the 2026 independent audit because PHPDA has not gone through the process in a while. Staff plan to add an RFP for audit services to the Finance Committee's 2026 workplan.

The Finance Committee voted to accept and forward Resolution 06-2023 Renewal of Audit Professional Services with Clark Nuber to Governing Council for approval. (Moved/2<sup>nd</sup> Bob Cook/Diane Pietrowski, 5 of 5 in favor)

### Real Estate

#### *North Lot Update*

The Executive Director, PHPDA Legal Counsel, and Real Estate Consultant updated the Committee on North Lot activities.

- The PHPDA Executive Director, Legal Counsel, and Real Estate Consultant met with AiPACE to discuss a provision in the North Lot Continuing Property Conditions Agreement before AiPACE considers signing a Purchase and Sale Agreement for a condominium in Building A. The provision states PHPDA has the right of first offer and right of first refusal if SCIDpda decides to sell the North Lot.
  - PHPDA Legal Counsel and Real Estate Consultant provided a history of the Pacific Tower property and explained why the provision is in place and why it cannot be removed from the agreement. The conditions protect the usage and ownership of the campus and allow PHPDA to remain owner of the property if they choose to be.
  - AiPACE plans to share the information with their Legal Counsel.
  - PHPDA Legal Counsel will work on possible next steps if AiPACE asks to make changes to the Continuing Property Conditions Agreement or if they continue to have concerns.

#### *Update on Quarters Buildings*

The Executive Director and Communications Manager provided an update on the Quarters Buildings.

- The Executive Director scheduled a meeting with Seattle Colleges to discuss Quarters programming and learn about possible partnerships.
- PHPDA Executive Director is meeting with the Department of Commerce Executive Director of Office of Homeless Youth Prevention and Protection. They will likely discuss the Request for Proposals (RFP) process for a Quarters operator or provider and continue discussing possible Quarters programming.
- The Executive Director met with an Assistant Director at Department of Commerce in Olympia a couple of weeks ago. They discussed the Quarters Access Agreement extension and other Quarters work.



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- The Executive Director will likely present a final draft of the access agreement to Council next week.
- The Executive Director asked about the allocation of capital funding from the Washington State legislature for the Quarters and a timeline for the funding. PHPDA does have time to decide if they want to spend the funding before it is reallocated.
- The Executive Director met with a Washington State legislator to introduce himself and share campus updates. The legislator helped PHPDA connect with organizations that work with homeless youth and young adults.
- The Executive Director is meeting with Commerce and a Washington State legislator this week to discuss the Quarters programming and state funding. Also, think through alternatives if Commerce cannot lease the Quarters long-term.
- Staff continue to meet with organizations that work with homeless youth and young adults to get feedback and input on the potential Quarters programming. Also, meeting with campus tenants, sub-tenants, and other campus stakeholders to get their feedback.
  - PHPDA Communications Manager shared some feedback PHPDA has received so far, which includes security concerns, possible need for substance use/harm reduction services, and involve youth voices in the RFP process.
  - Beacon Hill Council would like recurring updates on the Quarters and transparency with the community. The Executive Director may attend the September Beacon Hill Council meeting to share campus updates.
  - Committee members recommended organizations Staff could meet with to get input and feedback.
- PHPDA would like to identify an age group for the Quarters programming. We would like to be mindful about mixing different age groups.
- A Committee member asked if PHPDA received any push back from organizations they met with. PHPDA has not so far, everyone has been courteous and thinks the programming is needed.
- PHPDA is trying to learn about services that could be helpful and how we can integrate existing campus services into Quarters programming. Keeping in mind that some current campus services may not work well with the possible programming.
- PHPDA may conduct follow up meetings with organizations that provided input and feedback on the possible Quarters programming.
- Staff met with the Quarters Community Advisory Group, which consists of Beacon Hill leaders and community members.
  - A member asked about the possible programming's sustainability and working with the public long-term.
  - Received a recommendation to reach out to the Seattle Mayor's office and Seattle Public Schools. Possibly build partnerships and get feedback.
- Finance Committee suggested the Executive Director and Communications Manager write an executive summary that includes feedback from the outreach meetings and recurring themes to share with Commerce as they think about an RFP. This is a way to include PHPDA's voice in the RFP process as well as the community's voice.
  - PHPDA would like to understand how the RFP will be crafted and who will be on the review panel.



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*Department of Commerce Access Agreement Extension*

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

- The final draft of the agreement was sent to Commerce and PHPDA is waiting to hear back.
- The extension is similar to the first agreement, except the term is longer (2 years instead of 1 year) and the annual fee has increased. The fee for both years will be paid upfront.
- The license states Commerce has the right for first negotiation for a Quarters lease. That right terminates in February 2025. If negotiations 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 voted to accept and forward the Temporary Use License between the PHPDA and the Department of Commerce to Governing Council for approval. (Moved/2<sup>nd</sup>ed Doris Koo/Diane Pietrowski, 5 of 5 in favor)

**Adjournment**

The meeting adjourned at 10:13 a.m.

Minutes approved: \_\_\_\_\_

9/13/2023  
(Date)

**From:** [Whitney Regan](#)  
**To:** [Bob Cook](#)  
**Subject:** RE: PHPDA FC Chair Signature Requested  
**Date:** Wednesday, September 13, 2023 2:03:00 PM  
**Attachments:** [image003.png](#)  
[image004.png](#)  
[image002.png](#)  
[image006.png](#)

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



**Whitney Regan** (she/her) | **Office Coordinator**  
206.432.3027 | [w.regan@phpda.org](mailto:w.regan@phpda.org) | [2022 Annual Report](#)

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



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Join our [email list](#) for news and funding announcements.  
View PHPDA's [Privacy Policy](#) and public records requirements.

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**From:** Bob Cook <[bob.cook@outlook.com](mailto:bob.cook@outlook.com)>  
**Sent:** Wednesday, September 13, 2023 1:46 PM  
**To:** Whitney Regan <[w.regan@phpda.org](mailto: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 apply my signature...thanks!

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**From:** Whitney Regan <[w.regan@phpda.org](mailto:w.regan@phpda.org)>  
**Sent:** Wednesday, September 13, 2023 8:28 AM  
**To:** Bob Cook <[Bob.cook@outlook.com](mailto:Bob.cook@outlook.com)>  
**Subject:** RE: PHPDA FC Chair Signature Requested

Good Morning Bob,

Following up with you regarding the August Finance Committee meeting minutes.

Please see attached for the Finance Committee's 8/2 meeting minutes which were approved at the 9/6 meeting.

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

Thank you!



**Whitney Regan** (she/her) | **Office Coordinator**  
206.432.3027 | [w.regan@phpda.org](mailto:w.regan@phpda.org) | [2022 Annual Report](#)

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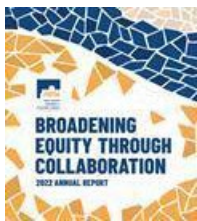
**From:** Whitney Regan  
**Sent:** Wednesday, September 6, 2023 11:14 AM  
**To:** Bob Cook ([Bob.cook@outlook.com](mailto:Bob.cook@outlook.com)) <[Bob.cook@outlook.com](mailto:Bob.cook@outlook.com)>  
**Subject:** PHPDA FC Chair Signature Requested

Hi Bob,

Please see attached for the Finance Committee's 8/2 meeting minutes which were approved at the meeting today 9/6.

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

Thank you!



[2022 Annual Report](#)

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