



**Meeting of the PHPDA Finance & Audit Committee  
 Wednesday, August 7, 2024  
 9:00 a.m. – 10:30 a.m.**

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

**Virtual Location:** <https://zoom.us> | Meeting ID: 811 3094 3549  
<https://us02web.zoom.us/j/81130943549?pwd=cZnbARraNtTylpkiJ1wAcpb4DoiaoV.1>

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

**Password:** 320878

**AGENDA**

<b><u>Time*</u></b>	<b><u>Topic</u></b>	<b><u>Discussion Lead</u></b>	<b><u>Attachment</u></b>	<b><u>Action</u></b>
9:00-9:01	<b>Call to Order</b> Public Comment	Bob Cook		
9:01-9:02	June 5, 2024 Finance Committee Minutes	Bob Cook	Att. A	Action
9:02-9:10	<b>Financial Stewardship</b> May & June (Q2) 2024 Financial Statements	Christina Bernard	Att. B	Action
9:10-9:25	<b>Personnel</b> Updates to Employee Handbook	Doris Koo	Att. C	Action
	Payment for Employee Outside Benefits	Bob Cook		Action
9:25-9:30	<b>Property Management</b> Report on Q2 2024 Tower Operating Expenses	Christina Bernard	Att. D	Information
9:30-9:55	<b>Committee Governance</b> Finance Committee 2024 Workplan	Bob Cook	Att. E	Discussion
9:55-10:30	<b>Property and Real Estate</b> Operating Policies			
	<ul style="list-style-type: none"> <li>• 01-2024 Confidential Information</li> <li>• 02-2024 Environmental Review Policy</li> </ul>	Virgil Wade	Att. F	Action
	Update on RFQ Process	Virgil Wade		Discussion
10:30	<b>Adjourn</b>	Bob Cook		

*\*Times are approximate*





**Meeting of the Finance Committee**  
 Wednesday, June 5, 2024, 9:00 – 9:30 AM

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

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<https://us02web.zoom.us/j/86986065597?pwd=mfnnbDcNTSJ0xUhjTpBUgLcnDbX7bX.1>

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

**Password:** SUNSHINE (Numeric Password for Phone: 80124806)

MEMBERS PRESENT		NOT PRESENT	ALSO PRESENT	
Bob Cook	Paul Feldman	Diane Pietrowski	Virgil Wade	Christina Bernard
Sue Taoka	AyeNay Abye (arrived 9:06am)	Kara Zollner	Whitney Regan	Denise Stiffarm
		Nicholas Ramirez	Andrew Prather (until 9:14am)	Katya Newton (until 9:14am)
			Doris Koo	

Bob Cook called the meeting to order at 9:02 a.m. A quorum was not present. The Committee and Staff started with introductions and welcomed public comment. Clark Nuber representatives (Andrew Prather and Katya Newton) introduced themselves.

**PHPDA 2023 Independent Audit**

Andrew Prather and Katya Newton from Clark Nuber presented on the 2023 Audit.

- The Audit year ending December 31, 2023 resulted in an unmodified opinion with no adjustments- a clean audit.
- Critical audit areas: revenue recognition, grant expense recognition, and management override of controls.
- The Committee discussed capacity building opportunities that Clark Nuber offers non-profits.
- The Governing Council Treasurer will present the audit at the July Governing Council meeting.

A quorum was present after a Finance Committee member joined the meeting early in the auditors' presentation. The Finance Committee voted to accept and forward the 2023 Independent Audit to the Governing Council. (Moved/2<sup>nd</sup> Paul Feldman/Sue Taoka, 4 of 4 in favor)

**Consent Calendar Minutes**

The Finance Committee voted to approve the minutes from the April 3, 2024 meeting. (Moved/2<sup>nd</sup> Bob Cook/AyeNay Abye, 4 of 4 in favor)

**Financial Stewardship**

*March (Q1) & April 2024 Financial Statements*

The Finance & Program Director reported on the March (Q1) and April 2024 Financial Statements.

- A few expenses have shown up differently, such as the grant software, due to changes in accounting rules. Cash receipts and expenditures are as expected.
- Going to continue to see large costs come through sporadically due to the Tower elevator project. Those will continue throughout the year.



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The Finance Committee voted to accept the April 2024 Financial Statements and forward March (Q1) 2024 Financial Statements to Governing Council for approval. (Moved/2<sup>nd</sup>ed AyeNay Abye/Sue Taoka, 4 of 4 in favor)

*Insurance Renewal*

The Executive Director and Finance & Program Director updated the Committee on Insurance Renewal activities.

- All premiums were paid in full and insurance policies have been renewed. Renewal date is annually June 1.
- The Council Chair reviewed some documents prior to approval rather than the Council Treasurer due to timing of approval.
- Insurance increased about 5% from last year. Coverage levels are consistent with previous years.
- Will likely add cyber security this year incase PHPDA contracts with the Department of Commerce, pending a final review.
- The insurance renewal process was challenging this year even though PHPDA started it earlier than previous years. Possibly look at how to address the challenges before starting the renewal process next year. May consider working with a new broker next year.
  - The Council Treasurer suggested Committee members share broker suggestions with PHPDA Staff. Specifically look at working with a BIPOC and/or woman owned business.

**Property Management**

*Report on Q1 2024 Tower Operating Expenses*

The Finance & Program Director reviewed the Q1 2024 Tower Operating Expenses provided by JLL.

- Some actuals are over the budgeted expenses for the year, such as energy usage and JLL engineers.

**Adjournment**

The meeting adjourned at 9:31 a.m.

Minutes Approved: \_\_\_\_\_ (Date)

**May 2024 Financial Highlights**  
**Pacific Hospital Preservation & Development Authority**

**PACIFIC HOSPITAL PRESERVATION  
AND DEVELOPMENT AUTHORITY**

**FINANCIAL STATEMENTS**  
**May 2024**

What you see on the balance sheet with regard to the accounts related to GASB 87 are the cumulative entries for the previous years (2020-2023). These balances will stay the same for the full year and will be updated each December, at which time you will see the changes to the P&L. During the year, the P&L will look like it always has in the past.

**May 2024 Financial Highlights – PHPDA**

**STATEMENT OF FINANCIAL POSITION**

**Assets**

<i>Item</i>	<i>Notes</i>
<b>Umpqua Money Market</b>	Opened in late February.
<b>A/R Dept of Commerce</b>	Two months of capital and miscellaneous.
<b>A/R Others</b>	Grant unexpended funds and antenna fees.
<b>Short-term lease receivable</b>	Amount of the lease receivable that is due in the next 12 months as of YE 2023, including for Access agreement.
<b>Lease interest receivable</b>	Accrued “interest” as of YE 2023.
<b>Prepaid Expense</b>	Prepaid insurance now updated/expensed monthly. Includes full payment for June 2024-May 2025.
<b>Reimbursable Assets and Depreciation</b>	Asset and depreciation accounts for items reimbursed by tenants over time (items over \$50K in PacMed clinic lease).
<b>Grant Software Lease</b>	Software agreements over one year are capitalized and amortized. Amortization entered at end of contract and YE.
<b>Promissory Note</b>	Promissory note due from SCIDpda as part of sale price.
<b>Long-term lease receivable</b>	Receivable for full remaining term of leases as of YE 2023. This amount has been discounted and will be amortized similarly to a mortgage, with an interest component.

**Liabilities**

<i>Item</i>	<i>Notes</i>
<b>Deferred Revenue (normal prepaid revenue)</b>	<ul style="list-style-type: none"> <li>Deferred revenue for capital replacement (extra HVAC hours by tenants to be used toward future replacement of related equipment).</li> <li>PMC – One month rent and operating.</li> </ul>
<b>Long-term deferred lease resources</b>	<ul style="list-style-type: none"> <li>The liability for to the full lease terms related to the value of the lease receivable as of YE 2023.</li> </ul>

**Net Assets**

<i>Item</i>	<i>Notes</i>
<b>Board-designated</b>	
<b>Undesignated</b>	

**Reserve and Savings (Board-designated and undesignated MINUS net impact of GASB 87 accounts):**

<b>Goal</b>	<b>Current Balance</b>
\$10,798,410	\$20,144,238

**Removes net impact of the GASB 87 accounts (\$8,163,266) to make this the PHPDA’s net assets not “tied up” in fixed assets and the long-term accounting value of the leases.**

**May 2024 Financial Highlights – PHPDA**

**STATEMENT OF ACTIVITIES**

**Income**

<i><b>Item</b></i>	<i><b>Notes on Month</b></i>	<i><b>Notes on Year to Date</b></i>
<b>Commerce Reimbursements</b>	May included a large reimbursement related to the elevator project.	Amount will fluctuate monthly based on larger capital reimbursements.
<b>Quarters Access Fee</b>		Access agreement now incorporated into lease accounting, so income will be different than budgeted, but cash received is as expected.

**Expenses**

<i><b>Item</b></i>	<i><b>Notes on Month</b></i>	<i><b>Notes on Year to Date</b></i>
<b>Tower Operating</b>	May included a large payment related to the elevator project.	Amount will fluctuate monthly based on larger capital costs.
<b>Grant software</b>		Because of the change in accounting rules for multi-year software licenses, this expense will not show up on the books as expected. Additional entries will be seen mid-year when the current contract ends.
<b>Property Assessment Consultant</b>	First payment for Quarters assessment, as approved by Governing Council.	
<b>Salaries</b>	Additional costs related to end of employment for previous employee.	
<b>Auditor</b>	Last large bill for 2023 audit, with only smaller final invoice expected.	

**Pacific Hospital Preservation and Development Authority**

Compiled Financial Statements

May 31, 2024



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Statements of Revenues, Expenses and Changes in Net Position	3

Amanda O'Rourke, CPA  
Matt Smith, CPA  
Jason Mallon, CPA  
Claire Chow, CPA  
Andrew Van Ness, CPA



To the Governing Council  
Pacific Hospital Preservation and Development Authority  
Seattle, WA

Management is responsible for the accompanying financial statements of Pacific Hospital Preservation and Development Authority ("the PHPDA") a public governmental corporation, as of and for the one and five months ending May 31, 2024 in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the management's discussion and analysis, substantially all the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted management's discussion and analysis, disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about PHPDA's net position, change in net position and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Accrued PTO, and impacts related to Government Accounting Standards Board no. 87 and SBITA are adjusted at December 31, 2024 (the PHPDA's year-end). The supplementary statements of net position as of May 31, 2023 and December 31, 2023 and budget information in the statements of revenues, expenses and changes in net position is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

We are not independent with respect to PHPDA.

*Greenwood Ohlund*

Seattle, WA

June 25, 2024

**Pacific Hospital Preservation Development Authority**  
**Statement of Net Position**  
**May 31, 2024, December 31, 2023 and May 31, 2023**

**ASSETS**

	May 31, 2024	Dec 31, 2023	May 31, 2023
<b>Current Assets</b>			
Umpqua/Columbia Bank-Checking	\$ 140,422	\$ 3,250,623	\$ 2,147,907
Umpqua/Columbia Bank-Money Market	2,019,919	-	-
A/R - Department of Commerce	709,046	139,553	1,353
A/R - Others	9,650	56,200	10,334
A/R - PMC	-	27,794	-
WA State Investment Account	16,583,785	16,215,326	15,716,024
ST Lease Receivable - DOC	725,304	725,304	857,884
ST Lease Receivable - PMC	935,388	935,388	875,839
ST Lease Receivable - DOC Temporary Use License	380,717	380,717	-
Lease Interest Rec. - PMC	25,425	25,425	27,797
Prepaid Expense	436,207	172,828	145,522
	<u>21,965,862</u>	<u>21,929,158</u>	<u>19,782,661</u>
<b>Total Current Assets</b>			
<b>Capital Assets</b>			
Land	769,490	769,490	769,490
Buildings & Leasehold Improvements	41,643,798	41,643,798	41,643,798
Impvts - Reimbursable Costs	54,326	54,326	54,326
Grant Software Lease	20,341	20,341	20,341
Accumulated Depreciation	(39,989,409)	(39,796,698)	(39,526,904)
Accum Depreciation - Reimburse.	(16,815)	(13,581)	(9,054)
Accum Amortization	(16,643)	(16,643)	(11,095)
	<u>2,465,088</u>	<u>2,661,032</u>	<u>2,940,902</u>
<b>Total Capital Assets, Net</b>			
LT Lease Receivable - DOC	54,060,389	54,060,389	54,785,693
LT Lease Receivable - PMC	8,452,179	8,452,179	9,387,567
Promissory Note - SCIDpda	526,000	526,000	526,000
	<u>63,038,568</u>	<u>63,038,568</u>	<u>64,699,261</u>
<b>Total Other Assets</b>			
<b>Total Assets</b>			
	<u>\$ 87,469,518</u>	<u>\$ 87,628,759</u>	<u>\$ 87,422,823</u>

**LIABILITIES AND NET POSITION**

	May 31, 2024	Dec 31, 2023	May 31, 2023
<b>Current Liabilities</b>			
Accounts Payable	\$ 5,902	\$ 170,781	\$ 40,718
Umpqua/Columbia Credit Card	-	926	128
Accrued Payroll & Benefits	2,454	1,416	1,099
Accrued Wages	25,857	18,514	14,368
Accrued PTO	28,317	28,317	20,141
Deferred Revenue - DOC	-	-	177,882
Deferred Revenue - PMC	164,545	170,011	167,494
Deferred Repair Capital Account	53,715	53,649	52,700
	<u>280,790</u>	<u>443,615</u>	<u>474,530</u>
<b>Total Current Liabilities</b>			
Deferred Lease Resources - DOC	47,066,380	47,066,380	49,419,699
Deferred Lease Resources - PMC	8,788,498	8,788,498	9,887,060
Deferred Lease Resources - DOC Temporary Use License	561,258	561,258	-
	<u>56,416,136</u>	<u>56,416,136</u>	<u>59,306,759</u>
<b>Total Long-Term Liabilities</b>			
<b>Total Liabilities</b>			
	<u>56,696,926</u>	<u>56,859,751</u>	<u>59,781,290</u>
<b>Net Position</b>			
Board Designated Reserve Fund	5,180,582	5,180,582	5,180,582
Net Investment in Fixed Assets	2,465,088	2,661,032	2,940,902
Undesignated	23,126,922	22,927,394	19,520,049
	<u>30,772,592</u>	<u>30,769,008</u>	<u>27,641,533</u>
<b>Total Net Position</b>			
<b>Total Liabilities and Net Position</b>			
	<u>\$ 87,469,518</u>	<u>\$ 87,628,759</u>	<u>\$ 87,422,823</u>

**Pacific Hospital Preservation Development Authority**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**For the One and Five Months Ended May 31, 2024**

	Month Ended May 31, 2024 Actual	Month Ended May 31, 2024 Budget	Five Months Ended YTD Actual	Five Months Ended YTD Budget	Annual Budget
<b>Revenue</b>					
Pacmed Reimbursement	\$ 62,325	\$ 62,325	\$ 311,822	\$ 311,627	\$ 747,904
DOC Reimbursement	908,833	520,841	2,080,868	2,604,206	6,250,094
Rental Income - PMC	102,219	102,219	511,097	511,097	1,226,633
Rental Inc - WA Dept of Commerce	275,997	275,997	1,379,987	1,379,987	3,311,969
Government Grants	-	6,250	-	31,250	75,000
Quarters Access Fee	-	-	-	200,000	400,000
Lessee Reimbursements	-	-	16,534	16,500	33,000
Interest Income	83,442	61,354	388,762	306,771	736,250
Misc. Revenue	700	750	3,550	3,750	9,000
<b>Total Revenue</b>	<b>1,433,517</b>	<b>1,029,737</b>	<b>4,692,619</b>	<b>5,365,187</b>	<b>12,789,850</b>
<b>Operating Expenses</b>					
Tower Operating	917,244	582,667	2,317,182	2,913,333	6,991,999
Quarters Operating	10,908	17,557	89,482	87,787	210,688
Evaluation/Research	-	1,167	-	5,833	14,000
Major Grants	-	-	1,474,134	1,474,134	3,474,134
Nimble Fund Grants	-	-	199,627	200,000	400,000
Other Grantmaking	-	-	-	-	400,000
Partnership with SU	-	-	-	-	30,000
Other programs	-	417	-	2,083	5,000
Pooled Funding	-	-	-	-	20,000
Communications Consultant	3,510	3,750	10,440	18,750	45,000
Board Retreat Facilitator	-	-	-	5,000	5,000
Grant Database Consultant	-	-	-	-	15,000
IT Support	1,827	1,917	6,125	9,583	23,000
Web Developer	-	125	1,320	625	1,500
Quarters Planning Consultant	-	6,250	-	31,250	75,000
Real Estate Consultant	3,375	2,917	8,619	14,583	35,000
HR Consultant	1,125	1,667	6,638	8,333	20,000
Property Assessment Consultant	5,750	-	5,750	-	-
Salaries	52,361	48,008	227,321	240,042	576,100
Payroll Taxes	4,006	3,652	18,760	18,262	43,830
Benefits	7,000	10,021	40,909	50,106	120,255
Legal	6,576	6,667	13,008	33,333	80,000
Accounting	1,820	1,896	9,100	9,481	22,755
Auditor	12,000	5,000	24,000	25,500	39,500
ADP Payroll	363	260	1,430	1,300	3,120
Small Equipment	-	583	3,624	2,917	7,000
Grant Software	-	-	-	4,100	6,200
Repairs & Maintenance	33	167	245	833	2,000
Supplies	-	250	1,157	1,250	3,000
Printing & Publicity	66	250	331	1,250	3,000
Postage	-	42	261	208	500
Telephone	221	283	1,106	1,417	3,400
Internet Service	102	167	581	833	2,000
Meals/Catering	76	227	362	1,136	7,000
Dues & Subscriptions	-	182	-	909	7,000
Travel/Parking	-	708	1,936	3,542	8,500
Conference	-	833	1,100	4,167	10,000
Professional Development	-	833	2,000	4,167	10,000
Insurance - General	1,181	1,267	5,903	6,333	15,200
Bank Fees	80	92	443	458	1,100
Miscellaneous	244	333	1,470	1,667	4,000
Taxes	-	-	18,728	19,000	38,000
<b>Total Operating Expenses</b>	<b>1,029,868</b>	<b>700,155</b>	<b>4,493,091</b>	<b>5,203,507</b>	<b>12,778,781</b>
<b>Operating Income (Loss) before Depreciation</b>	<b>403,649</b>	<b>329,583</b>	<b>199,529</b>	<b>161,680</b>	<b>11,069</b>
Depreciation	39,189	39,189	195,944	195,944	470,266
<b>Net Income (Loss)</b>	<b>364,460</b>	<b>290,394</b>	<b>3,584</b>	<b>(34,264)</b>	<b>(459,197)</b>
Net Position, beginning of period	30,408,132		30,769,008		
Net Position, end of period	30,772,592		30,772,592		

**June 2024 Financial Highlights**  
**Pacific Hospital Preservation & Development Authority**

**PACIFIC HOSPITAL PRESERVATION  
AND DEVELOPMENT AUTHORITY**

**FINANCIAL STATEMENTS**  
**June 2024**

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**June 2024 Financial Highlights – PHPDA**

**STATEMENT OF FINANCIAL POSITION**

**Assets**

<i>Item</i>	<i>Notes</i>
<b>Umpqua Money Market</b>	Opened in late February.
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<b>Lease interest receivable</b>	Accrued “interest” as of YE 2023.
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<b>Promissory Note</b>	Promissory note due from SCIDpda as part of sale price.
<b>Long-term lease receivable</b>	Receivable for full remaining term of leases as of YE 2023. This amount has been discounted and will be amortized similarly to a mortgage, with an interest component.

**Liabilities**

<i>Item</i>	<i>Notes</i>
<b>Accrued PTO</b>	Updated at time of departure of staff member.
<b>Deferred Revenue (normal prepaid revenue)</b>	<ul style="list-style-type: none"> <li>Deferred revenue for capital replacement (extra HVAC hours by tenants to be used toward future replacement of related equipment).</li> <li>PMC – One month rent and operating.</li> </ul>
<b>Long-term deferred lease resources</b>	<ul style="list-style-type: none"> <li>The liability for to the full lease terms related to the value of the lease receivable as of YE 2023.</li> </ul>

**Net Assets**

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<b>Undesignated</b>	

**Reserve and Savings (Board-designated and undesignated MINUS net impact of GASB 87 accounts):**

<b>Goal</b>	<b>Current Balance</b>
\$10,798,410	\$20,400,213

**Removes net impact of the GASB 87 accounts (\$8,163,266) to make this the PHPDA’s net assets not “tied up” in fixed assets and the long-term accounting value of the leases.**

**June 2024 Financial Highlights – PHPDA**

**STATEMENT OF ACTIVITIES**

**Income**

<i>Item</i>	<i>Notes on Month</i>	<i>Notes on Year to Date</i>
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**Expenses**

<i>Item</i>	<i>Notes on Month</i>	<i>Notes on Year to Date</i>
<b>Tower Operating</b>		Amount will fluctuate monthly based on larger capital costs.
<b>Grant software</b>		Because of the change in accounting rules for multi-year software licenses, this expense will not show up on the books as expected. Additional entries will be seen mid-year when the current contract ends.
<b>Property Assessment Consultant</b>		First payment for Quarters assessment, as approved by Governing Council.
<b>Salaries</b>	Additional costs related to end of employment for previous employee.	
<b>Meals</b>	For GC retreat.	

**Pacific Hospital Preservation and Development Authority**

Compiled Financial Statements

June 30, 2024



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Amanda O'Rourke, CPA  
Matt Smith, CPA  
Jason Mallon, CPA  
Claire Chow, CPA  
Andrew Van Ness, CPA



To the Governing Council  
Pacific Hospital Preservation and Development Authority  
Seattle, WA

Management is responsible for the accompanying financial statements of Pacific Hospital Preservation and Development Authority ("the PHPDA") a public governmental corporation, as of and for the one and six months ending June 30, 2024 in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the management's discussion and analysis, substantially all the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted management's discussion and analysis, disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about PHPDA's net position, change in net position and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Accrued PTO, and impacts related to Government Accounting Standards Board no. 87 and SBITA are adjusted at December 31, 2024 (the PHPDA's year-end). The supplementary statements of net position as of June 30, 2023 and December 31, 2023 and budget information in the statements of revenues, expenses and changes in net position is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

We are not independent with respect to PHPDA.

*Greenwood Ohlund*

Seattle, WA

July 29, 2024

**Pacific Hospital Preservation Development Authority**  
**Statement of Net Position**  
**June 30, 2024, December 31, 2023 and June 30, 2023**

**ASSETS**

	June 30, 2024	Dec 31, 2023	June 30, 2023
<b>Current Assets</b>			
Umpqua/Columbia Bank-Checking	\$ 2,191,260	\$ 3,250,623	\$ 2,378,814
Umpqua/Columbia Bank-Money Market	926,983	-	-
A/R - Department of Commerce	91,871	139,553	122,791
A/R - Others	9,650	56,200	10,734
A/R - PMC	-	27,794	3
WA State Investment Account	16,657,447	16,215,326	15,783,188
ST Lease Receivable - DOC	725,304	725,304	857,884
ST Lease Receivable - PMC	935,388	935,388	875,839
ST Lease Receivable - DOC Temporary Use License	380,717	380,717	-
Lease Interest Rec. - PMC	25,425	25,425	27,797
Prepaid Expense	<u>399,856</u>	<u>172,828</u>	<u>145,522</u>
<b>Total Current Assets</b>	<b>22,343,900</b>	<b>21,929,158</b>	<b>20,202,573</b>
<b>Capital Assets</b>			
Land	769,490	769,490	769,490
Buildings & Leasehold Improvements	41,643,798	41,643,798	41,643,798
Impvts - Reimbursable Costs	54,326	54,326	54,326
Grant Software Lease	20,341	20,341	20,341
Accumulated Depreciation	(40,027,951)	(39,796,698)	(39,565,446)
Accum Depreciation - Reimburse.	(17,462)	(13,581)	(9,701)
Accum Amortization	<u>(16,643)</u>	<u>(16,643)</u>	<u>(11,095)</u>
<b>Total Capital Assets, Net</b>	<b>2,425,899</b>	<b>2,661,032</b>	<b>2,901,713</b>
LT Lease Receivable - DOC	54,060,389	54,060,389	54,785,693
LT Lease Receivable - PMC	8,452,179	8,452,179	9,387,567
Promissory Note - SCIDpda	<u>526,000</u>	<u>526,000</u>	<u>526,000</u>
<b>Total Other Assets</b>	<b>63,038,568</b>	<b>63,038,568</b>	<b>64,699,261</b>
<b>Total Assets</b>	<b>\$ 87,808,367</b>	<b>\$ 87,628,759</b>	<b>\$ 87,803,547</b>

**LIABILITIES AND NET POSITION**

	June 30, 2024	Dec 31, 2023	June 30, 2023
<b>Current Liabilities</b>			
Accounts Payable	\$ 122,581	\$ 170,781	\$ 94,472
Umpqua/Columbia Credit Card	-	926	198
Accrued Payroll & Benefits	1,688	1,416	1,419
Accrued Wages	22,068	18,514	18,548
Accrued PTO	38,067	28,317	20,141
Deferred Revenue - DOC	-	-	177,882
Deferred Revenue - PMC	164,545	170,011	167,494
Deferred Repair Capital Account	<u>53,902</u>	<u>53,649</u>	<u>52,805</u>
<b>Total Current Liabilities</b>	<b>402,852</b>	<b>443,615</b>	<b>532,959</b>
Deferred Lease Resources - DOC	47,066,380	47,066,380	49,419,699
Deferred Lease Resources - PMC	8,788,498	8,788,498	9,887,060
Deferred Lease Resources - DOC Temporary Use License	<u>561,258</u>	<u>561,258</u>	<u>-</u>
<b>Total Long-Term Liabilities</b>	<b>56,416,136</b>	<b>56,416,136</b>	<b>59,306,759</b>
<b>Total Liabilities</b>	<b>56,818,988</b>	<b>56,859,751</b>	<b>59,839,718</b>
<b>Net Position</b>			
Board Designated Reserve Fund	5,180,582	5,180,582	5,180,582
Net Investment in Fixed Assets	2,425,899	2,661,032	2,901,713
Undesignated	<u>23,382,897</u>	<u>22,927,394</u>	<u>19,881,533</u>
<b>Total Net Position</b>	<b>30,989,379</b>	<b>30,769,008</b>	<b>27,963,828</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 87,808,367</b>	<b>\$ 87,628,759</b>	<b>\$ 87,803,547</b>

**Pacific Hospital Preservation Development Authority**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**For the One and Six Months Ended June 30, 2024**

	Month Ended June 30, 2024 Actual	Month Ended June 30, 2024 Budget	Six Months Ended YTD Actual	Six Months Ended YTD Budget	Annual Budget
<b>Revenue</b>					
Pacmed Reimbursement	\$ 62,325	\$ 62,325	\$ 374,147	\$ 373,952	\$ 747,904
DOC Reimbursement	302,849	520,841	2,383,717	3,125,047	6,250,094
Rental Income - PMC	102,219	102,219	613,316	613,316	1,226,633
Rental Inc - WA Dept of Commerce	275,997	275,997	1,655,985	1,655,985	3,311,969
Government Grants	-	6,250	-	37,500	75,000
Quarters Access Fee	-	-	-	200,000	400,000
Lessee Reimbursements	-	-	16,534	16,500	33,000
Interest Income	80,778	61,354	469,540	368,125	736,250
Misc. Revenue	700	750	4,250	4,500	9,000
<b>Total Revenue</b>	<b>824,870</b>	<b>1,029,737</b>	<b>5,517,489</b>	<b>6,394,925</b>	<b>12,789,850</b>
<b>Operating Expenses</b>					
Tower Operating	446,887	582,667	2,765,128	3,495,999	6,991,999
Quarters Operating	18,156	17,557	106,579	105,344	210,688
Evaluation/Research	-	1,167	-	7,000	14,000
Major Grants	-	-	1,474,134	1,474,134	3,474,134
Nimble Fund Grants	-	-	199,627	200,000	400,000
Other Grantmaking	-	-	-	-	400,000
Partnership with SU	-	-	-	-	30,000
Other programs	2,500	417	2,500	2,500	5,000
Pooled Funding	-	-	-	-	20,000
Communications Consultant	3,465	3,750	13,905	22,500	45,000
Board Retreat Facilitator	11,700	-	11,700	5,000	5,000
Grant Database Consultant	-	-	-	-	15,000
IT Support	1,603	1,917	7,728	11,500	23,000
Web Developer	-	125	1,320	750	1,500
Quarters Planning Consultant	-	6,250	-	37,500	75,000
Real Estate Consultant	1,219	2,917	9,838	17,500	35,000
HR Consultant	1,350	1,667	7,988	10,000	20,000
Property Assessment Consultant	-	-	5,750	-	-
Salaries	52,879	48,008	280,200	288,050	576,100
Payroll Taxes	4,579	3,652	23,339	21,915	43,830
Benefits	6,573	10,021	47,482	60,128	120,255
Legal	9,528	6,667	22,536	40,000	80,000
Accounting	1,820	1,896	10,920	11,378	22,755
Auditor	2,500	1,000	26,500	26,500	39,500
ADP Payroll	242	260	1,672	1,560	3,120
Small Equipment	-	583	3,624	3,500	7,000
Grant Software	-	-	-	4,100	6,200
Repairs & Maintenance	33	167	278	1,000	2,000
Supplies	64	250	1,315	1,500	3,000
Printing & Publicity	66	250	397	1,500	3,000
Postage	-	42	261	250	500
Telephone	221	283	1,327	1,700	3,400
Internet Service	102	167	683	1,000	2,000
Meals/Catering	797	227	1,815	1,364	7,000
Dues & Subscriptions	-	182	-	1,091	7,000
Travel/Parking	100	708	2,036	4,250	8,500
Conference	-	833	1,100	5,000	10,000
Professional Development	-	833	2,000	5,000	10,000
Insurance - General	1,283	1,267	7,186	7,600	15,200
Bank Fees	52	92	594	550	1,100
Miscellaneous	328	333	1,798	2,000	4,000
Taxes	-	-	18,728	19,000	38,000
<b>Total Operating Expenses</b>	<b>568,045</b>	<b>696,155</b>	<b>5,061,985</b>	<b>5,899,662</b>	<b>12,778,781</b>
<b>Operating Income (Loss) before Depreciation</b>	<b>256,825</b>	<b>333,583</b>	<b>455,504</b>	<b>495,263</b>	<b>11,069</b>
Depreciation	39,189	39,189	235,133	235,133	470,266
<b>Net Income (Loss)</b>	<b>217,636</b>	<b>294,394</b>	<b>220,371</b>	<b>260,130</b>	<b>(459,197)</b>
Net Position, beginning of period	30,771,743		30,769,008		
Net Position, end of period	30,989,379		30,989,379		

## I. EMPLOYEE BENEFITS

The PHPDA maintains certain benefit arrangements for eligible employees. For most employees, eligibility is determined by full-time employment ("FTE") level. However, short-term employees (those hired with the intent to work four months or less), no matter their FTE level, are eligible only for Social Security, L&I Insurance, Paid Medical and Family Leave Insurance, and Unemployment Insurance. They are not eligible for any other PHPDA employee benefits unless required by law.

***Employees should read carefully the documents and summary plan descriptions with regard to plans identified in this handbook that describe eligibility requirements for the various arrangements. Should there be any inconsistency between a plan document for an arrangement and the description in this handbook or any other communication, the plan document will control. The PHPDA will have no liability or responsibility for an insurance carrier's failure to honor an employee's claim or to pay benefits.*** The PHPDA, reserves the right to amend or discontinue such benefit arrangements at any time, for any reason.

The PHPDA Finance Committee will review the benefits package provided to each employee on an as-needed basis. Additionally, they review benefit costs annually within the annual budget approval process.

### Medical and Dental Insurance

The PHPDA currently provides medical insurance to non-short term employees classified as 0.5 or greater FTE and regularly scheduled to work at least 20 hours a week. The medical insurance will cover the employee and their dependents. Employees are eligible for medical insurance immediately following the commencement of employment. ~~The PHPDA currently has a group plan with Kaiser Permanente WA. The plan provides medical and vision coverage.~~

The PHPDA currently provides dental insurance to employees classified as 0.75 or greater FTE (and regularly scheduled to work 30 or more hours per week) and their dependents. Employees are eligible for dental insurance immediately following the commencement of employment. ~~The PHPDA currently has a group dental plan with Washington Dental Service through the Thurston County Chamber of Commerce.~~

If an employee chooses not to enroll in PHPDA group medical and dental insurance plans and has out of pocket costs for premiums related to their outside coverage (through a spouse's plan, for example), the employee may negotiate for PHPDA to fully or partially reimburse the employee's costs for those premiums. Any reimbursement payment to the employee for these costs is at the discretion of the Governing Council, and cannot exceed the amount that the PHPDA would pay for the employee and any dependents if they were on the PHPDA plan.

## **Retirement Plan**

The PHDPA has a defined contribution retirement plan for its employees with TIAA-CREF.

The PHDPA will provide retirement benefits to non-short term employees classified as 0.5 or greater FTE and regularly scheduled to work 20 or more hours per week. Employees are eligible for retirement account contributions immediately following the commencement of employment consistent with the plan terms. Upon employment with the PHDPA, employees are enrolled in a tax-deferred, 403(b) Group Retirement Annuity plan with TIAA-CREF. Consistent with the plan terms, the PHDPA currently contributes an amount equal to 5% of an employee's compensation to the plan. Contributions are forwarded to the account bi-weekly, to coincide with payroll.

Employees may elect to contribute to their retirement accounts directly from their paychecks.

## **Life Insurance**

The PHDPA currently provides life insurance to non-short term employees classified as 0.5 or greater FTE and regularly scheduled to work 20 or more hours per week. ~~PHPDA currently has a \$50,000 life insurance policy with SunLife. Benefits decrease with age beginning at age 65. Consistent with the plan terms, e~~ Employees are eligible for life insurance coverage immediately following the commencement of employment.

## **Disability Insurance**

The PHDPA currently provides short-term and long-term disability insurance to non-short term employees classified as 0.5 or greater FTE and regularly scheduled to work 20 or more hours per week. ~~The PHDPA currently has policies for both short and long term disability with SunLife.~~ Employees are eligible for disability insurance immediately following the commencement of employment.

## **Paid Time Off**

All regular full-time and part-time employees and short-term employees receive Paid Time Off (PTO). PTO is a time for employees to rest, relax, and pursue special interests. PTO is an all-purpose time-off policy that includes, holidays, vacation, illness, personal business, etc.

Currently there are ~~eight~~ ten official holidays: New Year's Day, Martin Luther King Jr. Day, Memorial Day, Juneteenth, the 4th of July, Labor Day, Indigenous Peoples' Day, Thanksgiving and the day after, and Christmas day. The PHDPA office is closed on these days. Subject to the advance approval of the Executive Director, an employee may elect to work on one or more of these government holidays, and save the PTO day for use at a future date.

**Executive Summary**  
**Pacific Tower at 1200 12th**  
**Seattle, WA**

**June 30, 2024**

The following details the notable items for the quarter-ending June 2024:

**FINANCIAL SUMMARY: (Summary Based on the Accrual Comparison)**

Description	2024	2024	Favorable/(Unfavorable)	
	YTD Budget	YTD Actual	\$ Variance	% Variance
Cleaning	\$ 268,434	\$ 268,672	\$ (238)	-0.1%
Elevators	\$ 45,567	\$ 44,359	\$ 1,208	2.7%
HVAC	\$ 70,514	\$ 52,533	\$ 17,981	25.5%
Electrical	\$ 31,178	\$ 38,099	\$ (6,921)	-22.2%
Plumbing	\$ 14,462	\$ 8,015	\$ 6,447	44.6%
General Building	\$ 448,849	\$ 482,950	\$ (34,101)	-7.6%
Energy	\$ 246,423	\$ 260,404	\$ (13,981)	-5.7%
Other Utilities	\$ 81,319	\$ 79,818	\$ 1,501	1.8%
Roads & Grounds	\$ 76,560	\$ 63,431	\$ 13,129	17.1%
Administration	\$ 140,707	\$ 132,738	\$ 7,969	5.7%
Common Area Alterations	\$ 65,004	\$ 18,621	\$ 46,383	71.4%
Insurance	\$ -	\$ -	\$ -	0.0%
Other Taxes & Licenses	\$ -	\$ -	\$ -	0.0%
<b>Total Reimbursable Expenses</b>	<b>\$ 1,489,017</b>	<b>\$ 1,449,640</b>	<b>\$ 39,377</b>	<b>2.6%</b>

**FINANCIAL SUMMARY NARRATIVE:**

**Reimbursable Operating Expenses**

- The year-to-date favorable variance of \$40,437 is a result of expenses being lower than budget and timing on invoice billings and budgeted items. Significant variances are as follows:

**Cleaning –**

**Contract Maintenance** – The year-to-date unfavorable variance of (\$1,566) is a result of the unbudgeted leap year day janitorial billing.

**Day Porter** – The year-to-date unfavorable variance of (\$335) is a result of the unbudgeted leap year day porter billing.

**Interior/Exterior Windows** – Variance within acceptable limits.

**Carpets** – The year-to-date favorable variance of \$320 is a result of timing on the north entry carpet cleaning.

**Executive Summary**  
**Pacific Tower at 1200 12th**  
**Seattle, WA**

**June 30, 2024**

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**Other Cleaning Expense** – The year-to-date favorable variance of \$1,346 is a result of timing on the freight elevator hallway cleaning.

**Elevators–**

**Contract Maintenance** – The year-to-date unfavorable variance of (\$1,968) is a result of the elevator phones being higher than budget.

**PM & Repairs** – The year-to-date unfavorable variance of (\$1,212) is a result of elevator repairs being higher than budget.

**Permits** – The year-to-date favorable variance of \$4,387 is a result of timing on the elevator permit invoice.

**Other Elevator Expense** – Variance within acceptable limits.

**HVAC –**

**Contract Maintenance** – The year-to-date unfavorable variance of (\$33) is a result of the management office boiler contract being higher than budget.

**PM & Repairs** – The year-to-date favorable variance of \$11,933 is a result of timing on HVAC repairs.

**HVAC Filters** – The year-to-date favorable variance of \$2,003 is a result of timing on filter purchases.

**HVAC Chemicals** – The year-to-date favorable variance of \$348 is a result of timing on the need for pump parts.

**HVAC Automations** – The year-to-date favorable variance of \$2,709 is a result of timing on processing the control maintenance invoice.

**Other HVAC Expense** – The year-to-date favorable variance of \$1,021 is a result of timing on the boiler & pressure vessel permits.

**Electrical –**

**PM & Repairs** – The year-to-date favorable variance of \$206 is a result of timing on the need for electrical repairs.

**Lamps & Ballasts** – The year-to-date unfavorable variance of (\$3,015) is a result of the unbudgeted replacement of light fixtures in the west garage and lamp purchases being higher than budget.

**Other Electrical Expense** – The year-to-date unfavorable variance of (\$4,111) is a result of the electrical infrared scan being higher than budget.

**Plumbing –**

**PM & Repairs** – The year-to-date favorable variance of \$6,145 is a result of timing on plumbing repairs.

**Supplies & Materials** – The year-to-date favorable variance of \$302 is a result of timing on the need for plumbing supplies.

**Other Plumbing Expense** – Variance within acceptable limits.



**Executive Summary**  
**Pacific Tower at 1200 12th**  
**Seattle, WA**

**June 30, 2024**

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**General Building –**

**Operations Salary** – The year-to-date unfavorable variance of (\$8,344) is a result of engineer overtime being higher than budget.

**Uniforms & Cleaning** – The year-to-date favorable variance of \$566 is a result of engineer uniforms being lower than budget.

**Life Safety** – The year-to-date unfavorable variance of (\$6,219) is a result of fire alarm repairs being higher than budget.

**Life Safety Contract Maintenance** – The year-to-date unfavorable variance of (\$17,829) is a result of sprinkler system repairs being higher than budget and the unbudgeted pressurization testing. The City of Seattle is now requiring that this pressurization testing be done by a 3<sup>rd</sup> party vendor, this was previously part of the contract with our life safety vendor.

**Contract Security** – The year-to-date unfavorable variance of (\$294) is a result of security being higher than budget.

**Miscellaneous Security** – The year-to-date favorable variance of \$250 is a result of savings on miscellaneous supplies and cell phones.

**Consumable Supplies Paper/Other** – The year-to-date unfavorable variance of (\$1,256) is a result of supplies being higher than budget.

**Small Tools** – The year-to-date unfavorable variance of (\$1,782) is a result of key stock and lock purchases being higher than budget.

**Pest Control** – The year-to-date favorable variance of \$215 is a result of timing on the need for pest control supplies.

**Other General Building Expense** – The year-to-date favorable variance of \$592 is a result of timing on miscellaneous general building expenses.

**Energy –**

**Electricity** - The year-to-date unfavorable variance of (\$9,077) is a result of electricity usage being higher than budget.

**Gas** – The year-to-date unfavorable variance of (\$4,905) is a result of gas usage being higher than budget.

**Other Fuel Expense** – Variance within acceptable limits.

**Other Utilities –**

**Water** – The year-to-date favorable variance of \$1,206 is a result of water being lower than budget.

**Sewer** – The year-to-date unfavorable variance of (\$3,341) is a result of sewer being higher than budget.

**Rubbish Removal** – The year-to-date favorable variance of \$3,636 is a result of trash being lower than budget and timing on the June compost/recycle invoice.

**Executive Summary**  
**Pacific Tower at 1200 12th**  
**Seattle, WA**

**June 30, 2024**

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**Roads & Grounds –**

**Landscaping Labor** – The year-to-date unfavorable variance of (\$2,425) is a result of landscaping treatments being higher than budget.

**Sidewalk Repairs** – The year-to-date favorable variance of \$2,500 is a result of timing on the need for sidewalk repairs.

**Cleaning & Sweeping** – The year-to-date unfavorable variance of (\$100) is a result of ground sweeping being higher than budget.

**Snow Removal** – The year-to-date favorable variance of \$1,577 is a result of timing on the need for snow plowing.

**Irrigation** – The year-to-date favorable variance of \$3,303 is a result of timing on the need for irrigation repairs.

**Plants/Grounds** – The year-to-date favorable variance of \$8,274 is a result of savings on the bark application and timing on tree maintenance.

**Administration –**

**Salary Reimbursement** – The year-to-date unfavorable variance of (\$114) is a result of salaries being higher than budget.

**Management Fee** – The year-to-date favorable variance of \$5,217 is a result of timing on the invoice for the June management fees.

**Management Office** – The year-to-date favorable variance of \$2,108 is a result of timing on office supplies and miscellaneous office expenses.

**Telephones** – The year-to-date favorable variance of \$141 is a result of timing on the need for phone system repairs.

**Computer/Other** – The year-to-date favorable variance of \$250 is a result of timing on the need for computer repairs.

**Dues & Subscriptions** – Variance within acceptable limits.

**Education** – The year-to-date favorable variance of \$33 is a result of timing on training courses.

**Other Administrative Expense** – The year-to-date favorable variance of \$334 is a result of the timing on BOMA meetings.

**Common Area Alterations –**

**PM & Repairs** – The year-to-date unfavorable variance of (\$1,593) is a result of common area painting being higher than budget.

**Supplies** – The year-to-date favorable variance of \$970 is a result of timing on the need for paint supplies.

**Roof Repairs** – The year-to-date favorable variance of \$3,588 is a result of timing on the need for roof repairs.

**Major Repairs** – The year-to-date favorable variance of \$37,750 is a result of timing on exterior brick maintenance.

**Window Replacement** – The year-to-date favorable variance of \$4,297 is a result of timing on window repairs.

**Executive Summary**  
**Pacific Tower at 1200 12th**  
**Seattle, WA**

**June 30, 2024**

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**Decorating & Refurbishing** – The year-to-date favorable variance of \$1,372 is a result of timing on pressure washing the building entrances.



## 2024 PHPDA FINANCE COMMITTEE WORKPLAN

<u>Category</u>	<u>Tasks</u>	<u>Timeframe</u>	<u>Deliverables</u>
<b>Asset management</b>	Monitor decision-making for consistency with Master Plan	Ongoing	Review all asset and property-related decisions in light of Master Plan recommendations and tools; GC training on decision Making Tool
	ADA Compliance	June – December	Create plan to address recommendations from Quarters ADA compliance report, particularly as plans for Quarters buildings become clearer
<b>Tower operations &amp; maintenance (Commerce and PMC)</b>	True up 2023 Operating Costs	February-March	Review calculations
	Review detailed Tower Operating Expenses	Quarterly	Review; direct staff to follow up with Property Manager as necessary
<b>Quarters property management &amp; leasing</b>	Provide oversight on discussions regarding Quarters feasibility study and planning	Ongoing	Review any findings or recommendation
	Provide oversight for all lease negotiations	Ongoing	Review negotiations with potential tenants; provide oversight for leasing activities in alignment with Master Plan and organizational mission and strategy; make recommendations to Governing Council, staff, and consultants; review and recommend approval of final lease, if applicable
	Provide oversight for Quarters buildings	Ongoing	Provide oversight for management of vacant buildings until final plans are determined
<b>North Lot project &amp; management</b>	Monitor ongoing progress of North Lot project	Ongoing	Recommend actions and reports to Governing Council as necessary
<b>Financial management</b>	CD and other investment strategy	As necessary	Review investment income and liquidity needs to determine if new CDs or other accounts should be open during the year

## 2024 PHPDA FINANCE COMMITTEE WORKPLAN

	Reserve fund	October-December; potential mid-year review	Review 2025 reserve/savings needs, per policy
	Review of financial statements	Monthly	Review and accept reports
	Insurance renewals (D&O/Commercial and Tower/Quarters)	February – May	Review and approve insurance coverage for June 2024 – May 2025
	Professional Services contracts	Legal Jan/Feb; Accountant Dec; Prop Mgr Dec; others as needed	Review and recommend professional service relationships to Governing Council
<b>PHPDA Operating Budget</b>	2024 Budget revisions	If necessary	Review and recommend revisions
	Review other potential grantmaking options	Beginning April	In coordination with GC and Program Committee, determine direction for additional \$400,000 in grantmaking funds in 2024 budget
	2025 Budget analysis, review, and approval	September – December	Review draft and related analysis; recommend budget for approval
<b>Operating policies</b>	Revise or draft new policies as necessary	As necessary	Review and recommend policies or revisions
<b>Audits</b>	Review 2022-2023 State Audit report; take action on any recommendations	November-December (may be in 2025, depending on timing of audit)	Review audit report; recommend actions to respond to findings, if necessary

## 2024 PHPDA FINANCE COMMITTEE WORKPLAN

	Review 2023 Audit report; take action on any recommendations	May – June; ongoing afterward to address recommendations	Meet with auditor, review and recommend audit report; recommend actions to respond to findings, if necessary
<b>Grants financial management</b>	Review grant financial report summaries	March, September	Review report summary; direct staff to follow up with grantees where appropriate
	Review reports summarizing grantee audits	October-November	Review report summary; direct staff to follow up with grantees where appropriate
<b>Personnel Management</b>	Review staff time tracking trends	January, July	Review report
<b>Risk Management</b>	Risk Management Plan	April-May	Monitor progress and update as necessary
<b>Strategic Planning</b>	Monitor Progress	Ongoing	Work with Program Committee and GC on plan for monitoring progress on ne Strategic Plan
	Master Preservation & Development Plan	Ongoing	Ensure alignment between recommendations/actions in Master Plan with overall strategic direction and mission
	Balance grantmaking needs and income variability	July-October	Review projected income and expenses to ensure that PHPDA has sufficient funds for both grantmaking and property-focused responsibilities, particularly in light of significant health equity needs and high demand for grant funds
<b>Committee Composition</b>	Explore need for additional Strategic Advisors on Finance Committee	As needed	Decision on desirability of adding Strategic Advisor(s) to current committee roster
	Identify and recommend appointment of Strategic Advisor(s) to committee (if appropriate)	As needed	Appointment of new Strategic Advisor(s) (if appropriate)





# Pacific Hospital Preservation and Development Authority (PHPDA) Operational Policies

<b>PHPDA CONFIDENTIAL INFORMATION</b>	Policy Number: 01-2024
	Adopted:
	Revised:

## POLICY

The purpose of this Operational Policy is to set guidelines for PHPDA officers and staff in handling confidential information held by the PHPDA. This policy should be read in tandem with the PHPDA’s policies and procedures related to public records requests (Policy Number.

### I. APPLICABILITY:

This policy applies to all PHPDA Governing Council members, employees, and contractors (“PHPDA Actors”) who have access to PHPDA confidential information in any form, including electronic, written, verbal, or visual information. Confidential information includes but is not limited to proprietary information of the PHPDA or of third parties who have shared such information with the PHPDA and designated such information as proprietary, privileged communications with PHPDA legal counsel, certain PHPDA financial information and employee records, and any other information that is exempt from disclosure pursuant to Chapter 42.56 RCW or other statutes which exempt or prohibit disclosure of specific records or information (collectively, “Confidential Information”).

### II. ACCESS TO CONFIDENTIAL INFORMATION:

In general, access to Confidential Information should be on a need-to-know basis only and must be authorized by the relevant supervisor or manager. PHPDA Actors may receive Confidential Information in the course of their duties and are obligated, prior to any anticipated sharing of such information (whether internal or external), to confirm the status of the information as confidential or not.

### III. PROHIBITED USES OF CONFIDENTIAL INFORMATION:

PHPDA Actors must not access, use, or disclose Confidential Information for personal gain or to benefit others outside the course of their work duties. Unauthorized duplication, reproduction, or removal of Confidential Information is strictly prohibited. Unauthorized access or use of Confidential Information is strictly prohibited and may result in appropriate disciplinary action.

### IV. STORAGE OF CONFIDENTIAL INFORMATION:

PHPDA employees must ensure that Confidential Information is stored securely, whether in physical or electronic form. Physical documents deemed as Confidential Information should

be marked appropriately and remain in a secure location within the PHPDA offices. Electronic files deemed as Confidential Information should be kept in secure, access-limited directories.

#### V. REPORTING REQUIRMENTS:

PHPDA Actors must promptly report any suspected or actual breaches of confidentiality to the PHPDA Executive Director or the Chair of the PHPDA Governing Council, as appropriate. The PHPDA Executive Director or the Chair of the PHPDA Governing Council, as appropriate, will investigate all reported breaches and take appropriate actions to address the situation, including disciplinary measures and legal actions if necessary. In the event of a data breach that may impact personal information, the PHPDA will comply with all applicable laws and regulations regarding data breach notifications.

#### VI. AWARENESS AND REVIEW:

The PHPDA confidentiality policy will be incorporated into the orientation of all new PHPDA employees, Governing Council members, and PHPDA contractors/third parties with which Confidential Information may be shared as a part of the scope of work of such contractors/third parties. A copy of the policy is included in the PHPDA policy repository.

The PHPDA Finance Committee will review this policy periodically to ensure its effectiveness and compliance with changes in laws and regulations. Any modifications to this policy will be communicated to all PHPDA Actors, and updated versions will be made available in the PHPDA policy repository.

# Pacific Hospital Preservation and Development Authority (PHPDA) Operational Policies

PHPDA ENVIRONMENTAL REVIEW POLICY	Policy Number: 02-2024
	Adopted:
	Revised:

## POLICY

The purpose of this Operational Policy is to set the PHPDA's policy and procedures for implementing the State Environmental Policy Act. The State Environmental Policy Act ("SEPA") is used by the PHPDA to identify possible environmental impacts that could result from proposed actions. PHPDA has adopted applicable procedures under SEPA. These procedures are an integral part of this policy and are administered by the Executive Director or designee.

### Legal References:

RCW 43.21C State Environmental Policy Act  
WAC 197-11 State Environmental Policy Act Rules  
WAC 197-11-902 Agency SEPA Policies

# STATE ENVIRONMENTAL POLICY ACT

## PROCEDURES:

### Section 1.0 Authority.

- 1.1 PHPDA adopts these procedures under the State Environmental Policy Act (SEPA), RCW 43.21C.120, and the SEPA Rules, Chapter 197-11 Washington Administrative Code ("WAC").
- 1.2 The SEPA Rules set forth in Chapter 197-11 WAC must be used in conjunction with these procedures. These procedures are intended to be and shall be construed in a manner which is consistent with the SEPA Rules set forth in Chapter 197-11 WAC. Any inconsistencies will be resolved in favor of the applicable SEPA Rules.

### Section 2.0 General Requirements.

- 2.1 **Purpose and Adoption by Reference.** This section contains the basic requirements that apply to the SEPA process. PHPDA adopts by reference the following sections or subsections of Chapter 197-11 WAC:

- WAC 197-11-040: Definitions
  - 050: Lead Agency
  - 055: Timing of the SEPA Process
  - 060: Content of Environmental Review
  - 070: Limitations of Actions During SEPA Process
  - 080: Incomplete or Unavailable Information
  - 090: Supporting Documents
  - 100: Information Required of Applicants
  - 220: SEPA/GMA Definitions
  - 230: Timing of an Integrated GMA/SEPA Process
  - 232: SEPA/GMA Integration Procedures for Preliminary Planning, Environmental Analysis, and Expanded Scoping
  - 235: SEPA/GMA Integration Documents
  - 250: SEPA/Model Toxics Control Act Integration
  - 253: SEPA Lead Agency for MTCA Actions
  - 256: Preliminary Evaluation
  - 259: Determination of Nonsignificance for MTCA Remedial Action
  - 262: Determination of Significance for MTCA Remedial Action

-265: Early Scoping for MTCA Remedial Actions  
-268: MTCA Interim Actions

**2.2 Additional Definitions.** In addition to the definitions referenced in Section 2.1.1 and Section 8.0, when used in these procedures, the following terms shall have the following meanings, unless the context indicates otherwise:

**2.2.1 PHPDA.** "PHPDA" means the Pacific Hospital Preservation & Development Authority, a public corporation created by the City of Seattle.

**2.2.2 DOE.** "DOE" means the Department of Ecology.

**2.2.3 SEPA Rules.** "SEPA Rules" means Chapter 197-11 WAC as adopted and amended by the Department of Ecology.

**2.2.4 Executive Director.** "Executive Director" means the Executive Director of the PHPDA.

## **2.3 Designation of Responsible Official**

**2.3.1** If PHPDA is the lead agency for a proposal, the responsible official shall be the Executive Director or the Executive Director's designee.

**2.3.2** If PHPDA is the lead agency for a proposal, the responsible official shall make the threshold determination, supervise scoping and preparation of any required environmental impact statement ("EIS"), and perform any functions assigned to the "lead agency" or "responsible official" by these procedures.

**2.3.3** PHPDA shall retain all documents required by these provisions and make them available in accordance with Chapter 42.56 RCW.

## **2.4 Lead Agency Determination and Responsibilities**

**2.4.1** As set forth in Section 9.0, PHPDA has adopted SEPA Rules regarding lead agency determinations. The procedures set forth in this subsection are intended to be and shall be construed in a manner which is consistent with such SEPA Rules.

**2.4.2** When PHPDA initiates a proposal, or receives an application for a proposal that involves an action not exempt under SEPA, it shall determine the lead agency for that proposal under applicable law, unless the lead agency has been previously determined or the responsible official

is aware that another agency is in the process of determining the lead agency.

**2.4.3** Pursuant to WAC 197-11-926, PHPDA is the lead agency for the proposals it initiates unless otherwise agreed pursuant to Section 2.4.6.

**2.4.4** When PHPDA is not the lead agency for a proposal, it shall use and consider, as appropriate, the environmental documents of the lead agency in making decisions on the proposal. PHPDA shall not prepare or require preparation of environmental documents in addition to that prepared by the lead agency, unless PHPDA is otherwise authorized or required to do so under applicable law.

**2.4.5** If PHPDA receives a lead agency determination made by another agency that appears inconsistent with the criteria established by applicable law for making such determinations, PHPDA may, if it otherwise has jurisdiction over the proposal, take such action as authorized by the SEPA Rules.

**2.4.6** The responsible official is authorized to make agreements as to lead agency status or shared lead agency duties for a proposal as authorized by applicable law.

**2.4.7** When PHPDA is not the lead agency but is an agency with jurisdiction or expertise and is consulted by the lead agency to provide information during the SEPA process, PHPDA shall direct the official designated per Section 2.6 to respond to and cooperate with the lead agency so that the lead agency may fulfill its responsibilities under SEPA.

## **2.5 Time Limits and Other Considerations Applicable to SEPA Rules**

**2.5.1** Except as may otherwise be required by applicable law, the time frame within which PHPDA shall conduct environmental review shall be determined on a case-by-case basis, consistent with these procedures and the best interests of PHPDA.

**2.5.2** For nonexempt proposals, the issued Determination of Nonsignificance ("DNS"), Mitigated DNS ("MDNS"), Final Environmental Impact Statement ("FEIS") and/or such other environmental documentation as the responsible official deems appropriate shall accompany any PHPDA's staff recommendation for action on the nonexempt proposal to the PHPDA Governing Council.

## **2.6 Designation of Official to Perform Consulted Agency Responsibilities for PHPDA**

**2.6.1** The Executive Director or the Executive Director's designee shall be responsible for the preparation of written comments for PHPDA in response to a consultation request prior to another agency's issuance of a threshold determination, participation in presubmittal conferences, or review of a draft EIS.

**2.6.2** The Executive Director or the Executive Director's designee shall be responsible for PHPDA's implementation of applicable SEPA Rules whenever PHPDA is a consulted agency. The Executive Director or the Executive Director's designee is authorized to develop operating procedures that shall ensure that responses to consultation requests are prepared in a timely fashion and include data from all appropriate offices of PHPDA.

**2.6.3** No fees shall be collected by PHPDA for performing its duties as a consulted agency. PHPDA may, however, charge any person for copies of any documents prepared pursuant to the requirements of this procedure and for mailing thereof, in a manner provided by Chapter 42.56 RCW.

## **Section 3.0 Threshold Determinations**

**3.1 Purpose and Adoption by Reference.** This section contains the rules for deciding whether a proposal has a "probable significant, adverse environmental impact" requiring an EIS. This section also contains rules for evaluating the impacts of proposals not requiring an EIS. PHPDA adopts by reference the following sections of Chapter 197-11 WAC:

WAC 197-11-300: Purpose of This Part

-305: Categorical Exemptions

-310: Threshold Determination Required

-315: Environmental Checklist

-330: Threshold Determination Process

-335: Additional Information

-340: Determination of Non-Significance (DNS)

-350: Mitigated DNS

-360: Determination of Significance  
(DS)/Initiation of Scoping

-390: Effect of Threshold Determination

**3.2 Other Exemption Considerations.** As set forth in Section 9.0 herein, PHPDA has adopted certain categorical exemptions provided under SEPA. In determining whether a proposal is exempt from SEPA, PHPDA also adopts and shall apply any flexible thresholds for categorical exemptions or

critical areas modifications that may be adopted by the City or County in which the proposal is located in accordance with SEPA.

## **Section 4.0 Environmental Impact Statement (EIS).**

**4.1 Purpose and Adoption by Reference.** This section contains the rules for preparing environmental impact statement. PHPDA adopts by reference the following sections of Chapter 197-11 WAC:

- WAC 197-11-400: Purpose of EIS
  - 402: General Requirements
  - 405: EIS Types
  - 406: EIS Timing
  - 408: Scoping
  - 410: Expanding Scoping
  - 420: EIS Preparation
  - 425: Style and Size
  - 430: Format
  - 435: Cover Letter or Memo
  - 440: EIS Contents
  - 442: Contents of EIS on Non-Project Proposals
  - 443: EIS Contents When Prior Non-Project EIS
  - 444: Elements of the Environment
  - 448: Relationship of EIS to Other Considerations
  - 450: Cost-Benefit Analysis
  - 455: Issuance of DEIS
  - 460: Issuance of FEIS

**4.2 Preparation of Environmental Documents -- Additional Considerations.** Preparation of environmental documents is the responsibility of the Executive Director, the Executive Director's designee, or a consultant selected by PHPDA. PHPDA will not issue an EIS until the responsible official is satisfied that it complies with these procedures and Chapter 197-11 WAC.

## **Section 5.0 Commenting.**

**5.1 Purpose and Adoption by Reference.** This section contains rules for consulting, commenting and responding on all environmental documents under SEPA, including rules for public notice and hearings. PHPDA adopts by reference the following sections of Chapter 197-11 WAC:

- WAC 197-11-500: Purpose of this Part
  - 502: Inviting Comment
  - 504: Availability and Cost of Environmental Documents
  - 508: SEPA Register



- 535: Public Hearings and Meetings
- 545: Effect of No Comment
- 550: Specificity of Comments
- 560: FEIS Response to Comments
- 570: Consulted Agency Costs to Assist Lead Agency

## **5.2 Public Notice**

**5.2.1** Except as otherwise provided by these procedures, whenever PHPDA issues an environmental document under SEPA which requires public notice, including a DNS pursuant to WAC 197-11-340(2), a DS pursuant to WAC 197-11-360(3), a DEIS pursuant to 197-11-455(5), or an SEIS pursuant to WAC 197-11-620, PHPDA shall give public notice by any one or a combination of the following:

**5.2.1.1** Publishing notice in agency newsletters and/or sending letters to agency mailing lists (either general lists or lists for specific proposals or subject areas);

**5.2.1.2** Posting the property for site-specific proposals;

**5.2.1.3** Publishing notice in a newspaper of general circulation in the county, city or general area where the proposal is located; or

**5.2.1.4** Mailing or e-mailing notice to any person, group or agency who has requested notice.

**5.2.2** Whenever possible, PHPDA shall integrate the notice procedures required by these procedures with existing notice procedures otherwise required by applicable law.

## **Section 6.0 Using Environmental Documents.**

**6.1 Purpose and Adoption by Reference.** This section contains rules for using and supplementing existing environmental documents prepared under SEPA or the National Environmental Policy Act (NEPA) for PHPDA's own environmental compliance. PHPDA adopts by reference the following sections of Chapter 197-11 WAC:

WAC 197-11-600: When to Use Existing Environmental Documents

- 610: Use of NEPA Documents
- 620: Supplemental Environmental Impact Statement- Procedures
- 625: Addenda—Procedures
- 630: Adoption—Procedures
- 635: Incorporation by Reference—Procedures
- 640: Combining Documents

## **Section 7.0 SEPA and Agency Decisions.**

**7.1 Purpose and Adoption by Reference.** This section contains rules for SEPA's substantive authority, such as decisions to mitigate or reject proposals as a result of SEPA. This section also contains procedures for appealing SEPA determinations to the courts. PHPDA adopts by reference the following sections of Chapter 197-11 WAC:

WAC 197-11-650: Purpose of this Part

-655: Implementation

-660: Substantive Authority and Mitigation

-680(4), (5): Appeals

**7.2 Notice of Action.** PHPDA may publish notice of action taken by PHPDA under these procedures, and pursuant to RCW 43.21C.080. The form of any such notice shall be substantially in the form provided by the SEPA Rules.

**7.3 Appeals.** PHPDA hereby: (a) eliminates, pursuant to WAC 197-11-680(2), appeals to its legislative body of any decision by a nonelected official conditioning or denying a proposal under authority of SEPA; and (b) elects, pursuant to WAC 197-11-680(3), not to provide for administrative appeals of determinations relating to SEPA.

### **7.4 Substantive Authority.**

**7.4.1** The substantive authority principles set forth in this section 7 are supplementary to those in existing authorizations of PHPDA.

**7.4.2** Any PHPDA action on a proposal that is not exempt may be conditioned or denied under SEPA to mitigate the environmental impacts, subject to the limitations of WAC 197-11-660 and such other applicable laws.

**7.4.3** PHPDA recognizes that each person has a fundamental and inalienable right to a healthful environment and that each person has a responsibility to contribute to the preservation and enhancement of the environment. PHPDA formally designates and adopts the following principles to be considered by PHPDA in connection with PHPDA's exercise of substantive SEPA authority. PHPDA shall consider, as appropriate and practical under the circumstances, the impacts of such action as to one or more of the following factors:

**7.4.3.1** The potential to fulfill the responsibilities of each generation as trustee of the environment for succeeding

generations;

**7.4.3.2** The potential to foster a safe, healthful, productive, and aesthetically and culturally pleasing environment;

**7.4.3.3** The potential to attain a range of beneficial uses of the environmental while avoiding degradation, risk to health or safety, or other undesirable and unintended consequences;

**7.4.3.4** The potential to preserve important historic, cultural, and natural aspects of our heritage;

**7.4.3.5** The potential to maintain, wherever practical, an environment which supports diversity and variety of individual choice;

**7.4.3.6** The potential to achieve a balance between population and resource use which will permit high standards of living and a wide sharing of life's amenities;

**7.4.3.7** The potential to enhance the quality of renewable resources by reasonable and practical means and to approach the maximum attainable recycling of depletable resources.

**7.4.4** PHPDA formally designates and adopts the following plans, policies, and resolutions, as may be amended or updated, as policies to be considered by PHPDA, as appropriate and practical under the circumstances, in conjunction with those principles adopted in Section 7.4.3:

- PHPDA Charter and Rules and Regulations
- City of Seattle Comprehensive Plan and Code of Ordinances

**7.4.5** Nothing in this section shall be construed in a manner which makes this section inconsistent with WAC 197-11-660, pursuant to WAC 197-11-906(2)(g).

## **Section 8.0 Definitions.**

**8.1 Purpose and Adoption by Reference.** This section contains uniform usage and definitions of terms under SEPA. PHPDA adopts by reference the following sections of Chapter 197-11 WAC:

WAC 197-11-700: Definitions  
-702: Act  
-704: Action

-706: Addendum  
-708: Adoption  
-710: Affected Tribe  
-712: Affecting  
-714: Agency  
-716: Applicant  
-718: Built Environment  
-720: Categorical Exemption  
-722: Consolidated Appeal  
-724: Consulted Agency  
-726: Cost-Benefit Analysis  
-728: County/City  
-730: Decision Maker  
-732: Department  
-734: Determination of Nonsignificance (DNS)  
-736: Determination of Significance (DS)  
-738: EIS  
-740: Environment  
-742: Environmental Checklist  
-744: Environmental Document  
-746: Environmental Review  
-750: Expanded Scoping  
-752: Impacts  
-754: Incorporation by Reference  
-756: Lands Covered by Water  
-758: Lead Agency  
-760: License  
-762: Local Agency  
-764: Major Action  
-766: Mitigated DNS  
-768: Mitigation  
-770: Natural Environment  
-772: NEPA  
-774: Nonproject  
-776: Phased Review  
-778: Preparation  
-780: Private Project  
-782: Probable  
-784: Proposal  
-786: Reasonable Alternative  
-788: Responsible Official  
-790: SEPA  
-792: Scope  
-793: Scoping  
-794: Significant

- 796: State Agency
- 797: Threshold Determination
- 799: Underlying Governmental Action

## **Section 9.0 Categorical Exemptions.**

**9.1 Adoption by Reference.** This section contains rules for determining proposals categorically exempt from SEPA. PHPDA adopts by reference the following rules for categorical exemptions:

- WAC 197-11-800: Categorical Exemptions (including school closures)
  - 880: Emergencies
  - 890: Petitioning DOE to Change Exemptions
  - 908: Critical areas

## **Section 10.0 Agency Compliance.**

**10.1 Purpose and Adoption by Reference.** This section contains rules for agency compliance with SEPA. PHPDA adopts by reference the following sections of Chapter 197-11 WAC:

- WAC 197-11-900: Purpose of this Part
  - 902: Agency SEPA Policies
  - 904: Agency SEPA Procedures
  - 916: Application to Ongoing Actions
  - 920: Agencies with Environmental Expertise
  - 922: Lead Agency Rules
  - 924: Determining the Lead Agency
  - 926: Lead Agency for Governmental Proposals
  - 928: Lead Agency for Public and Private Proposals
  - 930: Lead Agency for Private Projects with One Agency with Jurisdiction
  - 932: Lead Agency for Private Projects Requiring Licenses for More Than One Agency, When One of the Agencies is County/City
  - 934: Lead Agency for Private Projects Requiring Licenses from a Local Agency, Not a County/City, and One or More State Agencies
  - 936: Lead Agency for Private Projects Requiring Licenses from More Than One State Agency
  - 938: Lead Agencies for Specific Proposals
  - 940: Transfer of Lead Agency Status to a State Agency
  - 942: Agreements on Lead Agency Status
  - 944: Agreements on Division of Lead Agency Duties
  - 946: DOE Resolution of Lead Agency Disputes
  - 948: Assumption of Lead Agency Status

**10.2 Severability.** If any provision of these procedures or their application to any person or circumstance is held invalid, the remainder of these procedures, or the application of such invalid provision to other persons or circumstances, shall not be affected.

**Section 11.0 Forms.**

**11.1 Purpose and Adoption by Reference.** This section contains forms for certain SEPA environmental documents. PHPDA adopts and attaches hereto the following forms and sections by reference:

WAC 197-11-960: Environmental Checklist

-965: Adoption Notice

-970: Determination of Nonsignificance (DNS)

-980: Determination of Significance and Scoping Notice (DNS)

-985: Notice of Assumption of Lead Agency Status

-990: Notice of Action

Legal References:

RCW 43.21C State Environmental Policy Act

WAC 197-11 State Environmental Policy Act Rules

WAC 197-11-904 Agency SEPA Procedures