



Meeting of the PHPDA Governing Council
April 14, 2015 5:30-7:00 p.m.
 Quarters 2 Building, Beacon Hill
 1200 12th Ave South Seattle, WA 98144

MEMBERS PRESENT		NOT PRESENT	ALSO PRESENT	
Tony McLean	Ellie Menzies	Nancy Sugg	Jeff Natter	Tom Dixon
Mike Heinisch	Rhonda Berry		Christina Bernard	Michael Finch
Nate Dreon	Rich Nafziger		Denise Stiffarm	Bob Cook
Judy Tobin	Doris Koo		Rikka Dayao	Members of the public – sign-in sheets on file at PHPDA office

Mike Heinisch called the meeting to order at 5:38 p.m. A quorum was present. During public comment, Lincoln Ferris of the Seattle College Foundation thanked Executive Director Jeff Natter and Finance & Grants Manager Christina Bernard for working with him to provide information necessary for his work on Commerce’s Tower-related funding, noting that they had been helpful.

The Executive Director welcomed and introduced PHPDA’s new Office Coordinator Rikka Dayao.

The Governing Council approved the March 10, 2015 Governing Council minutes (Moved/2nded by Tobin/Dreon. 8 of 8 in favor).

The Governing Council accepted as information the Finance & Audit Committee minutes from March 10, 2015 and the Planning Committee minutes from March 4, 2015.

Executive Director/Staff Report

The Executive Director updated the Council on the work of PHPDA’s staff over the past month, including the Office Coordinator hiring process, substantial work related to grantmaking, and his week at the Nonprofit Executive Leadership Institute at the Evans School at UW.

Personnel

Changes to PHPDA Employee Benefits

The Finance & Grants Manager presented a proposed change to the Employee Handbook, which governs the PHPDA’s employee benefits. The current policy requires new employees to wait 90 days to be eligible for dental insurance (all other benefits begin upon hire). When combined with a change to the policies of the PHPDA’s dental coverage carrier regarding waiting times for major dental work, this could put a significant burden on the health or finances of a new staff person. The Governing Council approved the proposed change to the PHPDA’s Employee Handbook, making new employees eligible for dental coverage upon hire (Moved/2nded by Menzies/McLean. 8 of 8 in favor).

Grantmaking

Nimble Fund Quarter 3 Review Panel

The Governing Council appointed Judy Tobin, Doug Jackson, Bob Cook, Christina Bernard, and Ellie Chopp to serve as the Nimble Fund Quarter 3 review panel (Moved/2nded by Tobin/McLean. 8 of 8 in favor). Applications are due to the PHPDA May 20, with the review process taking place over the following 10 days. The Governing Council will review the panel’s funding recommendation at the June meeting.



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Major Renewal Grants (Res 04-2015)

The Executive Director discussed the review of Major Renewal grant applications. All current Major Grant recipients applied for funding for the July 1, 2015 to June 30, 2016 time period, many of them requesting increased funding. After review and discussion, the review panel recommended funding all of the proposals, though not all at the requested amounts. The recommendations range from level funding to a maximum increase of 15-16%. The total recommended funding is just over \$1.4 million. Tony McLean noted that this is a milestone in PHPDA’s work as a grantmaker – being able to renew grants that work toward our mission.

The Governing Council adopted Resolution 04-2015, authorizing the Executive Director to execute the grant contracts below (Moved/2nded by Berry/Menzies. 8 of 8 in favor):

Organization Name	July 1, 2015 – June 30, 2016 Funding
Seattle Indian Health Board	\$130,876.00
Project Access Northwest	\$132,000.00
Mercy Housing Northwest	\$249,896.00
El Centro de la Raza	\$77,867.00
Chinese Information and Service Center	\$95,284.00
Teen Feed	\$115,000.00
Neighborcare Health	\$150,000.00
Harborview Medical Center	\$160,000.00
Seattle-King County Dental Society	\$100,720.00
Country Doctor Community Health Centers	\$190,000.00

Update on Pooled Funding, Contracted Evaluation, and Advocacy approach

The Executive Director updated the Council on several program- and grant-related issues. He reported that he, the Finance & Grants Manager and the Board Chair had met with representatives from Communities of Opportunity (CoO) to discuss the model for PHPDA’s potential participation as a funding partner in the project. The likely way forward will be an aligned funding model, with the PHPDA making funding available to the CoO recipients for healthcare-related portions of their projects on a case-by-case basis. Discussions will continue in order to refine the plan before the Governing Council is asked to take action.

In regard to the budgeted amount for paid evaluation services, the Planning Committee discussed a few options, including targeted deeper evaluation of some programs, development of key outcomes that can be measured by several grantees, and providing evaluation technical support, among other potential activities. Staff will be looking into options for working with students in relevant local programs, such as the Evans School or the UW School of Public Health.

The Executive Director also reported that the Planning Committee discussed several ways advocacy should be included in the PHPDA’s work:



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- Staff will continue their work with commissions and workgroups focused on system change and studies
- Governing Council and strategic advisors will respond to specific advocacy items in an ad hoc fashion after consultation with PHPDA staff and other GC members
- Grantees will be allowed to include advocacy in their project plans for PHPDA funding
- The PHPDA will use grant evaluation as a tool to learn and share information with others

Property Stewardship

Update on Nondisturbance Agreement (NDA)

Chair Mike Heinisch noted that he would recuse himself from the discussion and voting on items related to the Tower Lease. He has a potential conflict of interest as a board member of a Tower subtenant.

The Executive Director informed the Committee that the NDA had been finalized. As there was only one minor change regarding notification of changes to the property that are subject to Landmark preservation review, the NDA was not substantially altered and the signature authorization from January would still be in effect and the agreement would likely be signed soon.

Authorization to sign Tower lease amendment (Resolution No. 05-2015)

The Executive Director then updated the Committee on the two lease amendments that were authorized for signature in December. In negotiating final language, the two amendments were combined into a single amendment addressing space in the basement, roof access for equipment, and definition of hazardous materials. The Council briefly discussed one aspect of the hazardous material language that is still being discussed and negotiated by the PHPDA and Department of Commerce. As this portion has not been finalized, it is not included in the proposed amendment.

The Governing Council adopted Resolution 05-2015, authorizing the Executive Director to sign the updated first amendment to the Tower Lease (Moved/2nded by Tobin/Menzies. 7 of 7 in favor; Heinisch recused).

PHPDA Funding Options and Restrictions

PHPDA legal counsel Denise Stiffarm gave a presentation on PHPDA funding options and restrictions, particularly as they relate to the recent funding request from the Department of Commerce.

The key points applying to PHPDA funding and investments were:

- The PHPDA is subject to the authority granted by the City of Seattle in the PHPDA's Charter. Additionally, the PHPDA has no powers or authorities greater than the City of Seattle, as the creating entity.
- The PHPDA must follow all laws for local governments and is prohibited from providing gifts of public funds or lending of credit.
- All PHPDA activity is subject to review by the Washington State Auditor. They review the PHPDA's activities and spending with regard to legal and contractual limitations.
- The PHPDA's Charter-defined purpose is to provide funding for healthcare for medically underserved populations in the Puget Sound region. All powers of the PHPDA are only granted as necessary to affect this purpose.
- In addition, the PHPDA's federal deed restricts the spending of lease revenue from the Tower



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solely to projects in support of this chartered purpose.

- Any giving of PHPDA's public funds requires consideration or independent value from the receiving party. This includes payment for services and goods provided to the PHPDA, but also, in the case of grants, the services grantees provide in pursuit of the PHPDA's mission.
- In transfers to other governments, the PHPDA must get full value for any financial transfers.

The primary implications of these guidelines with regard to the Commerce request are:

- The request to pay for portions of Commerce's tenant improvements is not allowable. Commerce's completion of the improvements and the transfer of them to the PHPDA at the end of the lease do not provide value for the financial transfer, as Commerce is already obligated to do both of these things, per the lease.
- A few of the subtenants in the Tower have missions and activities aligned with the PHPDA's chartered purpose. Funding provided to Commerce with a connection to services provided by these subtenants could be a potential option.
- A similar funding avenue to the Seattle College Foundation likely would not work, as the Foundation has no authority over the subtenants to ensure that the charter-related purposes are met. Additionally, the request to guarantee a loan for the College Foundation would not be allowable.

Ms. Stiffarm recommends that if the PHPDA wishes to consider funding for Commerce, it could be done as a contribution to Commerce in exchange for mission-related programming by Commerce subtenants. However, significant work remains to determine how the PHPDA would get the programmatic and financial reports required to demonstrate fair value for the funds provided. Additionally, there would need to be assurance that the services related to the PHPDA's chartered purpose would remain in place in the case of tenant turnover. She also recommends that the PHPDA complete an impact analysis to determine how such funding would affect PHPDA's grantmaking and operation budgets.

Prior to adjournment, Chair Mike Heinisch announced that he had recently been named Kent Citizen of the Year. He was congratulated by Governing Council members, staff, and advisors present.

Adjournment

The meeting was adjourned at 7:05 p.m.

Minutes approved _____ (Date)