



Meeting of the Finance & Audit Committee
Tuesday October 13, 2015
4:00-5:25p.m.
 Quarters 2 Building, Beacon Hill Campus
 1200 12th Ave South Seattle, WA

MEMBERS PRESENT		NOT PRESENT	ALSO PRESENT	
Rhonda Berry (from 4:12)	Bob Cook	Tony McLean	Christina Bernard	Mike Heinisch (from 4:47)
Nate Dreon	Doris Koo	Jeff Natter	Rikka Dayao	Nancy Sugg (from 5:23)
Paul Feldman			Ellie Chopp	Judy Tobin (from 5:25)
				Jeff Natter on phone (from 5:25)

Nate Dreon called the meeting to order at 4:01 p.m. A quorum was present. There was no public comment.

Minutes

The September 15, 2015 Finance & Audit Committee meeting minutes were approved (Moved/2nded by Feldman/Koo, 4 of 4 in favor). The Committee mentioned the full date correction of the agenda stating the minutes as “9.15 meeting” instead of “9.8.15 meeting”.

Financial Stewardship

Investment Update

The Committee reviewed the PHPDA’s current investments and year-to-date interest income. The second CD statement from Sound Community Bank did not arrive in time for review for the meeting. The Finance & Grants Manager advised the balances will be updated when the September statements come in.

August 2015 Financials

The Committee reviewed and accepted the August 2015 financial statements (Moved/2nded by Cook/Koo, 4 of 4 in favor).

Draft 2016 PHPDA Operating Budget

The Finance & Grants Manager presented the draft operating budget for next year to the Committee. She noted the following caveats of the draft:

- The PHPDA does not yet have a budget from the Property Manager for Tower Operating. Certain cells will change based on this budget, likely in the next few weeks.
- Consultant costs are estimates based on this year, with the assumption that some of the reimbursable costs will decrease in 2016. Unforeseen events may lead to higher or lower expenses, which will be addressed via budget revisions during the year if necessary.
- The grantmaking levels have been preliminarily discussed and agreed on by the Program Committee.

There was discussion over the grants expense and property reserve fund which was then requested by the Committee to be a topic for the Program Committee next month for further discussion. The Committee requests from the Program Committee options for overall major grant expenses at \$2 million, \$2.4 million, and \$2.8 million. If there are major changes suggested for the draft operating budget, the Finance & Grants Manager will present it at next month’s Committee meeting. If not, then it will be presented to the Finance Committee for final review before Governing Council approval at December’s meeting.



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5-year Financial Projections

The 5-year financial projections were reviewed while discussing the draft 2016 Operating Budget. The Committee requested staff to review the financial projections with the Program Committee at the November meeting in regards to the grants expense and property reserve fund.

Professional Services

Executive Director Salary Review process and consultant

As discussed at the September meeting, per PHPDA policy, the Finance & Grants Manager advised the Executive Director's salary range must be reviewed by the first quarter of 2016. Staff has drafted an RFP for use if an outside consultant will be used. The Committee authorized to send out the RFP to outside consultants with the Treasurer reviewing proposals and deciding on the consultant (Moved/2^{nded} by Feldman/Koo, 5 of 5 in favor).

RFI for Communications Consultant

The Grants Coordinator advised that due to the retirement of the PHPDA's current Communications Consultant, Mardie Rhodes, the organization is now seeking a new Communications and Public Relations consultant. Staff have evaluated their current capacity and determined the need for an on-call communications consultant to fulfill roles not filled by PHPDA staff. Many roles previously held by the communications consultant are now performed by staff in-house, including Constant Contacts drafting and sending, annual report drafting, and website content drafting. The Committee authorized to send the RFI for an on-call Communications Consultant (Moved/2^{nded} by Cook/Berry, 5 of 5 in favor).

Grant Management

Update on grantee audits

The Finance & Grants Manager reported that two out of four of the grantee audits have been completed. Overall, the program and financial audits have gone well and that the remaining two will be completed by the end of October.

Next steps Program-related loans and other options

The Executive Director updated the Committee on his meeting with the executive director of Building Changes, Alice Shobe, regarding program-related loans and other options. The suggestions were to continue researching and discussing the pros and cons of this possible endeavor. The next step in the process for the PHPDA would be to put together a proposal to present to the State auditor in order to see if it would be an allowable use of funds.

Adjournment

The meeting was adjourned at 5:27 p.m.

Minutes approved: _____

(Date)