



**Meeting of the Finance & Audit Committee
 Tuesday November 10, 2015
 4:00-5:25p.m.**

Quarters 2 Building, Beacon Hill Campus
 1200 12th Ave South Seattle, WA

MEMBERS PRESENT		ALSO PRESENT	
Rhonda Berry (at 5:00)	Bob Cook	Jeff Natter	Ellie Menzies
Nate Dreon (calling in)	Doris Koo	Christina Bernard	Mike Heinisch (at 4:24)
Paul Feldman	Tony McLean	Rikka Dayao	Denise Stiffarm (at 5:26)
		Ellie Chopp (at 4:33)	

Tony McLean called the meeting to order at 4:09 p.m. A quorum was present. There was no public comment.

Minutes

The October 13, 2015 Finance & Audit Committee meeting minutes were approved (Moved/2nded by Cook/Feldman, 5 of 5 in favor).

Financial Stewardship

Investment Update

The Committee reviewed the PHPDA’s current investments and year-to-date interest income.

September 2015 Financials

The Finance & Grants Manager advised the Committee that there was nothing out of the ordinary last month for the September financials. The Committee reviewed and accepted the September 2015 financial statements (Moved/2nded by Feldman/Koo, 5 of 5 in favor).

Q3 Financial Report

The Finance & Grants Manager noted that the Q3 Financial Report was similar to the September 2015 Financials. The Committee reviewed and accepted the Q3 Financial Report to forward to the Governing Council (Moved/2nded by Cook/Feldman, 5 of 5 in favor).

Charitable Solicitations and Charitable Trust renewals

The Finance & Grants Manager advised the Committee that every year the PHPDA has to renew with the Corporations & Charities Division of the Office of the Secretary of State as a grantmaking entity. This also ensures that the PHPDA is able to accept donations although we have not done so. The paperwork has been completed and will be mailed in next week.

Continued discussion of 2016 PHPDA Operating Budget and 5-year Financial Projections

The Finance & Grants Manager presented the draft operating budget from the previous month’s Finance meeting since there were no substantial changes recommended by the Committee. Last month the Finance Committee requested to present the 5-year financial projections to the Program Committee’s November 4 meeting to discuss the allocation options for 2016 Major grant funding if it was only \$2.4 million or \$2 million instead of \$2.8 million. The Program Committee made the following recommendations for Reserve funding in 2016:

- All returned unexpended funds from 2015-2016 grants be placed in the reserve fund.
- Any funds not awarded from the renewal pool (current grants that are not renewed or are renewed at lower levels for the 2016-2017 grant period) be placed in the reserve fund.



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The Executive Director added that the Program Committee recommended a discussion by the Governing Council regarding the appropriate amount needed for the reserve fund. The Treasurer expressed concerns regarding the planning process and communication of the budget and the proposal not to allocate funding into the reserve fund for 2016 and 2017. After further discussion, it was suggested that the Executive Committee convene to discuss the 2016 operating budget in regards to the grantmaking expense and reserve fund amount. Any changes will be presented to the Finance Committee and Governing Council in December with the 2016 operating budget being voted on for approval.

Personnel

Executive Director Salary Review process

The Finance & Grants Manager advised the Committee that staff sent out the RFP for the Executive Directory Salary Review process, but received no responses. Finance Committee member, Doris Koo, volunteered to work with the Finance & Grants Manager to review Executive Directory salary data from comparable sources to establish a proper range.

Property Management

Report on Q3 2015 Tower Operating Expenses

The Finance & Grants Manager reviewed the Quarter 3 2015 Tower Operating Expenses report with the Committee and advised that Property Manager, Cheryl Mauer, will attend a Finance Committee meeting at year end to answer any questions and clarify any expenses.

2015 North Lot rent bump

The Finance & Grants Manager computed a new North Lot rental rate using August 2015 CPI numbers and compared the calculations with Wright-Runstad. The increase was in effect the beginning of September.

Grant Management

Update on grantee audits

The Grants Coordinator advised that the four grantee audits have been completed. All organizations received follow-up letters summarizing findings and outlining needed changes.

Strategic Plan – Discussion of primary Finance-related sections (Program-related Funding, Property Management, Financial Investments, Personnel)

The Executive Director advised that he has sent the draft 2016-2019 Strategic Plan to external parties and received some positive feedback already. Staff has incorporated some of the feedback and wording updates into the Strategic Plan while saving several other comments for annual committee workplans. The Executive Director is drafting an introduction section for the Strategic Plan and would like to have a final draft by the beginning of the year. Finance Committee members offered several changes that will be incorporated into the next draft of the plan.



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Adjournment

The meeting was adjourned at 5:29 p.m.

Minutes approved: _____

(Date)