



**Meeting of the Finance & Audit Committee**  
**Tuesday December 8, 2015**  
**4:00-5:25p.m.**  
 Quarters 2 Building, Beacon Hill Campus  
 1200 12<sup>th</sup> Ave South Seattle, WA

MEMBERS PRESENT		NOT PRESENT	ALSO PRESENT	
Rhonda Berry (from 4:32)	Bob Cook (calling in)	Doris Koo	Jeff Natter	Mike Heinisch (from 4:33)
Nate Dreon	Tony McLean (from 5:01)		Christina Bernard	Judy Tobin (from 5:15)
Paul Feldman			Rikka Dayao	Nancy Sugg (from 5:18)
			Ellie Chopp	

Nate Dreon called the meeting to order at 4:20 p.m. A quorum was not present. There was no public comment.

**Update on Program Committee**

The Executive Director updated the Committee on the Program Committee’s December meeting. The Program Committee reviewed the New Major and Renewal Grant Guidance documents and recommended a few changes: (1) lowering the upper limit for New Major grants to \$200,000; (2) making sure to change Planning Committee to Program Committee throughout the guidance, and (3) clarifying that the deadline time for all submissions is 12:00pm noon throughout.

**Personnel**

*Update on Executive Director Salary Review process*

The Finance & Grants Manager reported that she has been working with Finance Committee Member, Doris Koo, on the review process of the Executive Director Salary. She has collected information from other Seattle PDAs and after further review of the resources Ms. Koo will present to the Committee the proposed Executive Director Salary range in January.

**Financial Stewardship**

*Investment Update*

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

*October 2015 Financials*

Not all of the members were present; however, the Committee discussed the October 2015 financials.

With quorum, the Committee accepted the October 2015 financial statements (Moved/2<sup>nd</sup>ed by Feldman/Berry, 4 of 4 in favor).

**Minutes**

The November 10, 2015 Finance & Audit Committee meeting minutes were approved (Moved/2<sup>nd</sup>ed by Feldman/Berry, 4 of 4 in favor).

**Financial Stewardship**

*2016 Pacific Tower Operating Budget*

The Finance & Grants Manager received the Tower figures from the Property Manager for the Tower Operating Budget and the Committee reviewed and discussed the document.

The Committee recommended the 2016 Pacific Tower Operating Budget to the Governing Council (Moved/2<sup>nd</sup>ed by Cook/Feldman, 4 of 4 in favor).



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*2016 PHPDA Operating Budget (Resolution 14-2015) and 5-year Financial Projections*

The Executive Director reported that the Executive Committee (minus Secretary Judy Tobin, who was out of town) met to discuss the 2016 budget and the planned reserve transfer for the year. They recommended allocating a minimum of \$225,000 in fiscal year 2016 to the Pacific Tower and Property Reserve Fund via a reduction in the previously-planned grantmaking budget for the year (elimination of aligned funding for one year and reduction in major grant renewal funding for the 2016-2017 cycle). Additionally, they recommended that all unexpended or unawarded grant funds during the year be transferred to reserve. Finally, additional work will be done in 2016, with assistance from PHPDA's property management and real estate advisors, to determine an appropriate goal for total reserve funds. The Pacific Tower Operating Budget figures have been incorporated into the Operating Budget with no other major changes besides the recommendations from the Program Committee regarding the grantmaking areas. The Executive Director commented favorably on the budget and thanked the Finance & Grants Manager for her work on it.

The Committee recommended the 2016 PHPDA Operating Budget to the Governing Council (Moved/2<sup>nd</sup>ed by Feldman/Berry, 5 of 5 in favor).

**Committee Governance**

*Summary of 2015 Committee Workplan and Accomplishments*

The Finance & Grants Manager reviewed the 2015 Finance & Audit Committee Workplan and updated the document with the accomplishments from throughout the year. Accomplishments included: changes to the benefit policies, allocating the \$5 million from PacMed to the reserve fund, development of the Risk Management Plan, and the new 2016-2019 Strategic Plan. The Executive Director commented that even though it was a busy year, the PHPDA has accomplished a lot and the Finance Committee is doing a commendable job.

**Next Steps in Exploration of Program-related loans**

The Executive Director reported that the sub-committee consisting of Bob Cook, Paul Feldman, and Doris Koo have made progress in the exploration of program-related loans. The sub-committee has met twice (Ms. Koo not able to attend due to being out of town) with Mr. Cook going over documents and offering a similar program-related loan system as an example. The Executive Director commented that after a cost/benefit analysis, program-related loans could further the PHPDA's mission and work for the community. The next step is to meet with legal counsel at Pacifica to explore the next steps which the Executive Director, Finance & Grants Manager, and Mr. Cook will be attending.

**Adjournment**

Before the end of the meeting, the Executive Director wanted to thank PHPDA Treasurer, Nate Dreon, for all of his commitment and hard work since his Governing Council term will be ending at the end of the year. The Chair, Board Members, and Strategic Advisors shared kind words and well wishes to Mr. Dreon and thanked him for his service on the Board. The meeting was adjourned at 5:26 p.m.

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

\_\_\_\_\_  
(Date)