



Meeting of the Finance & Audit Committee
Tuesday March 10, 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	Tony McLean	Doris Koo	Jeff Natter
Bob Cook	Nate Dreon		Christina Bernard
			Paul Feldman, Mission Investors Exchange

Nate Dreon called the meeting to order at 4:12 p.m. A quorum was present. There was no public comment.

The Executive Director reported on two items:

- The PacMed electrical project is complete and was not as complicated or expensive to PacMed as expected. Quarters 1 and 2 electrical systems were not affected by the project.
- The Department of Commerce submitted a request for either a grant or loan for the Tower project. The PHPDA’s legal counsel is researching the legality of both options before further discussion or action.

Minutes

The February 10, 2015 Finance & Audit Committee meeting minutes were approved (Moved/2nded by Cook/Berry. 4 of 4 in favor).

Financial Stewardship

Investment Update

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

January 2015 Financials

The Finance & Grants Manager presented January 2015 financial statements and noted that a few more outstanding 2014 items would be added before sending a final draft of the 2014 statements to the PHPDA’s auditors.

The Committee reviewed and accepted the draft January 2015 financial statements (Moved/2nded by Berry/Cook. 4 of 4 in favor).

Property Stewardship

Report on Reconciliation of 2014 Tower Operating Costs

The Finance and Grants Manager discussed the reconciliation of 2014 Tower Operating Costs for both PacMed and the Department of Commerce. Based on projected costs, she noted that both had overpaid for the year. The amount that each overpaid would be credited toward their March 2015 invoices.

Committee Governance

2015 Finance Committee Workplan

The Committee reviewed a draft workplan for 2015. The workplan covers all aspects of the Committee’s work, including lease and property management, investments, budgets, and the financial aspects of grant management. The Finance & Grants Manager noted one item to add – a rent adjustment for PacMed, per their lease. The Committee accepted the workplan as amended



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Trends in Philanthropic Investing

Paul Feldman of Mission Investors Exchange at Philanthropy Northwest provided a presentation to the Committee about mission and program related investments. He discussed several characteristics of these investments, including that they have both programmatic and financial returns. He discussed the fact that while there is risk involved, this is the case for most investments, including grants. He also noted that there can be a wide range of philanthropic investments from those that are largely programmatic with significant concessions and less financial motive, to those that, while mission-related, are expected to bring significant financial return. It is also possible to co-invest with other foundations or philanthropies and share due diligence and oversight of the funds.

The Committee then asked several follow-up questions and discussed how the PHPDA may want to move forward into further discussion of these options. They discussed the benefits and drawbacks of using intermediary funders, the level of risk tolerance, the balance of programmatic versus financial goals, and the time horizon limit for investments. The PHPDA's legal counsel is already looking into the PHPDA's ability to lend and any limitation or guidelines that would need to be followed. Once that research is complete, the Committee will continue further discussion.

Adjournment

The meeting was adjourned at 5:28 p.m.

Minutes approved: _____

(Date)