



**Meeting of the Finance & Audit Committee**  
**Tuesday May 12, 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	Tony McLean	Nate Dreon	Jeff Natter
Bob Cook	Doris Koo		Christina Bernard
			Rikka Dayao
			Mike Heinisch at 4:41
			Rich Nafziger at 5:15
			Judy Tobin at 5:15

Tony McLean called the meeting to order at 4:03 p.m. A quorum was present. There was no public comment.

**Minutes**

The April 14, 2015 Finance & Audit Committee meeting minutes were asked to be clarified in regards to Denise Stiffarm’s presentation. Once wording was added for clarification, the meeting minutes were approved as amended (Moved/2<sup>nded</sup> by Cook/Berry. 4 of 4 in favor).

**Financial Stewardship**

*Investment Update*

The Committee reviewed the PHPDA’s current investments and year-to-date interest income. The Finance & Grants Manager advised that two of the CDs will mature by next month. The PHPDA will research other CD rates and present information for review to the Committee in June.

*March 2015 Financials*

The Finance & Grants Manager presented March 2015 financial statements and noted that Quarter 4 payments from Commerce have now been paid.

The Committee reviewed and accepted the March 2015 financial statements (Moved/2<sup>nded</sup> by Berry/Koo. 4 of 4 in favor).

*Quarter 1 Financial Summary*

The Finance & Grants Manager presented a similar report focusing on year-to-date information contained in the Quarter 1 financial summary.

The Committee forwarded the Quarter 1 financial statements to the Governing Council for review (Moved/2<sup>nded</sup> by Cook/Koo. 4 of 4 in favor).

*PHPDA 2014 Audit*

The Finance & Grants Manager reported that the 2015 external audit was completed April 27-30 and that the final report would be presented by the PHPDA’s auditors from Clark Nuber at the June Finance Committee meeting. Overall, it was a clean audit and the Executive Director complimented the thoroughness and preparation of the Finance & Grants Manager.

*Authorization to Change Accounting Manual*

The Finance & Grants Manager proposed a change to the Accounting Manual, authorizing the Finance & Grants Manager to code PHPDA’s bills. Payments will still be reviewed and approved by



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the Executive Director or Treasurer before actually being paid.

The Committee reviewed and authorized the change to the Accounting Manual (Moved/2<sup>nd</sup>ed by Koo/Berry. 4 of 4 in favor).

**Grantmaking**

*Nimble Fund Q3 funding level and potential 2014 Major Grant returned funds*

The Finance & Grants Manager reported that after the Quarter 3 Nimble Grant awards, total expense on this grantmaking line might go overbudget. However, other grantmaking expense lines will likely be under budget, including potential returned funds from 2014 Major Grants. She will recommend that the Quarter 3 Nimble Fund panel be allowed to award up to \$125,000 in grants. Applications are due to the PHPDA May 20 and the review process will take place in the following week to ten days. This will likely be the final round of Nimble Fund grants for 2015. The Review Panel consists of Christina Bernard, Ellie Chopp, Judy Tobin, Doug Jackson, and Bob Cook and will meet June 1.

**Committee Governance**

*Strategic Advisor to Finance Committee*

The Executive Director reported that potential strategic advisor, Paul Feldman, is interested in joining the PHPDA's Finance Committee. Paul Feldman has presented a previous Finance Committee meeting and has a mission investing and philanthropy background which are not currently represented in the Finance Committee's skillsets. The Committee also discussed possibly adding an additional strategic advisor with a business background. If there was an additional strategic advisor, the Committee suggested a candidate with real estate or finance skillsets. After further discussion, the Executive Director, Finance & Grants Manager and Finance Committee member Doris Koo will move forward with scheduling an interview with Paul Feldman. They will determine at a later meeting whether to pursue additional advisors.

**Property Stewardship**

*PacMed Rent Bump*

The Finance & Grants Manager reported the CPI adjustment from PacMed. The new rental amount will be effective June 1. The information has already been shared with PacMed and Providence.

*Report on Q1 2015 Tower Operating Expenses*

The Finance & Grants Manager presented the report for Quarter 1 2015 Tower Operating Expenses and that so far they are underbudget, due to a combination of timing of invoices and actual savings. The Finance & Grants Manager and PHPDA Property Manager go over the Tower Operating Expenses quarterly.

**PHPDA Funding, Investment, and Reserve Options**

The Finance & Grants Manager advised that she and the Executive Director will speak with City of Seattle Finance Office regarding the ways the City invests its assets, particularly as the PHPDA is not legally allowed to do anything beyond the authority of the City. They will also discuss whether the City has knowledge and/or experience with loan programs to non-profits, as well as how they determine the amount of funds to put away as reserves on their capital assets.



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The Finance & Grants Manager asked the Committee how they would like to see PHPDA's Board Designated Reserves allocated. Reserves could be needed at the end of any of PHPDA's current leases, for renovations and restoration. The Committee at the moment is unable to determine exactly how much will be needed for the reserves due to numerous changing factors, like labor costs, real estate, etc.

The Committee requested a report after the discussion with the City to better determine the PHPDA's funding, investment and reserve options.

**Adjournment**

The meeting was adjourned at 5:16 p.m.

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

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