Tony McLean called the meeting to order at 4:04 p.m. A quorum was present. There was no public comment.

Consent Calendar Minutes

The Finance & Audit Committee approved the October 9, 2018 meeting minutes (Moved/2nded by Paul Feldman/Susan Crane, 5 of 5 in favor)

Update on Program Committee

The Executive Director updated the Finance Committee on Program Committee activities.

- Nimble and Major Grant Quarterly reports: on track and programs are generally successful.
- The All Grantees Meeting is scheduled for November 30th
  - The Vida Agency will be presenting on “Telling Your Program’s Story”
- Mock-ups of the Health Equity Fund logo were reviewed
- Dr. Joe Sherman from Mary’s Place presented on children and family homelessness and noted that medical crisis is often the primary causal factor for homelessness

Financial Stewardship

Investment Update

The Associate Director updated the Committee on the Local Government Investment Pool’s (LGIP) increased interest rate, which is still over 2%.

- The CD renewal is coming up at the end of this year so PHPDA will check on other potential CD interest rates.

September and Q3 Financial Statements

The Associate Director reviewed the September and Q3 Financial Statements.

- The air conditioning statement of activity was moved to fixed assets and it will be depreciated over ten years
- Costs for the North Lot project are differentiated between lease negotiation costs and pre-development expenses.

The Finance Committee voted to accept and forward the September and Q3 Financial Statements to the Governing Council (Moved/2nded by Sue Taoka/Bob Cook, 5 of 5 in favor)
Charitable Trust and Solicitation renewals

The Associate Director discussed the Charitable Trust and Solicitation renewals registration. They are both paid for and submitted but the Charitable Solicitation has not yet been approved.

Draft 2019 PHPDA Operating Budget

The Associate Director reviewed the draft 2019 Operating Budget.
- The North Lot parking income was changed to be projected for nine months,
- The Tower operating reimbursements and expenses have been adjusted,
- Personnel budget will be increased for health insurance and professional development
- Legal and Real Estate consultant expenses will be increased
  - Also added contracting for Property Assessment Consultant
- The Program Committee reviewed their portion of the Grant related budget and forwarded their recommendation to the Governing Council.
- The Governing Council will be asked to approve the budget next month after reviewing it today.

2016-2017 PHPDA State Audit

The Associate Director discussed the 2016-2017 State Audit conducted in October and the PHPDA was presented with a clean audit. The auditors examined accountability, primarily reviewing personnel reimbursements and credit card purchases.
- They requested that the PHPDA receive supporting documentation on the North Lot parking lot income,
- Governing Council Treasurer was asked to date the signed reviewed purchases,
- The Auditors were pleased to see the PHPDA Risk Management plan.

Property Management

Report on Q3 2018 Tower Operating Expenses

The Associate Director reviewed the Report on Q3 2018 Tower Operating Expenses with detail.

Grant Management

Update on Grantee Audits

The Associate Director discussed updates on the four Major Grant Audits held in October. Each year, the Grants Staff conducts four Major Grant audits: two first years and two second year grantees. Generally, the grantees were programmatically and financially on track.

The following grantees were audited:
- Chief Seattle Club
- Downtown Emergency Service Center
- Economic Opportunity Institute
Meeting of the Finance & Audit Committee  
November 13, 2018 4:00-5:25 PM  
1200 12th Ave South, Quarters 2  
Seattle, WA 98144

- Ryther

Real Estate

North Lot Project Update

The Executive Director updated the Committee on the North Lot Project development.
- The PHPDA received a response to the lease term sheet from the Seattle Chinatown International District Preservation and Development Authority (SCIDpda) and there were some significant areas of divergence.
  - SCIDpda is seeking a ground lease of $5 million as opposed to PHPDA's initial price of $7.5 million,
  - Feasibility and grace periods will need to be negotiated,
  - SCIDpda requested right-of-refusal on selling the property
  - The PHPDA and SCIDpda will be negotiating at their next meeting
- The Executive Director would like to move forward with a draft lease.

Hiring of Property Assessment Consultant

The Executive Director discussed the hiring of Property Assessment consultant.
- Real Estate Consultant Michael Finch is rapidly moving the PDA forward to re-lease the Quarters buildings, either to PacMed or another entity.
- An RFQ for the hiring of Property Assessment consultant was published with the Daily Journal of Commerce. The Executive Director and Real Estate Consultant reviewed ten Property Assessment consultants and narrowed it down to one.

Adjournment
The meeting was adjourned at 5:03 p.m.

Minutes approved:  

[Signature]  
12/11/2018  
(Date)