



Meeting of the Finance & Audit Committee
Wednesday, March 4, 2020, 9:00-10:30 AM
Quarters 2, Beacon Hill Campus
1200 12th Ave South, Seattle, WA 98144

Under this agreement, the Commission would have a limited third-party beneficiary interest to the same covenant in King County loan. The loan to SCIDpda will not be secured by the property. The Commission will have no rights to seek repayment from PHPDA. If it is not repaid by closing, there will be a limited time to seek remedy from SCIDpda on default.

Committee members asked about the potential risk to the PHPDA, which legal counsel confirmed was minimal since it is not an additional covenant. With or without this agreement, the covenant with King County would remain in place.

The Committee voted to forward Resolution 02-2020 to the Governing Council for approval (Moved/2nded by Koo/Taoka, 2 of 2 in favor; Bob Cook abstains).

Update on PacMed Lease Renewal

PHPDA's Real Estate Consultant updated the Committee on the PacMed Lease Renewal. The PHPDA's engineer led a tour of the Quarters buildings with PacMed's local facilities personnel locally and their strategic leasing staff. The tour went well and was primarily focused on a review of deferred maintenance for the building envelopes and limited interior items. Ongoing discussions will focus on costs and management of addressing these priorities. There are also upcoming tours scheduled for other interested parties.

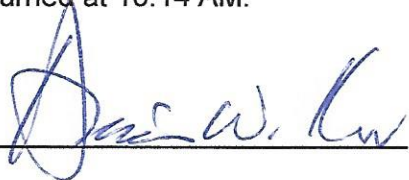
Approach to Reserve Fund planning

The Committee discussed past work on reserve fund planning. At the time, there were a few large unknown items and the PHPDA took a conservative approach.

The Finance Committee Chair suggested that she meet with the Executive and Associate Directors, as well as the Governing Council Chair if possible, in the coming weeks to review the items that need to be taken into consideration for 2020 reserve fund planning and beyond. Sue Taoka offered to join the group as well. These could include general reserves for operating and ongoing maintenance, larger reviews of potential costs raised by the ADA study and ongoing leasing, potential strategic activities related to property or grantmaking/program activities, and certain amounts to be set aside for ongoing agreements like the King County loan, N Lot project, and Nondisturbance Agreement. They will come up with an idea of the separate categories for the reserve and the values and approach for ongoing reserve review. In April, the Committee will determine if the project is something they would like to take on as a group or assign to a subgroup. Staff will also discuss potential guidance on this topic with our Clark Nuber auditors.

Adjournment

The meeting was adjourned at 10:14 AM.

Minutes approved:  5/6/2020
(Date)