Kevin Fox called the meeting to order at 4:09 p.m. There was not a quorum at the beginning of the meeting. There was no public comment.

Minutes
The Committee members present reviewed the August 13, 2013 Finance & Audit Committee meeting minutes and had no suggested changes.

Financial Stewardship
*Investment Update and CD renewal*
The Finance & Program Analyst updated the Committee on PHPDA’s investments and year-to-date interest income. She suggested that, as there were some possible large cash needs in the coming months, the two CDs maturing in late September be closed upon maturity, with the funds being moved to the Local Government Investment Pool. Committee members agreed. As the funds are not being re-invested, Finance Committee action was not necessary.

*July 2013 Financials*
The Committee reviewed the July 2013 financial statements. Committee members present had no changes or comments.

*Review RCWs Regarding Investments*
Per PHPDA Investment Policy, the Committee completed their annual review of RCWs related to investments. There were no changes to the RCWs from the previous review in 2012.

Grant Management
*PANW 2013 Medical Case Management Interim Financial Report*
The Committee reviewed the PANW 2013 Medical Case Management Interim Financial Report, covering costs for the medical case management grant from January-June 2013. Submission of interim financial reports is a new requirement for PHPDA grants beginning in 2013. The report indicated that PANW is on course to spend the amounts in their grant budget for the year.

Property Stewardship
*Property Management Services (Res 16-2013)*
Executive Director Jeff Natter reported on the process to hire a property management firm. He stated that five proposals were received in response to the RFP and that three finalists were interviewed. The proposed Resolution 16-2013 allows the Executive Director to move forward with the firm chosen by the ad hoc committee made up of staff, board members, and real estate advisors, pending final contract negotiations. Members of the ad hoc committee reported that the proposed costs for all three finalists were roughly the same and that all would be fully capable of managing the Tower and
surrounding property. In response to a question by a Finance Committee member, they also stated that all three were aware of the additional requirements based on PHPDA’s position as a public entity, and all were comfortable following these requirements.

**Future Tower Reserve Fund**
The Committee discussed future plans to reserve funds for Tower-related costs, operating costs, and potential restoration costs at the end of a long-term lease. They reviewed several options prepared by the PHPDA’s real estate advisors. They also discussed the best timing of the planned savings, whether more should be saved in the early or later years of the lease, in relation to both funds available for grantmaking and the need to save conservatively in case restoration and operating estimates are not correct. They noted the importance of re-assessing the policy and savings on a regular basis, and ensuring that future PHPDA boards understand the importance of maintaining these funds. The Committee provided preliminary guidance to staff on how to incorporate the funds in the first draft of the 2014 budget. Staff will also begin to research logistics involved in setting up the account. The full Governing Council will have further discussion at their October meeting.

**Reciprocal Easement Agreement and Insurance Allocation Agreement**
Legal Counsel Denise Stiffarm reviewed two agreements that need to be updated in light of the possible lease with the State of Washington Department of Commerce. Both agreements were originally signed in 1998 at the time of the lease with WRC.Com Tower LLC. The Insurance Allocation Agreement will be between the PHPDA, the State, and the Department of Health and Human Services. The Reciprocal Easement Agreement related to easements for utilities, signage on the property, and use of certain common space. Drafts of both agreements have been shared with the other parties. The Governing Council will review the documents for final approval, likely at their October meeting.

As a quorum was present at this time, with Theresa Rambosek present rather than on the phone, the Committee returned to vote on a few items discussed earlier in the meeting.

The August 13, 2013 Finance & Audit Committee meeting minutes were approved (Moved/2nded by Rambosek/Dreon. 5 of 5 in favor).

The Committee accepted the July 2013 financial statements (Moved/2nded by Dreon/Rambosek. 5 of 5 in favor).

The Committee forwarded Resolution 16-2013 to the Governing Council for approval (Moved/2nded by Dreon/Rambosek. 5 of 5 in favor).

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

Minutes approved: __________________________

(Date)