Meeting of the PHPDA Governing Council  
Tuesday, November 12, 2019 5:30-7:00 PM  
Quarters 2, Beacon Hill Campus  
1200 12th Ave South, Seattle, WA 98144

<table>
<thead>
<tr>
<th>MEMBERS PRESENT</th>
<th>NOT PRESENT</th>
<th>ALSO PRESENT</th>
</tr>
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<tbody>
<tr>
<td>Bob Cook</td>
<td>Mike Heinisch</td>
<td>Christinna Bernard</td>
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<tr>
<td>Gloria Burton</td>
<td>Doris Koo</td>
<td>Mallory Fitzgerald</td>
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<tr>
<td>Sue Taoka</td>
<td>Susan Crane</td>
<td>Gene Yoon</td>
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<tr>
<td>Tony McLean</td>
<td>Ellie Menzies</td>
<td>John Kim</td>
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<td>Nancy Sugg (phone until 6:18 PM)</td>
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Tony McLean called the meeting to order at 5:36 PM. A quorum was present. There was no public comment.

Consent Calendar Minutes

The Governing Council approved the minutes for the October 8, 2019 Governing Council meeting in addition to the October 28, 2019 and November 1, 2019 Special Governing Council meetings (Moved/Second by Bob Cook/Sue Taoka, 9 of 9 in favor)

The Governing Council accepted as information:
- The Finance & Audit Committee minutes from October 2, 2019 and
- The Program Committee minutes from October 2, 2019.

Welcome New Executive Director

The Governing Council Chair Tony McLean and the Governing Council unanimously welcomed PHPDA’s new Executive Director John Kim. The Executive Director expressed his excitement for the opportunity and challenges he may face with the PHPDA. The Office Coordinator will begin scheduling one-on-one meetings with Governing Council members. The Council Chair asked the Governing Council to bring up expectations for what they are looking for in the Executive Director position and asked John Kim to do the same for the Board.

Executive Director and Staff Report

The Associate Director reviewed the Executive Director and Staff Report.
- Finance Committee Strategic Advisor Paul Feldman will be taking a leave from the Finance Committee so that he can work with the PHPDA as a Grant Management Consultant for a few months.
- The Associate Director reminded the Governing Council to RSVP for the 2019 AGM so that PHPDA Staff can prepare for quorum and public notice if necessary.
- Council Chair Tony McLean sent advanced notices to identified key stakeholders for the hiring of the new Executive Director.

Financial Stewardship

Executive Director Compensation

The Governing Council Chair discussed the Executive Director Compensation.
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- John Kim decided not to enroll in PHPDA employee health benefits, as he is eligible for a plan through his spouse's employer, requiring some additional payment on his part. He requested compensation by adjusted increase in salary.

The Governing Council voted to approve the adjusted increase in salary to $155,000 annually for the Executive Director to reflect a total compensation package as he is not enrolling in PHPDA health benefits (Moved/2nded by Bob Cook/Ellie Menzies, 9 of 9 in favor)

Q3 2019 Financial Statements

The Associate Director reported on Q3 2019 Financial Statements.
- The Finance Committee reviewed and forwarded it to the Governing Council.
- The Council discussed the Financial Statements in detail.

The Governing Council voted to accept the Q3 2019 Financial Statements (Moved/2nded by Sue Taoka/Doris Koo, 9 of 9 in favor)

Resolution 19-2019 Updated LGIP Authorization

The Associate Director reviewed Resolution 19-2019 on the updated LGIP authorization.
- The Resolution no longer identifies the authorized signer by their name but instead recognizes their title.
- The current interest rate is still around 2%.

The Governing Council voted to approve Resolution 19-2019 authorizing the Executive Director to authorize all amendments, changes, or alterations to the LGIP Form or any other documentation to make contributions and withdrawals on behalf of the PHPDA (Moved/2nded by Bob Cook/Doris Koo, 9 of 9 in favor)

Draft 2020 Operating Budget

The Associate Director reviewed the Draft 2020 Operating Budget.
- Tower Operating Budget will require approval from the Council. Mike Heinisch and Nancy Sugg will recuse themselves from voting on the Tower Operating Budget due to relationships with tenants/subtenants, but can vote to approve the full PHPDA Operating Budget that incorporates these Tower-related amounts.
- The Associate Director discussed each item in detail including personnel items, professional services, and operating expenses.
- The Council emphasized the importance of investing in current PHPDA Staff with conferences and professional development.
- At some point, the Associate Director would like to review Reserves with the Governing Council. The Council Treasurer would like to discuss how to continue planning around Reserves during the next Finance Committee meeting.
- Life Cycle Analysis - The Associate Director will check in with JLL to identify Quarters maintenance and asset life cycle analysis (such as checking in on water heaters, incorporated
into general inspection/management). With PacMed’s renewal up for discussion, the Finance Committee and Governing Council will have more to review.

- The Associate Director will update the draft with final amounts to be reviewed and approved at the next FC and GC meetings.

Real Estate

Update on PacMed Lease Renewal

The Associate Director updated the Governing Council on PacMed Lease Renewal. PHPDA Real Estate Consultant Michael Finch provided her a summary sheet of talking points.

- Oct 21: Michael Finch issued a proposed extension of their lease to PacMed. A response is expected by the end of November, with negotiations likely to follow over the course of a few months.
- PacMed’s current lease ends on November 24, 2021. They will remain in all their spaces (including their Quarters buildings) until that date.
- The proposal includes the expectation that PacMed will complete deferred maintenance on the Quarters buildings.

Regarding ongoing review of the Quarters buildings:

- The Finance Committee toured most of the Quarters buildings in early November.
- Michael Finch, PacMed, and JLL will put together a maintenance schedule and scope of work.
- The PHPDA expects an ADA report by the end of this year to provide more insight into needed work on the Quarters buildings.
- Asset Management – The Governing Council agreed that the PHPDA could be more intentional with the way the Quarters buildings are managed under future lease(s).
- The Finance Committee will incorporate PacMed’s renewal into their Workplan.
- The Council suggested discussing PacMed’s lease at a more consistent basis, possibly at a quarterly recurring process.

Governance

Governing Council Succession Planning

Council Chair Tony McLean opened up discussions on the Governing Council Succession Planning.

- The Governing Council will be seeking a new Council Chair as well as another Council Member, ideally by their January meeting.
- The Chair requested members to approach him with questions if they are interested in being the next Council Chair.
- The Governing Council unanimously thanked Tony McLean for his work with the PHPDA.
- The Council expressed an interest in a Board Retreat and the Executive Director endorsed this idea. The Executive Director suggested scheduling the retreat in Q1 2020. He will begin speaking to possible facilitators.
- There will be two vacancies in the next couple of years, which are Council appointed seats.
- The Governing Council will appoint the four Officer positions for 2020 at the December meeting.
The Associate Director reminded the Governing Council to sign up for Grant Panel Reviews by the end of December. All Governing Council members are required to participate in at least one panel.

The Program and Finance Committee meetings have been rescheduled from January 1, 2020 to the following Wednesday, January 8, 2020.

Adjournment
The meeting was adjourned at 7:13 PM.

Minutes approved ____________________________ 12/10/2019
(Date)