Mike Heinisch called the meeting to order at 5:35 p.m. A quorum was present. There was no public comment.

Secretary Judy Tobin set forth a motion to add an agenda item regarding plans for 2017 after the Operating Budget agenda item (Moved/2nd by Tobin/Sugg, 8 of 8 in favor).

The Governing Council approved the November 7 Governing Council and November 28 Special Meeting of the Governing Council minutes (Moved/2nd by Sugg/Tobin, 8 of 8 in favor).

The Governing Council accepted as information the Finance & Audit Committee minutes from November 7 and the Program Committee minutes from November 2.

**Executive Director and Staff Report**

The Executive Director reported that the past month was primarily focused on finalizing escrow documents and financial due diligence related to the North Lot. The Chair announced that this Governing Council meeting was Board Member Rhonda Berry’s last after her three-year term with the PHPDA. The Council and staff applauded Ms. Berry for all of her dedication and support for the organization and shared that she will be missed.

**Governance**

*Governor Council officers (Resolution 19-2016)*

The Chair reported that the current Governing Council officers terms ends on December 31, 2016. He spoke with the current officers regarding renewing their positions as well as spoke with the other Governing Council members about revisiting the office terms at the end of 2017.

The Governing Council voted to approve Resolution 19-2016 appointing Mike Heinisch as Governing Council Chair, Nancy Sugg as Vice Chair, Judy Tobin as Secretary, and Tony McLean as Treasurer for two-year terms commencing January 1, 2017 and ending December 31, 2018. (Moved/2nd by Koo/Crane, 8 of 8 in favor).

**Grantmaking**

*2017 Nimble Fund Cycle One grants (Resolution 20-2016)*

The Finance & Grants Manager advised that the Nimble Fund Review Panel on December 7 went well. The panel reviewed and discussed 17 applications. Previously appointed reviewer, Sharyne Shiu Thornton, was unable to participate in the Nimble Fund reviews. The Council reviewed the summaries of the following organizations for which the panel recommended funding:
Meeting of the PHPDA Governing Council  
December 13, 2016 5:30-7:30 p.m.  
Quarters 2 Building, Beacon Hill  
1200 12th Ave South  Seattle, WA 98144

<table>
<thead>
<tr>
<th>Organization Name</th>
<th>January 1, 2017 – December 31, 2017 Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lifelong</td>
<td>$25,000</td>
</tr>
<tr>
<td>The Hope Heart Institute</td>
<td>$25,000</td>
</tr>
<tr>
<td>Seattle University</td>
<td>$25,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$75,000</strong></td>
</tr>
</tbody>
</table>

The Governing Council reviewed and approved the Review Panel’s three recommended organizations to fund for first cycle of 2017 Nimble Fund (Moved/2nded by Tobin/Berry, 8 of 8 in favor).

Financial Stewardship

2017 Pacific Tower Operating Budget

The Finance & Grants Manager received the Tower budget figures from the Property Manager for the Tower Operating Budget and the Committee reviewed and discussed the document. It was requested that moving forward the Finance Committee and Governing Council would like to be provided a more detailed explanation of how the Tower budget items are incorporated into the overall operating budget.

The Governing Council voted to approve the recommendation from the Finance Committee regarding the 2017 Pacific Tower Operating Budget (Moved/2nded by Koo/Menzies, 6 of 6 in favor). Mike Heinisch and Nancy Sugg recused themselves due to conflict of interest with Pacific Tower tenants and subtenants.

2017 Operating Budget (Resolution 21-2016)

The Finance & Grants Manager presented the 2017 Operating Budget to the Committee and advised that the only minor change was the incorporation of the Pacific Tower operating figures.

The Governing Council reviewed and adopted Resolution 21-2016 2017 Operating Budget (Moved/2nded by Tobin/Menzies, 8 of 8 in favor).

2017 Expectations (Amended Agenda Topic)

The Chair requested from the Council to arrange an ad hoc committee to discuss expectations in the new year of the Executive Director and of the Governing Council. The purpose of the ad hoc committee is to discuss what direction the PHPDA needs from its leadership and will present those expectations to the Governing Council in February. The following Governing Council members volunteered to be a part of the ad hoc committee: Mike Heinisch, Tony McLean, and Teresa Mosqueda.

State Audit Report

The Executive Director reported to the Council that he has never participated in such a clean audit as the recent state audit of the PHPDA. He commended the Finance & Grants Manager and her meticulous dealings with the organization’s financials and the grantmaking process with the Chair echoing the praises. The state auditor had no exit items to disclose and highlighted the extraordinary Risk Management Plan that the PHPDA has in place.

Real Estate

Review of North Lot Costs to Date and Payment of Expenses (Resolution 22-2016)

The Finance & Grants Manager presented to the Council a report of the North Lot expenses to date.
Meeting of the PHPDA Governing Council
December 13, 2016 5:30-7:30 p.m.
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1200 12th Ave South Seattle, WA 98144

After the Finance & Grants Manager and Ms. Barrientos's meeting regarding general property accounting, it is undetermined at this time on what would be the appropriate needed amount for the project and what to budget for the reserve fund. Resolution 22-2016 would approve the PHPDA to pay future payments pertaining to the North Lot Project out of the Reserve Fund without having to present each separate expense to the Committee and Governing Council. The Executive Director strongly recommended the Resolution to standardize the North Lot payments from the Reserve Fund, keep the integrity of the grantmaking process, and administratively streamline future North Lot expenses.

The following motion was presented by the Finance Committee to be voted by the Governing Council as opposed to the original statements within Resolution 22-2016: The PHPDA will move forward with transferring the $43,701.12 out of Reserve to cover previously-paid legal and real estate consultant expenses, as well as up to an additional $500,000 for future development costs relating to the North Lot Project. It is expected that the North Lot Project budget will be considered within a few months and the Reserve Fund plan will also be reviewed at that time.

The Governing Council discussed and approved the above amended motion for the PHPDA to move forward with transferring the $43,701.12 out of Reserve to cover previously-paid legal and real estate consultant expenses, as well as up to an additional $500,000 for future development costs relating to the North Lot Project (Moved/2nded by Menzies/Grane, 8 of 8 in favor).

Pre-development Consultant Report and Future Directions for North Lot Project
The Executive Director introduced Development Consultant, Maria Barrientos, and her team to present their pre-development consultant report and future directions for the North Lot Project. Ms. Barrientos previously presented the information to the Real Estate Committee. Ms. Barrientos and her team covered different building scenarios with varying unit amounts and rates, potential building layouts, and other details in their North Lot Feasibility Study. Ms. Barrientos answered questions from the Governing Council and it was suggested that the Real Estate Committee to meet with Ms. Barrientos to discuss her recommendations for the North Lot Project which will then be presented to the Governing Council at the January 10 meeting. The Council thanked Ms. Barrientos and her team for the information and presentation of possible directions for the North Lot Project.

Adjournment
The meeting was adjourned at 7:31 p.m.

Minutes approved [Signature]
(Date)