



**Meeting of the PHPDA Governing Council**  
**June 11, 2013 5:30-7:00 p.m.**  
 Quarters 2 Building, Beacon Hill  
 1200 12<sup>th</sup> Ave South Seattle, WA 98144

MEMBERS PRESENT		NOT PRESENT	ALSO PRESENT
Marite Butners	Nate Dreon	Judy Tobin	Rosemary Aragon
Mike Heinisch	Theresa Rambosek		Christina Bernard
Diane Narasaki (from 5:35)	Kevin Fox		Denise Stiffarm
Dan Lessler (phone, 5:40-6:01)	Marc Provence (5:41-6:01)		Steve Wood (from 6:00)
			Michael Finch (from 6:00)

Theresa Rambosek called the meeting to order at 5:33 p.m. A quorum was present. There was no public comment.

The Governing Council voted to amend the agenda to add an item on Property Management (Moved/2<sup>nded</sup> by Butners/Heinisch. 5 of 5 in favor).

The Governing Council approved the May 14, 2013 and May 28, 2013 Governing Council minutes (Moved/2<sup>nded</sup> by Fox/Butners. 5 of 5 in favor).

The Governing Council accepted as information the Finance & Audit Committee minutes from May 14, 2013 and the Planning Committee Minutes from May 1, 2013.

**Financial Stewardship**

*2012 Independent Audit*

The Finance Committee Chair presented the draft 2012 Audit. She reported that the Finance Committee had met with Andrew Prather of Clark Nuber, and that he reported that it was a clean audit with one minor change made to the balance sheet. It is an unmodified opinion with no material internal control weaknesses reported. She also noted that he stated that Clark Nuber believes that it is not necessary to complete an inventory to incorporate the fixed assets from the former Tower tenant into the PHPDA fixed assets accounting. The Governing Council voted to approve the 2012 Audit (Moved/2<sup>nded</sup> by Fox/Butners. 7 of 7 in favor).

*Budget Update*

The Finance and Program Analyst discussed three budget expense items that are likely to exceed the levels approved in the 2013 Operating Budget by more than \$10,000. Any expenses over this amount require Governing Council approval. The higher expenses for all three are related to Tower leasing activities. The Council voted to recognize that three budget categories – Legal, Real Estate Consultant, and Government Relations Consultant – are likely to exceed the 2013 approved operating budget by more than \$10,000 (Moved/2<sup>nded</sup> by Fox/Butners. 8 of 8 in favor).

**Personnel**

*Executive Session- to discuss personnel matters pursuant to RCW 42.30.110(1)(g)*

The Governing Council entered executive session at 5:46 to discuss personnel matters pursuant to RCW 42.30.110(1)(g). Staff left the meeting at this time. Executive session ended at 5:55 and staff returned to the meeting.



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*New PHPDA Executive Director (Res 11-2013)*

Mike Heinisch presented Resolution 11-2013, which authorizes the hiring of Jeff Natter as the new PHPDA Executive Director, subject to final reference checks and completion of an employment contract. The hiring will be effective August 19, 2013. He noted that Mr. Natter was very enthusiastic about the position and excited to begin work with the PHPDA. The Council adopted Resolution 11-2013 (Moved/2<sup>nded</sup> by Heinisch/Butners. 8 of 8 in favor).

**Executive Session-** *to discuss real estate matters pursuant to RCW 42.30.110(c)*

Dan Lessler and Marc Provence left the meeting at this time.

The Governing Council entered executive session for 30 minutes to discuss real estate matters pursuant to RCW 42.30.110(c) at 6:02. Executive session ended at 6:32. The Governing Council then re-entered executive session for an additional 15 minutes. Executive session ended at 6:47. The Governing Council then re-entered executive session for an additional 10 minutes. Executive session ended at 6:58.

The Governing Council agreed on key criteria for any Tower lease agreement in order to provide the PHPDA with financial stability to fulfill its mission to support and provide funding to decrease disparities in access to health resources and improve the health outcomes of vulnerable populations in our community. Those key criteria are: (i) we must have a long-term lease (at least 30 years); (ii) the lease must be for the entire building; and (iii) the tenant must have triple net responsibilities (i.e., responsibility for operating, maintenance and capital expenses for the Pacific Tower and garage). With regard to the possible State of Washington, Department of Commerce lease and in consideration of the unique nature of state funding and state leases, the PDA Governing Council also identified a priority that the lease cannot be subject to termination due to the non-appropriation of funds by the state Legislature.

**Property Management**

The Executive Director reported that Cheryl Mauer, the PHPDA's property manager, is leaving her position with JSH Properties and moving to a new property management firm, Jones Lang LaSalle at the end of the month. Ms. Mauer is currently assisting the leasing process by answering questions about the management of the Tower building and property from the potential Tower tenants. The loss of her expertise of the property and building could, therefore, impact the leasing process. Because of the current situation, continuity in property managers is extremely important at this time.

As such, the Executive Director proposed that the PHPDA terminate the contract with JSH Properties and contract with Jones Lang LaSalle in order to continue working with Ms. Mauer. The importance of continuity in management and knowledge, particularly with regard to the lease negotiations, constitutes an emergency situation. Therefore, no RFP process is required.

The Council voted to authorize the Executive Director to terminate the PHPDA's contract with JSH Properties and to contract with Jones Lang LaSalle for property management services (Moved/2<sup>nded</sup> by Butners/Dreon. 6 of 6 in favor).

**Adjournment**

The meeting was adjourned at 7:04 p.m.

Minutes approved \_\_\_\_\_  
(Date)