

AGENDA

Northeast Public Development Authority

1/17/2020

1:00 PM to 2:30 PM

Location: **Northeast Community Center, South Conference Room (basement level)**. Enter main entrance from west, take a right after entering, take the first right down the stairs to basement level, take another right at the bottom of the stairs, and then a left at the end of the hall. 4001 N Cook Street, Spokane, WA 99217.

Attendees: Northeast Public Development Authority Board of Directors

Discussion Items:

1:00 pm to 1:05 pm	Welcome & Introductions
1:05 pm to 1:10 pm	Approval of Minutes from December 13, 2019
1:10 pm to 2:00 pm	NEPDA Executive Director Update—David Guthrie <ul style="list-style-type: none">• Preferred meeting dates and time?• Funding – Spokane County• PDA Revenue allocation process update• Procurement & Financial Management policies• Executive Director Employment Agreement• Executive Director Vacation – week of Feb. 24th• Additional Board Member discussion• Board Chair and Secretary/Treasurer discussion• 2020 Objectives discussion
2:00 pm to 2:30 pm	Project Updates <ul style="list-style-type: none">• Esmeralda Commerce Park• Beacon Hill
2:30 pm	Notable items Around the Room Closing

NOTES: Next Meeting – **TBD or** February 14, 2020 PM. Northeast Community Center, South Conference Room (basement level).

AMERICANS WITH DISABILITIES ACT (ADA) INFORMATION: The City of Spokane is committed to providing equal access to its facilities, programs and services for persons with disabilities. Individuals requesting reasonable accommodations or further information may call, write, or email Human Resources at 509.625.6363, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or. Persons who are deaf or hard of hearing may contact Human Resources through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.

Meeting Minutes
Northeast Public Development Authority

Date: 12/13/2019

Location: City of Spokane, Tribal Conference Room Lobby first floor, 808 W Spokane Falls Blvd, Spokane, WA 99201

Meeting called to order: 1:00 PM to 2:30 PM

Attendees:

Northeast Public Development Authority Board of Directors

- Anthony Carollo, Chair
- Craig Riley, Secretary-Treasurer
- Nichole Hydzik
- Cheryl Stewart
- Scott Simmons

Board Staff

- David Guthrie, Executive Director
- Megan Clark, EMHV, Legal Counsel

Guests

- Josh Kerns, Spokane County
- Ron Valencia, Spokane County

Approval of Minutes from October 11, 2019 (

Motion to approve minutes of October 11, 2019 board meeting by Cheryl Stewart,
Second by Nichole Hydzik, motion approved unanimously

NEPDA Executive Director Update—David Guthrie

- NEPDA independence

David Guthrie has moved from GSI to NE Community Center. Rent expense has been reduced to \$250/month. Relocating will save the NEPDA over \$4,000 annually. Termination notice was given to GSI effective 1/3/20. NEPDA purchased a laptop computer from GSI and is in the process of getting the GSI information removed. Payroll is already setup with Anastasi Moore Martin. In addition, the annual insurance premium to Enduris was reduced from over \$2,700 to slightly more than \$2,000 per year.

- Revenue allocation process

David Guthrie has contacted the City of Spokane and Spokane County regarding specific revenue allocation procedures and processes. Spokane County approached the Department of Revenue to attach an additional identifier to all PDA's to make revenue allocation streamlined but DOR refused the request. Margaret Smith with the County is developing a process for revenue recognition and allocation with the BoCC and City currently.

- Procurement & Financial Management policies
 - Procurement and financial management policies are completed along with formal resolutions to adopt. David Guthrie will email copies to “new” board members for comment at the appropriate time. Any comments need to be returned to David.
- City of Spokane – Capital Plan
 - The City’s capital plan has delayed funding for Freya and Wellesley until 2024/25 due to lack of grants for matching funds with requirements for grant applications to leverage city investment. The city attempts to leverage local funds to obtain grant funding at a 3:1 ratio.
- Dept. of Commerce
 - The Executive Director met with Lisa Brown, Director of the State of WA Department of Commerce. They discussed the needs of the NEPDA, including funding for infrastructure, brownfield remediation, fiber and workforce training.
- BNSF – transload
 - David Guthrie has had discussions with BNSF regarding the potential of a transload facility on the BNSF property. NEPDA could enter into a long-term ground lease with BNSF, and then sublease the facilities to a 3rd party transload operator. NEPDA will have to spearhead grant proposals to construct the facility.
- Transportation Build Grant
 - USDOT could provide a \$25M grant for an upload facility in the Yard area. The grant would require a \$6.25M matching grant. We believe that the NSC (WSDOT) work near Wellesley should qualify as a local match. The NEPDA’s reimbursement contributions to Beacon Hill and Esmeralda Commerce Park also qualify as a local match.
- NSC – I-976 Impact
 - Based on a WSDOT update, there should be no delay in funding for the North-South Corridor project up to the last section, which is generally between the Spokane River and I-90. This is subject to legislative approval.
- Alley Vacation
 - To proceed with alley vacation proposal, the board will have to identify the area affected, identify benefits and make a proposal to city staff to forward to Council. David Guthrie will reach out to property owners to determine level of support for the proposal.
- The Ranch
 - Phase 2 brownfield report found modest contamination. A final report is expected soon.
- Whitworth
 - Whitworth University may assist with identification of business clusters and support businesses within the Yard and NEPDA area. The University will have an MBA student, and potentially an entire class dedicated to this task in the Spring of 2020. It is anticipated that a working group of 4-6 MBA students will commit up to 300 hours toward this project.

- Zone Project – Workforce

David Guthrie is heading a “pathways to employment” workforce development group. The first meeting has been held with about 20 members from agencies and neighborhood groups. The goal is recruit and enroll single heads of households in one of three training programs that leads to a self-sufficient wage by January 2021.

Project Updates

- Haven & Wellesley

David Guthrie has reached out to several adjacent property owners. It appears that a ½ of the full block is available for development. Property to the west across Haven is also vacant. The city is continuing to assess the status of liens on the property.

- Esmeralda Commerce Park

The reimbursement agreement with Larry Stone Properties is under review by City Attorney. The scope of the building and employment commitments has been reduced and the development period extended significantly. The board will likely consider modifications to the reimbursement agreement commensurate with proposed reductions.

- Lincoln & Crestline:

Project proposed by Harlan Douglas proposes to build 485 apartment units with up to 1380 units maximum. The project will be inside the NEPDA expanded boundaries 1/1/20.

Next Meeting –January 10, 2020, 1-2:30 PM. Tribal Conference Room Lobby

Meeting Adjourned: 2:30 pm

FINANCIAL MANAGEMENT PROCEDURES

DAVID GUTHRIE



NORTHEAST PUBLIC DEVELOPMENT AUTHORITY

2020

I. Introduction

The Northeast Public Development Authority (“NEPDA”) Board of Directors is entrusted with oversight of the NEPDA. The NEPDA is municipal corporation formed on December 11, 2012 pursuant to Ordinance No. C34813, and in accordance with RCW 35.21.730 through RCW 35.21.757 and Spokane Municipal Code § 4.25. The mission of the NEPDA is to invest in community outreach, infrastructure, economic development partnerships and land development, creating business and job opportunities within the focus area, which consists of approximately 800 acres in northeast Spokane. The Board seeks to implement internal policies and procedures consistent with applicable law and Generally Accepted Accounting Principles (“GAAP”).

II. Responsibility and Roles

a. **Board of Directors:** The Board of Directors (“Board”) is responsible for communicating financial management expectations and goals to the staff.

b. **Officers:**

1. **Board of Directors, Chair:** The Board of Directors, Chair (“Chair”) shall have general supervision of the affairs of the NEPDA as authorized in the NEPDA Bylaws and Charter. The Chair has signing authority for all NEPDA bank accounts, and may execute documents on behalf of the NEPDA as set forth herein. The Chair provides input to the Executive Director on the annual budget.

2. **Treasurer:** Shall have the custody of all monies and securities of the Corporation and shall keep regular books of account. The Treasurer shall oversee the disbursement of funds of the Corporation in payment of the just demands against the Corporation or as may be ordered by the Corporation (taking proper vouchers for such disbursements) and shall render to the Corporation from time to time as may be required, an account of all transactions undertaken as Treasurer and of the financial condition of the Corporation. As such, the Treasurer:

- Is an officer of the NEPDA;
- Reviews and approves the monthly financial portfolio after pre-approval by the Executive Director;
- Has signature authority on NEPDA bank accounts and may signs checks as provided herein;
- Provides input on the annual budget;
- Reviews any annual financial review or audit;
- Reviews the annual Form 990; and
- Carries out specific roles as it relates to the NEPDA.

c. **Staff:**

1. **Executive Director:** The primary fiscal agent of the organization, formulating and directing all financial policies and procedures. The Executive Director is responsible for the monthly review of financial operations as provided herein to ensure that policies and procedures are properly implemented. The Executive Director develops and presents the annual budget, manages existing assets and invested funds, selects outside auditors and certified public accountants as directed by the Board, and approves revenue and expenditure objectives in accordance with the Board’s approved long-term plans.

2. **Administrator:** Under the oversight of the Executive Director, the Accounting firm (“Administrator”) is responsible for day-to-day bookkeeping, monthly financial reconciliation preparation for the Executive Director and Treasurer, maintenance of Chart of Accounts, accounts payable processing, input and processing payroll and payroll taxes, journal entries for general ledger, Forms 1099 and 1096

reporting, Form 990 reporting with the Administrator, bank deposits and reconciliations, credit card reconciliations, processing expense reports, ordering and maintaining check stock.

III. Revenue Procedures

- a. The Executive Director must approve all deposits by reviewing and initialing each deposit slip or other record verifying payment receipt for any electronic fund transfer (“EFT”).
- b. The Executive Director must deposit any money received within 72 hours of receipt. For any non-EFT monies received, the Executive Director must initial the deposit receipt.
- c. The Executive Director must maintain a record of payment instructions, the known contact, the correct account name, number, and routing information for each EFT.
- d. The Executive Director must timely provide the record verifying payment receipt to the Administrator.
- e. The Administrator must record each deposit transaction in QuickBooks and file all deposit records chronologically in the “Deposits” section of the applicable monthly financial portfolio.
- f. The Executive Director and the Treasurer must review all of that month’s deposits by comparing that month’s bank statement with the applicable QuickBooks report(s), and the accompanying financial records prior to the last day of the following month.

IV. Expense Procedures

- a. All expenses incurred by the NEDPA must adhere to applicable law and, unless specifically authorized by the Executive Director, preclude the purchase of alcohol and entertainment in accordance with applicable law.
- b. The Executive Director shall receive and review all invoices received by the NEPDA.
- c. The Executive Director shall prepare all check payments.
- d. The Administrator shall file a copy of the invoice and check payment in the “expense” section of the applicable monthly financial portfolio.
- e. The Executive Director and the Treasurer must review all of the month’s expenses by comparing that month’s bank statement with the applicable QuickBooks report(s), and the accompanying financial records prior to the last day of the following month.

V. Special Notification Procedures

- a. **Expenses under \$1,000.00:** The Executive Director may approve expenses for an amount less than \$1,000.00, as outlined herein. No notification for such payment is required.
- b. **Expenses over \$1,000.00 and under \$10,000.00:** The Executive Director may execute a contract, lease, memorandum of understanding, agreement commitment, or check disconnected from a previously approved agreement for an amount equal to or exceeding \$1,000.00 but less than \$10,000.00. Written notification of this expense must be directed to the Chair and Treasurer.
- c. **Expenses over \$10,000.00:** For any contract, lease, memorandum of understanding, agreement commitments, or checks disconnected from previously approved agreements in an amount equal to or exceeding \$10,000.00, notification and review by the Chair and approval of a simple majority of the Board is required. Two signatures for approval of this expense are required, which may be executed by the Executive Director, Chair, and/or Treasurer.
- d. In the absence of the Executive Director, the Chair or Treasurer is permitted to execute the documents as described in this Section on the Executive Director’s behalf.

VI. Expense Reimbursement Procedures

- a. Any Board Member, employee, or contract employee of the NEPDA, including the Executive Director, who incurs a legitimate and allowable expense while engaged in NEPDA business may be reimbursed. Board Members, employees, and contract employees are expected to perform their tasks in a cost-effective manner.
- b. Any Board Member, employee, or contract employee, must execute an expense report and provide documentation for the expense in the form of a receipt or other proof of payment. The expense report and accompanying documentation must be provided to the Executive Director in a timely manner.

- c. The Executive Director must review and approve all expense reports.
- d. Payment for any expense incurred by any Board Member, employee, or contract employee shall be made by the Executive Director, and must follow the procedures outlined in Section II “Expenses”.
- e. The Chair or Treasurer may request a summary or detailed report from the Administrator regarding reimbursement to any Board Member, employee, or contract employee at any time.
- f. The Executive Director’s contracted, budgeted, or reoccurring expenses will be documented by the Administrator.
- g. The Treasurer will review the Executive Director’s non-contractual expenses and reimbursements. Payment for any expense incurred by the Executive Director shall be made by the Treasurer, and is governed by the procedures outlined in Section II “Expenses”.

VII. Credit Cards

- a. The Executive Director and Treasurer may approve credit cards for NEPDA employees, contract employees, and Board Members.
- b. Lost or stolen credit cards shall be reported immediately to the issuing bank, the Executive Director, and the Administrator.
- c. Credit card expense approvals are governed by the procedures in Section IV “Expense Reimbursement”.

VIII. Payroll

NEPDA employees are paid bi-monthly (on the 15th and last business day of the month) via direct deposit. Payroll deductions are computed on a bi-monthly basis. Monthly payroll expenses are verified by the Executive Director and Treasurer via the monthly financial reconciliation, as set forth in Section II “Expenses”. The compensation and benefits of the Executive Director shall be determined by the Board. The salary and compensation range of all staff shall be determined by the Executive Director in consultation with the Chair and Treasurer. Employee benefits are administered through the Association of Washington Cities (AWC).

IX. Vacation/Sick Leave

The NEPDA tracks employee vacation leave accrual and in-kind donations via monthly journal entries. On the last calendar day of each month, the Executive Director must review all journal entries.

X. Bank of Record

Presently, the NEDPA has both checking and savings accounts with Washington Trust Bank. . Electronic payments and wire transfers are governed by the procedures outlined in Section II “Expenses”.

XI. Monthly Reconciliation

NEPDA financial statements are prepared on an accrual basis in accordance with GAAP. The Administrator must prepare a monthly financial statement in a format approved by the Executive Director and Treasurer. The Executive Director and Treasurer review and approve the monthly financial reconciliation, as outlined herein. This reconciliation is presented to the Chair for review prior to the next regularly scheduled Board meeting. The monthly financial reconciliation is provided to the Board for approval at the next regularly-scheduled Board meeting.

XII. Annual Budget

The Executive Director is responsible for developing the annual budget, contributions from the Chair and Treasurer. Each year, the Executive Director must present a draft annual budget to the Board for approval. The budget shall include anticipated revenues and expenses by quarter, with explanatory notes as appropriate. The annual budget revenues and expenditures should reflect the Board’s annual strategic objectives.

XIII. Financial Review

The NEPDA’s financial records are reviewed by the Administrator at the end of each calendar year for its preparation of Form 990. The Form 990 is reviewed by the Treasurer and executed by the Chair. The NEPDA may conduct a formal, independent audit as the Board deems appropriate. In the event of an audit, the Executive Director shall oversee the implementation of the audit and report the results to the Board.

PROCUREMENT POLICY



NORTHEAST PUBLIC DEVELOPMENT AUTHORITY

2020

I. General

The Northeast Public Development Authority (“NEPDA”) is municipal corporation formed on December 11, 2012 pursuant to Ordinance No. C34813, and in accordance with RCW 35.21.730 through RCW 35.21.757 and Spokane Municipal Code § 4.25. The mission of the NEPDA is to invest in community outreach, infrastructure, environmental remediation, economic development, ~~partnerships and~~ land development, and job growth creating business and job opportunities within the focus area, which consists of approximately ~~800-1,200~~ acres in northeast Spokane. The NEPDA Board seeks to implement procurement and contract policies and procedures consistent with applicable law. These policies are established pursuant to Title 39 RCW, RCW 35.21.730, RCW 35.21.745, and RCW 35.22.620(7). The NEPDA Board reserves the right to update this policy from time to time as it deems necessary or to conform to applicable law.

II. Purchases of Goods Policy

For purchases by the NEPDA of goods, supplies and/or materials, as outlined in Chapter 39.26 RCW, the following policies must be adhered to:

- A. **For Purchases of Goods of \$5,000 or less:** Competition is not required for purchases of goods in this category. The NEPDA will select from the MRSC Vendor List or MRSC Consultant Roster to the best of its ability.
- B. **For Purchases of Goods between \$5,000 and \$50,000:** The NEPDA shall obtain three (3) written quotes for purchases of goods in this category and will select from the quotes submitted pursuant to RCW 39.26.160. The NEPDA will select from the MRSC Vendor List or MRSC Consultant Roster to the best of its ability.
- C. **For Purchases of Goods between \$50,000 and \$300,000:** The NEPDA shall provide notification on its website for purchases of goods in this category. The NEPDA shall obtain three (3) written quotes and will select from the quotes submitted pursuant to RCW 39.26.160. The NEPDA will select from the MRSC Vendor List or MRSC Consultant Roster to the best of its ability.
- D. **For Purchases of Goods of \$300,000 or more:** The NEPDA shall advertise for purchases of goods in this category and shall put forth a formal Request for Proposal. The NEPDA shall select from the submitted Requests for Proposal pursuant to RCW 39.26.160.

III. Personal or Purchased Services Contracts Policy

For Personal or Purchased Services contracts, the following policies must be adhered to:

- A. **For Personal or Purchased Services of \$10,000 or less:** Competition is not required for purchases of goods in this category. The NEPDA will select from the MRSC Vendor List or MRSC Consultant Roster to the best of its ability.
- B. **For Personal or Purchased Services between \$10,000 and \$50,000:** The NEPDA shall obtain three (3) informal Requests for Proposal for purchases of goods in this category and will select from the quotes submitted pursuant to RCW 39.26.160. The NEPDA will select from the MRSC Vendor List or MRSC Consultant Roster to the best of its ability.
- C. **For Personal or Purchased Services between \$50,000 and \$300,000:** The NEPDA shall provide notification on its website or a formal advertisement for purchases of goods in this category. The NEPDA shall obtain three

(3) informal Requests for Proposal and will select from the quotes submitted pursuant to RCW 39.26.160. The NEPDA will select from the MRSC Vendor List or MRSC Consultant Roster to the best of its ability.

- D. **For Personal or Purchased Services of \$300,000 or more:** The NEPDA shall advertise for purchases of goods in this category and shall put forth a formal Request for Proposal. The NEPDA shall select from the submitted Requests for Proposal pursuant to RCW 39.26.160.

IV. Professional Services Contract Policy

For Professional Services contracts as codified in Chapter 39.80 RCW, as well as other professional services, including but not limited to design, planning, management, financial, environmental, IT, or personnel consulting, the following policies must be adhered to:

- A. **For Professional Services of \$75,000 or less:** The NEPDA shall review the MRSC Consultant Roster and select at least three (3) prospective candidates, and review such candidates' qualifications. The NEPDA shall select from these prospective candidates pursuant to RCW 39.26.160. The NEPDA will, to the best of its ability, retain a printout from the MRSC Consultant Roster showing the prospective candidates it reviewed.
- B. **For Professional Services between \$75,000 and \$150,000:** The NEPDA shall review the MRSC Consultant Roster and select at least three (3) prospective candidates, and review such candidates' qualifications. The NEPDA shall select from these prospective candidates pursuant to RCW 39.26.160. The NEPDA will, to the best of its ability, retain a printout from the MRSC Consultant Roster showing the prospective candidates it reviewed.
- C. **For Professional Services between \$150,000 and \$300,000:** The NEPDA shall put forth a formal Request for Proposal to the MRSC Consultant Roster to all prospective candidates in a selected category, or the NEPDA shall advertise a formal Request for Qualifications. The NEPDA shall select a candidate pursuant to RCW 39.26.160
- D. **For Professional Services of \$300,000 or more:** The NEPDA shall advertise for professional services in this category and shall put forth a formal Request for Qualifications. The NEPDA shall select from the submitted Requests for Qualifications pursuant to RCW 39.26.160.