

# AGENDA

## NORTHEAST PUBLIC DEVELOPMENT AUTHORITY

**Date:** 2/14/2020

**Time:** 10:30 AM to 12:00 PM

**Location:** Northeast Community Center, 4001 N Cook Street, Spokane, WA 99207 (South Conference room).

**Attendees:** Northeast Public Development Authority Board of Directors

### Discussion Items:

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10:30 am to 10:35 am

#### **Welcome & Introductions**

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10:35 am to 10:40 am

#### **Approval of Minutes from January 17, 2020**

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10:40 am to 10:55 am

#### **Project Updates**

- Beacon Hill – Pete Rayner
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10:55 am to 11:55 am

#### **Discussion**

- Beacon Hill / NEPDA GFC waivers
  - Esmeralda Commerce Park / Development Agreement
  - PDA Revenue allocation process update
  - Procurement & Financial Management policy
  - Executive Director Employment Agreement
  - NEPDA Retirement Benefits – WA DRS (PERS)
  - At-large Board Members
  - 2020 Budget
  - On Call Engineering and Professional Service Agreements
    - Infrastructure: Wellesley Ave – Cost estimate, funding options
    - Database: Buildable Lands report and mapping software
    - Marketing & Communication: Branding and website
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11:55 am to 12:00 pm

#### **Notable items Around the Room Closing**

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**NOTES:** Next Meeting – 10:30 AM to Noon. Northeast Community Center

**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.

# **NORTHEAST PUBLIC DEVELOPMENT AUTHORITY**

## **Minutes – Regular Meeting**

**Date: 1/17/2020**

Meeting called to order: 1:00 PM

Location: Northeast Community Center, 4001 N Cook Street, Spokane, WA 99207

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### **Welcome and Introductions**

Josh Kearns noted that a quorum was present.

### **Attendees:**

#### NEPDA Board of Directors

- Josh Kearns
- Michael Cathcart
- Gerry Gemmill
- Scott Simmons

#### Board Staff

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

#### Guests

- Ron Valencia, Spokane County

**Public Comment:** None

### **Approval of Minutes from December 13, 2019 Board Meeting**

The Board discussed approving the 12/13/2019 NEPDA board meeting minutes. Because the terms of all prior board members expired on the last day of December 2019, the board determined that no action was necessary to approve the December meeting minutes.

### **Preferred Meeting Dates, Time and Location**

The board agreed to meet the 2<sup>nd</sup> Friday of each month, between 10:30 AM - Noon. Meetings will be held at the Northeast Community Center, located at 4001 N Cook Street, Spokane, WA 99207 (lower level - south conference room).

### **NEPDA Funding**

The Executive Director explained that Section 7 of the reformed Interlocal Agreement states that the County shall commit \$180,000 to the revised and reformulated PDA. The County commitment shall be made in two installments with the first amount of \$120,000 payable on or after January 1, 2020, and the second installment of \$60,000 on or before July 1, 2020. Josh Kearns assured the board that County payment would be forthcoming shortly, and the County would make one payment in the full amount, not two partial payments.

## **Revenue Allocation Process**

The Executive Director updated the board on the status of the pending revenue collection and allocation process for the NEPDA, U-District PDA, and West Plains-Airport PDA. Spokane County, the City of Spokane, and Department of Revenue are developing a process, and related software, to collect and accurately allocate revenues to the three PDA's. Josh Kearns provided a summary document prepared by Spokane County, titled "Sales Tax Methodology" outlining the proposed methodology to collect, "estimate," and allocate revenues. Estimates may be required when a business may have more than one location in Spokane County. Taxes are reported in the aggregate, not by individual location. RCW 84.08.210 limits PDA access to confidential and privileged tax information. The County will need to make an estimate of taxes generated within each PDA as a result.

Discussion ensued about the need to track new business licenses and permit activity within the NEPDA. Scott Simmons advised that Chris Becker at the City utilizes a business intelligence application tool to track all permit activity within a geographic area. The Executive Director agreed to contract Chris about this system, so that the NEPDA is aware of new permit and license activity in the PDA.

## **Procurement & Financial Management policies**

Megan Clark advised that Procurement and Financial Management policies are completed along with formal resolutions to adopt. David Guthrie will email copies to board members for comment. Any comments need to be returned to David.

## **Employment Agreement**

Megan Clark advised the board that a new Employment Agreement has been prepared for the Executive Director. She explained that the prior agreement was with Greater Spokane Incorporated. Because the NEPDA terminated its contract with GSI, a new employment agreement is required with the NEPDA.

Discussion ensued about the terms of the new Agreement. Megan Clarke confirmed that the terms are substantially the same in all material aspects to the prior agreement. The only material difference relates to Executive Director vacation days. It was explained that the Executive Director had accrued vacation days under the GSI Agreement, which he planned to use for personal vacation in 2020. Because this prior Agreement was terminated, the accrued vacation days were lost. The board agreed that the Executive Director would have 15 days' vacation in 2020, commencing January 1, 2020. Each year thereafter, vacation would be accrued. The new Employment Agreement was approved unanimously by the board.

## **Budget**

Michael Cathcart asked about the NEPDA budget. The Executive Director stated that the Interlocal Agreement requires submittal of an annual budget in August of each year. Given the revised and reformulated NEPDA Interlocal and new board members, the Executive Director said he would prepare a 2020 budget for review at the next board meeting.

## **Election of at-large Board Members**

The Board discussed creating a list of potential board candidates for circulation among the board. It was agreed that we should target specific areas of need, and target individuals who can help fill gaps in the board's knowledge/expertise. Gaps identified include real estate and marketing expertise. Josh Kearns stated that he reached out to Jordan Tampien with 4 Degrees Real Estate about a board position. Jordan indicates he is interested in serving on the NEPDA board. Cheryl Stewart, who is a former NEPDA board member, and is a director with the Association of General Contractors, has also indicated a willingness to serve. Other possible board candidates were discussed, but no action was taken.

## **Election of NEPDA Officers**

In accordance with the Interlocal Agreement, the permanent board members select NEPDA officers. Josh Kearns was nominated for Board Chair, Michael Cathcart for Vice-Chair, and Scott Simmons for Secretary/Treasurer. Gerry Gemmill motioned to approve these nominations. Scott Simmons seconded. The motion passed unanimously.

## **Beacon Hill**

Michael Cathcart advised that Pete Rayner, developer of the Beacon Hill subdivision, asked to eliminate the GFC waivers within the Beacon Hill subarea of the NEPDA. GFC revenues are used, to the extent available, to reimburse the developer in accordance with the Development Agreement between the City and Beacon Hill (City Resolution No. 2018-0097). As background, GFC's may be waived in targeted investment areas. This is to incentivize development. If GFC's are waived for Beacon Hill, this source of revenue is unavailable for reimbursement of developer funded public water system improvements. Discussion about removing the GFC waiver within the Beacon Hill subarea ensued. Josh Kearns stated he would discuss this with the Board of County Commissioners.

## **2020 Goals and Objectives**

The Executive Director briefly outlined the major NEPDA focus areas for 2020, which include: grant funding, infrastructure, environmental remediation, development, a database of buildable lands, and marketing and communication. No action taken by the board.

Next Meeting – March 13, 2020, 10:00 AM to Noon. Northeast Community Center. 4001 N Cook Street, Spokane, WA 99207, lower level, south conference room

Meeting Adjourned: 2:30 pm

# FINANCIAL MANAGEMENT PROCEDURES



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 15<sup>th</sup> 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, land development, and job growth within the focus area, which consists of approximately 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.