

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
November 6, 2018

A. CALL TO ORDER

The meeting of the Lynnwood Public Facilities District was called to order at 6:00 p.m. by Board Chair George Sherwin at the Lynnwood Convention Center.

B. Board Members Present

George Sherwin, Chair
Lynn Melby, Secretary
Rosario Reyes
Wally Webster II
Sonja Springer, Treasurer

Others

Grant Dull, PFD Executive Director
Judy Powell, PFD Finance Analyst
Matt Hendricks, PFD Attorney
Sara Blayne, LCC General Manager
Tracey Morrison, LCC Finance Director
David Kleitsch, City of Lynnwood
Council Member Shirley Sutton

C. MINUTES

Board Member Melby moved, seconded by Board Member Reyes, to approve the October 2, 2018 minutes as presented. Motion passed, unanimously.

D. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

None

E. CONSENT AGENDA

Board Member Melby moved, seconded by Board Member Webster, to approve the Accounts Payable Report in the amount of \$1,798,605.87. Motion passed, unanimously.

F. BUSINESS ITEMS

1. FINANCIAL STATEMENTS

FA Powell presented the financial statements for September 2018. Net income for the month of September was \$324,809 (before depreciation), the budgeted net income was \$226,129.

The Convention Center had a great month and beat budget for the first time since April. Net income for September was \$102,283, \$53,483 better than budget. Net subsidy year-to-date is \$109,133, which is \$31,777 more than budget.

Net income for the Convention Plaza for the month of September was \$64,590, which was \$24,529 better than budget. The difference can be attributed to lower than anticipated CAM expenses and higher than budgeted lease revenue from new leases signed in the first half of the year. CAM expenses are 17% under budget.

2. CONVENTION CENTER REPORT

GM Blayne provided an overview of business for the month of September:

- The LCC had a net income of \$102,283 for the month of September.

The Lynnwood PFD Board's minutes are intended to be a reasonable summary of the Board's deliberations and actions. The minutes are not a verbatim record of everything said at the meeting. The minutes include all actions taken by the Board.

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- September guest feedback surveys scored an average of 4.5 without parking. Food and Beverage Quality scored a 4.4. Audio Visual scored a 4.4.
- For the month of September, the Convention Center generated 2,196 room nights and \$2,811,106 in direct and indirect economic impact.

3. RESOLUTION TO DEPARTMENT OF REVENUE

Engrossed House Bill 1201 extended the period in which sales and use tax can be collected by PFDs from twenty-five to forty years. Marc Greenough, an attorney with Foster Pepper PLLC, has urged all PFDs in the State to carefully review their funding legislation to ensure that the PFD is able to receive the extension of the sales and use tax.

Resolution 18-02 has two objectives: 1) it clearly states the intent of the Lynnwood PFD to impose the sales and use tax for as long as it is available; and, 2) it reminds the Department of Revenue that the sales tax sourcing provision available to PFDs continues through the sales tax extension.

Motion made by Board Member Melby, seconded by Board Member Webster, to approve resolution 18-02 as presented. Motion passed, unanimously.

4. 2019 BUDGET

ED Dull presented an overview of the proposed 2019 Budget and clarified that the Board is being asked to approve a summary level budget. The Budget notebook includes the details that support the summary level budget. The Real Estate Committee, Budget & Finance Committee, and the Personnel Committee have each reviewed portions of the budget in great detail over the last two months.

Motion made by Board Member Melby, seconded by Board Member Webster, to adopt the 2019 Revised Budget that includes: A room rental rate increase for the Convention Center; an amendment to the Executive Director's contract; the inclusion of a \$50,000 Snohomish County Lodging Fund Grant; and, the following provisos:

1. Staff prepare a supplemental budget to prepare for further environmental remediation and property development work.
2. Staff work with the Board and the City of Lynnwood to propose a budget to study the long-term development of PFD property.
3. Staff work with the Board to retain an "on-call architect" to develop plans to remodel or "refresh" the Convention Center in 2020 – 2021.

Motion passed, unanimously.

5. 2019 MEETING SCHEDULE

The Board reviewed proposed meeting dates and corrected dates to the first Tuesday of the month for November 5 and December 3 and January 7, 2020. Motion made by Board Member Melby, seconded by Board Member Reyes, to approve the 2019 PFD Board Meeting dates as amended. Motion passed, unanimously.

G. EXECUTIVE DIRECTOR'S REPORT

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The Council is scheduled to make an appointment to fill PFD Board Position #2 at their business meeting on November 13.

The County Lodging Tax Advisory Committee met on October 30 to consider grant requests from the Edmonds, Lynnwood and Everett PFDs. Chair Terry Ryan had announced that a total of \$250,000 would be available. Everett asked for \$250,000 to finish its retractable seating project; Edmonds asked for \$125,000 to assist with the acquisition and installation of new appliances and equipment, as well as modifications to the lobby and pantry areas; and, Lynnwood initially asked for \$35,000 to fund a portion of a W-Fi improvement project. When the grant application deadline was extended, Lynnwood also asked for \$250,000 to fund a portion of the cost of replacing all the meeting room chairs. Lynnwood also gave the LTAC a copy of the Convention Center's "Refresh" proposal. The Committee, at the suggestion of Chair Ryan, allocated \$125,000 to Everett (seating), \$125,000 to Edmonds (appliances) and \$50,000 to Lynnwood (Wi-Fi).

H. EXECUTIVE SESSION

None

I. ADJOURN

The meeting adjourned at 7:49 pm.

George Sherwin, Board Chair