

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
December 4, 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 (via phone)
Rosario Reyes
Wally Webster II
Taylor Nordby
Sonja Springer, Treasurer (ex. absence)

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

Guests

Michael Krouse, SMG
Corbett Loch, City of Lynnwood

C. MINUTES

Board Member Melby moved, seconded by Board Member Reyes, to approve the November 6, 2018 minutes as presented. Motion passed, unanimously.

D. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

None

E. CONSENT AGENDA

Board Member Reyes moved, seconded by Board Member Webster, to approve the Accounts Payable Report in the amount of \$81,634.67. Motion passed, unanimously.

F. BUSINESS ITEMS

1. FINANCIAL STATEMENTS

FA Powell presented the financial statements for October 2018. Net income for the month of October was \$406,078 (before depreciation), the budgeted net income was \$335,159.

The Convention Center had a good month financially. Gross income for October was \$469,134, which was \$17,878 or 3.8% more than budget and \$90,492 or 16.2% less than October 2017. Net income year-to-date is \$12,938, which is \$52,347 less than budget.

Net income for the Convention Plaza for the month of October was \$46,385, which was \$347 less than budget. The difference can be attributed to timing of expenses and a commission paid for the extension of the USPS lease. CAM expenses are 14% under budget.

The only work left of the Vet Demo is the landscaping of the area. The project is still expected to come in well under budget.

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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2. CONVENTION CENTER REPORT

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

- The LCC had a net income of \$122,067 for the month of October.
- October guest feedback surveys scored an average of 4.9 without parking. Food and Beverage Quality scored a 4.8. Audio Visual scored a 4.5.
- For the month of October, the Convention Center generated 1,485 room nights and \$2,005,121 in direct and indirect economic impact.
- Future sales pace is strong.

3. CONVENTION CENTER FIVE-YEAR PROJECTION

The first of SMG's 2018 Goals is to enable the Board to decide as to whether SMG is managing the facility within the long-term financial projections contained in the Board-adopted Five-Year Plan. GM Blayne discussed the five-year plan with the Board.

4. CITY CENTER PRESENTATION

David Kleitsch, Director of the City of Lynnwood's Department of Economic Development, made a presentation on Lynnwood's evolving City Center and major projects throughout the City.

5. PHASE II DEVELOPMENT

ED Dull reported that Board Chair Sherwin, Board Member Webster, former Board Member Echelbarger and ED Dull met with Mayor Smith, Assistant City Administrator Art Ceniza, Finance Director Springer and Economic Development Kleitsch about how the PFD and the City can work together to plan the future of the PFD's property. The Board discussed next steps.

G. EXECUTIVE DIRECTOR'S REPORT

Board Member Sherwin will be absent at the January Board Meeting. Board Member Webster will be acting Chair for the meeting. Motion made by Board Member Sherwin to move Board positions and Committee assignments to the February Board Meeting. Seconded by Board Member Reyes. Motion passed, unanimously.

The PFD made two regular debt payments in late November: a payment to Pinnacle Bank of \$1,062,708 (composed \$957,700 principle and \$105,008.16 interest) and a payment to US Bank of \$632,868.75 (composed of \$310,000 principle and \$322,868.75 interest).

H. EXECUTIVE SESSION

The Board went into Executive Session at 8:47 pm for 5 minutes as authorized by RCW42.30.110(1) (b) to discuss real estate matters. At 8:52 pm, the Board extended the session for 3 minutes. At 8:55 pm, the Board came out of Executive Session. No action was taken.

I. ADJOURN

Meeting adjourned at 8:57 pm.

Wally Webster, Board Member