

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
February 5, 2019

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 (via phone)
Wally Webster II
Taylor Nordby
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
Tracy Thornton, LCC Sales Director
Mary Fleming, LCC Events Director
Omendra Jayasundara, LCC F&B Director
David Kleitsch, City of Lynnwood
Council Member Ian Cotton

C. AGENDA

ED Dull presented a revised Agenda to include the topics of adding a Long-Range Planning Committee and amending Resolution 14-01. Board Member Melby moved, seconded by Board Member Webster, to approve the Agenda as revised. Motion passed, unanimously.

D. MINUTES

Board Member Webster moved, seconded by Board Member Melby, to approve the January 8, 2019 minutes as corrected. Motion passed, unanimously.

E. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

None

F. CONSENT AGENDA

Board Member Melby moved, seconded by Board Member Nordby, to approve the Accounts Payable Report in the amount of \$114,923.13. Motion passed, unanimously.

G. BUSINESS ITEMS

1. FINANCIAL STATEMENTS

FA Powell presented the financial statements for December 2018 and 2018 year end. Net income for the month of December was \$318,367 (before depreciation), the budgeted net income was \$208,827. Net income for the year was \$2,828,660 (before depreciation), the budgeted net income was \$2,148,154.

LCC gross income for December was \$286,893, which was \$15,017 (or 5%) less than budget. Indirect expenses in December were \$130,048, which was \$104,435 less than budget. In 2018, for the sixth consecutive year, the facility did not require a subsidy to support

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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its operations; instead the Convention Center ended the year with a net income of \$40,463, just short of budget by \$12,607.

Convention Plaza net income for the month of December was \$38,718, which was \$10,032 less than budget. Year-end net income is \$601,284, which is 14% better than budget. With the addition of Kona Kitchen and several new tenants above CEC, the Convention Plaza did better than budgeted. Real estate commissions for the new leases totaled \$44,922. For 2018, CAM expenses were 8% under budget.

In 2018, PFD overhead expenses were 14% under budget. Professional fees were significantly under budget due to timing and cost of LMN Architects work. Throughout the history of the PFD, the annual growth of PFD administrative costs has been about 3.5%.

As of the end of December, net working capital was \$6,388,215, up from \$6,266,611 one year ago.

All projects that were approved in 2018 have been completed except for payment of the retainage portion of the Vet Demo Project and the Rational Smart Combi-Oven. The oven has been ordered and will be installed shortly. Capital and project expenses (including vet retainage and oven) in 2018 were \$1,027,423, which is \$449,890 less than the amended budget of \$1,477,313.

2. CONVENTION CENTER REPORT

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

- The LCC had a net income of \$50,606 for the month of December and ended the year with a net income of \$40,463.
- December guest feedback surveys scored an average of 4.5 without parking. Food and Beverage Quality scored a 4.1. Audio Visual scored a 3.7.
- For the month of December, the Convention Center generated 720 room nights and \$1,119,765 in direct and indirect economic impact. For the year the Convention Center generated 16,351 hotel room nights and \$23,500,439 in direct and indirect economic impact.
- Board Member Nordby expressed concern for moving projects to the following year for savings in 2018. She requested this action to be monitored in future years.
- A request was also made to analyze the A/V scores where LCC provided the A/V vs. clients provided A/V.

3. SMG 2018 GOALS REPORT

GM Blayne presented SMG's year-end report on specific operating goals which were assigned by the Board to SMG. Ten percent of SMG's annual incentive fee of \$120,000 is based on SMG's ability to complete these goals and objectives.

4. LONG RANGE PLANNING COMMITTEE AND AMENDING RESOLUTION 14-01

Board Member Webster requested that the Board discuss adding a Long-Range Planning committee of the whole Board. After much discussion, the Board determined that

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adding an extra Board Meeting a month for the next three months would more closely fit what is trying to be accomplished with Long Range Planning.

Board Member Melby moved, seconded by Board Member Webster, to amend the Board Meeting Calendar to include the 3rd Tuesday of the month at 5:00 pm for the next three months. Motion passed, unanimously.

5. ELECTION OF OFFICERS

Elections of officers takes place annually at the first regular meeting each year, but since the Board Chair had an excused absence the election was moved to the second meeting. The elected officers shall assume their positions for one year, or until a successor is elected. The new Board Officers were voted on unanimously and are as follows:

Board Chair	George Sherwin
Board Vice Chair	Wally Webster
Board Secretary	Taylor Nordby
Treasurer	Sonja Springer (ex-officio Board Member)

The Board Chair Sherwin appointed the following committee members and the Chair of each committee as follows:

Budget and Finance	Wally Webster (Chair) and Taylor Nordby
Personnel	Lynn Melby (Chair) and Rosario Reyes
Real Estate	George Sherwin (Chair), Taylor Nordby, and Mike Echelbarger
Investment	Grant Dull (Chair), Sonja Springer and Wally Webster
Art	Lynn Melby (Chair), Fred Wong, Julie Long, Kim Chapman, Melissa Tomlinson Newell, Joye Melby, and the chair of the Lynnwood Art Commission

6. PHASE II PLANNING

Board Member Webster, Board Member Nordby, and ED Dull met with the Mayor, Councilmember Cotton, Art Ceniza, Sonja Springer, and David Kleitsch on January 30. The group reviewed the Task Force purpose document and made several changes. They agreed to convene the first Task Force meeting in early March, and for the Task Force to conclude their work by late May. Depending on facilitator advice, the group expects the Task Force to meet four times prior to spending two meetings consolidating their ideas and issuing their report. The group suggested names for Task Force participants and candidates for a facilitator. The Board reviewed lists of participants and candidates and agreed to discuss hiring a facilitator at the next Board Meeting in February.

7. ELECTRICAL VEHICLE CHARGING

This agenda item was moved for discussion to a later meeting.

H. EXECUTIVE DIRECTOR'S REPORT

An RFQ for an on-call architect to work on the Convention Center was issued on January 17. The first task of the selected architect will be to work on a "refresh" of the Convention Center. Responses are due by February 15.

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I. COMMENTS FROM COUNCIL MEMBER COTTON

Councilmember Cotton thanked the Board for allowing him to participate in the Board Meetings again this year.

J. COMMENTS FROM DIRECTOR DAVID KLEITSCH

David Kleitsch updated the Board on different projects going on within the City Center.

K. OLD BUSINESS/NEW BUSINESS

None

L. EXECUTIVE SESSION

The Board went into Executive Session at 8:46 pm for 10 minutes as authorized by RCW42.30.110(1) (b) to discuss real estate matters. At 8:56 pm, 9:01 pm, and 9:06 the Board extended the session for 5 minutes each time. At 9:11 pm, the Board came out of Executive Session. No action was taken.

M. ADJOURN

Meeting adjourned at 9:11 pm.

George Sherwin, Chair Board Member