

LYNNWOOD PUBLIC FACILITIES DISTRICT  
BOARD MEETING MINUTES  
March 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  
Wally Webster II, Vice Chair  
Taylor Nordby, Secretary (ex. absence)  
Lynn Melby (via phone)  
Rosario Reyes  
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  
David Kleitsch, City of Lynnwood  
Council Member Ian Cotton

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**C. AGENDA**

Board Member Melby moved, seconded by Board Member Reyes, to approve the Agend. Motion passed, unanimously.

**D. MINUTES**

Board Member Reyes moved, seconded by Board Member Webster, to approve the February 5 and February 19, 2019 minutes as presented. Motion passed, unanimously.

**E. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS**

None

**F. CONSENT AGENDA**

Board Member Webster moved, seconded by Board Member Melby, to approve the Accounts Payable Report in the amount of \$88,429.12. Motion passed, unanimously.

**G. BUSINESS ITEMS**

**1. SMG AUDIT**

Becky Mackenstadt of Vine Dahlen PLLC presented the LCC's audited financial statement report. Becky stated that they are issuing an unqualified opinion on the LCC's special purpose statements.

**2. FINANCIAL STATEMENTS**

FA Powell presented the financial statements for January 2019. Net income for the month of January was \$155,410 (before depreciation), the budgeted net income was \$156,702.

LCC gross income for January was \$275,301, which was \$36,622 more than budget. Indirect expenses in January were \$263,365, which was \$44,596 more than budget. This is due in part to the annual building painting that was moved from December 2018 to January

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.

March 5, 2019

LYNNWOOD PUBLIC FACILITIES DISTRICT  
BOARD MEETING MINUTES  
March 5, 2019

2019 as well as the timing of a budgeted linen purchase, reallocation of the marketing vendor expense and an unbudgeted HVAC repair.

Convention Plaza net income for the month of January was \$68,555, which was \$9,475 better than budget. The difference can be attributed to lower than anticipated CAM expenses. Lease revenue is slightly under budget due to a lease negotiation that took place in January.

PFD overhead expenses for January were right at budget.

### **3. CONVENTION CENTER REPORT**

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

- The LCC required a subsidy of \$91,498 for the month of January.
- January guest feedback surveys scored an average of 4.7 without parking. Food and Beverage Quality scored a 5.0. Audio Visual scored a 4.5.
- For the month of January, the Convention Center generated 2,324 room nights and \$2.3 million in direct and indirect economic impact.

### **4. SMG 2018 INCENTIVE FEE**

Moved to Executive Session.

### **5. SECURITY AND ART INSTALLATION**

Although a security barrier was included in the 2018 adopted budget, the project was put on hold when the City of Lynnwood proposed a joint installation of a security/art barrier at the corner of 196<sup>th</sup> and Convention Center Way. The Board discussed a proposed agreement with the Lynnwood Parks and Recreation Foundation in September and raised a number of questions. This item is not yet funded in the 2019 budget. Approval as recommended would add the art installation to the project budget with funding of no more than \$12,100.

Board Member Melby moved, seconded by Board Member Webster, to authorize the ED to sign an agreement with the Lynnwood Parks and Recreation Foundation and to budget the entire project at no more than \$12,100. Motion passed, unanimously.

### **6. TASK FORCE FACILITATOR**

After interviewing two candidates for the Task Force Facilitator, the interview panel determined to hire Marketing Solutions, Inc to facilitate the meetings that will be held every Wednesday from April 3, 2019 to May 8, 2019. Board Member Webster, seconded by Board Member Reyes, moved to authorize ED Dull to execute a task facilitator agreement with Marketing Solutions. Motion passed, unanimously.

ED Dull requested that the next Board Meeting be moved to March 12, 2019 to meet with the facilitator to discuss the parameters and details of the Task Force Meetings. Board Member Wally, seconded by Board Member Reyes, to move the next Board Meeting to March 12, 2019 at 5:00 pm. Motion passed, unanimously.

### **7. PHASE II PLANNING – WORK PLAN**

Board Member Webster discussed a tracking mechanism related to project(s) the Board decides to embark on, from Citizens Input (Taskforce) to Certificate of Occupancy.

LYNNWOOD PUBLIC FACILITIES DISTRICT  
BOARD MEETING MINUTES  
March 5, 2019

**H. EXECUTIVE DIRECTOR'S REPORT**

ED Dull discussed the EV charging options with the Board.

Lodging metrics provided by David Kleitsch and his staff were discussed. Lodging tax revenue has been generally flat for the past four years, which is a bit of a surprise.

**I. COMMENTS FROM COUNCIL MEMBER COTTON**

Councilmember Cotton reminded the Board that the PFD debt is counted against the debt capacity of the City due to the contingent loan agreement between the two and to keep this in mind when planning future projects.

**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 8:00 pm for 15 minutes as authorized by RCW42.30.110(1) (d) to discuss matters on the performance of a publicly bid contract. At 8:15 pm, the Board extended the session for 5 minutes. At 8:20 pm, the Board came out of Executive Session.

Board Member Reyes moved, seconded by Board Member Melby, to pay the incentive fee in the amount of \$84,000 as discussed in Executive Session to SMG. Motion passed, unanimously.

**ADJOURN**

Meeting adjourned at 8:21 pm.

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George Sherwin, Chair Board Member