

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
August 8, 2017

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
Bob Fuller, Vice Chair
Andy Olsen, Secretary
Lynn Melby
Rosario Reyes
Sonja Springer, Treasurer (ex-officio)

Others

Grant Dull, PFD Executive Director
Judy Powell, PFD Finance Analyst
Matt Hendricks, PFD Attorney
Sara Blayne, LCC General Manager (ex. absence)
Tracey Morrison, LCC Finance Director
Tracey Thornton, LCC Sales Director
Chris Pilkey, LCC Operations Director
David Kleitsch, City of Lynnwood
Council Member Shannon Sessions (ex. absence)

C. MINUTES

Board Member Olsen moved, seconded by Board Member Fuller, to approve the June 6, 2017 Board Meeting Minutes as presented. Motion passed, unanimously.

Board Member Melby moved, seconded by Board Member Olsen, to approve the June 23, 2017 Board Retreat Meeting Minutes as presented. Motion passed, unanimously.

D. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

None

E. CONSENT AGENDA

Board Member Olsen moved, seconded by Board Member Fuller, to approve the Accounts Payable Report in the amount of \$211,237.15. Motion passed, unanimously.

F. BUSINESS ITEMS

1. FINANCIAL STATEMENTS

ED Dull presented the financial statements for June 2017. Net income for the month of June was \$216,004 (before depreciation), which is \$22,230 less than budget.

Sales tax revenue received in late July reflects retail sales in the City of Lynnwood during the month of May 2017. Sales tax receipts generated within the City of Lynnwood were up 0.3% from one year ago.

ED Dull discussed in detail the progress on all the capital projects for 2017.

The Convention Center's net income fell well short of budget in June; the facility is lagging budget for the first six months of the year. Sales pace for the rest of the year remains ahead of last year's pace. The facility is expected to be at budget by the end of third quarter and to surpass budget by the end of the year.

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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Net income for the Convention Plaza for the month of June was \$54,328, which is 3% better than budget. Lease revenue will continue to be less than budget due to a lease amendment made at the end of 2016.

2. CONVENTION CENTER REPORT

Finance Director Morrison provided an overview of business for the month of June:

- The net loss for the month of June was \$4,199.
- June guest feedback surveys scored an average of 4.6 without parking. Food and Beverage scored a 4.3. Audio Visual scored a 4.6.
- For the month of June, the Convention Center generated an estimated 558 room nights and approximately \$1.3 million in direct and indirect economic impact.

3. BOARD RETREAT REVIEW

The Board Retreat successfully explored options for future site development and reviewed the nuances of various interlocal funding agreements. ED Dull discussed a summary of conclusions with the Board and what direction to move in going forward.

4. CONVENTION CENTER DEFERRED CAPITAL ACQUISITION

The Convention Center is requesting permission to move forward with the remaining projects proposed in the 2017 Budget review in 2016, with the exception of the restroom remodel.

The remaining projects and requested budgets are as follows:

1. Food and Beverage Equipment (bars and bar back units) \$37,000
2. Waste Receptacles \$31,014
3. Rolling Buffet Tables \$9,960
4. Pipe and Drape \$15,859

Motion made by Board Member Fuller, seconded by Board Member Olsen, to approve the budget for the proposed secondary capital projects. Motion passed, unanimously.

5. SEMI-ANNUAL GOALS REPORT

Finance Director Morrison presented the LCC 2017 Goals Mid-Year report. She reported on each of the goals and the results for the first six months of operations for 2017.

6. 2018 BUDGET PROCESS

ED Dull proposed following the same preliminary process as used in prior years. October 1: SMG draft Budget due to ED; October Board Meeting: Distribution of budget notebooks; Mid-October: Meeting of the Financial Committee (Bob Fuller and Andy Olsen); Mid-October: Meeting of the Real Estate Committee (Mike Echelbarger and George Sherwin); meeting of the Art Committee (chaired by Lynn Melby); Personnel Committee (Lynn Melby and Rosario Reyes); November Board Meeting: First review of the entire draft budget; December Board Meeting: Budget Adoption.

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7. SMG 2018 GOALS

ED Dull presented proposed Convention Center Goals for 2018. The first step in the 2018 budget process is for the PFD to determine goals for the Convention Center. SMG will then use these adopted goals to prepare the budget document.

8. ANNUAL STATE PFD CONFERENCE

The Lynnwood PFD will be hosting the twelfth annual PFD Conference on September 27 and 28. ED Dull discussed the agenda with the Board.

9. RIGHT OF WAY ACQUISITION

This agenda item was moved to the September Board Meeting.

10. NEW BOARD MEMBER NOMINATING COMMITTEE

After providing over sixteen years of valuable advice and service to the PFD Board, Board Member Fuller has announced that he will not seek reappointment when his term expires in October.

Board Member Fuller's Board position – position #5 – is appointed directly by the City Council. In order to provide one or more nominees to the Council, Board Chair Sherwin and ED Dull have asked former Board Member Echelbarger, current Board Member Melby, and outgoing Board Member Fuller to convene a Nominating Committee. The Committee will provide one or more nominations to the Council in late September. The Committee will use the PFD Board Resolution 05-01, which recommends to the City Council certain criteria for the appointment of future Board members.

G. EXECUTIVE DIRECTOR'S REPORT

The next art reception, featuring work by the Korean American Art Association, will take place on September 20th, 2017, from 6-8pm.

H. OLD BUSINESS/NEW BUSINESS

Board Member Fuller made a request for a cyber security audit of the Convention Center. ED Dull explained that the PFD is in the process of hiring a firm to perform the audit and will come back to the Board in September to discuss it further.

I. EXECUTIVE SESSION

None

J. ADJOURN

The meeting adjourned at 7:55 pm.

George Sherwin, Chairman