

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
September 11, 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
Andy Olsen, Vice Chair
Lynn Melby, Secretary
Wally Webster II
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
David Kleitsch, City of Lynnwood
Council Member Shirley Sutton

C. MINUTES

Board Member Olsen moved, seconded by Board Member Melby, to approve the August 14, 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 Olsen, to approve the Accounts Payable Report in the amount of \$364,570.37. Motion passed, unanimously.

F. BUSINESS ITEMS

1. FINANCIAL STATEMENTS

FA Powell presented the financial statements for July 2018. Net income for the month of July was \$121,372 (before depreciation), the budgeted net income was \$73,081.

The Convention Center had yet another slow month. Once again, gross income and number of events were below budget. Net subsidy year-to-date is \$99,447, which is \$83,433 below budget. However, sales into the future remain strong.

Net income for the Convention Plaza for the month of July was \$45,574, which was \$6,612 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 19% under budget.

Work has continued to demolish the Vet Building. The \$31,464 expense for "Building Repairs – Unspecified" was to repair the roof over the strip. The "Parking Lot Repairs and Restriping" project started in July and was completed in August.

2. CONVENTION CENTER REPORT

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

- The LCC required a subsidy of \$125,643 for the month of July.

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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- July guest feedback surveys scored an average of 4.8 without parking. Food and Beverage Quality scored a 4.3. Audio Visual scored a 5.0.
- For the month of July, the Convention Center generated no room nights and \$524,723 in direct and indirect economic impact.

3. CAPITAL ITEMS

In December 2017, the PFD reviewed the full list of proposed 2018 capital and RRR projects. The Board asked that several projects not be initiated without a second vote late in the fiscal year pending a better understanding of the year's revenue. The Board discussed the project requests for both the combi oven and new stage equipment. The Board requested that more information be presented to them regarding the stage purchase.

Motion made by Board Member Olsen to authorize the LCC staff to purchase the combi oven with a budget not to exceed \$53,665. Seconded by Board Member Reyes. Motion passed, unanimously.

4. 2019 BUDGET PROCESS

The preliminary planning process for the 2019 Budget will follow the same model used in prior years. State law requires the PFD to adopt a 2019 budget by the end of December 2018.

5. SMG 2019 GOALS

ED Dull presented proposed Convention Center Goals for 2019. The first step in the 2019 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.

Motion made by Board Member Melby to adopt the 2019 Goals as presented. Seconded by Board Member Olsen. Motion passed, unanimously.

6. RESOLUTION 2018-01, BOARD MEMBER OLSEN

Resolution 2018-01 commends Board Member Andy Olsen for his service as a Board Member of the Lynnwood Public Facilities District. The Board expressed its deep gratitude to Mr. Olsen for his dedication and commitment to the Lynnwood Public Facilities District.

Motion made by Board member Melby, seconded by Board Member Webster to approve Resolution 2018-01 as presented. Motion passed, unanimously.

G. EXECUTIVE DIRECTOR'S REPORT

ED Dull and GM Blayne have met with Fred Wong, the City's Community Programs Coordinator, to discuss a potential art/security barrier at the corner of 196th and 37th. ED Dull has told Fred that the PFD is willing to fund its share of the artist selection process (\$525) without Board approval, but that any other funding must be approved by the Board. Several questions remain to be answered before the PFD can commit funding for this project. Funding is included in the 2018 Project Budget.

The Council will interview candidates to replace Board Member Olson during their October 1st Work Session.

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H. EXECUTIVE SESSION

The Board went into Executive Session at 7:25 pm for 5 minutes as authorized by RCW 42.30.110(1) (i) to discuss potential litigation with legal counsel. The Board came out of Executive Session at 7:30 pm. No action was taken.

The Board went into Executive Session at 7:30 pm for 10 minutes as authorized by RCW 42.30.110(1) (b) to discuss lease of real estate. The Board came out of Executive Session at 7:40 pm. Motion made by Board member Olsen, seconded by Board Member Melby to authorize ED Dull to sign a lease with the USPS for the terms as discussed. Motion passed, unanimously.

I. ADJOURN

The meeting adjourned at 8:42 pm.

George Sherwin, Board Chair