

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
October 4, 2016

A. CALL TO ORDER

The meeting of the Lynnwood Public Facilities District was called to order at 6:00 p.m. by Board Vice-Chair Bob Fuller at the Lynnwood Convention Center.

B. Board Members Present

George Sherwin, Chair (excused)
Bob Fuller, Vice Chair
Andy Olsen, Secretary
Mike Echelbarger (excused)
Lynn Melby
Sonja Springer, ex-officio Treasurer

Others

Grant Dull, PFD Executive Director
Denise Sparks, PFD Finance Analyst
Matt Hendricks, PFD Attorney
Sara Blayne, LCC General Manager
Tracey Morrison, LCC Finance Director
David Kleitsch, City of Lynnwood
Councilmember Shirley Sutton, City of Lynnwood

C. MINUTES

Board Member Olsen moved, seconded by Board Member Melby, to approve the September 6, 2016 Board Meeting 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 \$144,414.01. Motion passed, unanimously.

F. BUSINESS ITEMS

1. FINANCIAL STATEMENTS

ED Dull presented the financial statements for August 2016. Net income for the month of August was \$62,002 (before depreciation). Net working capital at the end of August 2016 was \$6,104,209. Sales tax receipts received in late September, reflecting sales in July are up 12.9%. Sales tax receipts for the year to date are up 9.9% from 2015.

The Convention Center had a deficit of \$94,040 in the month of August, which was significantly more than the budgeted deficit of \$38,413. August was expected to be a slow month. Overall, the building is now slightly behind of budget for the first eight months of the year. Net income through August is \$31,656, which is 59% less than budget. Fourth quarter is projected to be strong and October is projected to be the busiest month in the building's history.

One minor tenant has stopped paying rent; an eviction proceeding has begun. One major tenant is 1 ½ months in arrears. Nevertheless, net income from Convention Plaza was ahead of budget for the month and is roughly equal to budget for 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.

November 1, 2016

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2. CONVENTION CENTER REPORT

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

- The subsidy for August was \$94,040, which was larger than the budgeted subsidy of \$38,413.
- August guest feedback surveys scored an average of 4.5 without parking. Food and Beverage scored a 4.3. Audio visual scored 4.6.
- For the month of August, the Convention Center generated an estimated 225 room nights and approximately \$1,385,232 in direct and indirect economic impact.
- GM Blayne discussed occupancy trends in the building.

3. VET BUILDING

ED Dull informed the Board of a September 22 break-in of this vacant building. The Board encouraged ED Dull to proceed expeditiously with the building's planned demolition.

4. 2017 BUDGET

ED Dull delivered notebooks containing the 2017 proposed Budget to the Board. Board Member Springer mentioned that the City of Lynnwood is projecting a 4% increase in sales tax revenue in 2017.

G. EXECUTIVE DIRECTOR'S REPORT

ED Dull committed to providing a revised Silver Platters budget and change order summary at the November Board meeting.

A grant application will be submitted to the Snohomish County Lodging Tax Advisory Committee. The grant process is similar to the one employed by the County in 2015.

H. ADJOURN

The meeting adjourned at 7:17 pm

George Sherwin, Chairman