

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
April 7, 2015

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
Mike Echelbarger (via phone)
Lynn Melby (via phone)
Art Cineza (ex-Officio)

Others

Grant Dull, PFD Executive Director
Judy Powell, PFD Finance Analyst
Matt Hendricks, PFD Attorney (via phone)
Angie Mykel, LCC General Manager
Tracey Morrison, LCC Director of Finance
Bruce Collier, LCC Director of Events and F & B
Sara Blayne, LCC Director of Sales & Marketing
David Kleitsch, City of Lynnwood
Councilmember Ruth Ross, City of Lynnwood

Guests

David Hills, Freiheit & Ho Architects
Theo Manning, Freiheit & Ho Architects
Richard Miller, Abbot Construction
Michael Krouse, SMG

C. MINUTES

Board Member Fuller moved, seconded by Board Member Olsen, to approve the March 3, 2015 Board Meeting and April 1, 2015 Special Board Meeting Minutes as presented. Motion passed, unanimously.

D. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

E. CONSENT AGENDA

Board Member Olsen moved, seconded by Board Member Fuller, to approve the Accounts Payable Report in the amount of \$178,255.03. Motion passed, unanimously.

F. BUSINESS ITEMS

1. CONVENTION PLAZA PLANNING

David Hills and Theo Manning of Freiheit & Ho along with Richard Miller of Abbot Construction presented the Board with their ideas, plans and budget projections for the development of Convention Plaza. The Board determined that the Real Estate Committee will look at the budget projections and plans in greater detail.

2. FINANCIAL STATEMENTS

ED Dull presented the financial statements for February 2015.

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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Sales tax revenue received in late February reflects retail sales in the City of Lynnwood during the month of January, 2015. Sales tax receipts generated within the City of Lynnwood were up 11.8% from a year ago. Year to date, sales tax revenue is now up 10% from a year ago.

Although the Convention Center projected a subsidy of \$7,228 in February, the month in fact concluded with positive net income \$28,629. Savings in food labor, service expense, combined with indirect savings in deferred spending and contingency expenses produced a month with positive net income.

3. CONVENTION CENTER REPORT

GM Mykel provided an overview of business for the month of February:

- Net income for February was \$28,632, which was \$35,861 better than budget.
- The average score for February customer comment cards was 4.8 out of 5 for all areas of service (excluding parking, food quality and food service). Food & Beverage received 4.4 out of 5.0 with a return rate of 45% (15/33).
- Convention Center events have generated an estimated \$3 million in direct and indirect economic impact.
- February was a positive month overall. Through aggressive sales efforts and close management of expenses, LCC ended the month in good position and improved the bottom line after a disappointing January.

G. EXECUTIVE DIRECTOR'S REPORT

On April 1, 2015, the Board approved the refunding of the Revenue Bonds. The savings to the PFD from refunding the bonds totaled approximately \$2,059,000, with most of the savings occurring 2015 through 2018, which will free up money the PFD can use for capital projects.

In addition to the debt service savings, a second goal of the refunding was to reduce the par amount of bonds outstanding. Under current State law, the amount of limited tax general obligation bonds that the City of Lynnwood can issue is reduced by the PFD bonds covered by the Contingent Loan Agreement. This relatively new interpretation of State law resulted in a significant decrease in the City's legal debt capacity. With this refunding, the par amount of revenue bonds was reduced by \$785,000 since a portion of the 2015 Revenue Refunding Bonds were sold at a premium.

Piper Jaffray will continue to monitor the bond market for selling the Sales Tax Refunding Bonds. However, it is likely to happen after April 15th.

H. OLD BUSINESS/NEW BUSINESS

None

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I. EXECUTIVE SESSION

The Board went into Executive Session at 7:31pm for 10 minutes as authorized by RCW42.30.110(1) (d) to discuss matters on the performance of a publicly bid contract. At 7:41pm and 7:46pm, the Board came out to extend for an additional 5 minutes each time. The Board came out of Executive Session at 7:51pm.

J. ADJOURN

The meeting adjourned at 7:52pm.

George Sherwin, Chairman