

LYNNWOOD PUBLIC FACILITIES DISTRICT  
BOARD MEETING MINUTES  
September 1, 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)  
Sonja Springer (ex-Officio)

**Others**

Grant Dull, PFD Executive Director  
Judy Powell, PFD Finance Analyst  
Matt Hendricks, PFD Attorney  
Sara Blayne, LCC General Manager  
Tracey Morrison, LCC Director of Finance  
Bruce Collier, LCC Director of F & B  
Gwen Walton, LCC Director of Events  
Tracy Thornton, LCC Director of Sales  
David Kleitsch, City of Lynnwood  
Councilmember Ruth Ross, City of Lynnwood

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**C. MINUTES**

Board Member Olsen moved, seconded by Board Member Fuller, to approve the August 4, 2015 Board Meeting Minutes as corrected. Motion passed, unanimously.

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

GM Blayne introduced Tracy Thornton, the new Director of Sales.

**E. CONSENT AGENDA**

Board Member Fuller moved, seconded by Board Member Olsen, to approve the Accounts Payable Report in the amount of \$157,963.75. Motion passed, unanimously.

**F. BUSINESS ITEMS**

**1. FINANCIAL STATEMENTS**

ED Dull presented the financial statements for July 2015.

The PFD will receive 2015 Tier Two payments from the County PFD totaling \$58,612, which is substantially more than the budgeted amount of \$24,512. The County is currently projecting a 2016 Tier Two Lynnwood allocation of \$64,056.

For the first time in 2015, the Convention Center required a subsidy in excess of budget. However, the building is projected to finish the summer well ahead of budget. Attendance for the month was 6,401. There were approximately 1,260 hotel room nights generated by business in the facility during the month. Attendance for the first seven months was 72,870. Business at the Convention Center from January through July generated an estimated 10,467 hotel room nights.

One major tenant remains several months in arrears. Net income in July was \$37,268. Net income for the first seven months was \$297,120, which is \$16,890 better than budget.

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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PFD office expenses in July were \$27,063, compared to budget of \$36,697. The budget anticipated that one third of the annual audit expense would be paid in July. However the audit began in August.

**2. CONVENTION CENTER REPORT**

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

- Net subsidy for July was \$100,414, which was \$27,202 more than budget.
- July guest feedback surveys scored a 5.0 in all categories with the exception of 4.8 in A/V Services and 4.3 in parking. Customer surveys had a return rate of 21% (6/29).
- For the month of July, the Convention Center generated an estimated 1,260 room nights and approximately \$1.4 million in direct and indirect economic impact.
- While the number of events and rental revenue for July was higher than budget, the lack for Food and Beverage sales brought the overall revenue below budget in the month.

**3. GOALS**

ED Dull presented Convention Center Goals for 2016. The first step in the 2016 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 2016 Goals as presented. Seconded by Board Member Fuller. Motion passed, unanimously.

**G. EXECUTIVE DIRECTOR'S REPORT**

The PFD has been asked to make its annual presentation to the City Council on Monday, November 18. ED Dull will work with the Board and GM Blayne to prepare material for the presentation.

The State Joint Legislative Audit and Review Committee completed its review of the leasehold excise tax exemption for public facilities districts. The Committee will recommend that "the Legislature should review and clarify the public facilities districts preference to provide a performance statement that includes a public policy objective and specifies metrics to determine if the objectives have been achieved."

**H. OLD BUSINESS/NEW BUSINESS**

None

**I. EXECUTIVE SESSION**

The Board went into Executive Session at 6:45 pm for 15 minutes as authorized by RCW42.30.110(1)(c) to discuss real estate matters. The Board came out to extend the Executive Session at 7:00 pm for 5 minutes. The Board came out of Executive Session at 7:05 pm. No action was taken.

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**J. ADJOURN**

The meeting adjourned at 7:05 pm.

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George Sherwin, Chairman