

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
September 13, 2016

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
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 Fuller moved, seconded by Board Member Olsen, to approve the August 2, 2016 Board 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 \$148,255.92. Motion passed, unanimously.

F. BUSINESS ITEMS

1. FINANCIAL STATEMENTS

ED Dull presented the financial statements for July 2016. Net income for the month of July was \$50,266 (before depreciation). Net working capital at the end of July 2016 was \$6,218,112. Sales tax receipts received in late August, reflecting sales in June are up 4.9%. Sales tax receipts for the year to date are up 10% from 2015.

The Convention Center had a deficit of \$107,930 in the month of July, which was slightly more than the budgeted deficit of \$101,065. Overall, the building is ahead of budget for the first seven months of the year. Net income through July is \$50,266, which is 11% better than budget. August is projected to be slow, but fourth quarter is projected to be strong.

One minor tenant is three months in arrears. Nevertheless, lease revenue is slightly ahead of budget. CAM expenses were high for the month due to the timing of annual work. The Plaza is ahead of 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.

September 13, 2016

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
September 13, 2016

2. CONVENTION CENTER REPORT

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

- The subsidy for July was \$107,934, which was \$6,869 below budget.
- July guest feedback surveys scored an average of 4.7 without Parking. Food and Beverage scored a 4.7. Audio Visual scored 4.0.
- For the month of July, the Convention Center generated an estimated 236 room nights and approximately \$560,529 in direct and indirect economic impact.
- Both the number of events and the number of event days were higher than budget in July 2016.

3. 2017 BUDGET PROCESS

ED Dull outlined the 2017 budget adoption timeline. Budget notebooks will be distributed to the Board on October 4. Board committees are expected to meet in the month of October, prior to a Board discussion of the budget on November 1. The timeline concludes with budget adoption during the Board meeting of December 6.

G. EXECUTIVE DIRECTOR'S REPORT

The Silver Platters project is underway. The contractor has found numerous instances of hidden conditions that have resulted in multiple Requests for Information (RFIs). The contract called for substantial completion by August 10; the contractor is working on a new schedule.

Dutton Electric has been selected to install the new outdoor lighting fixtures at the Convention Center. The low bid for the project was \$73,000 plus tax. The approved budget for the project is \$149,562.

A new tenant – Independent Living, Inc. – will occupy the former Salon Veloce space through June of 2017.

H. EXECUTIVE SESSION

The Board went into Executive Session at 7:18 pm for 12 minutes as authorized by RCW 42.30.110(1) (i) to discuss with legal counsel an issue that could pose a legal risk to the district. At 7:30, the Board extended the Executive Session for 5 minutes. At 7:35 the Board came out of Executive Session and the open session resumed. No action was taken.

I. ADJOURN

The meeting adjourned at 7:35 pm.

George Sherwin, Chairman