

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
February 6, 2018

A. CALL TO ORDER

The meeting of the Lynnwood Public Facilities District was called to order at 6:05 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 (via phone)
Wally Webster II
Rosario Reyes (ex. absence)
Sonja Springer, Treasurer (ex. absence)

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
Tracy Thornton, LCC Sales Director
Chris Pilkey, LCC Operation Director
Mary Fleming, LCC Events Director
Rebecca Monaghan, LCC F&B Director
David Kleitsch, City of Lynnwood
Council Member Shirley Sutton

Guest

Corbitt Loch, City of Lynnwood

C. MINUTES

Board Member Olsen moved, seconded by Board Member Melby, to approve the January 9, 2018 minutes as presented. Motion passed, unanimously.

D. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

None.

E. CONSENT AGENDA

Board Member Olsen moved, seconded by Board Member Melby, to approve the Accounts Payable Report in the amount of \$138,462.74. Motion passed, unanimously.

F. BUSINESS ITEMS

1. FINANCIAL STATEMENTS

ED Dull presented the financial statements for December 2017, and presented an unaudited summary of 2017 financials. ED Dull discussed the PFD's current cash position and an analysis of each of the PFD's revenues and expenses.

In 2017, for the fifth consecutive year, the facility did not require a subsidy to support its operations; instead, the Convention Center generated net income of \$273,407. Note that this figure does not include the 2017 incentive fee (budgeted to be \$120,000) and 2017 building insurance of \$20,116.

The Convention Plaza net income fell just short of budget for the year. Lease revenue was 3% less than budget due to the departure of Taco Guaymas at the end of November.

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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Operating expenses were under budget by 2%, while non-operating expenses were under budget by 46%.

PFD Administration expenses for 2017 were 8% below budget. Throughout the history of the PFD, the annual growth of PFD administrative expenses has been about 3.5%.

Capital and project expenses were \$1,455,574, which is \$208,628 less than the amended budget.

Sales tax revenue received in late January reflects retail sales in the City of Lynnwood during the month of November 2017. Sales tax receipts generated within the City of Lynnwood were up 10.7% from one year ago.

2. CONVENTION CENTER REPORT

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

- The net income for the month of December was \$45,034.
- December guest feedback surveys scored an average of 4.6 without parking. Food and Beverage scored a 4.6. Audio Visual scored a 4.6.
- For the month of November, the Convention Center generated an estimated 1,125 room nights and approximately \$2.7 million in direct and indirect economic impact.

3. 2017 SMG GOALS REPORT

GM Blayne presented SMG's year-end report on specific operating goals which were assigned by the Board to SMG. Ten percent of SMG's annual incentive fee of \$120,000 is based on SMG's ability to complete these goals and objectives. The Board requested that GM Blayne come back next month with an analysis on the A/V scores.

4. MANAGER ON DUTY PROCESS

GM Blayne presented an overview of the Convention Center's Manager on Duty process.

5. PENDING SNOHOMISH COUNTY PFD ALLOCATION DECISION

In 2017, the Washington Legislature extended the PFD revenue stream for an additional fifteen years. The County PFD is therefore responsible for crafting new interlocal agreements to distribute those future revenues. The Board then discussed how best to prepare in the ongoing discussions and how to prepare for a future presentation to the County PFD.

G. EXECUTIVE DIRECTOR'S REPORT

A new lease has been signed with Kona Kitchen for the previous Taco Guaymas space. This was authorized by the Board at the January 2018 meeting.

The PFD retained Wetherholt and Associates Inc. to conduct a roof condition survey. The Board discussed the results and determined to go to the Real Estate committee for further recommendations.

H. OLD BUSINESS/NEW BUSINESS

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None

I. EXECUTIVE SESSION

None

J. ADJOURN

The meeting adjourned at 8:03 pm.

Andy Olsen, Vice Chairman