

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
March 7, 2017

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,
Bob Fuller, Vice Chair
Andy Olsen, Chair
Lynn Melby (excused absence)
Rosario Reyes (excused absence)
Sonja Springer, Treasurer (ex-officio)

Others

Grant Dull, PFD Executive Director
Judy Powell, PFD Finance Analyst
Matt Hendricks, PFD Attorney
Chris Pilkey, LCC Operations Director
Tracey Morrison, LCC Finance Director
David Kleitsch, City of Lynnwood
Councilmember Shannon Sessions, City of Lynnwood

Guest

Becky Mackenstadt, CPA, CMA, Vine Dahlen PLLC
Arlene Ho, Vine Dahlen PLLC

C. MINUTES

Board Member Olsen moved, seconded by Board Member Fuller, to approve the February 7, 2017 Board Meeting Minutes as presented with two spelling corrections. Motion passed, unanimously.

D. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

None

E. CONSENT AGENDA

Board Member Fuller moved, seconded by Board Member Olsen, to approve the Accounts Payable Report in the amount of \$214,386.06. Motion passed, unanimously.

F. BUSINESS ITEMS

1. CONVENTION CENTER FINANCIAL AUDIT

Becky Mackenstadt of Vine Dahlen PLLC presented the LCC's audited financial statement report. Becky stated that they are issuing an unqualified opinion on the LCC's special purpose statements. There were several journal entry changes that were recommended and incorporated into the audited financial statements. All journal entries were immaterial.

2. FINANCIAL STATEMENTS

ED Dull presented the financial statements for January 2017. Net income for the month of January was \$133,947 (before depreciation), which is \$38,065 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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Sales tax revenue received in late February reflects retail sales in the City of Lynnwood during the month of December, 2016. Sales tax receipts generated with the City of Lynnwood were up 3.8% from one year ago. The amount received - \$100,194 – is the highest amount ever received by the PFD in one month.

The Convention Center had a very good month. Though January was forecast to require a subsidy, the amount of the subsidy was less than projected.

Convention Plaza net income in January was \$57,830, or \$2,950 better than budget. PFD office expenses were 3% less than budget for the month of January.

3. CONVENTION CENTER REPORT

LCC Finance Director, Tracey Morrison, provided an overview of business for the month of January:

- The subsidy for the month of January was \$55,605.
- January guest feedback surveys scored an average of 4.8 without Parking. Food and Beverage scored a 4.8. Audio visual scored 4.5.
- For the month of January, the Convention Center generated an estimated 1,264 room nights and approximately \$843,272 in direct and indirect economic impact.

4. AUDIO VISUAL/IT STRATEGIC OVERVIEW

LCC Director of Operations, Chris Pilkey gave a presentation of the Convention Center's audio visual and IT services.

5. SMG INCENTIVE FEE

This topic has been moved to Executive Session at the end of the meeting.

G. EXECUTIVE DIRECTOR'S REPORT

The County PFD met on January 26th (the Board meets quarterly). The Tier II Distribution amount for Lynnwood in 2017 will be \$109,037. The 2017 Lynnwood PFD Budget assumed the Tier II Distribution amount would be \$79,895.

Slater Insurance School wishes to extend their lease. Motion made by Board Member Melby, seconded by Board Member Reyes, to authorize Executive Director to execute a lease amendment with Slater Insurance School as presented. Motion passed, unanimously.

H. EXECUTIVE SESSION

The Board went into Executive Session at 7:55 pm for 10 minutes as authorized by RCW42.30.110(1) (d) to discuss matters on the performance of a publicly bid contract. At 8:05 pm, the Board came out of Executive Session.

Board Member Olsen moved, seconded by Board Member Fuller, to pass a motion to agree to pay the full incentive fee as discussed in Executive Session to SMG. Motion passed, unanimously

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I. ADJOURN

The meeting adjourned at 8:07 pm.

George Sherwin, Chairman