

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
June 6, 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, Chair
Bob Fuller, Vice Chair (via phone)
Andy Olsen, Secretary
Lynn Melby
Rosario Reyes
Sonja Springer, Treasurer (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 Finance Director
Tracey Thornton, LCC Sales Director
David Kleitsch, City of Lynnwood
Council Member Ruth Ross, City of Lynnwood

Guests

Alex Beherndt, WA State Auditor's Office
Marlon Deppen, WA State Auditor's Office
James Hoff, Ace Internet Services
Representatives from Lynnwood Fire Department

C. MINUTES

Board Member Olsen moved, seconded by Board Member Melby, to approve the May 2, 2017 Board Meeting Minutes as presented. Motion passed, unanimously.

D. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

Lynnwood Fire Department made a presentation on developing a Regional Fire Authority (RFA) Plan, proposing the consolidation of the Lynnwood Fire Department and Fire District 1 into a single regional agency.

E. CONSENT AGENDA

Board Member Olsen moved, seconded by Board Member Melby, to approve the Accounts Payable Report in the amount of \$195,537.51. Motion passed, unanimously.

F. BUSINESS ITEMS

1. 2016 WA State Auditor's Report

ED Dull introduced Washington State Auditors Alex Beherndt and Marlon Deppen, and thanked them for attending the Board meeting.

The Auditors discussed the scope of the audit and how the audit was performed. The Auditors informed the Board that it was a clean audit; there were no findings or management letters. There were also no material or uncorrected misstatements.

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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2. CONVENTION CENTER IT OVERVIEW

GM Blayne and James Hoff, the Convention Center's contracted IT expert, presented to the Board an overview of internet and Wi-Fi capabilities at the Convention Center.

3. FINANCIAL STATEMENTS

ED Dull presented the financial statements for April 2017. Net income for the month of April was \$266,892 (before depreciation), which is \$25,367 better than budget.

Sales tax revenue received in late May reflects retail sales in the City of Lynnwood during the month of March 2017. Sales tax receipts generated within the City of Lynnwood were down 5.8% from one year ago.

The Convention Center's net income fell well short of budget in April; the facility is now lagging budget for the first four months of the year. The primary cause of the low income figure in April is that just 6 banquets occurred in the month when 11 were budgeted. Some banquets moved to March this year, while others simply did not occur. The sales pace for the rest of the year is well ahead of last year's pace and September is already projected to be \$100,000 better than budget.

Net income for the Convention Plaza for the month of April was \$60,824, which is 11% better than budget. Lease revenue will continue to be less than budget due to a lease amendment made at the end of 2016.

4. CONVENTION CENTER REPORT

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

- The net income for the month of April was \$16,169.
- April guest feedback surveys scored an average of 4.6 without Parking. Food and Beverage scored a 4.6. Audio visual scored 4.2.
- For the month of April, the Convention Center generated an estimated 590 room nights and approximately \$1.2 million in direct and indirect economic impact.

5. CONVENTION CENTER SALES OVERVIEW

GM Blayne and Tracy Thornton, the Convention Center's Director of Sales, presented an overview of the Convention Center sales process.

6. CONVENTION CENTER HVAC CONTRACT

The Convention Center's HVAC service contract with McKinstry Co. is about to expire. The Convention Center staff conducted an extensive RFP process and is recommending the McKinstry Co. be maintained as the service provider. Motion made by Board Member Melby, seconded by Board Member Olsen, to authorize the Convention Center General Manager to sign a HVAC service contract with McKinstry Co. Motion passed, unanimously.

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7. DEFERRED CAPITAL ACQUISITION

During discussions of the 2017 budget, the Board elected to fund just a portion of the Convention Center's capital list, and to revisit acquisitions of the remaining items mid-year. GM Blayne presented the Board with a list of those secondary projects for review. After discussion, the Board decided to approve the Audio Upgrade and Audio/Visual Equipment projects for purchase.

Motion made by Board Member Reyes, seconded by Board Member Fuller, to approve the capital projects Audio Upgrade with a budget of \$12,500 and the Audio Visual Equipment with a budget of \$20,448. Motion passed, unanimously.

8. PFD BOARD RETREAT

The PFD Board retreat is scheduled for June 23, from 8:30 am to about 4:30 pm.

G. EXECUTIVE DIRECTOR'S REPORT

The Board discussed cancelling the July 2017 Board meeting. Motion made by Board Member Olsen, seconded by Board Member Reyes, to cancel the July 11, 2017 Lynnwood PFD Board meeting. Motion passed, unanimously.

H. OLD BUSINESS/NEW BUSINESS

The art in the Convention Center will be changed in July with the Artists' Reception taking place on September 20th, 2017, from 6-8pm.

I. EXECUTIVE SESSION

None

J. ADJOURN

The meeting adjourned at 8:00 pm.

George Sherwin, Chairman