

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
September 12, 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
Andy Olsen, Secretary
Lynn Melby
Rosario Reyes
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
David Kleitsch, City of Lynnwood
Council Member Shannon Sessions

Guests

John White, City of Lynnwood Accounting Manager

C. MINUTES

Board Member Melby moved, seconded by Board Member Fuller, to approve the August 8, 2017 Board Meeting Minutes with corrections as requested. Motion passed, unanimously.

D. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

None

E. CONSENT AGENDA

Board Member Fuller moved, seconded by Board Member Melby, to approve the Accounts Payable Report in the amount of \$126,072.64. Motion passed, unanimously.

F. BUSINESS ITEMS

1. FINANCIAL STATEMENTS

ED Dull presented the financial statements for July 2017. Net income for the month of July was \$105,580 (before depreciation), which is \$52,762 better than budget.

Sales tax revenue received in late August reflects retail sales in the City of Lynnwood during the month of June 2017. Sales tax receipts generated within the City of Lynnwood were up 2.6% from one year ago.

The Convention required a subsidy in July, but less than what was budgeted and less than what was required in July 2016. Sales pace for the rest of the year remains ahead of last year's pace. The facility is expected to be at budget by the end of third quarter and surpass budget by the end of the year.

Net income for the month of July was \$47,149, which is 21% better than budget. Lease revenue was better than budget because one tenant – SHAG Senior Housing – extended their lease for a month. Operating and non-operating expenses were less 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 overhead expenses were less than budget for the month of July, and are 4% below budget year-to-date.

2. CONVENTION CENTER REPORT

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

- The net loss for the month of July was \$80,759.
- July guest feedback surveys scored an average of 4.7 without parking. Food and Beverage scored a 4.9. Audio Visual scored a 4.6.
- For the month of July, the Convention Center generated an estimated 108 room nights and approximately \$587k in direct and indirect economic impact.

3. GOALS

ED Dull presented proposed Convention Center Goals for 2018. The first step in the 2018 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 Fuller to adopt the 2018 Goals with all suggested changes to prior year's goals. Seconded by Board Member Olsen. Motion passed, unanimously.

4. CYBER SECURITY AGREEMENT

The Board expressed an interest in an independent audit of the Convention Center's cyber security. ED Dull talked to a number of private and public entities, including the City of Lynnwood, the City of Redmond, the Spokane PFD, and others about how they have audited their cyber security. Edmonds Community College has agreed to perform an audit at no charge. We will determine if more work is needed following the conclusion of the audit.

5. LMN AGREEMENT

The Board reviewed conclusions from the June 23 Board Retreat at their August meeting. One of those conclusions was to develop a Convention Center expansion plan and related parking plan. LMN Architects is arguably the world's preeminent designer of convention centers. LMN is proposing to provide concept level planning and related construction cost analysis for an expansion of the Lynnwood Convention Center and a structured parking garage.

Motion made by Board Member Melby, seconded by Board Member Olsen to authorize the Executive Director to contract with LMN Architects at a cost not to exceed \$50,000. Motion passed, unanimously.

G. EXECUTIVE DIRECTOR'S REPORT

The next art reception, featuring work by the Korean American Art Association, will take place on September 20th, 2017, from 6-8pm.

Motion made by Board Member Olsen, seconded by Board Member Rosario, to adopt Resolution 2017-01, commending Bob Fuller for his service as a Board Member of the Lynnwood Public Facilities District. Motion passed, unanimously.

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H. OLD BUSINESS/NEW BUSINESS

None

I. EXECUTIVE SESSION

None

J. ADJOURN

The meeting adjourned at 7:40 pm.

George Sherwin, Chairman