

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
October 6, 2015

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 (excused absence)
Andy Olsen, Secretary
Mike Echelbarger
Lynn Melby
Sonja Springer (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 Director of Finance
David Kleitsch, City of Lynnwood
Councilmember Ruth Ross, City of Lynnwood (excused absence)

Guests

Kristina Baylor, WA State Auditor's Office
Erika Davies, WA State Auditor's Office
Tod Gold, Joyce Ziker Parkinson
Matthew Stock, Joyce Ziker Parkinson

C. MINUTES

Board Member Olsen moved, seconded by Board Member Melby, to approve the September 1, 2015 Board Meeting Minutes as corrected. Motion passed, unanimously.

D. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

ED Dull thanked GM Blayne for hosting both of the 10 Year Celebration events.

E. CONSENT AGENDA

Board Member Echelbarger moved, seconded by Board Member Melby, to approve the Accounts Payable Report in the amount of \$85,931.54. Motion passed, unanimously.

F. BUSINESS ITEMS

1. STATE AUDIT EXIT CONFERENCE

ED Dull introduced Washington State Auditor's Kristina Baylor, Audit Manager and Erika Davies, Audit Lead, 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.

2. FINANCIAL STATEMENTS

ED Dull presented the financial statements for August 2015.

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 September reflects retail sales in the City of Lynnwood during the month of July, 2015. Sales tax receipts generated within the City were up 12.9% from a year ago. Year to date, sales tax revenue is now up 7.9% from a year ago.

The Convention Center required a small subsidy in August. Attendance for the month was 7,669. There were approximately 972 hotel room nights generated by business in the facility during the month. Attendance for the first eight months was 80,539. Business at the Convention Center from January through August generated an estimated 11,439 hotel room nights. Overall, the Convention Center is once again on its way to a record-setting year.

One major tenant remains several months in arrears. Net income in August was \$33,818. Legal costs associated with the former dry cleaning site total \$7,813. This amount reflects an expense classification change recommended by the State Auditor.

PFD office expenses in August were \$27,969, compared to budget of \$38,249. The budget anticipated that one third of the annual audit expense would be paid in August. However, the audit began in August; the PFD expects to be billed in September.

3. CONVENTION CENTER REPORT

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

- Net subsidy for August was \$8,653, which was \$33,692 better than budget.
- August guest feedback surveys scored a 5.0 in all categories with the exception of 4.7 in Staff Response, 4.5 in Food and Beverage Quality and 4.0 in Food and Beverage Service. Guest surveys had a return rate of 9% (3/32). The return rate is low due to the high volume of small one-off meetings who did not complete the survey.
- For the month of August, the Convention Center generated an estimated 972 room nights and approximately \$1.25 million in direct and indirect economic impact.
- August 2015 saw a higher number of events compared to both budget and 2014. This is primarily due to the booking of many small one-off meetings with low rent and food and beverage. The higher than anticipated revenue in August was largely a result of higher than average food and beverage with the wedding market and one large revenue-driving convention.

4. 2016 BUDGET

2016 Budget notebooks were distributed to the Board and staff. Committee review will result in a presentation of the entire budget to the Board in November.

5. 2016 BOARD MEETING CALENDAR

This agenda item was moved to the November meeting.

G. EXECUTIVE DIRECTOR'S REPORT

An RFP for "Program, Project and Construction Management Services" was issued on September 21, 2015. Responses were due on Friday, October 2. The Real Estate Committee,

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with David Hills of Freiheit and Ho, and ED Dull will conduct interviews and recommend a firm to the Board. The Board will be asked to approve a contract with the recommended firm.

H. OLD BUSINESS/NEW BUSINESS

None

I. EXECUTIVE SESSION

The Board went into Executive Session at 6:47 pm for 30 minutes as authorized by RCW 42.30.110(1)(i) to discuss pending litigation. The Board came out to extend the Executive Session at 7:17 pm for 10 minutes. The Board came out of Executive Session at 7:27 pm. No action was taken.

The Board went into Executive Session at 7:28 pm for 5 minutes as authorized by RCW 42.30.110(1)(b) to discuss real estate matters. The Board came out of Executive Session at 7:32 pm. No action was taken.

J. ADJOURN

The meeting adjourned at 7:32 pm.

George Sherwin, Chairman