

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
December 6, 2016

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-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
David Kleitsch, City of Lynnwood
Councilmember Shirley Sutton, City of Lynnwood

Guest

Rachel Flores, Lynnwood Tourism Manager

C. MINUTES

Board Member Fuller moved, seconded by Board Member Olsen, to approve the November 1, 2016 Board Meeting Minutes as presented. Motion passed, unanimously.

D. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

ED Dull and David Kleitsch introduced Rachel Flores, Lynnwood Tourism Manager of the City.

E. CONSENT AGENDA

Board Member Olsen moved, seconded by Board Member Fuller, to approve the Accounts Payable Report in the amount of \$1,281,691.76. Motion passed, unanimously.

F. BUSINESS ITEMS

1. FINANCIAL STATEMENTS

ED Dull presented the financial statements for October 2016. Net income for the month of October was \$381,356 (before depreciation). Net working capital at the end of October 2016 was \$6,375,131. Sales tax receipts received in late November, reflecting sales in September up 14% from one year ago. Sales tax receipts for the year to date are up 9.3% from 2015.

The Convention Center had a record-breaking month in October. The building had a net income of \$150,032 for the month. Year to date the Convention Center is once again ahead of budget. The building received a large number of guest comments and survey scores in October. Comments were generally positive.

Due to the addition of a new tenant – Independent Living, Inc. - Plaza revenue in October was 7% higher than budget. Independent Living, Inc. has leased the former Salon Veloce space in order to pre-lease the SHAG apartments to the west of PFD property.

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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Expenses were significantly less than budget. Overall net income for the year through October – \$522,180 – is 7% better than budget.

2. CONVENTION CENTER REPORT

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

- The net income for the month of October was \$150,032.
- October guest feedback surveys scored an average of 4.6 without Parking. Food and Beverage scored a 4.3. Audio visual scored 4.5.
- For the month of October, the Convention Center generated an estimated 1,933 room nights and approximately \$2,361,762 in direct and indirect economic impact.

3. CONVENTION CENTER FIVE YEAR PLAN

GM Blayne presented the Board with the Five Year Financial Plan, 2017 – 2022 as required by the 2016 financial goal. The Board acknowledged that they had received the plan but moved it for further discussion in January or February.

4. PROJECT OVERVIEW

ED Dull gave a status report on the current projects underway on PFD property: Silver Platters Building renovation, Convention Center entrance lighting upgrade, vet building demo and Chuck E. Cheese sewer.

5. 2016 BUDGET AMENDMENT

ED Dull explained to the Board that the 2016 budget does not adequately fund the Direct Expense line for the Convention Center or for Site Improvements – Consulting.

SMG is projecting that building revenue will be almost 5% higher than budget and the direct expenses associated with that revenue are expected to be higher as well. The staff requests a \$70,000 budget increase to direct expenses.

The approved budget for Site Improvements – Consulting was \$150,000. Due to continued work on the site, it now appears that consulting expenses could be as high as \$300,000. Therefore, staff requests a \$150,000 increase in the budget to cover the costs.

Motion made by Board Member Fuller, seconded by Board Member Olsen, to approved budget increases in the amounts of \$70,000 and \$150,000 for Direct Expenses LCC and Site Improvements – Consulting, respectively. Motion passed, unanimously.

6. 2017 BUDGET

ED Dull presented an overview of the proposed 2017 Budget, and clarified that the Board is being asked to approve a summary level budget. The Budget notebook includes the details that support the summary level budget. The Real Estate Committee, Budget & Finance Committee, and the Personnel Committee have each reviewed portions of the budget in great detail over the last two months. Motion made by Board Member Fuller, seconded by Board Member Olsen, to adopt the 2017 Budget as presented. Motion passed, unanimously.

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7. 2017 MEETING CALENDAR

The Board reviewed proposed meeting dates. Motion made by Board Member Fuller, seconded by Board Member Melby, to approve the 2017 PFD Board Meeting dates as presented. Motion passed, unanimously.

G. EXECUTIVE DIRECTOR'S REPORT

ED Dull reported that he, Matt Hendricks and Sara Blayne met with Board Member Reyes on November 16. Board Member Reyes received State-mandated OPMA and Public Records training.

H. EXECUTIVE SESSION

The Board went into Executive Session at 7:10 pm for 10 minutes as authorized by RCW 42.30.110(1)(i) to discuss potential litigation with legal counsel. The Board came out of Executive Session at 7:20 pm. No action was taken.

The Board went back into Executive Session at 7:20 pm for 5 minutes as authorized by RCW 42.30.110(1)(g) to review performance of a public employee. The Board extended the session at 7:25 pm for 5 minutes. The Board came out of Executive Session at 7:30 pm. No action was taken.

I. ADJOURN

The meeting adjourned at 7:32 pm.

George Sherwin, Chairman