

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
March 1, 2016

A. CALL TO ORDER

The meeting of the Lynnwood Public Facilities District was called to order at 6:00 p.m. by Board Vice Chair Bob Fuller at the Lynnwood Convention Center.

B. Board Members Present

George Sherwin, Chair (excused absence)
Bob Fuller, Vice Chair
Andy Olsen, Secretary
Mike Echelbarger
Lynn Melby (via phone)
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 Interim GM & Finance Director
David Kleitsch, City of Lynnwood (excused absence)
Councilmember Shirley Sutton, City of Lynnwood

Guests

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

C. MINUTES

Board Member Echelbarger moved, seconded by Board Member Olsen, to approve both the February 2, 2016 and February 8, 2016 Board Meeting Minutes as presented. Motion passed, unanimously.

D. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

None

E. CONSENT AGENDA

Board Member Melby moved, seconded by Board Member Olsen, to approve the Accounts Payable Report in the amount of \$90,454.83. Motion passed, unanimously.

F. BUSINESS ITEMS

1. CONVENTION CENTER AUDIT REPORT

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 2016. Net income for the month of January was \$140,887 (before depreciation).

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The Convention Center had a busy month in January. Building rent was \$64,551, or \$13,149 better than last year. F&B revenue was better than budget. Convention Center net subsidy for the month was \$38,668, far better than the budgeted subsidy of \$60,300.

Convention Plaza net income in January was \$64,502, or \$7,074 better than budget. PFD office expenses were \$30,276, which is \$3,961 less than budget.

3. CONVENTION CENTER REPORT

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

- Net subsidy for January was \$38,665, which was \$20,760 better than budget.
- December guest feedback surveys scored an average of 4.5 without Food and Beverage or Parking. Food and Beverage scored a 4.3. Guest surveys had a return rate of 27%. (10/37).
- For the month of January, the Convention Center generated an estimated 495 room nights and approximately \$813,000 in direct and indirect economic impact.
- January 2016 saw more events over last year and compared to budget. The increased revenue compared to both budget and STLY can be contributed to an increase of smaller meetings.

4. SMG INCENTIVE FEE

This agenda item has been moved to Executive Session.

5. INVESTMENT ADVISORY AGREEMENT

The Board adopted Resolution 16-01, establishing an investment policy, at its February meeting. Following an open and competitive selection process, the District selected Time Value Investments (TVI) to act as the investment advisor to the District. TVI has submitted an investment proposal meant to illustrate the financial advantages of a hypothetical investment portfolio. While actual investments will reflect opportunities available at the time of investment, the hypothetical portfolio shows that interest earned through direct investment in securities allowed by State law could be twice what the PFD currently earns from the State LGIP.

Motion made by Board Member Echelbarger, seconded by Board Member Olsen, to authorize the Executive Director to enter into an investment advisory agreement with Time Value Investments. Motion passed, unanimously.

6. CONVENTION CENTER SAFETY OVERVIEW

The Board had expressed an interest in hearing from the Convention Center staff about safety and security procedures in the building. GM Blayne made a presentation regarding the safety and security to the Board.

G. EXECUTIVE DIRECTOR'S REPORT

Bids were due on the Silver Platters project, today, March 1. The bids were returned at two times the PFD's estimate. The bids will be reviewed over the next week and the Real Estate Committee will come back to the Board at the April meeting for approval.

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ED Dull informed the Board that HB 2296 failed in the Senate Ways and Means Committee.

H. OLD BUSINESS/NEW BUSINESS

None

I. EXECUTIVE SESSION

The Board went into Executive Session at 7:20 pm for 15 minutes as authorized by RCW42.30.110(1) (d) to discuss matters on the performance of a publicly bid contract. At 7:35 pm, the Board came out to extend for 5 minutes. The Board came out of Executive Session at 7:40 pm.

Board Member Olsen moved, seconded by Board Member Echelbarger, to pass a motion to agree to pay 99% of the incentive fee as discussed in Executive Session to SMG. The incentive fee should be accompanied by a letter written to SMG describing the reasoning for the amount. Motion passed, unanimously.

J. ADJOURN

The meeting adjourned at 7:43 pm.

George Sherwin, Chairman