

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
May 3, 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
Mike Echelbarger (via phone)
Lynn Melby (via phone)
Sonja Springer (excused absence)

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
Councilmember Shirley Sutton, City of Lynnwood

Guests

Kristina Baylor, SAO Audit Manager
Amanda Robinson, SAO Assistant Audit Manager
Kyla Henderson, SAO Assistant State Auditor
Jeannie Brown, City of Lynnwood Accounting Manager

C. MINUTES

Board Member Olsen moved, seconded by Board Member Fuller, to approve the April 5, 2016 Board Meeting Minutes as presented. Motion passed, unanimously.

D. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

ED Dull introduced Jeannie Brown, City of Lynnwood Accounting Manager, who is sitting in for Sonja Springer, ex-officio Board Member.

E. CONSENT AGENDA

Board Member Fuller moved, seconded by Board Member Olsen, to approve the Accounts Payable Report in the amount of \$170,484.49. Motion passed, unanimously.

F. BUSINESS ITEMS

1. STATE AUDITOR EXIT CONFERENCE

ED Dull introduced Washington State Auditor's Kristina Baylor, Amanda Robinson and Kyla Henderson, 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. FINANCIAL STATEMENTS

ED Dull presented the financial statements for March 2016. Net income for the month of March was \$248,576 (before depreciation). Net working capital at the end of March 2016 was \$5,729,541 up from \$3,144,833 one year ago. Sales tax revenue received in the month of March for sales that occurred in February are up 14.9%.

The Convention Center net income in March was \$83,059, which is \$1,289 better than budget. Year to date, the Convention Center has net income of \$48,197, which is \$3,244 less than budget.

Convention Plaza net income in March was \$57,646, or \$2,774 under budget. Convention Plaza net income year to date is \$179,418, which is \$7,441 better than budget. PFD office expenses in March were \$38,624, which is \$818 more than budget. PFD Office expenses for the first three months of the year are \$100,333, which is \$5,402 better than budget.

3. CONVENTION CENTER REPORT

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

- Net income for March was \$83,055, which was \$1,285 better than budget.
- March guest feedback surveys scored an average of 4.4 without Food and Beverage or Parking. Food and Beverage scored a 4.3. Audio visual scored 4.0. Guest surveys had a return rate of 23.5%. (12/51).
- For the month of March, the Convention Center generated an estimated 2,120 room nights and approximately \$2.4 million in direct and indirect economic impact.
- March 2016 saw an increase in the number of events and event days over budget and STLY. The increase can be attributed to more smaller meetings with a lower average value. The number of meetings was higher than budget by 9 (36%) while the average AGI per meeting dropped 25%. The majority of the variance can be attributed to lower food and beverage.
- The Board expressed several concerns regarding A/V in regards to customer survey scores and how the issues are being addressed. LCC staff will report back to the Board in June to present a plan on how these concerns will be addressed.

G. EXECUTIVE DIRECTOR'S REPORT

ED Dull reminded Board Members and staff that the PFD will be involved in several meetings over the next two months. The annual Association of Washington State Public Facilities Districts occurs on Monday, May 16 in Spokane.

H. OLD BUSINESS/NEW BUSINESS

None

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I. EXECUTIVE SESSION

The Board went into Executive Session at 7:10 pm for 5 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 7:15 pm. No action was taken.

The Board went back into Executive Session at 7:15 pm for 5 minutes as authorized by RCW 42.30.110(1)(d) to review performance of a publicly bid contract. The Board came out of Executive Session at 7:20 pm to extend for 5 minutes. At, 7:25 pm the Board came out of Executive Session. No action was taken.

J. ADJOURN

The meeting adjourned at 7:25 pm.

George Sherwin, Chairman