

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
August 2, 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
Sonja Springer, ex-officio Treasurer

Others

Grant Dull, PFD Executive Director
Judy Powell, PFD Finance Analyst
Matt Hendricks, PFD Attorney
Sara Blayne, LCC General Manager
Chris Pilkey, LCC Director of Operations
Tracey Morrison, LCC Finance Director
Kathy LeMaster, LCC Director of Events
David Kleitsch, City of Lynnwood
Councilmember Shirley Sutton, City of Lynnwood
(excused absence)

Guests

Dustin Akers, Lynnwood City Center Manager

C. MINUTES

Board Member Fuller moved, seconded by Board Member Olsen, to approve the June 14, 2016 Board Meeting Minutes as presented. Motion passed, unanimously.

D. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

None

E. CONSENT AGENDA

Board Member Olsen moved, seconded by Board Member Fuller, to approve the Accounts Payable Report in the amount of \$183,933.51. Motion passed, unanimously.

F. BUSINESS ITEMS

1. FINANCIAL STATEMENTS

ED Dull presented the financial statements for June 2016. Net income for the month of June was \$248,511 (before depreciation). Net working capital at the end of June 2016 was \$6,360,042. Sales tax receipts received in late July, reflecting sales in May are up 18.4%. Sales tax receipts for the first six months are up 9.3%.

The Convention Center had a good month in June. Overall, the building is ahead of budget for the first six months of the year. Net income through June is \$233,630, which is \$16,149 or 7% better than budget. July and August are projected to be slow, but fourth quarter is projected to be strong.

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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One minor tenant is three months in arrears. Nevertheless, lease revenue is slightly ahead of budget. CAM expenses were low for the month due to contingencies not being spent.

2. CONVENTION CENTER REPORT

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

- Net income for June was \$69,651, which was \$30,576 better than budget.
- June guest feedback surveys scored an average of 4.8 without Parking. Food and Beverage scored a 4.8. Audio visual scored 4.2. Guest surveys had a return rate of 27.5%. (11/40).
- For the month of June, the Convention Center generated an estimated 1,580 room nights and approximately \$2 million in direct and indirect economic impact.
- June 2016 saw fewer than budgeted events but more event days overall. Combined with increased spending in certain markets and categories, this contributed to the LCC exceeding the revenue budget.

3. CITY CENTER MANAGER

ED Dull introduced Dustin Akers, Lynnwood City Center Manager. Dustin gave the Board a brief description of his background and all the projects he has been working on in the last 9 months that he has been with the City.

4. 2016 SMG GOALS SIX MONTH REPORT

GM Blayne presented the LCC 2016 Goals Mid-Year report. She reported on each of the goals and the results for the first six months of operations for 2016.

5. 2017 SMG GOALS

ED Dull presented proposed Convention Center Goals for 2017. The first step in the 2017 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 2017 Goals with all suggested changes from prior year's goals and an increase in the A/V score to a 4.6, with the understanding that the Board will revisit the A/V score at the six month report if needed. Seconded by Board Member Olsen. Motion passed, unanimously.

G. EXECUTIVE DIRECTOR'S REPORT

The Silver Platters project is underway. The permit for the pedestrian protection plan was approved by the City.

The next art reception, featuring works by the noted northwest artist Guy Anderson, will occur from 6:00 – 8:00 pm on September 20.

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H. OLD BUSINESS/NEW BUSINESS

I. EXECUTIVE SESSION

The Board went into Executive Session at 7:10 pm for 15 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 7:25 pm to extend for 5 minutes. At 7:30 the Board came out of Executive Session.

Motion made by Board Member Olsen to increase the contingency capital expense for Convention Plaza from \$15,000 to \$25,000. Seconded by Board Member Melby. Motion passed, unanimously.

J. ADJOURN

The meeting adjourned at 7:33 pm.

George Sherwin, Chairman