

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
August 4, 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
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
Bruce Collier, LCC Director of F & B
Gwen Walton, LCC Director of Events
David Kleitsch, City of Lynnwood
Councilmember Ruth Ross, City of Lynnwood

Guests

David Hills, Freiheit & Ho Architects
Theo Manning, Freiheit & Ho Architects

C. MINUTES

Board Member Fuller moved, seconded by Board Member Echelbarger, to approve the June 2, 2015 Board Meeting Minutes as presented. Motion passed, unanimously.

D. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

ED Dull introduced Sonja Springer the new Finance Director of the City of Lynnwood to the Board. She is also the new ex-officio Board Member for the PFD. GM Blayne introduced Gwen Walton the new Director of Events for the LCC.

E. CONSENT AGENDA

Board Member Echelbarger moved, seconded by Board Member Fuller, to approve the Accounts Payable Report in the amount of \$128,364.35. Motion passed, unanimously.

F. BUSINESS ITEMS

1. FINANCIAL STATEMENTS

ED Dull presented the financial statements for June 2015.

Sales tax receipts received in July, reflecting sales in May are up 6.1%. Year to date they are up 6.7% compared to a budget of 1.0%.

The Convention Center had yet another excellent month. Convention Center net income in June was \$76,985, significantly better than the budgeted subsidy of \$9,914. Attendance for the month was 12,293. There were approximately 1,948 hotel room nights generated by business in the facility during the month. Attendance for the first six months was

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.

August 4, 2015

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
August 4, 2015

66,469. Business at the Convention Center from January through June generated an estimated 7,278 hotel room nights.

One major tenant remains one month in arrears. Net income in June was \$39,366. Net income for the first six months was \$259,987, which is \$10,410 better than budget.

PFD office expenses were \$27,583, compared to budget of \$32,349. PFD office expenses for the first half of the year were \$174,273, which is \$18,561 less than budget.

2. CONVENTION CENTER REPORT

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

- Net income for June was \$76,985, which was \$86,899 better than budget.
- The average score for June customer comment cards was 4.6 out of 5 for all areas of service (excluding parking, food quality and food service). Food & Beverage received 4.6 out of 5.0 with a return rate of 33% (8/45).
- Convention Center events have generated an estimated \$2 million in direct and indirect economic impact.
- 2015 was the highest revenue-making June in the facility's history, ending the second quarter in strong standing. Through high rent values and solid sales of catering and ancillary services, along with close management of expenses, LCC ended the month in good position and ended the first half of the year with a net income of \$304k.

3. SITE DEVELOPMENT PLANNING

Freiheit & Ho, the PFD's on-call architect, reported on the status of site development planning. They presented the Board with two options for the updating of the Silver Platters building. The Board they decided to defer the option decision to the Real Estate Committee, pending the Ccommittee's receipt of refined cost estimates.

4. SMG 2015 GOAL REPORT

GM Blayne presented the LCC 2015 Goals Mid-Year report. She reported on each of the goals and the results for the first six months of operations for 2015.

5. SMG CONTRACT EXTENSION

The PFD entered into the current Management Agreement with SMG on September 20, 2010. The agreement was for five years, with an option to extend for one five –year period.

Board Member Melby, moved to authorize the ED to execute the Second Amendment to the Contract for Management Services between the Lynnwood PFD and SMG. Seconded by Board Member Fuller. Motion passed unanimously.

6. CASH FLOW PROJECTION

The Board reviewed in detail PFD cash projections for the next 10 years.

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
August 4, 2015

7. 2016 BUDGET PROCESS

ED Dull proposed following the same preliminary process as used in prior years. September Board Meeting: Review and Adoption of SMG 2016 Goals; October 1: SMG draft Budget due to ED; October Board Meeting: Review updated five year financial projections; Mid-October: Meeting of the Financial Committee (Bob Fuller and Andy Olsen); Mid-October: Meeting of the Real Estate Committee (Mike Echelbarger and George Sherwin); November Board Meeting: First review of the entire draft budget; December Board Meeting: Budget Adoption.

8. SMG 2016 GOALS

The first step in the 2016 budget process is for the PFD to determine annual goals for SMG. SMG will then use these adopted goals to prepare budget documents. ED Dull reviewed the suggested 2016 goals with the Board. The Board provided feedback.

G. EXECUTIVE DIRECTOR'S REPORT

On Monday, July 27, the Lynnwood City Council reappointed Board Members Sherwin and Melby to the Board. Their terms now expire on October 18, 2019.

The Lynnwood PFD submitted an application to the County Lodging Tax Advisory Committee in response to a grant opportunity announced on April 17. In a letter dated July 7, the Committee announced that it was able to fund only two of the three project requests. Projects in Edmonds (replacing the roof on the gym) and in Everett (repaying the City of Everett for the cost of a new scoreboard) were approved; The Committee denied Lynnwood's request to assist in the cost of creating additional parking capacity.

H. OLD BUSINESS/NEW BUSINESS

None

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
August 4, 2015

I. EXECUTIVE SESSION

The Board went into Executive Session at 7:55pm for 5 minutes as authorized by RCW42.30.110(1) (i) to discuss potential litigation with legal counsel. The Board came out of Executive Session at 8:00pm. No action was taken.

The Board went back into Executive Session at 8:00pm for 10 minutes as authorized by RCW42.30.110(1)(c) to discuss real estate matters. The Board came out to extend the Executive Session at 8:10pm for 15 minutes; the Executive Session was extended at 8:25pm for five minutes; the Executive Session was extended at 8:30pm for another five minutes; the Executive Session was extended at 8:35pm for another five minutes; the Executive Session was extended at 8:40pm for another five minutes; and, the Executive Session was extended at 8:45pm for five minutes. The Board came out of Executive Session at 8:50pm. No action was taken.

J. ADJOURN

The meeting adjourned at 8:51pm.

George Sherwin, Chairman