

LYNNWOOD PUBLIC FACILITIES DISTRICT  
BOARD MEETING MINUTES  
January 10, 2012

**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 (via phone)  
Bob Fuller, Vice Chair  
Andy Olsen, Secretary  
Lynn Melby  
Mike Echelbarger

**Others**

Grant Dull, Executive Director  
Judy Powell, Finance Analyst  
Matt Hendricks, PFD Attorney  
Greg Lowry, LCC General Manager  
Tracey Morrison, LCC Director of Finance  
Will Christison, LCC Director of Operations & Events  
Angie Mykel, LCC Director of Sales & Marketing  
Councilmember Loren Simmonds, City of Lynnwood  
David Kleitsch, City of Lynnwood

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**C. MINUTES**

Board Member Echelbarger moved, seconded by Board Member Olsen, to approve the December 6, 2011 Board Meeting Minutes. Motion passed.

**D. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS**

There were none.

**E. CONSENT AGENDA**

Board Member Echelbarger moved, seconded by Board Member Melby, to approve the Accounts Payable report in the amount of \$89,019.09. Motion passed.

**F. BUSINESS ITEMS**

**1. Financial Statements**

Executive Director Dull presented the financial statements for October and November 2011. Sales tax revenues continue to improve, though they still lag significantly behind original projections.

Although the Convention Center financial statements show a loss for November of \$78,369, much of that loss - \$59,655- is due to a one-time B&O tax payment. Overall, the Convention Center subsidy to date is \$182,422, while the budgeted subsidy is \$298,963.

Convention Plaza expenses remain less than budget and are projected to continue to be less than budget through year-end. Despite mid-year adjustments and tenant difficulties caused by the region's slow economic recovery, the Plaza should finish within budget.

PFD office expenses will finish the year within budget.

**2. Convention Center Report**

General Manager Lowry provided an overview of business for the month of November:

- Net income was (\$78,369), which was \$77,051 more than budget
- Net income year to date is \$116,000 better than budget.

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- Direct and indirect economic impact is \$16.7 million year to date; and,
- The average score for November comment cards was 4.71 out of 5.
- During 4<sup>th</sup> quarter the LCC made purchases related to, projects and FF&E. Some of these purchases were due to the large amount of business in October and November. In addition, new items were purchased including new bridal suite fixtures to enhance sales efforts and ancillary sales opportunities.

**3. Surplus Property Resolution**

Executive Director Dull explained that the PFD's current surplus property policy requires Board approval of the sale or disposition of any personal property valued at more than \$500. ED Dull proposed a policy that would raise this threshold to \$2,000, and makes other minor changes to update the PFD's surplus property policies.

Executive Director Dull recommends that the Board approve the resolution. Motion made by Board Member Olsen to approve Resolution 12-01, amending the property disposal policies of the District. Seconded by Board Member Echelbarger. Motion passed.

**4. Surplus Property Approval**

Convention Center staff recommends that the PFD surplus three items: a Dodge van, a Walkie Stacker, and a Cook/Hold Combi Oven. The recommended board action to declare that the three items are no longer of public use to the District and that the sale thereof is in the best interest of the District. Motion made by Board Member Melby to approve the surplus of the items. Seconded by Echelbarger. Motion passed.

**5. Economic Alliance Investment**

ED Dull explained that the PFD was a long time member of the South Snohomish County Chamber, and for a limited period of time was an investor in the Snohomish County Economic Development Council. Both of these entities have merged with the Everett Chamber of Commerce to form the Economic Alliance Snohomish County. The PFD was asked to become an investor. ED Dull recommended that the PFD become an investor at the \$500 Associate Investment Tier level. Motion was made by Board Member Echelbarger to become an investor at the suggested tier. Seconded by Board Member Melby. Motion passed.

**6. Executive Director Contract**

At the December 6 Board meeting, Board Member Fuller made a motion to amend the ED's contract, and for the contract to be presented at the next meeting for ratification, The motion was seconded by Board Member Sherwin and passed unanimously.

Motion made by Board Member Sherwin to ratify the ED's contract. Seconded by Board Member Olsen. Motion passed.

**7. Legal Services Contract**

After issuing a Request For Proposals in 2007, the PFD selected the firm of Hendricks-Bennett LLC to provide Attorney services. The contract, dated December 28, 2007, calls for a review by the Board at two-year intervals. The contract was subsequently reviewed in December 2009. A biennial review is therefore due at this time. Compensation for the coming two year period – 2012-2013 – is recommended to be \$210 per hour. Motion made by Board

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Member Olsen to extend the PFD's contract with Hendricks-Bennett LLC for two years. Seconded by Board Member Melby. Motion passed.

**G. EXECUTIVE DIRECTOR'S REPORT**

Executive Director Dull presented a letter of thanks sent to former Councilmember Ed Dos Remedios for his role as liaison to the Lynnwood PFD and for his service to the City of Lynnwood.

The Washington PFD Association is scheduled to meet on January 11 at the Washington State Convention Center. The group plans to discuss efforts to extend the PFD sales tax rebate, the coming Legislative session, and the Association bylaws. ED Dull has worked with both Jeff Blosser (WSCC) and Matt Hendricks (legal counsel) to suggest changes to the Association bylaws.

Deloitte Tax has drafted an appeal brief that Matt Hendricks and ED Dull have both reviewed. The brief should be filed within the next several weeks. Deloitte billed the PFD \$15,835 at the end of December.

In November, the Convention Center paid \$59,655 in non-contested assessments stemming from the audit of the Lynnwood Convention Center. SMG has paid \$6,951 in non-contested assessments related to their management fee. DOR's assessment of \$124,668 in B&O taxes relating to "reimbursement expense" is subject of the PFD's appeal.

The State DOR has completed their audit of Kent PFD; a formal tax assessment is expected in the near future. SMG's operations in Kent are similar to operations in Lynnwood, with one potentially major difference: Kent employees receive their paychecks from SMG, and not from the facility, as is the case in Lynnwood.

Smith Travel Research has reported Snohomish County hotel metrics for the month of November. All metrics are up for the year, and Snohomish County trails just King County in occupancy. Amy Spain, the Executive Director of the Snohomish County Tourism Bureau, points out that Snohomish County room inventory has been unchanged over the past year, but that occupancy is up 9.2% and revenue is up 12.4%...all good news for Snohomish County hotels.

**H. EXECUTIVE SESSION**

No executive session needed.

**I. NEW BUSINESS**

**J. ADJOURN**

The meeting adjourned at 7:16 pm.

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George Sherwin, Chairman