
SNOHOMISH COUNTY PUBLIC FACILITIES DISTRICT
PUBLIC FACILITY DISTRICT MEETING MINUTES
SNOHOMISH COUNTY ADMINISTRATION WEST, 3rd Floor,
WILLIS TUCKER CONFERENCE ROOM

April 24, 2008

3:00 P.M.

Board:

Debbie Emge, District #5
Janice Greene, District #2
Boyd McPherson, District #1
Erik Nelson, District #3
Travis Snider, District #4

Interested Parties:

Kim Bedier, Comcast Arena at Evt Events Ctr
Stephen Clifton, Edmonds PFD
Alan Dashen, Dashen Musselman, Inc.
Grant Dull, Lynnwood PFD
Doug Ferguson, Anderson Hunter
Sharie Freemantle, Snohomish Co. Council
Joseph McIalwain, Edmonds PFD
Mike Popke, ECA
Bob Rinehart, Edmonds PFD
Barry Smith, Future of Flight Foundation
Dave Waggoner, Paine Field, Future of Flight
Gary Weikel, Everett PFD

Staff:

Roger Neumaier, Finance Department
Cristy Schelm, Finance Department
Ginger Metz, Solid Waste Division

Call to Order: Travis Snider called the meeting to order at 3:04 PM.

Approval of Minutes – Minutes from the January 17, 2008 meeting were approved.

Public Comments and Correspondence

None

Old Business

Continuation of Discussion re: Revenue Distribution and Weighting Approach - Travis Snider provided an outline of the meeting agenda. He will ask the individual projects to comment on the process and share thoughts and ideas that they would like the Board to consider. After that, the Board will resume their discussion regarding allocation methods. By the end of this meeting the Board should have a process and approach to allocation. Another meeting will be scheduled within the next month and the projects will give their presentations at that time. After the presentations the Board will record

their responses to what they have heard and address the qualitative criteria. The Board will give that information to Roger Neumaier for compilation.

Kim Bedier explained that she has been able to discuss the issue with the Everett PFD Board. They would like to recommend that the Snohomish County PFD use Alan Dashen's recommendations for allocation. The Everett PFD believes that the size of the project also translates to the relative economic/social impact, attendance totals and a number of other criteria. They would like the Board to consider the size of the projects in their allocation of the funds. They believe that the equal allocation model addresses the issue of fairness and does not apply any qualitative criteria, which they would like to discourage. No matter how the Board decides to distribute the funds, the Everett PFD would like to suggest some requirements for the projects. They would like the Board to ask for an up to date business plan, a long term financial plan, a demonstrated ability to provide the matching dollars, and to describe their performance relative to the original project proposal.

Alan clarified that his memo outlined different methodologies but was not a recommendation.

Dave Waggoner noted that the Airport and the Future of Flight have a different view of what is equitable. They believe that it is very important for the County PFD to use equitable allocation and distribution of the funds. He added that it is difficult to say that there is any equity in Alan's methodologies. He pointed out that the city PFDs include a lot of purchases from people who do not live in those cities but are county residents. The city PFDs will experience growth and monies that will go back to the other projects. He noted that the County PFD has not taken ownership of the County project the same way that the City PFDs have taken ownership of their city's project. He would like to see Alan do some analysis that includes these items and asked that the Board consider this as one of the most important factors in their allocation decision.

Grant Dull noted that the Lynnwood PFD Board has been unable to meet in the few days since the receipt of Travis's request. He added that he would be happy to provide comments after the Lynnwood Board meets on May 6th. The Board members did not ask him to submit comments.

Joe McIalwain explained that the Edmonds PFD and the Edmonds Center for the Arts are in favor of an equal distribution of funds among the four projects. They believe that it is the most equitable method especially considering the diversity of the projects, the size and scope of the different applications. They agree with the Everett PFD's recommendations regarding requirements for the projects.

Alan distributed adjustments to his previous report. In March he distributed a graph that showed City and County PFD taxes compared to the size of the project. The amount that each project is getting, compared to the total size of the project, is less. Roger explained that the issue is when you use a present value of debt in 2003, you need to compare it to a stream of revenue in 2003 and the information that was distributed before was accurate

but for comparative purposes it could be misinterpreted. Memos with the correct information will be distributed.

Travis explained that the Board's concern is fairness and they are dealing with this challenge of distributing the funds in a fair and equitable process. The allocation may not be equal but it will be equitable. He distributed his own recommendation for an allocation model. He noted that the size of the project is very important and there are different levels of risk and funding.

The model uses the four qualitative criteria, weighted equally, that have already been identified:

1. Demonstrated need for funds. Availability of other funds, urgency.
2. Ability to meet original funding commitments.
3. Economic impact on the community.
4. Community impact.

Boyd McPherson asked Alan if he found this a reasonable weighting process. Alan replied that this model places more weight on history and makes the qualitative evaluation a third instead of half. He doesn't find it all that dissimilar to the qualitative/quantitative model that was originally considered.

Boyd suggested adding a column that compares original investment vs. current.

After discussion about the model that Travis proposed, the Board returned to one of the models that Alan had originally distributed. He distributed a number of results based on how the criteria were weighted.

Boyd made a motion that the Board adopt an allocation model using 40% quantitative criteria and 60% qualitative criteria. Janice seconded the motion and it passed unanimously.

Roger explained how the scoring tool will work. In the approach, each of the four elements will be worth 10 points. Each of the Board members will rate each of the project presentations, in relation to the tool, after the presentation, on a zero to ten basis. After the scoring is completed, Roger will compile the data.

Alan recalculated the weighted average for the 40/60 model. Edmonds will be weighted at 20.6%, Future of Flight 22.2%, Lynnwood 25%, and Everett 32.2%.

The Board identified what they will be requesting from the projects:

- Projected Business Plan
- Long Term Financing Plan
- Demonstrated Ability to Provide Matching Funds
- Sources of Funding for Capital and Operating Costs
- Revenues Available to Pay Debt Service Annually
- Need for Additional Funds

Boyd made a motion that the Board adopt four qualitative criteria: 1) Demonstrated need for funds; 2) Ability to meet original funding commitments; 3) Economic impact; 4) Community impact and that the Board will review the final numbers and approve, by vote, the final tabulation. Debbie seconded the motion and it passed unanimously.

Roger suggested that the next meeting be scheduled on May 28, 2008, at 2:30, for the presentations.

The presentations will be limited to 20 minutes with an additional 20 minutes for discussion after each presentation. The Board will complete their evaluation forms after the presentations and Roger will compile the numbers and provide the results and allocation percentages at the meeting.

Doug Ferguson will have addendums to each of the four interlocal agreements that provide for the additional funding and the local match requirements relative to the use of funds. These need to be approved by the County Council because the dollar amounts meet the threshold for approval requirements under the formation ordinance. Roger will work with Doug to facilitate the process with the Prosecuting Attorney's Office before it goes to Council. Doug noted that attorneys for each of the projects will want to review the agreements, as well.

Sharie Freemantle suggested that someone present the recommendation to Council before submitting the agreements and she and Roger will give this further thought and discussion.

Travis asked the projects for feedback.

Kim asked the Board to define economic impact and asked for some concrete criteria. Debbie will share models for economic impact. She will send them to Roger for distribution to the projects.

Dave asked what the Board is looking for regarding demonstrated need for funds. Travis replied that examples could include long range forecasting, competition, keeping the physical structure fresh, maintaining a sustainable, growing business. Alan added that the projects could address short term cash flow situations by looking at revenues and expenses, long term financial forecasts and necessary capital improvements.

Grant asked if the recommendation will go to the County Council as a motion. Roger explained that there is some uncertainty about the process. The Prosecuting Attorney feels that the Council is a separate branch of government but the Board does have to meet the Council's needs. Roger noted that this is a unique issue and he will facilitate meetings with the Prosecuting Attorney's Office, the Executive Office and the County Council. He anticipates two actions: a summary action and the detailed contractual actions.

Public Comment

Stephen Clifton requested that the Board reconsider the 40/60 model for allocation and instead use a 25/75 model. This would respond to Section 219 of the Snohomish County Code which talks about distributing the remaining funds on an equitable basis. He would like the Board to acknowledge that the larger projects do put more heads in beds and have a stronger economic impact and give a slight nod (25%) towards that. When looking at the percentage breakdown, a .5% or 1% difference has an enormous impact on projects like the Future of Flight or Edmonds Center for the Performing Arts. Lowering the percentage but still acknowledging size to 25% seems like a reasonable amount.

Erik explained that he agrees with Stephen regarding reconsideration of the 60/40 model and requested a re-vote. He made a motion to modify the model to a 33/67 weighted allocation using the capital and qualitative factors. Janice seconded the motion. For the vote: three in favor and two opposed, the motion carried. The allocation will be changed to a 33/67 weighted allocation.

Financial Update

Roger reviewed the summary of all of the feedback from the projects. He noted that it is very important from a historical perspective and encouraged everyone to review it. He would like to put this on the agenda for review at the next quarterly meeting.

Roger asked for a motion from the Board for approval of \$412,978.06 in voucher payments for January through March of 2008. These payments are in line with budget expectations. Debbie made a motion that the Board approve the voucher payments. The motion was seconded and passed unanimously.

Roger reviewed the Statement of Revenues, Expenditures, Change in Fund Balance and Fund Balance Sheet. He noted the growth from the year to date in sales tax, through first quarter is 1.54% greater than a year ago. The reason for this small increase is the very strong quarter a year ago and the fact that this is cash basis and it is dealing with period immediately after some of the national shocks. This will be watched very closely and Roger will comment on it every quarter. He is confident that this will be the low for the year.

The meeting was adjourned at 5:15.



Chairperson Signature

Date