

SNOHOMISH COUNTY PUBLIC FACILITIES DISTRICT
PUBLIC FACILITY DISTRICT MEETING MINUTES
SNOHOMISH COUNTY ADMINISTRATION WEST,
3rd Floor, WILLIS TUCKER ROOM 3A00
January 15, 2009
3:00 P.M.

Board:

Debbie Emge, District #5
Janice Greene, District #3
Travis Snider, District #4

Interested Parties:

Kim Bedier, Comcast Arena at Everett Events Ctr
Susan Kern, Snohomish County Airport
Grant Dull, Lynnwood PFD
John McGibbon, Edmonds PFD Board
Barry Smith, Future of Flight
Bob Rinehart, Edmonds PFD Board

Staff:

Roger Neumaier, Finance Department
Cristy Schelm, Finance Department
Carmen Foss, Department of Public Works
Sharie Freemantle, County Council
Doug Ferguson, PFD Attorney

Call to Order: Travis Snider called the meeting to order at 3:06 PM.

Project Presentations

EDMONDS PFD – Bob Rinehart and John Gibbon

- 3rd season ticket sales started out way ahead of projections but dropped dramatically from October through December.
- Sales are picking up but are still behind, sales for some shows are strong, recognize that some shows will need to be dropped so they can concentrate on shows that are attracting an audience.
- Received \$150,000 grant and are currently completing all the grant appropriations, this will fill all the back of house requirements that they have.
- 19 presentations have received sponsorship this year over 13 last year.
- The Art Show only did \$60,000 this year down from \$100,000 last year.
- Have engaged a contract grant writer who has submitted 9 grants that they will pursue, the facility is too new to qualify for some of the grants.
- PFD Board and the Edmonds Center for the Arts Board have pledged a combined \$63,000 in annual support for last year and the budget was \$50,000.

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- The Resource Development Committee is moving forward to develop a comprehensive fund raising plan they will present to this board as soon as it clears.
- Need to be receiving more support from the community – this will be the focus next year.

Travis asked how do they plan to deal with the annual giving campaigns.

- The next step for the Edmonds PFD is a far more aggressive reaching out to the next circle of donors, i.e. the medical community, the arts, etc. It is time to approach them and begin getting people who are giving at those levels.

Roger commented that Cristy will be sending out the form for each project to report their 2008 actual and budget numbers compared to 2007 actuals. Travis requested that the projects also include something that explains the ways that they are planning to cope with the economic downturn.

Eric heard that there was some money owed to the City of Edmonds – is this true? Not that they are aware of.

EVERETT PFD – Kim Bedier

- December turned out to be one of their best months of the year. They struggled in the fall but when the Boeing strike was over, things picked back up.
- They are very optimistic about 2009, things are currently selling as anticipated – the promoters are dropping their ticket prices, everyone is getting on board to make sure that business can carry on for everyone.
- Skate America broke all ticket records and was a huge success, the International Skating Union is already talking about the next event they want to have here.
- The annual boat show is going on hiatus this year, their weekend has already been booked with something else. The boat show wants to return in 2010 but it will depend on boat sales.
- The Arena Grill restaurant is open and doing well. The skating rink is doing really well, it got a boost from Skate America although hockey registrations are down.
- Working with other members of the community (Everett Symphony, Seattle Theatre Group) to cross-promote events is going well.
- Silvertips attendance is holding well and they usually have a better second half of the season.
- Kim distributed copies of their financials for the 11 months ended November 30, 2008. 2007 was their best year ever so they were destined not to make that but the bills still got paid.
- They already have more on the books for 2009 than they did at this time last year. In the coming year ticket prices are continuing to come down and artist guarantees are dropping too, it all helps to keep everyone in business.

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FUTURE OF FLIGHT PFD – Barry Smith and Susan Kern (Paine Field)

- Economic Stimulus package from the FAA causing a lot of work right now.
- 186,000 visitors to Future of Flight down 8% from the projected 200,000
- In June, American travel stopped – international tour business helped for a few months with pretty strong growth.
- Boeing Strike is usually a lock-down situation. This time the Future of Flight created an everything-but-the-factory tour on the spot and continued running that tour for 67 days.
- Flying Heritage went over their goal of 11,000 visitors to 23,000
- Snow removal and maintenance took all the revenue they had and the Future of Flight closed for 2 days due to snow.
- Future of Flight finished below projections and Paine Field had to dip almost \$300,000 into their reserve due to the snow and the strike
- Future of Flight assumed the 2005 operating agreement from Museum of Flight. They are currently developing a new operating agreement; it will be ready for Roger Neumaier to review in the next week or two.
- Foundation voted last fall to expand the Board to 18 members, this is an effort to expand their market and their charitable appeal
 - Mark Kilbranson, Puget Sound Regional Conference
 - Kent Muller, General Electric Aviation
- Hired Mary Brugerman as a full-time fundraiser, her salary comes out of the foundation
- Made final round of consideration from the Taproot Foundation to rewrite and add a whole new website and an internet presence for the foundation to raise money
- Royal Airforce Museum exchanged a couple of students with the Everett Community College. They loved it so much they financed it for 3 more years and are looking at expanding it to Dubai
- Peking University sent us 6 kids last summer and they worked for free, they loved it so much that Peking is angry that the project won't take 12 kids this year
- Had to let 2 people go due to drop in business
- Installing the alternative fuel display that was at Marlboro last summer this year

Travis asked, as the Future of Flight looks forward to 2009 and attendance issues, are they venturing an estimate?

- They are shooting for attendance of 190,000 this year

Travis asked, with the John Sessions and Paul Allen displays coming this year, what do you see as an interaction between those entities and what you and I have termed the Aviation Disneyland?

- Need a ground transportation connection between the Future of Flight and the other two facilities –Heritage Flight, Flying Heritage – commercial service will do nothing but good things for all three.
- The other entities are quite accommodating to discount prices, sharing visitors, etc.

LYNNWOOD PFD – Grant Dull

Distributed summary financial statements for the year through November: balance sheet and income statement

- Sales tax collection revenue is down
- Will finish 08 fairly close to budget
- Business in 09 looks remarkably strong
- Refocusing their marketing from advertising to hiring a new sales person
- Continue to look for a hotel to improve their future business – there is interest out there
- Public shows, auctions, business events, bridge tournament; still losing business due to the lack of a headquarters hotel
- Decided not to convert a former drug store into an exhibition space
- Goal is to transform the entire 13-acre site
- Our business is more month-to-month, the first quarter of 09 already has more events scheduled than we had in the same period of 08
- Lost one event due to snow and one canceled due to economic conditions, overall, events that occurred had lower attendance and less spending on food and beverage
- Folks are staying closer to home, this should be better for the smaller – local venues

Financial Update

Contracts –

Roger sent the contracts to the council in December, held up on submitting the business plans. Travis signed three of the contracts – the fourth one is waiting for the operating agreement from Future of Flight – when that is done their business plan will be ready, Travis is ready to sign it and all four of them will then go up to Council.

Contracts are scheduled to go before the Council for consideration and discussion on Monday, Jan 26th. No one really needs to attend; it should be pretty low key.

Financial projections and update –

- Decided to be very conservative, revenue for 2008 & 2009 are the same

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- The rule of thumb used was that each year they would distributed the full surplus amount at the end of the year.
 - Proposal to be voted on by the board: Do they want the amount distributed in four monthly payments throughout the year or in a single lump sum.
- Doug Ferguson commented that the Council originally approved 2 semi-annual payments directed at covering the debt service payments – in May and November
- Propose doing 80% and 20% this first year then 50/50 in successive years – any project that has a conflict with this proposal, please contact Roger within the next month.
- Will send copies of the spreadsheet to each of the projects so they can do what if scenarios if they like
- The investment interest will be adjusted by Cristy and Roger

Approval Items

Debbie Emge moved to accept the July 17, 2008 meeting minutes and the October 16, 2008 meeting minutes. Janice Greene seconded the motion and it passed unanimously.

After review of the vouchers, Janice Greene moved to approve the vouchers for October, November and December 2008 in the amount of \$407,075.86. Debbie Emge seconded the motion and it passed unanimously.

2009 Budget

- 2008 was not a good year for sales tax – down 5.34%, we are assuming no change in 2009, it will not decline further but remain the same as at the end of 2008
- Large projects connected to the stimulus package will trickle down and affect the projects
- Take away the message that we are still here, still doing business together and we need to build the consumer's confidence – people are just afraid
- This area is one of the best regions, we are still doing ok. Travis remembers when they were only thinking about doing one project and now we are actively doing four
- Staff proposed to distribute Tier II payments 80/20 in March and November as part of the approved 2009 budget

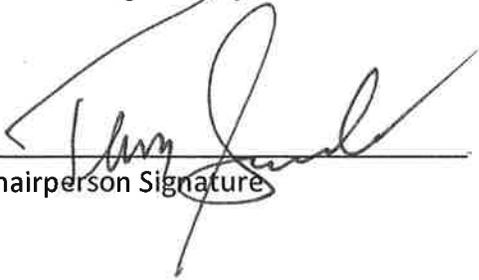
Janice Greene moved to approve the 2009 Budget with the Tier II payment schedule of 80/20 as proposed by staff; Debbie Emge seconded the motion and the 2009 Budget passed unanimously. Note: please recognize that approval of the budget is contingent up Council approval.

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Public Comment

No public comments.

The meeting was adjourned at 4:22.



Chairperson Signature

Date