Board Members Present:
Steve Shelton, President, District #3
Boyd McPherson, District #1
Debbie Emge, District #5

Interested Parties Present:
Nickolis Landgraff, Snohomish County Airport
Grant Dull, Lynnwood Convention Center
Joe Mclawain, Edmonds Center for the Arts
Rick Comeau, Xfinity Arena
Bonnie Hilory, Future of Flight
Molly Brodie, Future of Flight

Staff Present:
Brad Cottle, Anderson Hunter Law Firm
Jordan Wallace, Anderson Hunter Law Firm
Sharyl Raines, Snohomish County Finance Department
Robin Selfridge, Snohomish County Finance Department
Misty Terry, Snohomish County Public Works

Guests:
Allesandra Durham, Executive’s Office

Call to Order
Steve Shelton called the meeting to order at 3:00 p.m.
Introductions were made.

Public Comment
No public comments.

Approval Items

Boyd McPherson moved to approve the October 27, 2016 minutes. Debbie Emge seconded and it passed unanimously.
After review of the vouchers, Debbie Emge moved to approve the vouchers for October through December 2016 in the amount of $680,386.67. Boyd McPherson seconded the motion and it passed unanimously.

The following vouchers/warrants are approved for payment:

Disbursements:
Fund X10
(October through December 2016)
Voucher/warrant number: 1927809, 1930798, 1934461 Total $6,000.00
Voucher/warrant numbers: 1927805, 1927801, 1927803, 1927807 Total $162,870.91
Voucher/warrant numbers: 1930842, 1930846, 1930882, 1930915 Total $162,870.91
Voucher/warrant number: 1934594, 1934604, 1934746, 1934857 Total $162,870.91
Voucher/warrant numbers: 1927806, 1927802, 1927804, 1927808 Total $150,857.00
Voucher/warrant numbers: 1927809, 1930798, 1934461 Total $30,147.24
Voucher/warrant numbers: 5010030 Total $275.00
Voucher/warrant numbers: 1927800, 1930934 Total $3,444.70
Voucher/warrant number: 1927799 Total $750.00
Voucher/warrant numbers: 1930814, 1930833, 1930918, 1934874 Total $300.00

2017 Budget Approval
After review and discussion, Boyd McPherson moved to adopt the 2017 Budget, Debbie Emge seconded and it passed unanimously.

Financial Report
Q4 Financial Report
Robin Selfridge presented the financial reports. At the end of Q4, overall sales tax rebate shows a 10% growth over 4th quarter last year.

Annual interest in sales tax rebate exceeded budgeted projections for the year. Received $2,439 in interest with a projected amount of $789 for the year.

We received over $2.5M in sales tax rebate for 2016; which is $130K more than projected revenue for the year. This represents a growth in sales tax rebate of over 9% compared to the prior year. The ending fund balance was $696,219. When we subtracted the reserve, it leaves $446,219 for Tier 2 distribution in 2017.

A little bit of history, we are at 61% of the sales tax project. Revenue and expenses are slightly less than projected pretty much due to the 2011, 2012 and 2013 economic downturn. We’ve been exceeding projections since 2012 but the expenses and Tier 2 payments were adjusted from going in the negative during the economic downturn but as we move on in the years, we are catching up.
Sharyl Raines checked with budget staff and the County’s projection for 2017 is a 5% growth rate and they are anticipating that to drop to about 4% in 2018 so stable but going down slightly. And we are still projecting 3.6%.

2017 Modified Budget
The 2017 Modified Budget is based on the 12/31/16 actual revenues. Also, took out the $5,000 stipend that was in the 2016 budget to cover the audit expenses. Boyd moved for the adoption of the 2017 Modified Budget. Debbie Emge seconded and it passed unanimously.

Annual Report for Projects
Robin will be sending an email out and documents and forms that will need to be filled out for each of the projects. This information is in preparation for the presentation to the County Council, usually the first week of June. Steve encouraged attendance at the Council presentation, especially from the different project facilities. Grant suggest beginning the presentation to the Council with a brief history of PFD.

Old Business

PFD Bylaws / PFD Charter
Brad Cattle discussed the processes on taking action on the Bylaws and Charter, he discussed the proposed changes and that once action is taken today, the changes will need to go to the County Council for review and approval.

After discussion, Debbie Emge motioned to approve the Amended and Restated Bylaws of the Snohomish County Public Facilities District by adopting Resolution 2017-1. Boyd McPherson seconded and it passed unanimously.

After discussion, Boyd McPherson motioned to approve the Amended and Restated Charter of the Snohomish County Public Facilities District by adopting Resolution 2017-2. Debbie Emge seconded and it passed unanimously.

Brad Cattle explanted the process on how to get the documents to the County Council for approval. He will draft a letter from the Board and provide it to Steve for review and signature.

New Business

District 4 Board Vacancy.
Steve Shelton discussed that the Board is still trying to fill the vacancy.

District 1 Upcoming Vacancy
Steve Shelton discussed that Boyd’s appointment will hit 16 years in June and a vacancy will be created. Keep in mind people to fill that position.
July 2017 Meeting
After discussion it was decided that the July 27, 2017 Board meeting will be held one week early on July 20, 2017 as two Board Members will be out of town on July 27, 2017.

**Project Financial Updates**

**Edmonds Center for the Arts – Joe McAlwain**
- Staff Report & 2017 mid-season brochure handouts
- Ticket sales and revenue up despite having 2 fewer shows than last year
- 10% of house is subscribed – subscribers are growing
- 5+ package sales had a large increase over the previous year
- City of Edmonds to prepare an economic impact study – studying the impacts of arts and culture within the borders of the City of Edmonds – City is covering the costs and ECA will be a key and will be allowed to use the information gathered.
- ECA looking for a COO or Operations Director to help Joe with that side of the business
- Will be having a complete facility assessment done
- Adding $2.00 Historic Facility Preservation fee to each ticket. Proceeds restricted to the maintenance of the facility
  - ECA projects this will raise approximately $80K annually

**Xfinity Arena – Rick Comeau**
- Another financially successful year – 2nd year of profits on operating side
- Budget projected an $11K profit in 2016, they finished 2015 just over $100K in profits on the operating side
- $1.78M in event income; about $30K ahead of budget
- Other event income came in ahead of budget just over $2.2M which was about $53K ahead of budget
- Approximately $13,000 under budget for the expense side
- Adding in PFD income and expenses still showing a positive net income of $310K versus a budgeted loss of $51K
- $250K grant from County in payoff scoreboard which was replaced the previous year
- $125K renewal grant from County will go towards replacing the retractable seating
  - Total estimate to replace seating is $430K
- Many events are expected to come back in 2017 and beyond

**Future of Flight – Bonnie Hilory**
- Executive Director Report & PFD Quarterly Report handouts
- Ticket sales continue to grow year after year
  - Cost of Boeing tickets went up; waiting to see if that will impact attendance
- 7.6% ahead of budget in terms of expenses
- 10.9% ahead of budget for revenue
Removing “history” exhibits
- New exhibit “The Destiny” public opening on February 15, 2017 – lab module from the International Space Station
- Gallery renamed last year to “Aerospace Gallery”
- Budgeting for more summer camps as they sold out last summer
- Huge growth in education
- New director
- Looking for volunteers

Lynnwood Convention Center – Grant Dull
- Lynnwood Convention Center Snapshot & postcard handouts
- $250K net profit for 2016
- Shopping center netted just over $600K
- Financing of under $1M is relatively low due to refinancing a few years ago
- New building was budgeted at $200K, it was actually in the $600K range
- Received a $125K grant from the County for cleanup
- Annual Association of PFDs (AWSPFD) convention in Lynnwood September 28-29, 2017
  - Would like to have other PFD venues/events during that time
  - Bonnie mentioned the possibility of a breakfast or dinner event at the FOF

Steve Shelton adjourned the meeting at 4:25 p.m.

The April 27, 2017 meeting location is at the Snohomish County Main Campus.