

SNOHOMISH COUNTY PUBLIC FACILITIES DISTRICT
PUBLIC FACILITY DISTRICT MEETING MINUTES
Snohomish County Main Campus
3000 Rockefeller Avenue, Everett, WA 98201
April 27, 2017
3:00 P.M.

Board Members Present:

Steve Shelton, President, District #3
Boyd McPherson, District #1
Bruce Gandal, District #2

Interested Parties Present:

Nickolis Landgraff, Snohomish County Airport
Grant Dull, Lynnwood Convention Center
Joe McIalwain, Edmonds Center for the Arts
Rick Comeau, Xfinity Arena
Bonnie Hilory, Future of Flight

Staff Present:

Brad Cattle, Anderson Hunter Law Firm
Sharyl Raines, Snohomish County Finance Department
Robin Selfridge, Snohomish County Finance Department
Misty Terry, Snohomish County Public Works

Guests:

Tim Menzies, Menzies' Financial in Stanwood

Call to Order

Steve Shelton called the meeting to order at 3:03 p.m.
Introductions were made.

Public Comment

No public comments.

Disbursements:

Fund X10
(January through March 2017)
Voucher/warrant number: 1938675, 1941854, 1944260 Total \$6,000.00
Voucher/warrant numbers: 1938676, 1941863, 1944504 Total \$71,283.00

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Voucher/warrant numbers: 1938677, 1941864, 1944518 Total \$132,410.01

Voucher/warrant number: 1938678, 1941866, 1944698 Total \$186,198.00

Voucher/warrant numbers: 1938679, 1941868, 1944875 Total \$114,432.48

Voucher/warrant numbers: 1938675, 1941854, 1944260 Total \$29,659.50

Voucher/warrant numbers: 5010317, 5010449 Total \$1,867.75

Voucher/warrant numbers: 1944368 Total \$750.00

Voucher/warrant numbers: 1941862, 1941860, 1941869 Total \$150.00

Financial Report

Q1 Financial Report

Robin Selfridge presented the financial reports. Interest income came in at 31% which was above the expectation of 25%.

Sales tax rebate was right on budget at 25%.

Growth over last year at this time is 8.56%.

Fund balance is a healthy \$821,956 which is well above the \$250,000 reserve that the PFD is required to keep.

Tier II payments for May were processed and should be received soon.

2017 Modified Budget

The 2017 Modified Budget is on track. Based on the model the sales tax rebate amount was increased as was interest as the County is doing quite well. The admin portion was increased by \$5,000 because of the audit which we will not have for the next couple of years.

Old Business

Amendments to PFD to Bylaws / PFD Charter

Brad Cattle discussed the next steps of the proposed amendments to the Bylaws and Charter, indicating that Steve Shelton had sent a letter with the proposed amendments to the County Chair, Brian Sullivan, earlier this year. The Council had the amendments calendared for review, however, the prosecuting attorney's office had some changes and the dates will need to be pushed out a few more weeks.

New Business

PFD Legislature

Steve Shelton discussed that the Legislature passed extension of the PFD legislation for another 15 years of funding. He has reached out to Sharyl Raines to assist with calculations and projections for the next 15 years. Challenge is how to divvy it up. Will keep the distribution methodology fact based and will need some information from each project entity.

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Discussion took place about the care and process of action being taken on behalf of the PFD and ensuring that all 5 Districts are represented. Districts with public facilities are represented.

PFD Presentation to Snohomish County Finance Committee – June 6 at 10:00 a.m.

Modified Budget

Steve Shelton discussed that the budget may need to be modified again this year as there may be some administrative expenses on the part of the County to help with the analysis and projections for the next 15 years.

District 4 Board Vacancy

Steve Shelton is actively recruiting to fill the vacancy.

District 1 Upcoming Vacancy

Steve Shelton discussed that Boyd's appointment will end in June, prior to the next Board meeting, as he has served 4 consecutive terms. Steve is actively recruiting for this vacancy as well.

Boyd McPherson

Steve Shelton thanked Boyd for his service and Boyd shared some early history of the PFD.

PFD Board Officers

Boyd moved to remove Debbie Emge as Vice President and appoint her as Secretary/Treasurer and Public Records Officer; and to appoint Bruce Gandal as the Vice President. Bruce seconded the motion and it passed unanimously.

PFD Presentation to Council

Robin Selfridge discussed the need for the spreadsheet and narrative back from each public facility district for presentation to Council.

Project Financial Updates

Edmonds Center for the Arts – Joe Mclalwain

- April 2017 Staff Report, Statement of Net Position and Center Stage Postcard handouts
- Reduced the number of performances this year, however, the level of activity is similar, if not stronger than, than last year
 - 3 fewer performances to date over last year; earned more revenue this year
 - Still have the month of May before season ends
- Will end season in the black; sponsorships revenue calculated after net revenue
- Contracted for roof repair. Bid packet should be published next week.
- Beginning strategic business plan
- Historic Facility Preservation fee restricted to capital maintenance and improvements.

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- Estimated to raise about \$50,000 - \$60,000 per year
- HR Task Force updating policies
- Center Stage Handout
 - Will raise approximately \$200,000 in a few short hours
- 21 presentations booked so far for 2017/2018

Xfinity Arena – Rick Comeau

- Slow start to first quarter of 2017
 - Still showing a positive net income of just over \$50K for the first quarter
 - Low compared to budgeted revenue of \$189K
 - Expenses are on track
 - Still have a lot of the year remaining to make up revenue
- Events saturating the market in year after year events; revenue dropped
- Homeshow already booked for 2018
- Conference center side up for 1st quarter
 - Revenue of \$78,000 compared to \$64,000 in 2016 and \$70,000 in 2015
- Another silver lining Everett Silvertips won Division
 - Exceeded budget on 2 playoff games
- Partnership with Angel of the Winds Casino for concert events
 - They will share 50% of the risk
 - Casino players' club members will get discounts
- Hiring Director of Marketing and Director of Events
- Bleacher project – moving forward with replacing lower retractable seating in 3 or 4 lower sections.
 - Being replaced in July or August
 - Approximately \$430,000 to replace
 - \$125K grant from Snohomish County

Future of Flight – Bonnie Hilory

- 1st Quarter Report handout
- Boeing Tour tickets sales down; 4 reasons why:
 - Increased prices
 - Trump Slump – letters from Canadian Schools not allowing kids to come this year
 - Canadian dollar is down
 - Releasing tickets late
- March 11% off; April already recovered half that loss
- Reimagining customer service
 - Kiosks are dead
 - Technology is 10-12 years old; replacing that
 - Remodeling the lobby
 - Moving to bring the call center in house; currently it is in Bellingham
 - Disconnect; staff does not have to own customer service
 - Looking at a way to text guests

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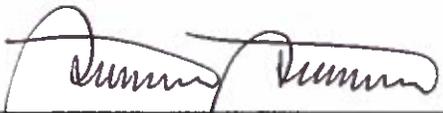
- Staff Report handout
- CNN came out; will not release until June – Interim Marketing Director working to see if they can release it sooner
- Hiring/significant restructuring related to budget
 - Added thousands of hours of staff time on visitor services side
 - Greeting
 - Greeting in the lobby
 - Helping people with lockers
 - Cleaning the bathrooms more, etc.
 - Concerned about maintenance of the facility
- New Exhibit – Destiny – on loan from Future of Flight for 3 years
- Looking for volunteers
- Gearing up for summer; added additional summer camps
- Summer Nights in June, July and August
- Hired Director of Marketing and Tourism - starts May 16th

Lynnwood Convention Center – Grant Dull

- 2016 Annual Report handout
 - Goes to every citizen of Lynnwood
- 114 events in the first quarter
- Attendance of 28,556
- Approximately 4,700 room nights
- Indirect impact of approximately \$1.6M
- Sales trend this year is the best it has ever been
- Hosting WA State Association of PFDs Sept. 27th & 28th

Steve Shelton adjourned the meeting at 4:20 p.m.

The July 20, 2017 meeting location is at the Snohomish County Main Campus.



Chairperson Signature

10/27/17

Date