

Minutes

Washington State Convention Center  
Public Facilities District

Regular Meeting of the Board of Directors  
October 30, 2012

I. CALL TO ORDER

Frank K. Finneran, Board Chairman, convened a regular meeting of the Washington State Convention Center Public Facilities District (WSCC PFD) at 4:00 p.m. The meeting was held at the Woodmark Hotel, 1200 Carillon Point, Kirkland, Washington.

II. ATTENDANCE

Board Directors in Attendance

Frank K. Finneran, Chairman  
Deryl Brown-Archie, Vice Chair  
Rick Bender  
Robert J. Flowers  
Susana Gonzalez-Murillo  
Jerry Hillis  
J. Terry McLaughlin  
Christopher Sullivan  
Karen Wong

Board Director Emeritus in Attendance

Harry G. Sladich

Officers in Attendance

Jeffrey A. Blosser, President / CEO  
Linda Willanger, Vice President of Administration / AGM  
Ed Barnes, Vice President of Operations  
Chip Firth, Director of Finance and Administration / CFO

Consultants / Vendors in Attendance

Rebecca Bogard, Bogard & Johnson LLC  
Matthew R. Hendricks, Hendricks - Bennett, PLLC  
Fred Eoff, SDM Advisors, Inc.  
Hans Christensen, Wells Fargo Insurance Services, Inc.  
Tom Norwalk and Marco Bloemendaal, Seattle's Convention & Visitors Bureau  
Steve Kiely, ARAMARK.

Staff in Attendance

Ron Yorita	Michael McQuade
Krista Daniel	Daniel Johnson
Mary Pauly	Lorrie Starkweather
Kathleen Smith	

III. APPROVAL OF MINUTES

A. August 21, 2012 and September 18, 2012 Regular Board Meeting

It was noted that the August 21, 2012 minutes were being brought before the Board for a second time, having been inadvertently moved for approval at the September Board meeting by Mr. Sladich, Board Director Emeritus.

Mr. Bender moved to approve the minutes of the August 21, 2012 and September 18, 2012 Board meetings as presented. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

#### IV. PUBLIC COMMENTS

There were no public comments.

#### V. CHAIRMAN'S REPORT

##### A. Board of Directors Committee Assignment Discussion

The Committee assignment discussion was deferred to the November 20, 2012 Board meeting.

##### B. District Regular Meeting Schedule Fiscal Year 2013

##### RESOLUTION 2012-5

A RESOLUTION by the Washington State Convention Center Public Facilities District ("District") Board of Directors Adopting Its 2013 Official Meeting Schedule

Following discussion, the Board agreed to a bi-monthly regular Board meeting schedule for 2013. Meetings are scheduled to commence at 2:00 p.m. The meetings were moved from the third Tuesday to the fourth Tuesday of the month to better accommodate data reporting timetables for staff reports.

Ms. Brown-Archie made a motion to approve Resolution 2012-5, establishing the WSCC Board of Directors 2013 regular meetings schedule as presented. Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

##### C. Consent Agenda

Mr. Finneran presented the Consent Agenda to the Board. No action items were included and the following informational reports had been sent to the Board for review prior to today's meeting:

1. Seattle's Convention & Visitors Bureau Productivity Report
2. WSCC Monthly Expenditures Auditing Officer Certification
3. Seattle's Convention & Visitors Bureau Monthly Report
4. Monthly Staff Reports: A) Parking; B) Sales; C) Food Service; D) Government Affairs; E) Outreach; F) Financials

Mr. Flowers moved to approve the Consent Agenda as presented. Ms. Brown-Archie seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

#### VI. PFD COMMITTEE REPORTS

##### A. Facility Committee

##### 1. Capital Improvement Reserve Fund Policy - RESOLUTION 2012-6

A RESOLUTION by the Board of Directors of the Washington State Convention Center Public Facilities District ("District") adopting a policy statement regarding the approval of a capital improvement projects funding program

The WSCC Board Facility Committee recommended that a funding mechanism be established to achieve the Board of Director's goal of keeping the Convention Center facility in first class condition. The fund would support such projects as life cycle equipment replacement, construction work, major maintenance, furniture, fixtures, equipment, and building enhancements, as approved by the Facility Committee and recommended to the full Board. A fund of \$4,000,000 was established to start in 2013 with an annual increase based each year on the consumer price index (CPI).

Mr. Hillis moved to approve Resolution 2012-6, adopting a policy statement entitled "Approval of Capital Improvement Projects Funding Program" as presented to the Board. Mr. McLaughlin seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

##### B. Art Committee

##### 1. District Art Foundation Members - RESOLUTION 2012-7

A RESOLUTION by the Board of Directors of the Washington State Convention Center Public Facilities District ("District") approving new members to the Washington State Convention Center Art Foundation ("Art Foundation") Board of Directors

As specified in the Art Foundation Bylaws, members of the Art Foundation Board of Directors are appointed by the Chair of the WSCC Board Art Committee with the approval of the full WSCC Board. The following individuals designated by the Chair of the Art Committee as Art Foundation Board members have strong ties to the regional art community: Ms. Margery Aronson, Mr. Eric Breidenbach, Mr. Glenn Harrington, Ms. Cathi Hatch, Ms. Jane McConnell, and Ms. Donna Wolter.

Ms. Wong moved to approve Resolution 2012-7, approving for appointment individuals designated by the Art Committee Chair to the Washington State Convention Center Art Foundation Board of Directors. Mr. Hillis seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

C. Marketing Committee

1. Distribution of SCVB Budget Reserve - RESOLUTION 2012-8

A RESOLUTION of the Board of Directors of the Washington State Convention Center Public Facilities District ("District") approving the transfer of \$300,000 from the Reserves budget line item to the Marketing Services line item

The Board Marketing Committee made a recommendation to transfer \$300,000 from the Reserves line item in the WSCC Fiscal 2012 Operating Budget to Marketing Services, as a way of offsetting some of the costs of bringing convention business to the City of Seattle and to the Washington State Convention Center.

Mr. Hillis moved to approve Resolution 2012-8, authorizing the transfer of \$300,000 in Reserve funds to SCVB Marketing Services. Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

D. Operating Goal Committee

Following discussions held earlier today at the Board of Directors retreat, the Board requested modifications to the 2013 Operating Goals. Staff was asked to bring the modified goals back before the Board at the November 20, 2012 Board meeting.

E. Government Affairs Committee

Within state legislation recently passed, there is a provision relating to the King County 2% hotel tax credit that will establish a redistribution of the funds effective 2021. In addition to a redistribution of the funds to arts programs, 37.5% would go to fund low and moderate income housing and 25% to funding capital and operating programs for tourism promotion. WSCC has an interest in how the future tourism promotion funds will be distributed.

Mr. Hillis made a motion to authorize the President to direct the Government Affairs Consultant to explore the options for WSCC to receive a portion of the 2% tax credit and report options back to the Government Affairs Committee. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all Directors present, in person and by way of teleconference.

VII. PRESIDENT'S REPORT

A. Motion to Approve General Liability Insurance

Following a review of options for General Liability and Property Coverage Insurance, WSCC staff made a recommendation to continue with Philadelphia Indemnity Insurance Company as general liability carrier and with Factory Mutual Insurance Company as property insurance carrier.

Mr. Bender made a motion to authorize and direct the President to take the necessary steps to execute a renewal of the General Liability and Property Coverage Insurance through the WSCC broker at the appropriate levels to ensure needed coverage and to be effective December 1, 2012 through November 30, 2013. Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

B. Motion to Approve Non-Represented Employee Healthcare Benefits

After careful consideration of options, the WSCC Benefits Committee has recommended that WSCC provide non-represented employees with medical coverage through the Association of Washington Cities (AWC) Employee Benefit Trust. By becoming part of a larger insurance pool, WSCC will be able to maintain a similar level of medical benefits at a considerable cost savings to the Convention Center.

Mr. McLaughlin made a motion to authorize the President to take the necessary steps to contract with the Association of Washington Cities Employee Benefit Trust to secure the Health and Welfare benefits package for WSCC non-represented employees. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

#### VIII. OTHER BUSINESS

At the August 21, 2012 Board meeting, the WSCC President was authorized to expend up to \$340,000 to continue with planning steps required for future expansion of the Convention Center. At today's meeting, the Board was asked to approve an additional \$160,000 to make it possible to carry out necessary future expansion pre-development tasks that have been identified by the Board Future Expansion Committee.

Mr. Bender made a motion to increase the President/CEO's authorization for the necessary expenditure of capital funds related to facility expansion in the amount of \$160,000, to a revised total of \$500,000. Ms. Brown-Archie seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

#### IX. ADJOURNMENT

Mr. Hillis moved to adjourn the October 30, 2012 Board meeting at 4:15 p.m. Ms. Brown-Archie seconded and the motion was carried by the unanimous affirmative vote of all Directors present.