

Minutes

Washington State Convention Center
Public Facilities District

Special Meeting of the Board of Directors
Finance Committee
December 18, 2018

MEETING ATTENDANCE

Board Directors in Attendance (In Person)

Frank K. Finneran, Chair, Board of Directors
Robert Flowers, Finance Committee Chair
J. Terry McLaughlin, Finance Committee
Denise Moriguchi, Finance Committee / Marketing Committee
Craig Schafer, Marketing Committee Chair
Jerry Hillis, Director

Board Directors Absent

Deryl Brown-Archie, Vice-Chair, Board of Directors
Susana Gonzalez-Murillo, Marketing Committee
Nicole Grant, Director

Officers in Attendance

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

Consultants / Vendors in Attendance

Fred Eoff, PFM, Inc.
Tom Norwalk, President / CEO, Visit Seattle

Staff in Attendance

Daniel Johnson
Lorrie Starkweather
Malcolm Wyer

I. Call To Order

Frank K. Finneran, Board Chairman, convened a special meeting of the Washington State Convention Center Public Facilities District (WSCC) Board of Directors Finance Committee at 9:30 a.m. in Room 208, of the Convention Center. Upon calling the meeting to order, Mr. Finneran turned the meeting over to Mr. Robert Flowers, Chair of the Board Finance Committee.

II. Visit Seattle Program Expenditures and New Goals

Mr. Norwalk provided the Finance Committee with a presentation regarding the Visit Seattle financial overview as it relates to their contract with WSCC and Visit Seattle's strategic marketing goals. Mr. Norwalk provided a breakdown of the total revenue sources for the 2019 Visit Seattle Budget with 52.3% from WSCC, 31.7% from the STIA tax (Seattle Tourism Improvement Area), 8.6% from Marketing programs (for example paid co-ops and sponsors who travel with the team), 5.7% from Government funding, and 1.4% from Sports Commission Sponsorships. Mr. Norwalk, in response to questions the Finance Committee had posed at the Board Retreat meeting in October, provided a breakdown of the use of the funds received by category, and provided explanation on the WSCC-related concessions. The

Finance Committee members thanked Mr. Norwalk for this thorough explanation as it provides them a better grasp of where funds are being utilized. The Marketing Committee will review and approve the 2020 proposed Visit Seattle Budget and forward to the Finance Committee for review and inclusion in the 2020 budget recommendation to the full Board for approval. This process will be completed each budget year.

III. Review and Potential Board Action to Approve the Recognition of Additional Expenses for the 2018 Operating Budget, Resolution # 2018-16

Mr. Blosser advised that the Board approves the budget each year by broad line items for staff to follow and manage. As required by Board Policy, any single line items that are projected to be \$100,000 over the approved budget must come back to the Board for approval. Mr. Blosser advised the Finance Committee that revenues are forecasted to exceed budget amounts for FY2018 by over \$5,686,000 and the expenses associated by these additional revenues will exceed total budgeted expenditures by \$2,151,500. These four expense categories are 1) Wages; 2) Food & Beverage Services; 3) Utilities; and 4) Other Services.

1. Wages: from \$6,150,000 to \$6,336,000
2. Food & Beverage Services: from \$12,802,951 to \$14,982,000
3. Utilities: from \$3,053,336 to \$3,145,000; and
4. Other Services: from \$2,671,149 to \$2,832,937

Mr. McLaughlin made a motion to recommend Resolution 2018-16 to the full Board for approval. Ms. Moriguchi seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

IV. Review of WSCC Financial Report for November 2018

Mr. Firth provided the Committee with a review of the WSCC Financial Report for the month of November 2018. Mr. Flowers thanked Mr. Firth and advised this report will also be provided to the full Board at the Regular meeting of the Board at 1:00 p.m.

V. Update on Meeting with Washington State Auditor

Mr. Flowers advised that the Finance Committee, in company with staff, met this morning with the Washington State Auditors for the Exit Conference with regards to the WSCC FY2017 audit. The audit produced no significant findings and WSCC received a clean audit report. The auditors report will be posted to the Washington State Auditors website by the end of December.

VI. Adjournment

Mr. McLaughlin moved to adjourn the December 18, 2018 Special Meeting at 10:10 a.m. Ms. Moriguchi seconded and the motion was carried by the unanimous affirmative vote of all Directors present.