

## Minutes

Washington State Convention Center  
Public Facilities District

Regular Meeting of the Board of Directors  
January 28, 2020

### I. CALL TO ORDER

Frank K. Finneran, Board Chairman, convened a regular meeting of the Washington State Convention Center Public Facilities District (WSCC) at 2:06 p.m., in Room 303 of the Convention Center.

### MEETING ATTENDANCE

#### Board Directors in Attendance

Frank K. Finneran, Chair  
Deryl Brown-Archie, Vice Chair  
Susana Gonzalez-Murillo, by teleconference  
Nicole Grant  
Jerry Hillis  
J. Terry McLaughlin  
Denise Moriguchi  
Craig Schafer

#### Board Directors Absent

Robert Flowers

#### Officers in Attendance

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

#### Consultants / Vendors in Attendance

David Dolquist, ARAMARK  
Keith Hedrick, ARAMARK  
Jessica Golden, ARAMARK  
Becky Bogard, Bogard & Johnson, LLC, by teleconference  
Matthew Hendricks, Hendricks - Bennett, PLLC  
Jill Hashimoto, LMG  
Colin Green, LMG  
Aren Mann, LMG  
Matt Griffin, Pine Street Group  
Jane Lewis, Pine Street Group  
Kelly Saling, Visit Seattle  
Kris Cromwell, Visit Seattle  
Patrick Smyton, Visit Seattle  
Troy Anderson, Visit Seattle  
Cath Brunner, Addition Project Art Consultant / 4Culture  
Margery Aronson, WSCC Art Foundation / Addition Project Art Consultant

#### Staff in Attendance

David Cononetz                      Krista Daniel  
Daniel Johnson                      Shannon Leahy

Michael McQuade  
Paul Smith  
Loni Syltebo

Mary Pauly  
Lorrie Starkweather  
Susnios Tesfaye

II. APPROVAL OF MINUTES

December 17, 2019 WSCC PFD Board Regular Meeting

Mr. Hillis made a motion to approve the minutes of the December 17, 2019 Regular Board meeting, as presented. Mr. Schafer seconded and the motion was carried by the unanimous affirmative vote of all Directors present, both in person and via teleconference.

III. PUBLIC COMMENTS

Mr. Finneran advised that anyone wishing to speak before the Board, either as an individual or as a member of a group, may do so at this time. Individuals desiring to speak shall give their name, address, and the group they represent, if any. There were no public comments.

IV. CHAIRMAN'S REPORT

A. Consent Agenda

Mr. Finneran presented the Consent Agenda to the Board. The following action items and informational reports had been sent to the Board for review prior to today's meeting:

Action Items:

1. Ratification of Additional Facility Project Contract List (January 2020)
2. Approval of Additional Facility Project Draw Schedule Payments, #62 (January 2020)

Informational Items:

1. WSCC Sales Productivity Report
2. WSCC Monthly Expenditures Auditing Officer Certification
3. WSCC Outreach Report, 2019 Q4
4. WSCC Social Media Update

Mr. Hillis made a motion to approve the Consent Agenda as presented. Mr. McLaughlin seconded and the motion was carried by the unanimous affirmative vote of all Directors present, both in person and via teleconference.

V. PFD COMMITTEE REPORTS

A. Addition Committee

1. Update Report

Mr. Finneran requested Mr. Griffin to provide the Board with a brief presentation of the current status of the Addition Project items.

Mr. Griffin provided a brief update on the construction schedule, advising that the team is making progress despite December's rainy weather. On the Budget, PSG continues to work to tie down any possible cost issues (PCI's). Mr. Griffin advised that the biggest risk on the schedule and project costs going forward are related to discovering anything unusual in the ground north of Olive Way, and the team is constantly watching for this. Also as it relates to Budget, the sources and uses discussion continued at the Addition and Finance Committee meetings. WSCC, PSG and PFM Financial Advisors are currently researching details and creating a plan related to two future bond offerings, with one bond offering possibly by the end of 2020 / beginning of 2021, and another that could possibly be postponed until closer to the end of 2021 to basically complete the necessary proceeds. PSG will work with Mr. Eoff, Mr. Firth and the investment bankers in putting that plan together.

On Quality, work is continuing on refining the remaining materials. With regards to the selection of final materials, PSG has met with Mr. Finneran, Mr. Blosser and WSCC staff and progress was made on items to be selected. There are only a few selections of finish samples remaining to be finalized and it is anticipated that the selection of samples will be completed in Q1. On Contracts, Mr. Griffin advised that

PSG is generally in good shape. On Miscellaneous, PSG continues to work with Mr. Blosser and others regarding parking for the construction workers in the current WSCC garages. The Addition Project is currently exceeding its WMBE goal of \$80 Million, with actual contracts of approximately \$96 Million. Mr. Griffin advised that more people from the priority zip code areas have been hired. While the Project was a little slow on getting apprentices at the start of the job, we are now up to 13%, with the goal being 15%.

Mr. Finneran asked if there were concerns that as the general contractor is drawing down funds more slowly than predicted, does this effect the construction schedule or is it that the contractor is proceeding slower than was expected? Mr. Griffin responded to the question by stating that there is clearly some of that, however the current schedule is based on the schedule provided in December, and Mr. Griffin feels this is more the contractor being conservative. A question arose regarding the risk factors concerning potential archaeological findings that could potentially slow down construction. Mr. Griffin provided a brief explanation of some potential concerns with the excavation of the blocks just north of Olive and that the contractor does have a plan for the preservation of any significant findings in order to try to keep it off the critical path of construction.

B. Finance Committee

1. Update

In Mr. Flowers absence, Ms. Moriguchi advised that the Finance Committee met earlier today. Government Portfolio Advisors (GPA) provided an update on WSCC's investment strategy for funding for the District and everything seems to be on track. Mr. Firth provided the Committee an update on the operating financial statement. Mr. McLaughlin advised that it was important for the Board to note that, while he had some concerns regarding the cash flow for the Addition project – including the earnings and expenses and what type of financing will be required to complete the project – Mr. Griffin had addressed those concerns and WSCC is actually in pretty reasonable shape going forward.

C. Art Committee

1. Update on Addition Art Projects

Ms. Gonzalez-Murillo advised that on January 21, 2020, the Art Committee met following the Addition Art Advisors meeting and that both groups approved the concepts for the Party Room Soffit by artists Wade Kavanaugh and Stephen B. Nguyen of Bethel, Maine.

Ms. Gonzalez-Murillo introduced Ms. Lewis and Ms. Brunner to present the highlights of the artwork:

a. Addition Project Art: Party Room Soffit: Ms. Lewis advised that this artwork, to be conceptually approved at the 30% concept level, is part of the \$4.5 Million component. The Party Room Soffit concept has been approved by both the Art Advisors and the Board Art Committee. This artwork will be set in a prominent location to be visible from Pine Street, the south edge of the Summit building, and also along portions of Pike Street. The artists were selected in an open call process, are from Maine, and are long-time collaborators with a national reputation. Ms. Brunner provided the Board with an overview of the conceptual renderings for this artwork and the artists past work. Questions were asked of Ms. Brunner and Ms. Lewis with respect to elements of the Party Room Soffit such as elevation of the artwork, type of wood to be utilized, and the positioning within the Summit and how the piece would be viewed from the Hillclimb or outside the building. Discussion also took place with respect to how this artwork would be cleaned as it would appear that a cherry picker would be necessary. Ms. Brunner advised that the artists feel that the piece could be cleaned with compressed air as a standard solution. It should be noted that this is a conceptual level design and not the actual design, and Ms. Brunner explained the process timeline up to approval by the Board. Once the artwork's conceptual design receives approval by the Board, the artists will move into final engineering. Ms. Lewis advised that there would be another group of approvals before this comes back to the Board for final sign-off. Ms. Brown-Archie expressed concern regarding the wood materials being proposed and its feasibility, durability and ability to withstand any natural disaster (for example earthquake) in terms of movement and safety. Ms. Brunner

stated that the artists have done significant research and have spoken with conservators, archivists, and engineers and are working on a specialized installation plan.

Ms. Gonzalez-Murillo stated that this concept has received the approval of the Art Advisors and the Board Art Committee, and the Addition Art program is seeking the Board's concurrence on this concept in order that the project may move forward. Ms. Brown-Archie seconded. With the consensus of the Board members in attendance both in person and via teleconference, Mr. Finneran concurred with the Party Room Soffit Concept as presented.

b. Addition Project Art: Entrance Artist Selections Update: Ms. Lewis advised that an ambitious plan is being undertaken to create a collection of artworks by Native American artists at the Olive and Pine entries to the Summit building and is also part of the \$4.5 Million dollar component. Ms. Brunner stated of the seven finalists interviewed, five artists have been selected for commissions and represent a variety of Tribal affiliations: 3 from Coast Salish Tribe; 1 is an Urban Native Tribal Representative; 1 is from Alaskan Native Tribe. The artists selected are:

- Kimberly Deriana: Tribal affiliation is Mandan | Hidatsa; and resides in Seattle, WA
- Malynn Foster: Tribal affiliation is Squaxin Island | Skokomish; resides in Shelton, WA
- Andrea Wilbur-Sigo: Tribal affiliation is Squaxin Island; resides in Shelton, WA; and is Malynn Foster's sister
- Danielle Morsette: Tribal affiliation is Stó:lō | Suquamish; resides in Poulsbo, WA
- Jennifer Wood: Tribal affiliation is Yu'pik; resides in Indianola, WA.

Ms. Brunner noted that as part of the Project's commitment to provide artists a chance to create some of their first large scale public art submissions, we are making a commitment to a broad range of Pacific Northwest Tribal representation in an effort to acknowledge that the Summit building is built on indigenous land. It was noted by the Board that all of the Seattle area was once indigenous land and not just the site of the Summit building. Ms. Brunner stated that the Art Advisors feel this is an unprecedented artwork commission opportunity and will be something that the Washington State Convention Center will be proud of. Ms. Lewis noted that the Entrance Artist Selections presentation was just informational and concepts will be brought to the Board at a later date for approval.

Further discussion occurred regarding the possibility of sharing the artist's stories and artwork with the community, in an appropriate manner such as an electronic or print (book) format, static plaques or art materials, a documentary film, or an Instagram page for the Addition Art. The Art Committee and Art Advisors to review and bring back to the Board.

#### D. Government Affairs Committee

##### 1. Update

Ms. Brown-Archie reported that the Government Affairs Committee met earlier today and reviewed the one-page document prepared by WSCC staff to outline why the Sales Tax Deferral legislation is needed. Ms. Brown-Archie asked that Mr. Blosser and Ms. Starkweather send a copy of the one-page document to the Board members for their information and for use as talking points when contacting legislators who could be helpful to WSCC. Ms. Brown-Archie requested that Ms. Bogard provide some highlights of the recent legislative meetings, especially as it relates to the Sales Tax Deferral legislation. Ms. Brown-Archie stated that the Committee's main focus for this legislative session is towards passage of the Sales Tax Deferral bill which, according to Ms. Bogard, would be a refund bill for WSCC, with requirements for monthly applications to receive the sales tax refund. Mr. Blosser has advised that this type of month-to-month transaction could be better suited to WSCC's needs. Ms. Bogard stated that the revised bill includes a repayment schedule that would commence 3 years after occupancy. Ms. Bogard also provided the Committee with information on the updated City Council Committees and King County Council Committees, with highlights including the chairs of the different committees and the changes made to some of the committee structures and names. Ms. Brown-Archie advised that the Committee discussed the tracking of legislation and/or opportunities for WSCC to engage in the current issues surrounding civility and safety in the city and other city issues that could impact WSCC. Mr. Blandford,

Visit Seattle's VP of Communications, provided the Committee a report regarding the city's response to the coronavirus. Mr. Blosser explained to the Committee that he will be meeting with an upcoming client regarding their international attendees coming in from China for their event, and will also be reaching out to local NW medical providers to receive updated information regarding best practices with respect to a major facility's operation during events with very large attendance numbers.

Ms. Brown-Archie advised that, as the Board is aware, there were two shooting incidents in downtown Seattle on January 22, and the Committee sought Mr. Blosser's guidance on any actions that may need to be undertaken with the City to ensure that he, as President/CEO, has the authority to lock down the building in these types of instances to ensure the safety of attendees, clients, visitors, staff, contractors in the building. Mr. Blosser advised that he has sufficient authority and that currently there is no need to seek a change legislatively to authorize him to do what is necessary for safety. WSCC staff are working with these situations in real time, as each circumstance is different.

Ms. Brown-Archie advised that the Committee discussed the City of Seattle's short-term rentals tax, any enforcement regarding licensing being undertaken and the collection of these taxes. Mr. Schafer has meetings scheduled with the City on this matter and further information will be forthcoming.

## 2. Government Relations Consultant Report

Ms. Brown-Archie advised that the consultant update report from Ms. Bogard is contained within the Board packets.

## VI. VISIT SEATTLE & WSCC Sales Reports

### A. Visit Seattle Destination Overview & Visit Seattle Sales Report

In Mr. Norwalk's absence, Ms. Saling reported that Smith Travel Research report for the month of December 2019 provides comparisons for revenue per available room (RevPAR), average daily room rate (ADR) and occupancy variances for hotels in Seattle Downtown, San Francisco Market Street, Denver Downtown, Portland CBD, Austin CBD, San Diego CBD, Boston CBD/Airport, Nashville CBD and Vancouver Downtown. Downtown Seattle finished December with an occupancy rate of 67.7%, up 6.8% from the same period in 2018; RevPAR was up 5.4% at \$114, and ADR saw a decrease of 1.2% as compared to the same period last year. In December 2019, San Francisco Market Street topped the competitive set for the month with an Occupancy Rate of 74.3%, ADR of \$219, and RevPar of \$163. Seattle Downtown ranked fourth with an Occupancy Rate of 67.7%, fifth with an ADR of \$169, and third with RevPar at \$114. Year-to-date December 2019, San Francisco Market Street and Boston CBD/Airport led the group in first & second place for Occupancy Rate, respectively, at 82.2 % and 81.8%, with Seattle Downtown in 4<sup>th</sup> at 80.0%. Seattle numbers continued to track strongly with the eight other cities in the group.

Ms. Saling reported on the PCMA Convening Leaders event, held in San Francisco at the beginning of January. Visit Seattle hosted a client reception and dinner, with 85 customers and 15 partners in attendance.

Ms. Saling advised that the Visit Seattle 2019 Booking Goals assumed the ability to contract for a March 2022 Summit opening, which was later changed to June 2022. The final 2019 Annual Sales Booking Goal actualized 445,000 for WSCC total against a revised 2019 goal of 547,000, down 18.6%; Other (Hotel) booking goal saw 354,000 against a revised 2019 goal of 290,000, up 22%; Total Sales Bookings were 799,000 against a revised 2019 goal of 837,000, down 4.75%. The 2019 WSCC Actualized Consumption Goals saw Total Room Nights at 320,000, down 3.4% from 2019 goal of 331,000; Number of delegates was 199,000, up from goal by 7,000. WSCC Revenue Goals saw 44 events & reached the goal of 44; Total revenues were \$21.4 Million, up from goal by 7.53%.

Looking at the two-building booking progress for Arch and Summit for years 2022 to 2026, currently there are 46 definite meetings in the Arch and 42 tentative meetings going forward, and 31 definite meetings in the Summit and 54 tentative meetings. Ms. Saling advised that the two-building booking progress for Arch and Summit, booked in 2019 for all future years has yielded 18 definite meetings in the Arch and 20 definite meetings in the Summit.

Ms. Saling reviewed select WSCC lost business for meeting years 2019, advising there were a total of 1,068,156 lost rooms. Reasons given were:

○ Date Availability	14%	○ Rates – Hotels	19%
○ Rotation Change	6%	○ Rates – WSCC	10%
○ Hotel Size	12%	○ WSCC Size	13%
○ Weather	2%	○ Yield Management	3%
○ Inadequate Mtg Facility – City	2%	○ Inadequate Committable Hotel Rooms	8%
○ Internal Assn Political Decision	3%	○ Meeting Eliminated	7%
		○ Miscellaneous	2%

#### B. WSCC Sales Report

Mr. McQuade reported that for November 2019, WSCC & Visit Seattle Sales staff combined top-line rent totaled \$483,261 for Convention Center contracted bookings. December 2019 combined top-line rent totaled \$211,980 for Convention Center contracted bookings. Year-to-date, combined top-line rent contracted was 91.78% of goal, totaling \$5,403,969. Groups hosted YTD realized 10,613 in hotel room night bookings, with 171,153 delegates, and an estimated \$8,366,794 in top-line revenues.

During November/December, WSCC Sales staff booked 24 new events into the Center to infill around convention business booked by Visit Seattle. Cumulatively, these 24 WSCC booked events represent over 41,290 in estimated attendance, 802 associated room nights, and combined topline revenues of over \$1,010,360 for rent, food & beverage, parking and subcontractor services.

#### VII. PRESIDENT’S REPORT

##### A. Completion of Operating Goals for 2019, Resolution #2020-1

A RESOLUTION Approving Recommendation of the Board Committees Regarding Completion of the 2019 Operating Goals for the District.

Whereas the District Board feels that it is in the best interests of the District to adopt annual operating goals and to review end of the calendar year performance for those goals as a guidance measure for the Board, District Officers and employees; and, whereas the individual Committees of the Board and President/CEO have monitored and reviewed the 2019 performance of the District throughout the year and are recommending approval to the Board that the 2019 Calendar Year Operating Goals for the District are complete.

Mr. Blosser reported that the twelve 2019 Operating Goals were completed this year with the exception of three capital project items which were deferred to 2020: the exterior signage package to allow for approvals of design and look; the Freeway Park Elevator Project will be completed by the end of Q1 2020; and the Parking Garage Equipment will also be completed by end of Q1 2020.

Mr. Blosser and the individual Board Committees are recommending the completed 2019 Operating Goals be approved as contained in Resolution 2020-1.

Mr. McLaughlin made a motion to approve Resolution #2020-1, approving the satisfactory completion of the 2019 Calendar Year Operating Goals. Mr. Hillis seconded and the motion was carried by the unanimous affirmative vote of all the Directors present. (Ms. Gonzalez-Murillo had left the meeting prior to the President’s Report agenda items).

##### B. WSCC Retail Report: 2019 Year-end Report:

Mr. Blosser reported on the Retail Summary for the year ending December 2019. WSCC has 16 retail spaces, totaling 19,845 square feet. All 16 rentable spaces are currently leased. Fiscal 2019 YTD (actual) total rental revenue was \$823,020, up from 2018 by \$106,848. Summary of activities during 2019:

- Negotiations to include the standard WSCC relocation provision into the FedEx Office term lease renewal were unsuccessful. Accordingly, the current FedEx lease lapses in 2023, with no extension option.

- Alexandria Nicole Cellars has nearly completed its tenant buildout of their new wine shop, “Audacity Wine Bar” in the space previously occupied by Wild Rye Café Bakery.
- WSCC continued the planning and permitting process for the base construction of the two retail kiosks on Pike Street which were created during the renovation of the current Administrative Offices.

Over the coming 6 months, staff will work to have the construction completed on the Pike Street street-front retail spaces adjacent to the WSCC Administrative offices in preparation for leasing during 2020. As well, lease renewal process, including modifications to the lease to incorporate the now-standard WSCC relocation provision will be undertaken with three (3) current tenants: Daawat Indian Grill & Bar, The Juicy Café, and Coin & Stamp Shop.

### C. WSCC All-Staff Meeting Review

Mr. Blosser provided an update on the WSCC All-Staff Meeting which took place on December 18, 2019. There were two components to the All-Staff meeting, WSCC update, guest speakers and training during the morning; with a Recognition Luncheon following. Part one (morning) included: a report from the President on 2019 Highlights and 2020 Outlook (rebrand, wayfinding, Summit update, and new organizational planning); a session pertaining to Employee Recognition and presentation of awards; Summit Law Group provided training on Employee Conduct; staff were provided Gender Diversity training by Aidan Key, Executive Director of Gender Diversity; and an Active Shooter Briefing was provided by the U.S. Department of Homeland Security. Part two of the All-Staff meeting was the WSCC Employee Awards & Recognition Luncheon. The WSCC Committees (Safety, Wellness, and Employee Relations) were recognized for all their work accomplished during 2019. WSCC employees and service contractors were then recognized for their years of service to WSCC with 11 employees with 15 years, 8 employees with 20 years, 5 employees with 25 years, 2 employees with 30 years, and Michael McQuade was recognized for 35 years of service to WSCC.

## VIII. STAFF REPORTS

### A. Parking Report

Mr. Tesfaye reported that parking revenues for December 2019 were up 3% from the revenues reported in December 2018; and December YTD revenues were up 3% from the same period in 2018, mainly due to the event mix in the building.

Mr. Tesfaye reported the average income per stall / per category / per month – public versus monthly parking per building and employee parking. For the month of December 2019, average rate per day per stall was:

- Freeway Park garage has 660 stalls available. There are 3 categories: Monthly Parking (366 parkers) at an average rate per stall of \$302.24 per month; Employee Debit Card (620 card holders); and Daily Parkers with an average daily rate per stall of \$71.36. Monthly Parking usage was 253 per day (38%); Employee Debit Card usage was 29 per day (4%); and Daily Parking usage was 196 per day (30%). Total stalls occupied on average were 478 per day, or 72%.

- WSCC garage had 815 stalls available. There are 5 categories: Monthly Parking (137 parkers) at an average rate per stall of \$272.48 per month; Daily Parkers; Validations; HCF, Admin Validation; Employee & Retail Monthly Parking; and Carpool and Unassigned Monthly Parking. Daily Parkers average usage was 244 per day (30%); Validations average usage was 26 per day (3%); HCF, Admin & Validation average usage was 31 per day (0%); Monthly Parking (Employee & Retail) average usage was 80 per day (10%); and Monthly Parking (Carpool & Unassigned) average usage was 32 per day (4%). Total stalls occupied on average were 382 per day, or 47%.

Mr. Tesfaye provided the comprehensive monthly revenue per stall per day-to-day numbers for December 2019 for both the WSCC Main Garage and the Freeway Park Garage. For the WSCC Main Garage, the data points were broken out by: Monthly Parking (Public); Monthly Parking – Employees – Dayshift; Monthly Parking – Employees – Swingshift; Monthly Parking – Employees – Graveyard shift; WSCC Retailers; Daily Parking; Parking Debit Card; Motorcycle; Spot Hero; EV Charge; ACT Theatre

(Evenings); ACT Theatre (Staff); Paramount Club; Other; Validations (General) 1 hour; Validations 2 hour; Validations 3 hour; Validations 4 hour; Validations – Pre-Pay; Validations – Events; Validations - Hand-Carried Freight (HCF); Validations – Admin; Validations – Event Services. The report provided total revenue each day, number of stalls used each day, and the revenue per stall used each day. For the Freeway Park Garage, the data points were broken out by: Monthly Parking (Public); Monthly Parking – WSCC Staff; Monthly Parking – Subcontractors; Carpool – 3 persons; Carpool – 2 persons; Daily Parking; Parking Debit Card; WSCC Employee Parking Debit Card; Spot Hero. The report provided total revenue each day, number of stalls used each day, and the revenue per stall used each day.

#### B. Food Service Report

Mr. Dolquist reported total sales for December 2019 were \$826,220, up from budget by 2.4%, below reforecast by 1.3%, and down 46.4% from prior year. Product costs for December 2019 were \$173,245, up from budget by 3.3%, exceeding reforecast by 1.0%, and up 3.6% from prior year. WSCC saw a strong return of 44.8%, 15% better than reforecast and 19.2% up from budget, however down 3.4% from prior year. Looking at the year-to-date numbers, Product Costs came in at 19.6%, down 0.3% to reforecast and up from budget by 1.9%. Labor is 27.2%, 0.4% above reforecast and exceeding budget by 3.4%. December 2019 total WSCC PFD year-to-date revenue was \$9,310,151, exceeding reforecast by 1.0%, above budget by 0.5%, and below prior year by \$2,946,840 (6.2%). Direct Costs came in at 10.6%, below reforecast by 1.2%, below budget by 5.8%, and below prior year by 0.3%. This was as a result of reclassifying paper goods to product cost and a capital credit offset of \$419,000 in December with regards to the Deli F project. Year-to-date sales are at \$23,085,555, below reforecast by 0.3%, up from budget by 2.5%, and below prior year actuals by 12.3%. ARAMARK continues to focus on the Food Management and Labor Management programs and reports are showing positive results.

#### IX. FINANCIAL REPORT

Mr. Firth advised that 2019 was a good year for WSCC. Looking at the Actuals to Budget Report for December 2019, Revenues were 1% over budget. Three major revenue generators contributed to our success: National Association of Independent Schools Conference For People of Color; National Science Teachers Association, and then one of our long-time annual events - Trends.

Mr. Firth explained that the Actuals to Budget Report includes an Amended Budget column which includes the adjusted numbers approved by the Board under Resolution 2019-19 at the December 17, 2019 meeting, to adjust the forecasted 2019 Operating Budget revenues and expenditures. The original 2019 Operating Budget numbers are also included in this report. Looking at 2019 YTD, Operating Revenues beat budget by 2% (original) at \$37,403,260, coming in at the amended budget. YTD Operating Expenses were below budget by 1.1% (original) and 1.6% below the amended budget. Mr. Firth provided an explanation regarding the Capitalized Equipment Expense for the Deli F remodel, following on Mr. Dolquist's previous report about ARAMARK's Direct Costs expenses, and stated that it was not known until 2 days before close that the Capitalized Equipment amount of \$419,428 would be a credit against expenses. Therefore, the Amended Budget is 2% under budget and would have been just at budget.

Mr. Firth reported that the December 2019 Marketing Revenue came in 2.8% over collections, and YTD Marketing Revenues are 3% higher than prior year. Marketing Surplus for the year was \$796,244 compared to the budget of \$558,720. It should be noted that the Operating/Marketing Surplus came in at \$1,277,244 compared to our budget number of \$618,501. Great news and great job by staff!

Mr. Firth highlighted some other items in the packets. Capital Improvement Projects for the month of December 2019 amounted to \$180,579; YTD we spent \$2.9 Million. On the Addition Project expenditures for the month of December, we spent \$23,666,319; YTD Addition Project expenditures totaled \$251,874,378.

Mr. Firth advised the December 2019 Lodging Revenue collections were up 2% compared to prior year, and the Additional Lodging revenues were up 16.7%. On the Cash Flow Report, Mr. Firth reported that cash dropped \$16.3 Million and that is a combination of the revenue coming in from the Lodging Tax



and the expenses primarily from the Addition Project. Mr. Firth provided a brief update on the Use of Funds graph which shows which accounts hold specific funds.

Mr. Firth reported that the Forecast for 2020 shows the budget for January / February / March and that the forecast has not moved too much except in the Food Service area. As a result, our forecast to operating is up 1.3% as far as revenues, and basically 1% as far as expenses. Bottom line, we're seeing the Operating & Marketing Surplus increase with the forecast at \$835,000 from our budgeted \$572,000.

Mr. Finneran stated that as Mr. Firth provides this very detailed report to the Finance Committee in advance of the Board meeting, that approval be given the Chair to work with Mr. Firth to streamline the Board meeting Finance Report, with the exception of items requiring full Board approval, to eliminate duplication of reporting. Mr. Finneran received consensus of the Board and Mr. Firth.

XI. ADJOURNMENT

Mr. Hillis made a motion to adjourn the January 28, 2020 Board meeting at 3:57 p.m. Ms. Brown-Archie seconded and the motion was carried by the unanimous affirmative vote of all Directors present, both in person and via teleconference.