

Minutes

Washington State Convention Center
Public Facilities District

Regular Meeting of the Board of Directors
November 22, 2022

I. CALL TO ORDER

Frank K. Finneran, Board Chairman, convened a regular meeting of the Washington State Convention Center Public Facilities District (WSCC) at 2:00 p.m., by video conference / conference call via Microsoft Teams. At the Chairman's request, Ms. Starkweather conducted a roll call of Board Directors to ensure a quorum in attendance.

MEETING ATTENDANCE

Board Directors in Attendance (by video conference)

Frank K. Finneran, Chair
Deryl Brown-Archie, Vice Chair
Robert Flowers
Susana Gonzalez-Murillo
Katie Garrow
Jerry Hillis
Craig Schafer

Board Directors Absent

J. Terry McLaughlin
Taylor Hoang

Officers in Attendance (by video conference)

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

Consultants / Vendors in Attendance (by video conference / conference call)

Melinda Altamirano, ARAMARK
Keith Hedrick, ARAMARK
Matt Shea, ARAMARK
Emelie East, CBE Strategic
Matthew Hendricks, Hendricks - Bennett, PLLC
Matt Griffin, Pine Street Group
Jane Lewis, Pine Street Group
Margery Aronson, Addition Art Program
Cath Brunner, Addition Art Program
Mark Haley, Smart City
Julia Slocombe, Smart City
Jim Snook, Smart City
Joe Melancon, Smart City
Crystal Daniel, Smart City
Tammy Canavan, Visit Seattle
Ali Daniels, Visit Seattle
Kelly Saling, Visit Seattle
Troy Anderson, Visit Seattle

Peter Andersen, Visit Seattle
Jared Dionne, Visit Seattle

Guests in Attendance (by conference call)

Caller from 908-635-8476
Caller from 702-967-9391

Staff in Attendance (by videoconference / conference call)

Melina Bermudez, Director of Human Resources
Krista Daniel, Director of Event Services
Derek Forare, Director of Public Safety & Security
Michael McQuade, Director of Sales
Tony Sheehan, Director of Information Services
Lorrie Starkweather, Executive Assistant to the President & Board
Loni Syltebo, Director of Communications
Earl Taylor, Director of Operations

II. APPROVAL OF MINUTES

September 27, 2022, WSCC PFD Board Regular Meeting

Mr. Schafer made a motion to approve the minutes of the September 27, 2022, Regular Board meeting, as presented. Mr. Flowers seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via video conference / conference call.

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

1. Election of Board Officers: Chair and Vice-Chair

The Bylaws of the Washington State Convention Center Public Facilities District, Article III, Section 3.3, Board Officer Election: Term of Office state "*Except for an initial board officer who may serve an initial four-year term, Board Officers shall serve a two-year term, unless terminated earlier by the Board. The terms of Board Officers routinely expire on December 31 of the second year of his or her Board Officer term. The Board shall elect a Board Officer from among its members at its regular meeting closest to January 1 in any year following the year elected. Each Board Officer shall hold office until his or her successor is elected. There shall be no restriction on Board members serving successive terms as Chair or Vice-Chair.*" Notification of the requirement for the election of Chair and Vice-Chair was provided to the Directors at the October 26, 2022, meeting by Mr. Blosser, following which Mr. Finneran and Ms. Brown-Archie stated they would both stand for re-election if that was the will of the Directors.

A call for nominations was given, and being no further nomination received, by consensus of the Board Mr. Frank Finneran was elected Chairman of the Board; and Ms. Deryl Brown-Archie was elected Vice-Chair of the Board, for the two-year term ending December 31, 2024. The election by consensus was carried by the unanimous affirmative vote of all Directors present by video conference / conference call (7 to 0, with two Directors absent).

2. District Regular Meeting Dates Fiscal Year 2023, Resolution 2022-09

A RESOLUTION by the District Board Adopting its 2023 Official Meeting Schedule.

Mr. Finneran made a motion to approve Resolution 2022-09, establishing the WSCC Board of Directors 2023 regular meetings schedule as presented. Ms. Garrow seconded, and the motion was carried by the unanimous affirmative vote of all Directors present by video conference / conference call.

3. Ratification of District Officers, Resolution 2022-10

A RESOLUTION by the District Board ratifying recommendations related to the appointment of District Officers and Administrative Officers for 2023.

EXHIBIT "A" – Officers Appointed by the Chairperson: President/CEO, Jeffrey Blosser; Board Treasurer, Sam Hecker; Secretary, Linda Willanger.

EXHIBIT "B" – Administrative Officers Appointed by the President: Vice President Administration, Linda Willanger; Vice President Operations, Jon Houg.

Ms. Brown-Archie made a motion to approve Resolution 2022-10 ratifying the appointment of Board and District Officers for 2023. Mr. Schafer seconded, and the motion was carried by the unanimous affirmative vote of all Directors present by video conference / conference call.

4. 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 (October 2022)
2. Ratification of Additional Facility Project Contract List (November 2022)
3. Approval of Additional Facility Project Draw Schedule Payments, #95 (October 2022)
4. Approval of Additional Facility Project Draw Schedule Payments, #96 (November 2022)

Informational Items:

1. SCC Sales: October Summary Report
2. SCC Sales: Regional-Local Booking Performance – October 2022
3. SCC Monthly Expenditures Auditing Officer Certification
4. SCC Parking Report
5. Food Service Report

Mr. Flowers made a motion to approve the Consent Agenda as presented. Mr. Schafer seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via video conference / conference call.

V. PFD COMMITTEE REPORTS

A. Addition Committee

1. Update Report

Mr. Finneran advised the focus of the Board, SCC staff, Addition Project consultants, and those working on the construction site has been on getting the building complete, which has not been an easy task. The Temporary Certificate of Occupancy (TCO) date has slipped again, from the middle of November 2022 to the middle of December 2022, which provides the District and SCC staff less than one month to prepare for the first event in Summit. This is not a very comfortable period of time given that the Christmas holidays are in between, and is creating a significant amount of concern among the operators and the SCC Operations team as they try to discern when the District gets control of the Summit, train and prepare employees and service partners to operate within the new building. Mr. Finneran said that the focus of the Addition team has been on the schedule and on getting the building done, as well as looking to address some of the financial concerns, not the least of which is the possible creation of a gap funding mechanism from the county, state, and city to cover possible last minute unanticipated costs. As the Board will recall on both the Addition and Operating sides, we have used most, if not all of the District's Unrestricted Funds to cover the cost of the Addition, which barely left monies for the SCC Operations which suffered and is continuing to suffer all the consequences of the COVID Pandemic and its' aftermath.

Mr. Finneran requested Mr. Griffin to provide the Board with a brief presentation of the status of the Addition Project items. Mr. Griffin advised that the team is working to schedule the fire/life safety

systems testing inside the Summit building with the Seattle Fire Department (SFD), and to have the inspections and necessary approvals from SFD to assist with TCO. Mr. Griffin advised that PSG realize that they are responsible for getting these important tasks done in order for the SCC Operations to take control of the building. PSG expects all the fire/life safety testing to be completed in the next week, but that the inspections will continue through to mid-December. Mr. Griffin advised that PSG and the contractor are trying to make the process smoother for Mr. Blosser and his Operations team on the overlap.

B. Finance Committee

1. Update

Mr. Flowers advised that the Finance Committee met November 21, 2022, and the Washington State Auditor's Office presented the entrance conference regarding the process for auditing the 2021 fiscal year performance.

2. Approval of 2023 Addition Project Construction Budget

Mr. Flowers advised that the 2023 Addition Project Construction Budget (the Project draw schedule) showing the monthly Project drawdowns for 2023 was discussed by the Finance Committee and is contained in the Board packets. This provides the authority level expenditures for the project which need to be approved by the full Board, as in past years. Mr. Flowers stated that the Finance Committee has reviewed the Projected 2023 Construction Expenditures and is recommending approval by the Board for the project costs.

Mr. Flowers made a motion to approve the 2023 Addition Project Construction Budget (draw funding schedule) in the amount of \$96,700,000 and dated November 18, 2022, which was presented to the Finance and Addition Committees. Mr. Schafer seconded, and the motion was carried by the unanimous affirmative vote of all the Directors present by video conference / conference call.

2. Approval of 2023 Insurance: Property Coverage

Mr. Flowers advised that the Finance Committee was also presented insurance options for both facilities (Arch and Summit) covering All Risk, fire, and earthquake by Alliant Insurance, SCC's insurance broker. The final costing of the insurance premium will be finalized by the week of December 5, 2022, and the Committee would like to request the Board's approval to give authority to the Finance Committee to finalize coverages and costs to bind the insurance needs for the District. We are looking at a \$1 billion All Risk with \$50-\$75 million of earthquake coverage for both buildings, at a cost between \$2 - \$2.34 million.

Mr. Flowers made a motion that the Finance Committee be given authority to finalize the All-Risk insurance and earthquake insurance for the District that meets the coverage limits of \$1 billion All Risk, between \$50-\$75 million of Earthquake coverage, at a cost between \$2.0 - \$2.34 million. Mr. Schafer seconded, and the motion was carried by the unanimous affirmative vote of all the Directors present by video conference / conference call. Mr. Flowers advised that if the insurance is not meeting these specifications, the Finance Committee will bring it back to the Board in December for approval of new insurance coverages and costs.

C. Facility Committee

1. Approval of 2023 Capital Projects and Budget

Mr. Hillis advised the Facility Committee met on October 18, 2022, and discussed progress on the 2022 Capital Projects, the updated 5-Year Review of Capital Projects through 2027, and to review the proposed 2023 Capital Projects Program and budget.

The Committee reviewed staff's list of Capital Projects items to be accomplished in 2023 and approved the project list and the \$2,200,000 budget for these projects in 2023. The list of projects was included in the Board packets.

Mr. Hillis made a motion to approve the 2023 Capital Projects items and associated budget. Mr. Schafer seconded, and the motion was carried by the unanimous affirmative vote of all the Directors present by video conference / conference call.

D. Marketing Committee

1. Approval of SCC 2023 Sales Plan and 2023 Marketing & Communications Plan, Resolution # 2022-11

A RESOLUTION by the District Board approving the 2023 Sales Plan and 2023 Marketing & Communications Plan.

Mr. Schafer advised that the SCC 2023 Sales Plan and the 2023 Marketing & Communications Plans are contained in the Board packets. The Marketing Committee has reviewed these plans in detail with SCC staff and the plans were presented to the Board on October 26, 2022, at the Retreat meeting. The Marketing Committee is recommending approval of Resolution 2022-11 to approve the 2023 SCC Sales Plan and 2023 SCC Marketing & Communications Plan.

Mr. Schafer made a motion to approve Resolution #2022-11, to adopt the SCC 2023 Sales Plan and 2023 Marketing & Communications Plan. Mr. Flowers seconded, and the motion was carried by the unanimous affirmative vote of all the Directors present by video conference / conference call.

2. Approval of Amendments to the SCC Licensing Agreement, Resolution #2022-12

A RESOLUTION by the District Board approving new language for the Seattle Convention Center License Agreement.

Mr. Schafer advised that the Marketing Committee reviewed staff's recommended changes to the SCC License Agreement. Items identified for amendment were necessary due to the rebranding of SCC, as well as some conflicting items in the license agreement and the rules and regulations that should be moved into the license agreement. Legal counsel has reviewed and approved these recommended changes.

Mr. Schafer made a motion to approve Resolution #2022-12, to approve the amendments to the SCC Licenses Agreement. Ms. Brown-Archie seconded, and the motion was carried by the unanimous affirmative vote of all the Directors present by video conference / conference call.

E. Government Affairs Committee

1. Update

Ms. Brown-Archie reported that the Government Affairs Committee met on November 17, 2022, and received an update from Ms. East at CBE Strategic on City and King County activities. The Committee discussed the SCC efforts with the Washington State Treasurer and King County regarding potential funding shortfalls, as well as civility concerns in the local area. Ms. Brown-Archie advised that it appears the city is going in the right direction, however far from having the civility issues under control without the needed resources to take Seattle back to the way it used to be.

2. Government Relations Consultant Report

Ms. Brown-Archie advised that the consultant update report from our contracted lobbyist, CBE Strategic, is contained within the Board packets. At Ms. Brown-Archie's request, Ms. East provided the Board an overview of the report from CBE Strategic and Sullivan Advocacy to the Government Affairs Committee earlier today, as well as highlights of information contained in their report.

F. Art Committee

1. Review and Potential Approval of two (2) Artist Concepts for Summit Interior Commissions

Ms. Gonzalez-Murillo reported that the Addition Art Advisors met on November 15, 2022, and the Board Art Committee met on November 17, 2022, to discuss and review two artist concepts for Summit Interior Commissions. Both the Addition Art Advisors and the Board Art Committee have approved these two artist concepts to be brought to the full Board for final approval. Ms. Gonzalez-Murillo requested Ms. Lewis and Ms. Brunner to present these concepts to the Board. Ms. Lewis advised that these are the last two artworks that will be commissioned for Summit. As Ms. Brunner is administering all the Summit artwork, Ms. Lewis requested Ms. Brunner to describe the concepts to the Board.

- Artist Concept – John Feodorov, Seattle, WA – B1/B2 Level (near the ExHall): Ms. Brunner advised that Mr. Feodorov is Native American, of Navajo descent. She provided an overview of the artist's concept for the B1/B2 Prefunction gathering area, which is being designed as four panels divided into segmented panels with each panel being approximately eight feet tall and six feet wide and ranging in size to fit the four wall bay areas. Ms. Brunner advised that this is a \$500,000 commission. Mr. Feodorov has chosen the concept of his work "the Duwamish River" as a metaphor for both the land and the Duwamish peoples. The four panels depict the alteration over time of the Duwamish River beginning with its pre-Army Corps of Engineers days, and then moving to significant alterations to the river in order to support Seattle's industrial revolution, and then finally its current iteration of the site on a place that has been environmentally rehabilitated. Ms. Brunner provided more in-depth description of the individual panels, and indicated that the "red" dot recurring on each of the panels represents Herring House, an important settlement to the Duwamish people. Herring House was destroyed during the industrialization of the Duwamish River. Part of the artist's idea is to highlight the Duwamish people, both current and their ancestors, who played a significant part of this area. Ms. Brunner advised that Mr. Feodorov is an environmental and cultural activist, and wanted to tell a story that was complex and thought-provoking without being confrontational or hostile. An interpretive program will be created to help people understand the history of both the Duwamish River and the Duwamish People.
- Artist Concept – Dan Webb, Bainbridge Island, WA – L9 Prefunction gathering area: Ms. Brunner provided an overview of the artist's concept for the L9 Prefunction gathering area, advising that this is a \$150,000 commission. Ms. Brunner advised that the actual location for this artwork forms a strong part of the concept, and the concept reflects the building's block windows in that when you are inside the building the view is super imposed upon the cityscape. From no matter where you are in the building, the city is evolving around you, and that has influenced this work. The site was chosen because of its dramatic potential for views near and far. Mr. Webb's artwork will be seen from the top of the Hill Climb site itself, looking down towards the Hill Climb, and from the Party Room Soffit above, that from both of those locations you can look back and see Mr. Webb's artwork. Ms. Brunner spoke of the challenges encountered by the artist as it pertains to supporting such a large-scale piece of art that cannot be attached to the flooring or the windows. Mr. Webb designed the piece to be a calling card, a meeting space, a functional seating element, as well as a foundation. Mr. Webb is a Master Woodcarver, and created an almost line-drawing type of a hand which will be carved out of Madrona, and infilled with hand-blown glass (plate glass, stained glass). The arm and hand portion are approximately twenty-one feet tall, and the artwork rests on a bench which is the foundation of the piece. The bench itself will be usable and approximately twenty-four feet wide. Mr. Webb thinks of this space as a great place for a selfie-photo and for group to gather for team photographs, and the large hand will be clearly visible from inside the Summit as well as from outside the building as it points down from the top floor to the bottom of the building.

Ms. Brown-Archie had questions regarding the first Artist Concept by John Feodorov and the "red dot" shown in each panel. Ms. Brunner advised the red dot appears on every panel, marking the location of Herring House which was a large settlement of the Duwamish People along the river, and the artist has used this red dot as a constant mark on each one of the panels. Mr. Feodorov has worked very closely with Duwamish Elders, with the Burke Museum, and other historians to ensure the dot is exactly positioned at the location of the Herring House settlement. The settlement is no more, however a big part of the piece is that the Duwamish ancestors live on in the space, and he is hoping that that red dot will encourage people to find out more. Ms. Brown-Archie would hope that the Convention Center stays out of the Tribal politics. Ms. Brown-Archie has worked with the Tribes for over twenty years and is concerned that there is an ongoing dispute between Tribes of Duwamish heritage regarding the highlighting of one location and the exclusion of all the other Tribes that have Duwamish heritage. Ms.

Brown-Archie is concerned that Mr. Feodorov may have been working with the Duwamish Elders who are not involved with the federally recognized Tribes in the region, and that the District and the Board are being potentially pulled into a political dispute between four other existing Tribes that have Duwamish heritage that have consistently opposed the one group that is trying to identify one settlement as being indicative of a representative of the entire Duwamish peoples. Ms. Brunner stated that Ms. Brown-Archie makes an excellent point, and that Mr. Feodorov is aware of those issues and sought advice from the Burke Museum and his contact at the Duwamish Tribe. Ms. Brunner advised that the intent of this Artist Concept is not to become involved in a political dispute. Mr. Feodorov was being mindful of those political conflicts and thought this was a way to meaningfully recognize this place without being embroiled in any of those political upheavals. Ms. Brown-Archie stated that she had shared with the Art Committee members that she did not anticipate that there might be a specific village highlighted, and that she knows that other Tribes also work with the Burke Museum, however Ms. Brown-Archie remains concerned, as this is a \$500,000 installation, that the Convention Center becomes embroiled into the politics of this if this is can be avoided by having removal of either the identification of a specific village or the inclusion of the multiple villages that were along the Duwamish River to reflect reflect the significant portion of the Duwamish ancestors in this case.

Mr. Finneran advised that Ms. Brown-Archie has brought up a point that the Board cannot resolve in this meeting, and suggested that the Board withhold approval of this particular art piece until Ms. Brown-Archie can undertake further research she deems necessary in order to vet this issue prior to the Board authorizing this artist to proceed. Ms. Gonzalez-Murillo thanked Ms. Brown-Archie for bringing forward her concerns on this item, and while the artist had consulted with the Burke Museum and was being mindful of potential concerns, Ms. Gonzalez-Murillo agreed that it was in the District Board's best interest to be cautious. It was noted that the District has featured and accepted artists from different Tribes for our artwork providing a broad representation of area Indigenous artwork. Ms. Lewis asked if it would be possible for the Board to approve this artist concept contingent upon resolution of this issue in order that the artist can begin working once it is resolved? Mr. Finneran felt that the concern was serious enough for the Board to seek Ms. Brown-Archie's review and guidance on the issue, and the Board would pass the authority for the final approval, pending Ms. Brown-Archie's review and vetting. Ms. Brown-Archie appreciated the opportunity to do this review and advised that she would endeavor to complete the research and review to not adversely affect the schedule. Both Mr. Finneran and Ms. Brown-Archie were concerned about doing a conditional approval, and that upon Ms. Brown-Archie's findings and following discussion with the Art Committee and the artist, the matter would come back to the Board at the December 20, 2022, Board meeting for response and approval.

Ms. Gonzalez-Murillo made a motion to approve the second Artist Concept: Dan Webb, L9 Prefunction gathering area, as presented. Ms. Brown-Archie seconded, and the motion was carried by the unanimous affirmative vote of all the Directors present by video conference / conference call.

G. Benefits Committee

1. Update on Employee Benefits

In Mr. McLaughlin's absence, Mr. Blosser reported that the Benefits Committee met on November 1, 2022, to discuss the 2023 health benefits renewal for administrative (non-represented) employees. As the Board will recall, SCC's small pool of non-represented employees joined the Association of Washington Cities (AWC) in 2013 and subsequently healthcare costs were significantly reduced by joining AWC's pool. Employees have traditionally contributed into the medical, dental, and vision costs, and receive quality plans at an economical rate that was not possible as a stand-alone group. AWC has informed us that the current medical and dental plans offered will charge slight increases in 2023. Mr. Blosser provided information regarding 2023 medical plan modifications. The Regence medical plan rates will increase 4.5% and Kaiser Permanente medical rates will increase by 7%. Employees enrolled in the Regence plans contribute 15% of cost; those enrolled with Kaiser Permanente contribute 10% of cost. Employee contributions for employees who have elected single coverage had been kept at a low 8% for both plans.

Mr. Blosser advised that to offset the increases in the overall cost of the plans, the SCC Benefits Committee is recommending a 1% increase to the employee and dependent costs for 2023. The Life Insurance Disability Coverage remain the same. Mr. Blosser advised that the Board needs to approve this 1% increase as it is a change to the plan, and SCC staff and the Benefits Committee are recommending the Board approve the 1% increase to the medical plan. Mr. Flowers made the motion to approve the 1% increase to the medical plans for administrative (non-represented) employees. Ms. Gonzalez-Murillo seconded, and the motion was carried by the unanimous affirmative vote of all the Directors present by video conference / conference call.

Mr. Blosser advised that this is for informational purposes to let the Board know the SCC Benefits Committee is recommending these employee contribution increases for 2023. The costs associated with the benefits program will be in the budget document for 2023. The SCC has benefitted from being a part of the AWC pool which has provided quality plans at an affordable cost.

VI. VISIT SEATTLE & WSCC SALES REPORTS

A. Visit Seattle Destination Overview & Sales Report

Ms. Canavan and Ms. Saling provided an overview of the Visit Seattle monthly report for October/November 2022 which had been sent to the Board for review prior to today's meeting, and the full report is contained in the Board packet. Ms. Canavan spoke on Visit Seattle's Citywide Sales Strategy, working with Ms. Christine Shimasaki and a team of consultants to develop a collaborative framework for the success of the expanded Seattle Convention Center. The goal of the framework will be to create alignment with the convention center and hotel partners to define success, KPI's, and the criteria of "good business". Recommendations based on the data derived from this project will be forthcoming. Ms. Daniel provided an overview of the Marketing efforts as the countdown to the opening of Summit get underway, along with efforts to proactively invite media to tour the Summit.

C. SCC Sales Report

Mr. McQuade provided an overview of the SCC Sales report for October/November 2022, which had been sent to the Board for review prior to today's meeting, and the full report is contained in the Board packet.

VII. PRESIDENT'S REPORT

A. Board of Directors 2023 Committee Discussion and Recommendation

Mr. Blosser's memo to Chairman Finneran regarding Board Committee Restructuring Recommendations was included in the Board packets.

Mr. Blosser advised that staff is recommending with TCO to be in December 2022, that the Addition Committee would be disbanded following the December 20, 2022, meeting. The remaining project elements will need to fall to a committee for review, and Mr. Blosser and staff are recommending that be the Facility Committee. Staff is also recommending combining the individual Government Affairs and Outreach Committees, to form the Government Relations & Civic Outreach Committee which makes sense as we try to be cognizant of the time needed by Board members relative to those kinds of commitments as well. The other Committee structure that was reviewed by Mr. Blosser, based on the other models, is attaching the Benefits liaison (which is really not a committee – it is a liaison position for one board member) to the Finance Committee as it relates to the structure of how we discuss the investments for the benefits for the non-represented staff. With these recommended changes to the Board Committee structure, it would bring the number of Board Committees to six, from nine. A chart showing the proposed committees for 2023 and the committee charges was presented for review and discussion. Mr. Blosser advised that staff would align the Operating Goals to the committees and finalize any requested changes to the committee charges relative to the standing committees of the Board

Proposed Board Committees for 2023 are: Art Committee, Facility Committee, Finance Committee (with the Benefits Liaison as a branch of Finance), Government Relations & Civic Outreach Committee, Long-Range Planning Committee, and Marketing Committee. Mr. Finneran advised that upon

Board approval of the proposed committee structure for 2023, the Chair will assign the Board members to the Committees, to bring to the full Board for approval by resolution at the December 20, 2022, board meeting.

Mr. Schafer made a motion to approve the proposed Board Committee structure for 2023 as presented. Mr. Hillis seconded, and the motion was carried by the unanimous affirmative vote of all the Directors present by video conference / conference call.

B. Approval of Parking Garage Rate Increase

Mr. Blosser's memo to Chairman Finneran regarding proposed 2023 Parking Rates Increase for Approval was included in the Board packets. With Summit Garage opening in January of 2023, staff wanted to establish rates for the parking structure. Mr. Houg has researched and reviewed the current parking rates in comparison to the other area garages, and staff is recommending a slight increase for the Arch Garage and Freeway Park Garage, and suggesting that the proposed Summit rate be similar to the main Arch Garage as the opening year begins. Summit Garage rates could change based on usage by the co-development, however, to start 2023 staff recommends this rate schedule be put into place. The proposed parking rate increase chart, proposed effective January 1, 2023, was presented for the Board's review. Mr. Blosser and staff feel that while this is a small increase, it is a reasonable effort to increase the parking revenues slightly and will be somewhat competitive with the surrounding garages.

Mr. Hillis made a motion to approve the Parking Garage Rate Increase, effective January 1, 2023, as presented. Ms. Brown-Archie seconded, and the motion was carried by the unanimous affirmative vote of all the Directors present by video conference / conference call.

C. Diversity, Inclusion, and Equity Presentation: Smart City Networks

Mr. Blosser advised that as part of SCC's Diversity, Equity, & Inclusion process our partners have been asked to provide an update on their company's efforts in this regard. Ms. Slocombe, SVP Operations & Industry Relations at Smart City Networks, provided information about Smart City's C.A.R.E.S. program, and advised that at Smart City, they are committed to recruiting, developing, rewarding, and retaining the best candidates in the workforce. As an organization, Smart City empowers their teams and create an environment where solutions are architected through collaboration. Smart City has had a long-standing commitment to diversity, equity, and inclusion as practiced through their Business Principles and Daily Basics.

VIII. FINANCIAL REPORT

The Financial Report for October 2022 had been sent to the Board for review prior to today's meeting, and the full report is contained in the Board packet. Mr. Hecker summarized his report, advising that October 2022 is being called "Rocktober" as operating and non-operating revenue significantly beat expectations. Events increased nearly three times compared to prior month to 25 which led to an operating surplus of \$1.4MM (vs budget deficit of \$1.2MM) on revenues of \$4.8MM and expenses of \$3.4MM. For the month, revenues beat budget expectations by 179.3% or \$3.1MM. As expected, expenses were also up but by smaller 13.9% or \$411,343. YTD operating revenues continue to underperform by 5.1% or \$1.3MM but are up by a wide margin compared to last year (350.5%). YTD operating expenses are underbudget by 12.2% or \$3.5MM. YTD operating loss narrowed to \$1.1MM or 65.5% better than budget. The Center materially improved its expected loss to 21 % of \$5.48MM versus 47.2% last month. As a reminder, there are no lodging tax revenues to support either internal or external marketing expenses. However, the faster than expected recovery in lodging tax has allowed the PFD to increase the contribution of lodging tax to Visit Seattle by \$2.5MM to \$7.5MM. The increased support caused the MTD marketing loss to increase 140% versus budget. Overall, YTD net operating and marketing losses are 20.5% better than budget or 57.8% of an expected \$11.9MM loss.

October Lodging Taxes collected (earned in August) were sufficient to cover monthly debt service. SCC bond covenants waterfall dictate the priority payments, however there are no excess funds available for marketing tax.

IX. EXECUTIVE SESSION

Mr. Finneran announced that the Board of Directors would hold a closed session and an Executive Session for twenty (20) minutes to discuss two items, and the Executive Session commenced at 4:30 p.m.

1) Consistent with RCW 42.30.140 (4), as permitted by the Open Public Meetings Act, the purpose was regarding a closed session labor update. In addition to the Board members present by video conference / conference call (Finneran, Brown-Archie, Flowers, Garrow, Gonzalez-Murillo, Hillis, Schafer), attendance at this part of the Executive Session included Mr. Blosser, Mr. Hendricks, Ms. Willanger, Mr. Houg, and Ms. Bermudez. Following the conclusion of this discussion, Ms. Willanger, Mr. Hough, and Ms. Bermudez disconnected from the Executive Session.

2) Consistent with RCW 42.30.110 (1) (g), as permitted by the Open Public Meetings Act, the purpose was to review the SCC President's performance for fiscal year 2022 and consider his contract and compensation for fiscal year 2023. In addition to the Board members present by video conference / conference call (Finneran, Brown-Archie, Flowers, Garrow, Gonzalez-Murillo, Hillis, Schafer), attendance at this part of the Executive Session included Mr. Blosser and Mr. Hendricks)

At 4:50 p.m., the Executive Session was extended for twenty (20) minutes. At 5:05 p.m., the Executive Session was extended for an additional ten (10) minutes. The regular open meeting reconvened at 5:17 p.m. and at the chairman's request, Ms. Starkweather conducted a roll call of Board Directors to ensure a quorum in attendance following the Executive Session.

X. POSSIBLE ACTION RELATING TO PRESIDENT'S CONTRACT AND COMPENSATION

Upon reconvening the regular open meeting, Mr. Finneran proposed that the Board renew the President's amended employment contract for the period beginning November 2022 through November 2023, under the terms discussed in Executive Session.

Mr. Hillis made a motion to authorize the Board Chair to execute the employment contract amendment for President / CEO Jeffrey Blosser for 2023 under the terms discussed in Executive Session. Ms. Gonzalez-Murillo seconded, and the motion was carried by the unanimous affirmative vote of all Directors present by video conference / conference call.

XI. ADJOURNMENT

Ms. Brown-Archie made a motion to adjourn the November 22, 2022, Board meeting at 5:20 p.m. Ms. Gonzalez-Murillo seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via video conference / conference call.