

Minutes

Washington State Convention Center
Public Facilities District

Regular Meeting of the Board of Directors
September 25, 2018

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., in Room 211, of the Convention Center.

MEETING ATTENDANCE

Board Directors in Attendance

Frank K. Finneran, Chair
Deryl Brown-Archie, Vice Chair
Robert Flowers
Susana Gonzalez-Murillo
Nicole Grant
Jerry Hillis
Denise Moriguchi
Craig Schafer

Board Directors Absent

J. Terry McLaughlin

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

David Dolquist, ARAMARK
Keith Hedrick, ARAMARK
Matthew Hendricks, Hendricks - Bennett, PLLC
Colin Green, LMG
Jill Hashimoto, LMG
Matt Griffin, Pine Street Group
Matt Rosauer, Pine Street Group
Tom Norwalk, Visit Seattle
Kelly Saling, Visit Seattle
Kris Cromwell, Visit Seattle
Patrick Smyton, Visit Seattle

Guests in Attendance

Annie Tran, City of Seattle, Seattle Ethics & Elections Commission
René LeBeau, City of Seattle, Seattle Ethics & Elections Commission
Jack Anderson, Hornall Anderson
Lorna Harrington, Hornall Anderson
Holly Craven, Hornall Anderson
Jason Gingold, Hornall Anderson

Staff in Attendance

Clare Canzoneri
Rebecca Emmons
Michael Murphy
Ron Yorita

Krista Daniel
Daniel Johnson
Lorrie Starkweather

Josh Dennis
Michael McQuade
Susnios Tesfaye

II. APPROVAL OF MINUTES

July 24, 2018 WSCC PFD Regular Board Meeting and August 28, 2018 Special Board Meeting

Mr. Hillis made a motion to approve the minutes of the July 24, 2018 Regular Board meeting and the August 28, 2018 Special Board meeting as presented. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

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. Board Appointments

Mr. Finneran advised that WSCC has received official notification that Mr. Flowers and Ms. Grant have been reappointed by the Mayor and Seattle City Council. Both positions are for the terms July 31, 2018 to July 30, 2022.

B. Presentation: City of Seattle's Democracy Voucher Program

Ms. René LeBeau, Program Manager and Ms. Annie Tran, Sr. Public Relations Specialist, with the City of Seattle's Democracy Voucher Program provided a presentation to the Board. In 2017 the Seattle Ethics and Elections Commission (SEEC) initiated the Democracy Voucher Program by distributing four Democracy Vouchers valued at \$25 each to eligible Seattle residents. Residents can assign vouchers to participating candidates they support. Once the SEEC verifies the voucher, the SEEC issues funds to the campaign. In 2017, the first year of the program, some of the results were: 80,000 vouchers returned by nearly 20,000 Seattle residents; \$1.14 million distributed to six campaigns; 5 of the 6 general election candidates received voucher funding; and 300% increase in campaign contributors. On behalf of the Board, Chairman Finneran thanked Ms. LeBeau and Ms. Tran for providing this information.

C. Approval of Time Change for the December 18, 2018 WSCC PFD Board of Directors Regular Meeting, from 2:00 p.m. to 1:00 p.m.

Mr. Finneran made a request, due to confirmed travel plans, to change the start time for the December 18, 2018 Board meeting from 2:00 p.m. to 1:00 p.m. to allow for adequate time between the meeting and scheduled flight departure.

Ms. Brown-Archie made a motion to approve setting the start time for the December 18, 2018 Regular meeting of the WSCC PFD Board of Directors at 1:00 p.m. Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

D. Consent Agenda

Mr. Finneran presented the Consent Agenda to the Board. The following action item 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, September 2018
2. Approval of Additional Facility Project Draw Schedule Payments, #46 (September 12, 2018)

Informational Items:

1. WSCC Sales Productivity Report
2. WSCC Monthly Expenditures Auditing Officer Certification

Mr. Hillis made a motion to approve the Consent Agenda as presented. Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

V. PFD COMMITTEE REPORTS

A. Marketing Committee

1. Branding and Naming Update

Mr. Schafer advised that the Marketing Committee met today with WSCC and Visit Seattle staff and representatives from Hornall Anderson to discuss the branding of the Center. Following discussion that occurred at the July 24, 2018 Board meeting and the Chairman's directions to the Committee, Mr. Blosser and Marketing Committee members spoke with other members of the Board to review the options selected by the Committee. As a result of those discussions, the Marketing Committee requested Hornall Anderson to provide alternatives to the logo/branding versions submitted in July to bring back to the Committee, and subsequently to the full Board for approval. Mr. Schafer advised that although this was a lengthy process with initial consensus at the Committee level, we wanted to ensure that we get it right - to the degree that you can get anything like this right - which means consensus in a majority of good, solid, strong feelings about the "brand" moving forward. Mr. Schafer was pleased to report that this morning's meeting went very well, with Hornall Anderson providing a presentation of their recommended alternative logo/branding versions. The Marketing Committee has reached a consensus and are in agreement with the endorsement by WSCC operations and Visit Seattle, that this concept be recommended to the Board for approval. Mr. Schafer welcomed the Hornall Anderson team to provide a summary of the updated backdrop and their final recommendation. Mr. Anderson, Mr. Gingold and Ms. Craven were in attendance and addressed the Board.

Following the presentation by Hornall Anderson, Mr. Schafer advised that the Marketing Committee is unanimous in their agreement with this updated concept and requested comments from the Board. Ms. Brown-Archie, Mr. Hillis, Ms. Grant, Ms. Moriguchi and Ms. Gonzalez-Murillo advised that they liked the concept as presented. Mr. Flowers had concerns regarding the use of the SCC acronym/logo as other entities are already using similar logos, such as Seattle Central Community College, and with the use of the second "C" as it looks awkward. Hornall Anderson advised that the font size/shape elements will not be finalized until final approval/authorization from WSCC has been received. Mr. Schafer thanked Hornall Anderson for their patience as we worked through this very important process. Mr. Blosser advised that the next steps are now to refine this to a place where all the useable pieces are in our control to begin the transition with required collateral as well as piecing together how it works with the signage, graphics and wayfinding, etc., and all the elements that are required as we move forward.

Mr. Schafer made a motion to approve the branding concept, as presented by Hornall Anderson, to move forward. Ms. Brown-Archie seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

B. Addition Committee

1. Update

Mr. Finneran reminded the Board of the "Thank You" event being held on Thursday, September 27, 2018 to express appreciation to the WSCC staff and contractor teams who have labored these many years to bring the Addition Project to groundbreaking, through some major milestones and as continue to work to cross the finish line in the next 36 or so months.

Mr. Finneran requested Mr. Griffin and Mr. Rosauer provide the Board with an overview of the Addition Project. Mr. Griffin reported on the schedule, advising that construction started in July. The project experienced a slight set back due to the Operating Engineers labor dispute. While the Project Labor Agreement (PLA) is in place for the core Project contracts, it does not necessarily apply to ancillary

portions of the project. The team is looking to find ways to make up the lost time and are confident that this will occur. Mr. Griffin advised that work appears to be going smoothly with the buses in the tunnel. Focus is continuing with the permits for the project with approximately 20 or more permits in play at the moment. The next major permit is expected to be the Shoring & Foundation Permit and at that time a large payment from Public Benefits funds will be made which includes \$30 million in Housing as well as for Freeway Park and other items. We want to make sure that we can work with the City to celebrate this great benefit for the community resulting from the Convention Center addition. Mr. Griffin reported that the NEPA process is now complete, including the 150-day statute of limitations. We are still working with WSDOT to complete the lease on the WSDOT property. While this process continues, WSDOT has been executing separate contracts for us to do the work necessary to keep construction moving. The delay in completing the WSDOT lease has not impacted the project's progress at this point in time. On Budget and Finance, Mr. Griffin reported on the successful bond offering in August headed up by Mr. Eoff and the Financing team. Mr. Griffin advised that one of the Sources is having the Co-Development and selling of the sites for the apartment building and the office building. Pine Street Group are preparing to post detailed information regarding the co-development in the next few weeks and anticipate closing by end of year.

Mr. Rosauer spoke to Quality and advised that as the project moved into Construction Phase in July, the Architect & Engineering team essentially went into Construction Administration. A decision was made to step back and bring on more staff and refine the drawings a little more to assist with the questions being asked by the sub-contractors and the supplemental information that was coming forward from the team. LMN Architects and their consultants have added more team members to the process and we anticipate reissuing the set mid-October, giving a better foundation moving forward as things start moving faster and get more complicated.

On Outreach, Mr. Rosauer advised that, as previously reported to the Outreach Committee, the Board-approved 2018 MWBE goal of \$80 million is expected to be exceeded by approximately \$2 million (\$82 million). We're cautious that some scopes may not meet the forecasted dollar value, but this is the number we are pushing towards meeting or exceeding over the next six-month period. PSG is working with the contractor and sub tiers to find ways to continue to sub-contract out to other businesses to provide opportunities on this project. Moving past Contracting into the Labor component, it's still early into the process to be able to forecast where we'll end up. At the present time, there are approximately 10,000 working hours (40 people) on the project. It is estimated that the project will peak somewhere between 1,000 and 2,000 people at the 2.5 year mark. PSG is looking for a bigger set to then prepare better forecasts. We are working with the Trades and the sub-contractors to put all the pieces in place to set an example and share the story of the project so others can replicate it.

Mr. Griffin reported that in general, the Contracts are in pretty good shape, with the exception of the WSDOT lease

2. Discussion and Potential Action Regarding Change Orders to the GC/CM Agreement with Clark-Lewis for the following Addition Project scopes of work:

Mr. Rosauer advised that in an effort to lock down costs, PSG has created a list of scopes, divided into three key packets that are anticipated to be locked down prior to the end of October 2018. If all goes as planned, it is expected that 85-90% of costs will be locked down by end of September, with 90-100% of costs locked down by end of October. Mr. Finneran reminded the Board that they had previously approved approximately \$775 Million of project costs as additions to the contracts for the GC/CM as progress is made towards the final construction cost. This is just another incremental step towards the final cost. These items were reviewed at the Addition Committee today and the Addition Committee is recommending that authority be given to the Chairman to execute these change orders for those amounts listed and recommended by PSG, and with coordination and review by Mr. Raftery. Mr. Hendricks wished to clarify that there must be a 'not to exceed' amount added to the authorization.

Mr. Schafer made a motion to authorize the Board Chair to execute Change Orders to the GC/CM Agreement with Clark-Lewis for the following scopes of work, in not to exceed amounts for each specific groups of scopes of work line items:

Scopes of Work – Group #1	
Painting (previously approved, bid over approval)	
Waterproofing – traffic coatings	
Waterproofing – water vaults	
Window washing	
Stairs and railings	
Code required signage	
Retail glazing	
Total Authorization for Group #1 Scope of Work in an amount not to exceed	\$26,366,281
Scopes of Work – Group #2	
Overhead doors	
Landscaping / irrigation / site fencing	
Security curtains	
Parking equipment	
Site concrete	
Total Authorization for Group #2 Scope of Work in an amount not to exceed	\$14,074,751
Scopes of Work – Group #3	
Interior framing / insulation / drywall	
Miscellaneous metals	
Acoustical ceilings – Arktura	
Bird control	
Overhead Door – Type 3	
Site lighting	
True up of sub contract amounts to 90% Contract Documents	
True up of sub contract amounts to reflect changes issued in addendas 1-3	
Concrete – Olive Way and north of Olive Way	
Total Authorization for Group #3 Scope of Work in an amount not to exceed	\$134,700,738

Mr. Flowers seconded; Mr. Finneran called for any questions.

Ms. Grant requested to know if contractors have been identified for the Bird control and for the other scopes listed. Mr. Rosauer replied that contractors have been identified for the Group #1 Scopes of Work, however contractors have not been finalized for the other two groups. Ms. Grant requested to be provided a list of the contractors in Group #1 and also for PSG to provide the list of the contractors as they are confirmed for the other scopes of work.

There being no further questions, the motion was carried by the unanimous affirmative vote of all Directors present.

C. Government Affairs Committee

1. Government Relations Consultant Report

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

2. Update

Ms. Brown-Archie advised that the Government Affairs Committee would be meeting prior to the October Strategic Planning Retreat to review Committee goals for 2019 and strategies for the upcoming legislative session, if necessary.

D. Art Committee

Ms. Gonzalez-Murillo advised that the Addition Art Advisors held their monthly meeting on September 18 and the Board Art Committee met on September 19 to review the Addition Art. On September 20, the Art Committee and WSCC Art Advisors met to jury the Rotating Art Collection for 2019-2020. Ms. Gonzalez-Murillo reported that September was a busy month with excellent progress for developing WSCC art programs for the existing facility and the Addition Art Project. To ensure that the Board is kept apprised of the Art plans for WSCC and the Addition Project as they develop, the Art Committee will provide an update at the Board Retreat.

E. Finance Committee

1. Update

Mr. Flowers advised that the Finance Committee met today and there were no action items. Mr. Blosser and Mr. Firth provided the Committee an explanation of the budget schedule for 2019 WSCC Budget preparations. The draft 2019 Budget will be provided for the Board's review at the Strategic Planning Retreat in October. The Committee also reviewed the monthly Financial Statement for August and were provided an update on the Property Insurance renewal process and new pricing.

F. Outreach Committee

1. Update

Ms. Moriguchi advised that the Outreach Committee met on September 19, 2018. Pine Street Group reported on the status of reaching the \$80 million WMBE goal. \$12 million will be achieved from design/development team and currently Clark-Lewis has \$6 million participation under contract. This will increase to \$39 million once the Auburn Mechanical agreements are finalized. Clark-Lewis is finalizing agreements for negotiated Support Services and feels confident there will be \$15 million in participation. An estimated \$270 million in bid packages are still available and Clark-Lewis is working closely with Johnson Construction & Consulting to achieve at least \$8 million participation to achieve the \$80 million goal. Clark-Lewis is getting organized for the Priority Hire Program and the goals are being communicated to all contractors. Monthly reports will begin soon. A presentation was provided by Intelligent Partnerships with respect to tracking metrics to be put in place for the Outreach Committee to include Priority Hire, pre-apprenticeship and apprenticeship reporting, as well as project workforce diversity reporting.

Ms. Moriguchi reported that the Committee discussed the Tabor 100 request for support of the WSCC Board regarding their new building project. The Committee is seeking more information from Tabor 100 on where the dollars will go and when the facility is to open. Discussion occurred at the meeting regarding a possible one-time donation, if it makes sense, with an explanation of what the District / Project will receive from it due to the concern surrounding the process of providing a donation as the District can not provide a gift of public funds. The Committee has tasked Ms. Lewis with following up with Tabor 100 to get some more detailed information. Ms. Moriguchi and the Outreach Committee will provide an update to the full Board when information is available.

VI. VISIT SEATTLE & WSCC Sales Reports

A. Visit Seattle Destination Overview

Mr. Norwalk reported that Smith Travel Research report for the month of August 2018 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 Central City, Austin CBD, San Diego CBD, Boston CBD/Airport, Nashville CBD and Los Angeles CBD. Downtown Seattle finished August with an occupancy rate of 92.5%, down 1.1% from the same period in

2017; RevPAR was up 3.5% and ADR had an increase of 4.7% as compared to the same period last year. In August 2018, Seattle topped the competitive set for the month with an ADR of \$290. Year to-date August 2018, San Francisco Market St is leading the Occupancy, Average Room Rate, and RevPar categories, with Seattle Downtown holding onto third spot in all three categories. Seattle numbers continued to track strongly with the eight other cities in the group.

Following on the new report format looking at the supply change in the hotel marketplace, Mr. Smyton reported on the YTD performance, not just looking at it by RevPar but by the supply change in these markets and also the overall room revenue change. YTD August 2018, Seattle RevPar is up 0.9%, but because our supply has increased over 7% over the year, we are up almost 8% in revenue. So that is important for us in terms of the Lodging Tax side of things. The notable cities on the slide that have some significant growth in supply are Nashville and Austin. These are cities that have continued to grow significantly over the last couple of years. There is some staggering growth in some of the markets that Seattle competes with. Seattle numbers continue to track strongly with the eight other cities in the group.

B. Visit Seattle Sales Report

Ms. Saling reported that the Visit Seattle WSCC August 2018 YTD yearly definite production blended goal was 338,800, with actuals coming in at 114% of goal (384,724). The breakdown for the WSCC sales production was 169,286, 94% of goal, and Hotel Production was 215,438, 136% of goal. WSCC actualized consumption goals for the month of August 2018 realized total room night production of 12,193, and Hotel numbers were 13,657.

Ms. Saling reviewed select WSCC lost and waived room nights for July & August 2018:

- 28,870 room nights were lost (business bid on, but was not awarded) primarily because of WSCC size, hotel rates, and date availability.
- 7,715 room nights were waived (business that wanted Seattle to bid, but we were unable to bid for various reasons) primarily because of date availability and WSCC size.

C. WSCC Sales Report

Mr. McQuade reported that for August 2018, WSCC & Visit Seattle Sales staff combined top-line rent totaled \$370,562 for Convention Center contracted bookings. Year-to-date, combined top-line rent was 103.99% of goal, totaling \$6,225,068. Groups hosted August YTD realized 11,534 in hotel room night bookings, with 134,222 delegates, and an estimated \$5,141,422 in top-line revenues.

During August, WSCC Sales staff booked 20 new events into the Center to infill around convention business booked by Visit Seattle. Cumulatively, these 20 WSCC booked events represent over 17,170 in estimated attendance, 866 associated room nights, and combined topline revenues of over \$941,645 for rent, food & beverage, parking and subcontractor services.

VII. PRESIDENT'S REPORT

A. Update on WSCC Board Strategic Planning Retreat Meetings

Mr. Blosser provided an update on the WSCC Board Strategic Planning Retreat meetings scheduled for Monday, October 29 and Tuesday, October 30, 2018. The meetings are being held at the Sheraton Grand Seattle. There are two confirmed speakers presenting on Day 2 of the retreat: Mr. Marshall Foster, Waterfront Design Manager for the City of Seattle, will provide an update on the Waterfront Project and on the Pike/Pine Improvements; and Ms. Mary Bacarella, Executive Director of the Pike Place Market, will provide an update on Pike Place Market Services, Expansion of the Market and Future Projects. The draft agenda is still being finalized. All Board Committees are being scheduled to meet in early October to prepare for reporting out at the Retreat.

B. PAX West Update

Mr. Blosser provided an update on the PAX West event that was in the Center over the Labor Day Weekend, and extended thanks to the Director of Event Services and the staff of the Convention Center for the logistics and planning process that goes into an event of this magnitude. This year had extenuating circumstances added to the planning process with the shooting situation in Jacksonville, FL, and there was

a heightened level of security added to the event here in Seattle. Mr. Blosser provided some information regarding the types of challenges that exist with the layout of the current facility. Photos of the lengthy attendee lineups outside of the facility, smiling attendees inside the exhibit halls, and lineups in the tunnel were shown to give examples of how all space is utilized for events of this magnitude.

Mr. Blosser advised that meetings have been held with Reed Expositions, owners of PAX. They do wish to add more security to their events by adding wand and magnetometers; possibly as soon as Comicon. This may cause WSCC to change our procedures for how we operate the building for the 4-days of these events. Further meetings are being scheduled with Reed Expositions to work together for safe and secure events. Mr. Blosser provided information on future years for the event here at WSCC and advised that Reed understands that space is not available in 2021, but we are giving them the same deal we did for 2018, 19 & 20 and PAX West is excited to be utilizing both facilities once the new building is ready to go and the expanding their shows to two buildings.

Further discussion occurred regarding these particular security needs and how WSCC moves forward. Mr. Blosser advised we do need to take a look at the security of the buildings; how we work with Seattle Police Department and the City of Seattle on this; how we work within the existing permitting. We must realize it's a different day and time now than it was twenty years ago and we have to think about the safety and security of our guests, attendees, and our staff. Further discussion regarding existing permitting regulations regarding public hours of access, etc., took place with more review to be done in this matter. Mr. Finneran suggested that this matter needs to be thought of on a more broader level and not just on an event level. Mr. Blosser advised that this has taken place at the Executive level and to that end we have hired a Director of Security and Public Safety, effective October 1, 2018.

VIII. STAFF REPORTS

A. Parking Report

Mr. Tesfaye reported that parking revenues for August 2018 were up 1.13% from the revenues reported in August 2017; and August YTD revenues were up 0.76% from the same period in 2017, mainly due to the event mix in the building. WSCC's monthly parking for the main garage is currently at full capacity. There is a small wait-list for both garages.

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 August 2018, average rate per day per stall was:

- Freeway Park garage has 660 stalls available. There are 3 categories: Monthly Parking (319 parkers) at an average rate per stall of \$243.42 per month; Employee Debit Card (590 card holders); and Daily Parkers with an average daily rate per stall of \$63. Monthly Parking usage was 319 per day (41%); Employee Debit Card usage was 50 per day (8%); and Daily Parking usage was 63 per day (10%). Total stalls occupied on average were 386 per day, or 59%.

- WSCC garage had 815 stalls available. There are 5 categories: Monthly Parking (141 parkers) at an average rate per stall of \$272.48 per month; Daily Parkers; Validations; HCF, Admin Validation; Employee & Retail Monthly Parking (1,287 parkers); and Carpool and Unassigned Monthly Parking. Daily Parkers average usage was 409 per day (50%); Validations average usage was 36 per day (4%); HCF, Admin & Validation average usage was 5 per day (1%); Monthly Parking (Employee & Retail) average usage was 42 per day (5%); and Monthly Parking (Carpool & Unassigned) average usage was 5 per day (1%). Total stalls occupied on average were 497 per day, or 61%.

B. Food Service Report

Mr. Dolquist reported total sales for August 2018 were \$1,580,670, exceeding reforecast by \$317,573, and up \$664,208 from prior year. Total costs for August 2018 were \$828,169, which appear lower than forecast by \$30,737 primarily due to Product and Labor costs. WSCC saw a strong return of 46.9%, 18.1% better than reforecast and 12.8% up from budget. Looking at the year-to-date numbers, Product Costs came in at 17.3%, .2% below reforecast, and Labor came in 23.4%, 0.1% over reforecast. August 2018 total WSCC PFD revenue was \$7,786,203, exceeding reforecast by \$1,526,960, and

\$2,358,958 over prior year. Year-to-date sales are at \$18,091,509, exceeding reforecast by \$2,705,605, and \$3,627,233 above prior year actuals. Food service return to WSCC PFD year-to-date is \$8,249,589, exceeding prior year by \$2,307,609. ARAMARK continues to focus on the Food Management and Labor Management programs and reports are showing positive results.

IX. FINANCIAL REPORT

Mr. Firth reported August 2018 total operating revenues were up 35.7% compared to the same period in 2017 and ahead of budget by 31.1%. For the month of August 2018, Food Service revenues were above budget by 76.6%. Retail revenue was up 2.9%, Building Rent revenue was up 6.5%, Parking revenue was down 7.9%, and Facility Services revenue was under budget by 29.8%. Year-to-date Operating Revenues were 16.1% ahead of budget at \$28,309,458, and above prior year by 16.9%.

Operating expenses for August 2018 were above budget for the month by 13%. Expenses Year-To-Date are 5.5% over budget. Operating loss for August 2018 was \$300,974, under budget by \$264,189. Year-to-date the operating surplus through August totaled \$2,905,207.

For the month of August 2018, marketing revenues were up 1.5% and the monthly marketing expenses totaled \$1,563,682 below budget by 0.5%. Year-to-date August 2018 total Marketing revenues were up 6.1% compared to the same period in 2017, and below budget by 0.1%. Marketing expenses for year-to-date 2018 totaled \$8,298,518, below budget by 0.7%. Marketing surplus for August was \$123,915, an increase of 10.3% over the same period in 2017. Year-to-date the operating and marketing surplus through August totaled \$3,136,004, over budget by 528.4%.

Addition Project Fund expenditures for August 2018 were \$8,034,021.

Non-Operating Revenues for the month of August were \$12,014,053, above budget by 10.6%. This was due in part to the \$1,379,860 interest received from the sale of the Bonds (shown under Non-Operating Revenue). Non-Operating Revenues year-to-date through August 2018, for regular and additional lodging taxes, totaled \$54,215,507. Non-Operating Expenses during the month for transfer of additional lodging tax, debt service, capital improvement projects, and addition budget totaled \$20,921,355, over budget by 347.2%. Non-Operating Expenses year-to-date through August 2018, which includes transfer of additional lodging tax, debt service, capital improvement projects and the addition budget, totaled \$122,088,350, below budget by 6.1%.

Mr. Firth advised that the forecast for the 2018 fiscal year is tracking positively for WSCC.

X. ADJOURNMENT

Mr. Hillis made a motion to adjourn the September 25, 2018 Board meeting at 4:12 p.m. Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all Directors present.