
Kennewick Public Facilities District

Regular Meeting

July 31, 2008

Minutes

5:00 p.m.

CALL TO ORDER

President Dean Strawn called the meeting to order at 5:03 pm.

Shelley Ellis led in the Pledge of Allegiance.

ROLL CALL

Roni Gierke called the roll.

Present: President, Dean Strawn; Secretary, Barbara Johnson; Treasurer, John Givens; Board Member, Calvin Dudney; Board Member, Kathy Blasdel

Also Present: Jeff Kossow, Executive Director; Roni Gierke, Executive Assistant; Kim Shugart, Tri-Cities Visitor and Convention Bureau; Russ Burtner, City of Kennewick; Shelley Ellis, Operations Manager; Adam Dyes, Sales Manager; Ben Bolander, Events Manager; Jude Strode, Marketing Manager; Paul Robinson, Centerplate; Steve Mallory, Arculus Design; Bob Dowle, Business Manager

APPROVAL OF AGENDA

John Givens requested an addition to the agenda; item 8 a; executive session. The executive session will be for the purpose of discussing personnel matters.

John Givens moved to approve the agenda as amended, Barbara Johnson seconded the motion. The motion carried unanimously.

CONSENT AGENDA

All matters listed within the Consent Agenda have been distributed to each Board Member of the Public Facilities District for reading and study, are considered to be routine, and will be enacted by one motion of the Board with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed on the Regular Agenda by request.

- a) Minutes of June 30, 2008 Board Meeting
- b) Claims Roster dated June 2008 for \$ 135,191.09 (TRCC)
Warrants: 6222 – 6298 Voids: 6225, 6250
- c) Claims Roster dated June 2008 for \$133,667.09 (TC)
Warrants: 6632-6710
Voids: 6997,
- d) Claims Roster dated June 2008 for \$72,998.46 (Box Office)
Warrants: 5126 - 5128
Total payroll paid out: \$77,991.79

John Givens moved to approve the Consent Agenda. Barbara Johnson seconded.

Dean Strawn asked for the removal of the Three Rivers Convention Center Claims Roster dated June 2008, for discussion.

Motion carried to approve the consent agenda with the removal of the Three Rivers Convention Center claims roster.

Dean Strawn informed the Board that all checks have been accounted for.

Dean Strawn showed concern regarding the allocation of employee expenses. Each employee expense should be divided among the buildings proportionate with their salary division.

Discussion incurred, no action was taken.

John Givens moved to approve the Three Rivers Convention Center claims roster dated June 2008. Kathy Blasdel seconded the motion.

Motion carried.

VISITORS

Dean Strawn opened the floor to any visitors who wish to address the Board. There were none who responded.

NEW BUSINESS

a) Financial Report

Bob Dowle reported that the Toyota Center and Arena had an operating loss of \$38,000 versus a budgeted loss of \$41,000, a positive variance of \$3,000. The major variances in the expense items include, \$2,250 in Building Licenses & Permits (mail manager license), \$2,061 in Employee Relocation (reimbursing the Business Manager for relocating), \$1,871 in Staff Travel (IAAM Conference and Business Manager interview flight and hotel), and \$1,928 in Credit Card Fees (higher than normal ticket sales using credit cards).

John Givens informed the Board that in a preliminary conversation with Bob Dowle, that Bob, at this point, feels that the budget that the Board had established for the Toyota Center and Arena is unrealistic, and that the variances can be substantial. John will work closely with Bob during the next month and they will put some actualities to that analysis.

John Givens reported the Three Rivers Convention Center ending working capital is \$1,746,306, which is \$34,719 more than at the beginning of the year.

Discussion followed.

John informed the Board that one of the major problems that Bob found was in pre-paid expenses, and the Board will see large variances as it is cleaned up.

John Givens reported that the Toyota Center income statement shows a net operating loss of \$161,220. When the subsidies, transfers, and depreciation are added back in, the total loss is \$226,974. The Toyota Center and Arena are \$80,000 over budget through the first six months of the year. At the end of the year the Toyota Center may be over budget by \$150,000.

Discussion incurred.

Barbara Johnson moved to accept the financial report. Kathy Blasdel seconded. The motion carried.

b) Attendance/Marketing Report

Adam Dyes presented the Board with a thank you letter from the Mid Columbia Symphony.

A discussion incurred regarding advertising in the new Tri-Cities Business & Visitor Center. Mr. Kossow recommended that the Three Rivers Convention Center should support the Tri-Cities Business & Visitor Center via a permanent monument.

It is the consensus of the KPF Board of Directors to invest in advertising at the Tri-Cities Business & Visitor Center.

Adam reported that the Sales Update Report will be revised. The sales team booked 8 new events in the month of June, and two events that have re-booked.

c) Executive Director Report

Jeff Kossow reported that the IAAM Conference in Anaheim was a great networking tool for equipment that is needed in the Toyota Center as well as the Three Rivers Convention Center.

The Toyota Center is working on booking some new shows, with FELD Inc. and VEE Corp.

This fall performance schedule is starting to come together, with a contract is going out for Josh Blue, the winner of "The Last Comic Standing". Jeff is working with Edge Motor Sports on booking an indoor motor cycle show. Current shows on sale are Chicago, Jeff Dunham, and the Broadway Series which are all doing well.

There are 9,700 People signed up as an "insider" on the Toyota Center website, they will receive email blast from our mail manager program. We will be creating a newsletter to go out as well.

Jeff mentioned that the Toyota Arena has presented a new contract to TCAHA, with updated language and fees. An answer is expected soon.

This summer has been spent on repairs and maintenance of the buildings. The dasher board installation is on schedule for the 18th of August. Arculus Design is working on the changes to the press box. Staff is working on a suite remodel.

Jeff informed the Board that as of August 15th the campus will sell Coca-Cola exclusively. The alcohol bid request will be going out soon.

Calvin Dudney added that we are fortunate to be able to do all the updates to the building with the support and cooperation of our tenants.

d) TCVCB Report

Kim Shugart reported that the VCB generated eight leads since the last meeting, with 100% participation.

The Tri-Cities Business & Visitor Center building is on schedule; they are still expecting to move in on October 1st.

e) Capital Improvement Budget Report

Shelley Ellis supplied the Board with a copy of the Three Rivers Convention Center FF&E Budget Proposal. The items listed are not in the 2008 budget, they are items that are needed now, or will be needed in the future.

Discussion incurred, and no action was taken.

The Board requested that staff modify the report, by prioritizing staff recommendations, and adding a projected ROI for the items listed.

f) 4th Annual PFD Conference – Longview, WA

Kathy Blasdel will be representing the KPFD at the 4th Annual PFD Conference.

ARTS COMMITTEE REPORT

Dean Strawn informed the Board that the Resolution #092-08: a Resolution of the Kennewick Public Facilities District Adopting the Art Policy Guidelines, has been changed to Resolution #093-08 because resolution #092-08 had already been used.

John Givens moved to change the number of Resolution #092-08 to 093-08. Barbara Johnson seconded the motion. Motion carried.

BOARD COMMENTS/DISCUSSION

John Givens – Stated that the intent tonight was not to “beat – up” the staff, but just to question.

Barbara Johnson – Commented on the good job that staff is doing, and agreed with John’s comment.

Kathy Blasdel - agreed with John and Barbara, staff is doing a great job, and it was not meant to be an attack, just questions.

Calvin - Kudos to Paul and Jude, those numbers are looking good. Keep up the good work.

Dean Strawn – Welcomed Bob Dowle to the team. Also mentioned that the natural gas expense has gone down, and asked if it is due to the new boilers. Jeff Kossow replied that it is primarily due to the new boilers.

ADJOURNMENT/RECESS

Meeting recessed at 7:15 p.m. to executive session; regular meeting reconvened at 9:15 p.m., lasting two hours with no action taken.

President Strawn adjourned the meeting at 9:15 P.M

The KPFD Board’s minutes are intended to be a reasonable summary of the Board’s deliberations and actions. The minutes are not a verbatim record of everything said at the meeting. The minutes include all actions taken by the Board.

Roni Gierke, Ex Officio Clerk
Approved by the Board of Directors