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Kennewick Public Facilities District

Regular Meeting

October 23, 2014

Minutes

5:00 p.m.

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**CALL TO ORDER**

Secretary Kathy Blasdel called the meeting to order at 5:01 pm.

**ROLL CALL**

Jamie Kincaid called the roll.

Present: Secretary, Kathy Blasdel; Treasurer, John Givens; Board Member, John Neill;  
Board Member, Calvin Dudney

Excused: President, Barbara Johnson

A quorum was established.

Also present: Corey Pearson, Executive Director; Jude Strode, Marketing Manager;  
Robert Chapin, Food and Beverage Director; Kim Shugart, Visit Tri-Cities; Steve  
Mallory, Arculus Design; Joseph Potts, Finance Director; Heather Breymeyer, Sales  
Director; Jamie Kincaid, Accounting Assistant; Rob Gierke, Director of Operations;  
Cathy Moore, General Manager of Springhill Suites

Cathy Moore led in the Pledge of Allegiance.

**APPROVAL OF AGENDA**

Kathy Blasdel moved to amend the agenda by adding the 2015 Toyota Center Budget  
Recommendation to item B and moving the rest of the items down. Calvin Dudney  
seconded the motion. The motion carried. Kathy Blasdel moved to approve the agenda  
with the amendment. Calvin Dudney seconded the motion. The motion carried.

**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 September 25, 2014 Board Meeting
- b) Claims roster dated August 2014 for \$123,583.52 (TC)  
Warrants: 15324-15370      Voids: 15367
- c) Claims roster dated August 2014 for \$132,343.82 (TRCC)  
Warrants: 12753-12813      Voids: none
- d) Claims roster dated August 2014 for \$739.51 (Box Office)  
Warrants: none written      Voids: none
- e) Claims roster dated September 2014 for \$216,144.22 (TC)  
Warrants: 15371-15492      Voids: 15528, 15474
- f) Claims roster dated September 2014 for \$92,731.25 (TRCC)  
Warrants: 12814-12889      Voids: 12839, 12868
- g) Claims roster dated September 2014 for \$0 (Box Office)  
Warrants: none written      Voids: none

John Givens reported that all claims rosters and warrants have been reviewed and accounted  
for.

John Givens moved to approve the Consent Agenda; Calvin Dudney seconded the motion. The motion carried.

## **VISITORS**

Kathy Blasdel opened the floor for visitors. Calvin Dudney welcomed Cathy Moore, General Manager of the Springhill Suites.

## **NEW BUSINESS**

### **a) September Financials**

John Givens requested Joe Potts present the financial report for the Three Rivers Convention Center, Toyota Center and Toyota Arena. Joe Potts mentioned that the auditors for the City of Kennewick have been on site reviewing cash handling procedures and everything has gone smoothly thus far. They will be back on site to finish up tomorrow. He explained the high labor cost for September was due to new staff training following a large turnover of part time employees that came with the start of a new season and management changes across campus. There have also been large maintenance and repair projects that have increased occupancy expenses. Income has not been ideal due to low attendance at events. Corey Pearson commented that across the board event attendance and patrons' spending are down. The Tri-City Americans' season started out slow and it is expected to pick up as the team has continued to do well in their first games. Joe Potts informed the board of the meeting Corey Pearson and he have scheduled for Monday with the City of Kennewick regarding the 2015 budget. At the meeting he believes they should request more than the 350,000 the city has approved in years past. John Givens suggested the campus request what we believe we can meet. Joe Potts stated that a lot of things have to go right for the building to meet 375,000.

Joe Potts stated that the Three Rivers Convention Center occupancy is also down, and labor hours were up in September due to the campus wide turnover. Occupancy expenses for September were grossly over budget, which may be due to previous years' Tattoo Show expenses being categorized differently. Joe Potts will research this and update the expenses as needed. Overall, the Tattoo show brought in over \$20,000 net income.

Kathy Blasdel moved to pass financials. Calvin Dudney seconded the motion. The motion carried.

### **b) Proposed Toyota Center 2015 Budget**

Calvin Dudney recommended that the Toyota Center comes up with a budget that is reasonable for the City to accept and for the building to meet. Joe Potts stated that 375,000 may even be hard to meet, he would prefer to request 400,000. John Givens is concerned with the hard and fast 350,000 the City has not wanted to budge on in years past. He believes they should allow for a reasonable conversation about realistic numbers. He also stated that the building cannot cut expenses any more than we already have without sacrificing the quality of service provided to the patrons who do attend our events. Corey Pearson believes from previous years' outcome that the building can meet 375,000. Kathy Blasdel asked who is making the presentation the City. Corey Pearson stated that he and Joe are meeting with them on Monday, October 27<sup>th</sup>.

John Givens moved that the proposed budget is changed to request 375,000 from the City rather than 350,000. Calvin Dudney seconded the motion. The motion carried.

### **c) Three Rivers Convention Center 2015 Budget**

Joe Potts explained the 2015 Three Rivers Convention Center budget. He stated that with the opening of the Springhill Suites, bookings are expected to increase. John Givens asked if the numbers presented were reasonable for us to meet. Heather Breymeyer stated that they were as good as can be predicted. Kathy Blasdel stated that the board does not want to set the Convention Center up for failure, and would prefer that we set a reasonable budget for everyone involved.

John Givens moved to accept the staff recommendations for the 2015 Three Rivers Convention Center budget. Kathy Blasdel reiterated that the budget did not have to be voted on at this meeting, it can wait until November when Barbara Johnson is present and has had a chance to review the numbers. John Given's motion to approve the proposed budget stood. Calvin Dudney seconded the motion. Kathy Blasdel gave a neigh vote. The motion carried.

**d) KPF Board training opportunities – Public Records and OPMA**

Kathy Blasdel spoke on behalf of Barbara Johnson, asking that the members of the board check their calendars for a date the training can take place. Corey Pearson stated that he is still looking into what exactly is required for the board to be trained on and will keep the board updated. Kathy Blasdel will propose November 20<sup>th</sup> to Barbara Johnson as a date all board members can meet to complete the required trainings.

**e) Hotel Construction/Expansion**

Corey Pearson received an update that the first 2 floors of the hotel are expected to be completed by mid-December 2014. Cathy Moore stated that the grand opening is expected to happen in April 2015. She stated that the wine and grape growers in February are hoping to stay in the hotel for their annual convention. There is a push for a December opening date because of the financial benefits of opening before the end of the year. She stated that the community has shown a lot of support and is very excited and anxious for the hotel to open. Corey Pearson stated that the brick for the connection has been received and will be laid in November 2014.

**f) Executive Director Report**

Corey Pearson gave a report on the Safe In Sound EDM festival. The festival lost money because of a poor turnout, but the event itself went well. There were no major incidents, however there were 20 noise complaints from the community to the Kennewick Police Department. He stated that the Toyota Arena has taken over the Adult Hockey League. Also, Shelley Ellis has a return date set at December 1<sup>st</sup>, 2014 which Corey will be confirming when he meets with her tomorrow. The Tri-City Americans items have been agreed upon. The WHL commissioner will come to meet with the Toyota Center staff regarding improvements. They will then decide how long of a lease the WHL will approve. Rent costs will be decided from there. John Givens asked whether the WHL weighs on the side of the team, or as an individual company. Corey Pearson said they weigh on the side of the Americans. Kathy Blasdel asked for a confirmation of the current lease expiration date. Corey Pearson responded with a June 2015 date. He stated that the Toyota Center will not give the Americans any dates for games in the 2015-2016 season until an agreement is reached on lease/rental fees. He stated that the process is going smoother than expected.

**g) Visit TC**

Kim Shugart stated that there are 6 new leads since the last meeting. Sales staff is currently in Olympia making sales calls. They have 25 meetings set up with different businesses so Kim will report on the outcome at next month's meeting. The annual Visit TC meeting will be held at the Three Rivers Convention Center on November 6. The planner hired by the City of Kennewick to oversee the plan for Vista Field will be the

guest speaker at the annual meeting. Kathy Blasdel presented the schedule that has been posted for Vista Field planning forums.

### **BOARD COMMENTS/DISCUSSION**

General comments from the Board were given expressing thanks and appreciation to the staff for a job well done. John Neill emphasized the importance of a realistic 2015 budget proposal. He stated that the board will stand behind whatever the Toyota Center decides is realistic and accurate.

### **ADJOURNMENT/RECESS**

Meeting adjourned at 6:34pm

*The KPF 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.*

Jamie Kincaid  
Approved by the Board of Directors