

BOARD MEETING MINUTES

Spokane Public Facilities District - Board of Directors Meeting via Zoom and at the Numerica Veterans Arena Boardroom | Wednesday, April 22, 2026 at 12:30 pm

ITEM #1 TO ORDER

Board Chair Eakins convened the April 22nd Board Meeting of the Spokane Public Facilities District at 12:30 PM.

ITEM #2 ATTENDANCE

In attendance were Board Chair Cami Eakins and Vice Chair Jon Neill, along with Board Member Dan Rey-Bear. Paul Read and August Richardson were excused from this meeting. District personnel attending in person included Jessica Deri, Mike Gaffaney, Paul Christiansen, Jennifer Kletke, Nic Lawrence, Ryan Gallagher, Matt Meyer, Rick Romero, Steve Marsh, Shaundra Scott, and Andrew Dolan

Guests attending in person included Chris Varallo and Brian Kistler with Kutak Rock, Scott Taylor and Aiden Hubbard from CarPark, and Dave Pier and Mark Miles from the Spokane Chiefs.

Chair Eakins opened the PFD Board of Directors' meeting by calling the April 22nd meeting to order.

ITEM #3 CONSENT AGENDA

Chair Eakins presented the Consent Agenda items:

- PFD Board Minutes from April 8th.
 - *Mr. Rey-Bear has moved to approve the Consent Agenda as presented. Mr. Neill seconded, and the motion was approved unanimously.*

ITEM #4 DISTRICT BUSINESS

Board Resolution to Authorize CEO to Make Union Decisions

- Chris Varallo with Kutak Rock presented a petition filed by the International Brotherhood of Electrical Workers Local Union 73 to represent approximately 8 PFD employees, making this the first internal union.
 - Mr. Varallo further explained that sufficient cards were collected to avoid a vote, and bargaining is scheduled to begin May 14th.
 - Ms. Kletke confirmed that the next step is the bargaining process with introductions and negotiations.
- Mr. Rey-Bear asked for clarification on whether the CEO should have authority to make union decisions or whether the final agreement should be returned to the Board. He expressed a preference for authorizing everything up to signing an agreement, with the proposed agreement returning to the Board for approval.
 - Ms. Curran expressed that she always appreciates the Board's support and indicated she would likely have brought the final agreement to the Board regardless.
 - Mr. Varallo modified the resolution language to include "with final agreement subject to Board approval."
- Resolution 26-01 approved, authorizing the CEO to appoint a bargaining team and negotiate a collective bargaining agreement with IBEW Local 73, with the final agreement subject to board approval.
- The Board requested that future resolutions be distributed in advance or at the meeting for review.

Lodging Tax Recommendation with Rick Romero

- Mr. Romero presented a comprehensive analysis of the three separate lodging taxes the PFD receives, along with recommendations for improvement, representing more than three months of consulting work.
- Mr. Romero first outlined the complexity of the 2% county tax and the 2% and 1.3% citywide taxes, each with unique purposes, requirements, and statutes. He also explained that tax boundaries and assessments differ, with some taxes assessed to customers and others paid by the state as a sales tax offset.

- Mr. Romero noted inconsistencies with past practices, bond covenants, and interlocal agreements, creating additional layers of confusion with State Department of Revenue guidance, including incorrect written advice they provided to us – even their website still contains errors regarding Spokane lodging taxes.
- Mr. Rey-Bear asked about plans to correct Department of Revenue errors to prevent future misunderstandings.
- Mr. Romero responded, confirming work with City Council President Betsy Wilkerson to address Department of Revenue corrections.
- Mr. Romero also presented the Lodging Tax Matrix he created, which covers history, establishment, governing structures, decision authority, recommending bodies, bond covenants, contractual documents, and current allocations.
 - This Lodging Tax Matrix has been vetted with the PFD Board Chairs; CEOs of Visit Spokane, Spokane Sports, and the PFD; the Lodging Tax Allocation Committee (LTAC); legal counsel from Paine Hamblen and Kutak Rock; and the PFD Executive team.
 - Mr. Romero noted that the countywide 2% tax has no issues, as it is 100% pledged to debt and has no advisory body. The first city 2% tax is prescriptive, with clear allocations and no confusion. It is the 1.3% city tax that has been identified as a source of complications and is the focus of the recommendations.
- Recommendation #1 - LTAC Appointments and Terms:
 - Mr. Romero explained that the LTAC was established by 2012 Amendment 4 to the Interlocal Agreement as a recommending body only, with all authority residing with the PFD Board due to debt pledges.
 - The current structure requires the PFD Lodging Representative to serve as the LTAC Chair (August Richardson). The City Council then appoints one member (City Council President Betsy Wilkerson) and three other members who must reside in the district, be employed by businesses paying lodging tax, be nominated by the Spokane Hotel Motel Association, and be appointed by the PFD Board.
 - Mr. Romero recommends re-establishing that the current members meet the conditions and defining the terms, as the current process for appointments is unclear.
 - Mr. Varallo noted the need to clarify whether “district” means county or city.
- Recommendation #2 - Tourism Promotion Funding:
 - Mr. Romero explained that since 2019, allocations have been approximately 40% to tourism promotion and 60% to facilities operations, with none used for debt service.
 - Mr. Romero recommended increasing the tourism promotion allocation to 80% (40% existing strategic marketing for conventions and sports, 40% new allocation for national events, entertainment, and other demonstrated lodging impacts), with a 20% reserve for 2027-2028
 - Mr. Rey-Bear asked whether removing \$1 million from facilities operations would have a negative impact.
 - Mr. Romero responded that the early retirement of a \$3.3 million parking debt in December freed up funds previously used for debt service, and those funds are now available to cover facilities operations.
 - Mr. Neill asked about our financial position supporting the reallocation recommendation.
 - Mr. Romero confirmed that adequate funds for facility operations in 2027-2028 are available without needing the 40% and emphasized that this is a two-year trial to evaluate results.
 - Mr. Rey-Bear sought confirmation that the city’s approval isn’t required and asked that friendly relations be maintained.
 - Mr. Romero confirmed that Amendment 4 granted full authority to the PFD Board but plans to present analysis to the mayor for transparency.
- Recommendation #3 - Operating Guidelines:
 - Mr. Romero recommended forming an executive team comprising CEOs from Visit Spokane, Spokane Sports, and the PFD, along with the LTAC Chair, to develop guidelines covering application forms, scoring parameters, future fund commitments, financial reporting, meeting frequency, accountability metrics, and requirements for open public meetings.
 - He suggested this be a collaborative approach that allows all voices to be heard rather than the board imposing guidelines.

- Recommendation #4 – Trust and Accountability
 - Mr. Romero emphasized the need to rebuild trust through adopting recommendations numbers 1-3, maintaining focus on increasing hotel stays, shifting from a competitive to a collaborative mindset, and improving communication and accountability. He noted that parties have retreated to defensive positions and need to work together instead.
 - Ms. Eakins agreed that trust and accountability are critical, and without them, guideline development may not succeed.

Crave Event Update

- Ms. Curran explained, on behalf of Mr. Richardson, that the CEO of Visit Spokane was asked to confirm whether they still want to pursue funding for the Crave event, given the recent news. We haven't seen a response quite yet and hope to have an update at the next Board meeting.

Finance Update with Steve Marsh

- Mr. Marsh presented the final year-end financial report, with all adjusted entries completed, and forwarded it to the auditors. He reported that revenues exceeded budget by approximately 10% and noted that expenses also exceeded budget, but the overall operating loss was \$4.9 million, versus the budgeted \$5.7 million.
- Ms. Eakins requested that new board members meet with Mr. Marsh to better understand the PFD financials.

ITEM #5 CEO UPDATE

New Board Committee Creation

- Ms. Curran proposed creating a Lodging Tax Committee within our Board of Directors, which will include the PFD Board Chair (Cami Eakins) and the PFD Lodging Representative (August Richardson). She explained further that this committee would primarily involve August and the three CEOs working together, providing updates to the committee before bringing items to the full Board.

Concessions Pricing

- Ms. Curran reported that she received an email from City Council member Zack Zappone questioning our concession pricing.
 - Ms. Curran explained that a competitive analysis was conducted before setting concession pricing and was previously approved by the PFD Board, which then delegated it to the PFD staff.
 - Ms. Curran also noted that PFD pricing is lower than Pavillion's, based on an analysis comparing The Avista Stadium, The Pavillion, and PFD facilities.

Clean Buildings Act

- Ms. Curran announced that the Convention Center has passed the Clean Buildings Act's compliance metrics.
 - This was the first building we measured and the most challenging due to size and constant door openings.

Hall of Fame Display Update

- Ms. Curran provided an update on the Hall of Fame discussions with committee Chairs Bud Nameck and Dennis Patchin.
 - The agreement reached to shorten the physical display to approximately the 20 most recent inductees on the Arena concourse, with the remainder going digital. The digital kiosks or screens will be placed on the Arena concourse and in The Podium.

ITEM #6 PUBLIC COMMENTS

Chair Eakins calls for any public comments.

- No public comments.

ITEM #7 EXECUTIVE SESSION

At 1:38pm, the Board Chair, Cami Eakins, announced that we were entering Executive Session, which was expected to last approximately 30 minutes.

The Executive Session was extended by 15 minutes twice, for a total of 30 minutes.

Ms. Eakins reopened the session, expressing that there is no further action for today's meeting.

ITEM #8 ADJOURNMENT

There being no further business, the Board adjourned at 2:44 PM.

Shaundra Scott, Clerk of the Board

Approved by the Board of Directors at the following Board Meeting.