

**NBPDA
MEETING MINUTES
07/19/2017 6:30 PM
102 CBD Mall #3**

Call to Order: 6:37pm

Roll Call: President Mike Baker, Secretary/Treasurer Adam Schaefer, Executive Director Robyn Legun, Hannah Settje, Legal Counsel Teunis Wyers, Alternate Dan Smith (Via telephone)

Agenda Changes – None

Board Comments- NONE

Manager's Report- P&L's for this year, we are \$500 behind last year. We have cut back spending on product and payroll in the last month. Looking good for summer sales. Sales area little down from last quarter.

We found some budget errors and sorted them out, it took moving some line items and categorizing debt/expenses in quick books.

Notes from the store, we have been using text messaging for marketing and it is working well. We are still using radio marketing. Short discussion on how the text messaging works. We have had a great response and customer feedback. There have some challenges to social media marketing. There have also been some problems with the internet services at store. Robyn will do a cost analysis of changing internet and possibly using a smart phone service.

The staff structure at store in working very well with the managers. The Evergreen club is working well so far. Short discussion on store inventory and how we are ordering and the process.

Discussion on expenses and explanation of Ashby loan and why it isn't paid yet.

Discussion on independent contractor's work done with the new operating procedures.

Board has seen email communication between contractor and Director regarding payments. Legal Counsel discussed situation and the fact there is no contract, he will act as intermediate if needed. Decision to let the issue rest for now.

Finance Report- Some line items were moved and a couple of expenses were entered twice, problems were fixed with accountants help.

Old Business

DEBT RETIRMENT STRATGY: Payoff strategy to be discussed/ updated. – There was good news, Fern Armstrong has decided to lend the PDA \$75,000 to pay off

other lenders, thereby allowing PDA to pay off Justice and John Spencer loans. The new loan will cover almost all the two loans, \$3,000 will have to come from PDA budget. Legal Counsel has a promissory note to be signed. The funds will funnel through the legal counsel's accounts and he will contact them to be paid off. Discussion on loan, notes and time lines. Teunis will contact other lenders about re-negotiating loans.

INSURANCE POLICY: Resume Discussion – We will make monthly payments as agreed upon by the Board.

New Business

CONSENT AGENDA: Minutes, Invoices, Payroll for April, May and June 2017- Adam moved to approve the consent agenda, Dan 2nd motion, unanimous approval of the consent agenda.

REVISE 2017 BUDGET, Resolution 3.30- presented original 2017 budget and revisions for 2nd Qrt. Discussion on sales numbers for 2017, with the higher sales months coming up in summer.

Revisions include:

Financial services to be move from \$6,000-\$12, including bank analysis fees which were not in the right column in quick books. So there is an increase in this line item.

Licensing fees, cost is more so a change from \$5,000 to \$6,000.

Line items for Professional Services, NBPDA mission will be removed as there is no need for it this year.

Line item, intergovernmental service to Board needs to be increased to \$3,000 for donation to playground fund.

Office rent needs to be decreased to \$5,400

Line items in Travels/Meals/ Membership will be decreased from \$7,000 to \$3,000

Professional Services for maintenance will be decreased from \$4,000 to \$2,000

Repair and Maintenance will increase by \$2,000 because of plumbing issues at store.

Liability Insurance will decrease from \$13,000 to \$10,000

There was a mistake on the line items of Sales and B&O taxes, which will change from Sales-\$92,500-\$92,400 and B &O- \$14,410- \$5,652.

Debt payments will decrease from \$50,000- \$30,000 and will reflect how much in payments will be made to lenders throughout the year.

Remodel Capital Expenses will increase from \$3,000 to \$15,000

Debt Services Cost line item will be deleted.

Robyn will check with account to make sure changes are correct in quick books.

Adam moved to adopt resolution 3.30, Revising the 2017 Budget with discussed revisions, Dan 2nd motion and the Resolution was unanimously passed.

REVIEW 2018 BUDGET- 2018 preliminary budget was introduced, discussed and reviewed on time line. The tax numbers are incorrect and will be fixed. The private debt line item of \$60,000 will be eliminated from budget. Discussion on anticipated 2018 State audit and discussion on Washington Liquor and Cannabis Board sting operations in 2017 as well as inventory audits.

REVIEW and ADOPT NEW OWNER LIST FOR Washington Liquor Control, Resolution 3.40- Discussion on current owners list, Dan is listed and is a Board alternate. Discussion on main contact for store and medial endorsements, which needs to be logged into every month. Suggestion of Executive Director becoming main contact for WLCC.

Adam made motion to approve Resolution 3.40, naming Robyn Legun as main contact, Dan 2nd motion and Resolution 3.40 was unanimously approved.

MARKETING DISCUSSION- Discussion on starting some local events for marketing as well as some local educational events. A marketing company, another LLC will need to be formed. Per advice from State Auditor's Office, the marketing LLC would only be audited if enough money were made within a year. Legal Counsel read the laws concerning this and advised they are broad scoped and PDA should be able to form a new LLC for marketing and use the same Board members as the PDA Board. Discussion on marketing and how it would work and what events might benefit store sales and the PDA. Robyn will do a cost analysis and research a business plan and bring to next meeting.

PROPOSED COMMUNITY DAY, Resolution 3.50- Discussion on picking a specific day to give store sales back to community. September 17th, 2017 was decided to use the net profits from the store and donate to a specific community entity. Discussion on which entity, city vs county, and city was decided, citing ordinance 10.28 in Charter.

Adam moved to pass Resolution 3.50, where 100% of September 17th, 2017 net store profits will be donated to the city playground fund. Dan 2nd motion and Resolution 3.50 was unanimously approved.

SET NEXT MEETING DATES- November 1st, 2017, 6:30 pm

Public Comment- None

Closing Board Comments- None

Adjournment- 8:10pm

Note: The public is always invited to attend meetings and the Board may adjourn to executive session in accordance with RCW 42.30.110 during any meeting.