

**LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
May 4, 2021**

A. CALL TO ORDER

The meeting of the Lynnwood Public Facilities District was called to order at 6:01 p.m. by Board Chair Rosario Reyes. The meeting took place electronically. A conference call number was published in the agenda to enable public participation.

Board Members Present

Rosario Reyes, Chair
Taylor Nordby, Vice-Chair (joined 6:04 p.m.)
Loren Simmonds, Secretary
Wally Webster II
Shawn Walker
Michelle Meyer, Treasurer (ex-officio)

Others

Janet Pope, PFD Executive Director
Matt Hendricks, PFD Attorney
Sara Blayne, LCC General Manager
Tracey Morrison, LCC Finance Director
David Kleitsch, City of Lynnwood
Consultant Karen Porterfield
Becky Mackenstadt, Vine Dahlen PLLC
Josh Cain, Interim Finance Analyst
Jim Smith, Lynnwood City Council

B. APPROVAL OF AGENDA

Board Member Simmonds moved, seconded by Board Member Webster, to approve the agenda as presented. Motion passed, unanimously.

C. APPROVAL OF MINUTES

Board VC Nordby moved, seconded by Board Member Webster to approve the minutes of April 6th as amended. Motion passed, unanimously.

Board VC Nordby moved, seconded by Board Member Simmonds to approve the minutes of March 2nd. Motion passed, unanimously.

D. ANNOUNCEMENTS & COMMUNICATIONS

1. Introduction of Interim Finance Analyst Josh Cain

ED Pope introduced Councilmember Jim Smith, the new liaison to the PFD Board and Councilmember Smith described his background.

ED Pope introduced Interim Financial Analyst Josh Cain and he described his background.

E. APPROVAL OF CONSENT AGENDA

Board members discussed the amount of the Slalom contract and requested staff provide the contract and the amount spent to date.

Board Member Simmonds moved, seconded by Board Member Webster, to approve the Accounts Payable Report in the amount of \$191,960.51. Motion passed, unanimously.

F. BUSINESS ITEMS

1. First Quarter Financials

ED Pope reviewed the Cash In & Out, advising the Plaza Maintenance Report is included in the packet. Board members requested staff clarify Transfers In/Out.

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ED Pope reviewed Lynnwood PFD Income Statement for 1st quarter ending March 31, 2021, highlighting the bottom line, sales tax higher than budgeted, legal fees received, unanticipated rent from GS Labs, and PFD expenses.

ED Pope reviewed the Convention Plaza Income Statement highlighting lower than budgeted expenses and CAM expenses; the LCC Income Statement, and the Summary Income Statement. She responded to questions regarding payment of expenses from CAM fees and determination of CAM fees based on the previous year's expenses.

2. Convention Center Report

GM Sara Blayne reviewed the 2021 booking pace revenue (comparing 2021 budget, 2021 contracted and 2019 contracted); updated 2021 forecast, and the 3-year booking pace (as of May 1st for 2020-2022, 2021-2023 and 2022-2024). She reported on the Governor's decision not to roll back to Phase 2, completion of the LCC annual audit with no issues or findings, continued participation in the WA State Convention Coalition regarding reopening, postponement of the Ice Cream Fest and/or Food Truck Festival with City to 2022 due to permitting issues, memo to ED Pope to request emergency funds, determination the LCC does not qualify for the Shuttered Venue Operators Grant, and the May 6th artist reception that is open to the public.

Board members requested the number of first quarter events that were canceled, and a 2021 forecast comparing budget to actual YTD.

3. Presentation of LCC Audit

Becky Mackenstadt, Vine Dahlen, presented the results of the LCC audit. She reviewed the service scope and deliverables for year ending December 21, 2020; the Auditor's report and clear opinion, required communications, summary of the audit findings (no internal control deficiencies, recommendations made to management during audit that represent opportunities for improvement), financial statement highlights, and notes to the financial statements related to commitments and contingencies, risks and uncertainties and related party transactions. She recognized Tracy Morrison for her assistance and responded to a question regarding notes to the financial statements.

G. EXECUTIVE DIRECTOR REPORT

ED Pope reported on staff transitions, the property management RFP, the audit, the determination that the organization does not qualify for SVOG, potential funding from the city and/or county via the American Rescue Plan Act, flooding that occurred due to hitting an unmarked pipe during soils testing for the Brownsfield grant, additional \$300,000 received from the Integrated Planning Grant, focuses of the PFD audit (financial stability and LCC expenses that require reimbursement to an employee), and budget impacts of new staffing.

H. MASTER PLANNING COMMITTEE REPORT

Board VP Nordby reported the committee is meeting every two weeks. The Master Planning Committee reviewed and scored the two responses to the RFP for property management and unanimously chose JLL. The board will need to approve their selection contingent on checking references.

ED Pope referenced the Master Planning Committee calendar in the packet and reported on the cost for property management and the scope of the JLL contract. Discussion followed regarding expectations of the JLL contract, how their performance will be monitored, the board's prior approval

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to proceed with an RFP, the Master Planning Committee's review of the RFP response, concern the board had not had an opportunity to review the contract, the committee making a recommendation to the board, intent of establishing committees, process of informing the board regarding the committee's recommendation, scheduling a special meeting to approve JLL to provide time for the board to review their response and for ED Pope to check references, timing of the selection of a property manager, use of the Integrated Planning Grant, having a presentation from JLL, avoiding duplicative work by the committee and the board, how committees communicate recommendations to the board, committee meetings as work sessions, and OPMA restrictions on special meetings.

ED Pope will provide board members the RFP, JLL's response to the RFP and the results of reference checks. It was agreed to schedule a special meeting at 11 a.m. on May 17th to approve the selection of JLL and to discuss the role of committees. [Meeting was later rescheduled to 11 a.m. on May 21st]

I. UPDATES ON CITY PLANNING

Director Kleitsch reported Sound Transit is on schedule and beginning planning for ST3, (Everett link extension), construction cranes are being removed as buildings reach their maximum height, construction on 196th from west to east continues at night, Council will hold a public hearing on the Housing Action Plan on May 10th with adoption of the plan scheduled later in May, the South Lynnwood Plan is expected to come to Council later this year, and the Comprehensive Plan update includes planning for the City Center and the area around the mall. He responded to questions regarding height restrictions in Lynnwood compared to other cities and the Sound Transit bridge over 44th.

J. COMMENTS FROM COUNCILMEMBER SMITH

Councilmember Smith invited board members to call him with any questions/concerns.

K. BOARD TRAINING

Consultant Porterfield reviewed Lynnwood PFD's Business Strategy, good key performance indicators, KPI's related to Convention Center activities, KPI financial reports, KPI economic impacts, lessons you can learn from KPI's, Washington State tax structure, and regular levy rate limits.

Questions and discussion followed regarding how the board responds to things that are not going well, having conversations about expectations, ED Pope discussing bond refinancing with the PFD's financial adviser, and the City's plans to bond for construction of a justice center.

ADJOURNMENT

Meeting adjourned at 8:22 p.m.

Rosario Reyes, Chair Board Member