

**LYNNWOOD PUBLIC FACILITIES DISTRICT  
BOARD MEETING MINUTES  
December 1, 2020**

**A. CALL TO ORDER**

The meeting of the Lynnwood Public Facilities District was called to order at 6:03 p.m. by Board Chair Wally Webster II. The meeting took place electronically. A conference call number was published in the agenda to enable public participation.

**Board Members Present**

Wally Webster II, Chair  
Taylor Nordby, Vice Chair  
Rosario Reyes  
Loren Simmonds  
Corbitt Loch, Interim Treasurer (ex-officio)

**Board Members Excused**

Shawn Walker, Secretary

**Others**

Janet Pope, PFD Executive Director  
Kim Koronko, PFD Finance Analyst  
Matt Hendricks, PFD Attorney  
Sara Blayne, LCC General Manager  
Councilmember Ian Cotton  
David Kleitsch, City of Lynnwood  
Tracey Morrison, LCC Finance Director

**B. APPROVAL OF AGENDA**

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

**1. Minutes**

Board Member Nordby moved, seconded by Board Member Reyes, to approve the minutes of the October 23<sup>rd</sup> board retreat as presented. Motion passed, unanimously.

**C. ANNOUNCEMENTS & COMMUNICATIONS**

ED Pope suggested the Board consider a way to honor Sonja Springer for her commitment to the PFD. Chair Walker suggested waiting until the next meeting when she returns from vacation.

**D. CONSENT AGENDA**

In response to a question, ED Pope provided an update regarding attorney fees related to Chuck E. Cheese and potential restitution.

Board Member Reyes moved, seconded by Board Member Nordby, to approve the Accounts Payable Report in the amount of \$106,268. Motion passed, unanimously.

**E. BUSINESS ITEMS**

**1. 2020 Income/Expense Statement Through October 31<sup>st</sup>**

Chair Walker explained this report shows income and expenses related to each business (convention center, PFD, plaza). ED Pope highlighted the addition to convention center of PFD Added Expenses. She relayed the debt payment was made recently via wire transfer from the LGIP account. FA Koronko provided further detail regarding the addition of PFD Added Expenses.

**2. Convention Center Update**

The Lynnwood PFD 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

**LYNNWOOD PUBLIC FACILITIES DISTRICT  
BOARD MEETING MINUTES  
December 1, 2020**

ED Pope asked whether the board was interested in the convention center preparing its usual annual report when there was little to report because the convention center has been closed which has impacted finances. GM Blayne explained the annual report is typically published in January and distributed to Lynnwood residents via "Inside Lynnwood." It is also reformatted to a 1-page ad in the Everett Herald, a press release and copies are available at the convention center and PFD office. The annual revenue reports gross revenue and the impact of the convention center on the community. She asked for the board's input regarding the report including the possibility of changing the focus of the report.

Questions and discussion followed regarding changing the content and distribution of the report, changing the format to more story and less numbers, describing what the convention center has done to protect the public during COVID and the award the center received, delaying publication until further information is available regarding reopening, using the annual report as a marketing piece, discussions occurring with city staff about reopening, obligation for the PFD to provide information to the public, and publicizing what staff has done during COVID.

It was agreed the annual report would be more of a marketing tool and published in time for the second issue of "Inside Lynnwood." [Note: later in the meeting it was suggested a single page newsletter be included in the February issue of "Inside Lynnwood" that describes special efforts, event bookings, etc. during COVID-19, the grant and how it will be used, and "telling the story."]

GM Blayne reported on survey results from events held in the center in October and year-to-date. Bloodworks will do another pop-up blood drive in January. Snohomish County has also inquired about using the center for jury selection and orientation and discussions are underway with the Snohomish Health Department about the center assisting with vaccinations. She referred to a budget amendment memo provided ED Pope, per their contract, regarding percentage of revenue to expenses. She relayed two events were cancelled as a result of the governor's COVID-19 restrictions in mid-November and no other events are scheduled in 2020. Discussion followed regarding information to include in "Inside Lynnwood" and changing the focus of the annual report.

GM Blayne reported Board Member Walker is leaving the Snohomish County TPA and she is joining, paperwork has been submitted for \$100,000 from Snohomish County for COVID-related expenses. ED Pope reported on the potential to apply for future CARES Act funding. Questions and discussion followed regarding expenditures that qualify for the Snohomish County funding, and the process for reimbursement of COVID-related expenses.

### **3. 2021 Budget Approval With Discussion on Professional & CAM Fees**

ED Pope reviewed changes to the 2021 budget, highlighting the addition of professional fees for master planning, rebranding/marketing for PFD, and a needs assessment for new software. She reported on capital expenditures that would significantly increase CAM fees, the decision to remove the retaining wall from the CAM fee calculation and make it a PFD expense, and improvements and maintenance that individual tenants would fund rather than the plaza CAM. The offices above Chuck E Cheese do not currently pay CAM fees. The repairs included in the proposed budget (repair spot leaks on plaza building, replace roof support and minor façade work totaling \$54,000) have a substantial impact on CAM fees. She asked if the PFD wanted to include those repairs in CAM fees or have them be a PFD expense.

Discussion followed regarding this being the right time to make repairs due to slow business but the wrong time for an increase in the CAM fee, repair/maintenance/capital that were

**LYNNWOOD PUBLIC FACILITIES DISTRICT  
BOARD MEETING MINUTES  
December 1, 2020**

historically included in the CAM fee versus absorbed by the PFD, concern not enough was included in the CAM fee in the past to cover deferred maintenance, concern with charging tenants to replace a retaining wall, landlord expenses versus tenant expenses, formula for CAM fees by tenant, expenses that are historically included in the CAM fee, industry average for per square foot CAM fees, and cost savings to tenants due to receiving the PFD's exemption on leasehold tax. It was agreed that the board would consider what is included in CAM fees at the next meeting and amend the budget if necessary.

Board Member Nordby moved, seconded by Board Member Reyes, to approve the 2021 Budget as presented. Motion passed, unanimously.

**4. 2021 Board Calendar Including Moving Dates to Later in Month to Accommodate Financials**

Chair Webster shared the difficulty for staff to provide financials by the first Tuesday of the month which results in financial information that is two months behind. He suggested moving the PFD meeting to the third week of the month to allow staff time to close the month and prepare financials for presentation to the PFD Board. ED Pope explained in reviewing the calendar, there are several months where financials could not be provided by the third Tuesday and suggested moving meetings to the fourth Tuesday. FA Koronko agreed with the fourth Tuesday in view of the suggestion to form a finance committee and have them review the report prior to the board meeting.

Discussion followed regarding pros and cons of the meeting on the third Tuesday versus the fourth, potential conflicts created by changing the meeting date, concern reports received two months behind do not provide relevant real time data, ensuring the request regarding the timing of reports is realistic, and the timing of staff's receipt of convention center data. It was agreed PFD Board meeting would continue to be held on the first Tuesday of the month.

**F. EXECUTIVE DIRECTOR REPORT**

ED Pope recalled the board's concern with the estimate for plaza lighting. The city's Parks & Rec originally canceled their lighting but are reconsidering in response to the Mayor's request for some lighting. Options include board members and staff decorating windows/trees (center has trees and lights) or a small contract for outside lights. Discussion followed regarding lighting options such as colored spotlights, installing a mirror ball in the lobby, tenants' plans for lighting, whether the city planned to move their outdoor tree to the convention center parking lot, and the city's plans for minimal lighting.

It was agreed ED Pope and GM Blayne would develop a reasonable plan that could be accomplished in a reasonable amount of time and email PFD board members about helping. Board members and staff offered to assist.

**G. UPDATES ON CITY PLANNING**

David Kleitsch reported projects continue to move forward. There will be night closures on 44<sup>th</sup> on December 7<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> for construction of girders for the Sound Transit guideway. He responded to a question regarding the residential building behind La Quinta.

**H. COMMENTS FROM COUNCILMEMBER COTTON**

**LYNNWOOD PUBLIC FACILITIES DISTRICT  
BOARD MEETING MINUTES  
December 1, 2020**

Council Member Cotton reported the Council passed the budget. He recognized Director Springer, Corbitt Loch and other directors for their herculean efforts related to the budget.

**I. EXECUTIVE SESSION REAL ESTATE MATTERS**

The Board went into Executive Session at 7:28 p.m. for 15 minutes as authorized by RCW 42.30.110(1)(b) regarding real estate matters. The executive session was adjourned at 7:43 p.m. and the regular meeting was reconvened at 7:43 p.m.

**ADJOURNMENT**

Meeting adjourned at 7:44 p.m.



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Wally Webster II, Chair Board Member