

**LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
October 15th 2021 Board Retreat**

A. CALL TO ORDER/DETERMINATION OF QUORUM

The meeting of the Lynnwood Public Facilities District Board Retreat was called to order at 9:06 a.m. by Board Chair Rosario Reyes. The meeting was held electronically. A conference call number was published in the agenda to enable public participation.

Board Members Present

Rosario Reyes, Chair
Taylor Nordby, Vice-Chair
Shawn Walker, Secretary
Wally Webster II
Mike Miller
Michelle Meyer, Treasurer (ex-officio)

Staff/Others Present

Janet Pope, PFD Executive Director
Josh Cain, Finance Analyst
Matt Hendricks, Lynnwood PFD Attorney
David Kleitsch, City of Lynnwood
Dan Fenton, JLL
Francesca Howard, JLL
Greg Whitney, JLL

B. APPROVAL OF AGENDA

VC Nordby moved, and Board Member Miller seconded to approve the agenda as presented. Motion passed, unanimously.

C. WELCOME AND OVERVIEW

Chair Reyes and ED Pope thanked everyone for attending and shared their vision for the day for deeper conversation on several pressing issues. Chair Reyes discussed some important ground rules for the day for better engagement, including everyone contributing and avoiding staying off video for long periods of time.

D. INTRODUCTION OF NEW BOARD MEMBER

New member Mike Miller was introduced to the Board. Board Member Miller discussed his business experience and current volunteer work at the Lynnwood Food Bank. Each attendee introduced themselves and shared their experience as well vision for the LPFD in the next few years.

E. UPDATE OF ORGANIZATIONAL DIANOSTIC

ED Pope shared the organizational diagnostic she developed one year ago after approximately six months in the ED role. She noted where there had been changes in status from the previous SWOT analysis and interviews, notable improvements in the infrastructure of the LPFD, and where recommendations from the previous year had been completed. She described what impressions had changed over time with more experience in the role and given the challenges of analyzing during the pandemic and with the LCC mostly closed. She noted what work still needed to be accomplished. ED Pope discussed how the recommendations for policy development formed the agenda for the day.

F. FISCAL AND SPONSORSHIP POLICIES

ED Pope presented a fiscal policy draft that has been developed over multiple months.

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Final approval of the draft will take place after the next contract for the LCC operator is completed to ensure that the contract fully aligns with the policies. Comments and notes from Board members regarding the draft included: 1) strengthening the description of the ex-officio treasurer to be more than just a consultant. 2) Drafting a cleaner definition on when board approval is needed to utilize reserves. 3) Clarifying when RCW's are the driver of the policy language. 4) Include that the LPFD credit card balance will be paid in full each month to avoid interest charges. 5) Include that the Board Chair and Treasurer will be involved in investment decisions.

In order to stay on track with the agenda, the draft sponsorship policies were not reviewed.

G. FINANCIAL REPORTING AND 2022 DASHBOARDS

Chair Reyes discussed the importance of the Board having reports that give them needed financial oversight of the PFD, as well as the importance of the Board unanimously giving, clear direction to the staff on what is needed for appropriate decision making. ED Pope provided history on recent reporting for both accrual and cash reports and the expressed challenges that reports do not tie together given the different accounting methods, and that some reports logistically must be delayed in order to allow for reconciliation in the accounting system for accurate information. She stated that, in addition to the current accrual based quarterly reporting, she would like to move to an easier to read dashboard system for the reports with metrics of financial security measured against a mutually agreed baseline to aid in financial related information and decisions.

Board Member Webster discussed his request for a report of only regular operational income and expense across all the business lines for the LPFD. His preference would not include grant income such as the Dept. of Ecology grants that pay for the ongoing soil remediation studies, master planning activities and other consultant work. Board Member Webster stated he appreciates seeing the cash in and out across the months of the year. Board Member Miller agreed this could be valuable.

Secretary Walker stated that he prefers accrual reporting and would like to see added a profit and loss report with a yearly column added.

Vice Chair Nordby suggested the difficulties of cash reporting is that any discrepancies can typically be responded to as related to timing.

FA Cain discussed his closing process and said that if the board didn't mind receiving the cash report on the day of the board meeting, he could meet the timing of the request.

Treasurer Meyer noted that the city also has a two-month lag in timing for closing the monthly books due to accurate reconciling. She also noted that the cash reports are not compliant with generally accepted accounting principles (GAAP) because they must be generated by hand and do not come out of the accounting system.

Secretary Walker suggested that staff continue with the reports as they have been with the exception that we take out the Dept. of Ecology grant income from the current cash report. ED Pope stated we could move forward with a yearly P & L in the new year.

Due to time constraints, sample dashboards were not presented.

H. 2022 BUDGET ASSUMPTIONS

Except for a brief introduction while awaiting the afternoon session by FA Cain, the budget assumptions discussion was tabled until the next meeting due to time constraints.

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I. ED & BOARD EVALUATION POLICY

This conversation was tabled for a later date due to time constraints.

J. EXECUTIVE SESSION

The Board went into Executive Session at 12:36 pm for 10 minutes as authorized by RCW42.30.110(1) (i) to discuss with legal counsel representing the agency. The executive session was adjourned at 12:43 p.m. and the regular meeting was reconvened at 12:43 p.m.

K. LUNCH ADJOURNMENT & RECONVENE

Meeting adjourned at 12:44 p.m for lunch to reconvene at 1:30. The meeting reconvened at 1:32 to go into Executive Session. While awaiting the arrival of JLL guests, FA Cain briefly presented the first slide of the Budget Overview power point which will be shared again at the Nov. 2nd meeting.

L. EXECUTIVE SESSION

The Board went into Executive Session at 1:35 for 30 minutes as authorized by RCW 42.30.110 (1)(d) to review negotiations on a publicly bid contract. The session was extended at 2:02 for 15 minutes and at 2:18 for 10 minutes. The regular meeting was reconvened at 2:32 pm.

M. OVERVIEW OF MASTER PLANNING RESEARCH

Greg Whitney of JLL was introduced to the full board as the development consultant from JLL for the master plan, along with Francesca Howard for real estate and Dan Fenton for the Convention Center who had met the board previously. Greg presented an overview of the market research/survey that he had completed for the entire Plaza lot and presented to the Master Planning committee in September. His research indicated that housing would be a strong use for the property, with a mix of retail aimed at directly supporting the hospitality/tourism needs for the LCC and Lynnwood. Class A office space could be a potential fit as it currently does not exist in Lynnwood. Further research is needed regarding a potential hotel site. Parking structures should be adaptable to reflect a time when cars are not as essential for transportation to the site.

Dan Fenton presented highlights of his upcoming Nov. 10th presentation to the Master Planning Committee which will include market research for expanding the LCC in coordination with LMN architects who have already invested considerable research on the property. His data will include comparisons to other markets and sizes of convention centers and best analysis on the industry recovering from the Covid Pandemic.

Board Member Webster noted the previous visioning exercise that had recommended an expansion of the LCC to include an exhibit hall and/or other multipurpose space. Dan shared that the convention industry is evolving to reflect the idea that convention centers become much more flexible as a multipurpose community asset to include sports, entertainment and other events beyond the typical convention experience.

N. ADJOURNMENT

ED Pope expressed thanks for everyone for the long day and reflected on what had been

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achieved during the day and the past year. Chair Reyes also expressed her thanks. The meeting was adjourned at 3:07 pm.

 11.2.21

Rosario Reyes, Chair Board Member