

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
February 4, 2020

A. CALL TO ORDER

The meeting of the Lynnwood Public Facilities District was called to order at 6:00 p.m. by Board Chair Wally Webster II at the Lynnwood PFD Conference Room.

B. Board Members Present

Wally Webster II, Chair
Taylor Nordby, Vice Chair (via phone)
Shawn Walker, Secretary
Rosario Reyes (excused absence)
Loren Simmonds
Sonja Springer, ex-officio Treasurer

Others

Grant Dull, PFD Executive Director
Judy Powell, PFD Finance Analyst
Matt Hendricks, PFD Attorney
Sara Blayne, LCC General Manager
Council Member Ian Cotton
David Kleitsch, City of Lynnwood
Tracey Morrison, LCC Finance Director

C. AGENDA

Board Member Simmonds moved, seconded by Board Member Walker, to approve the Agenda as amended, to move Business Item 5 – Status of Executive Director Search, to the beginning. Motion passed, unanimously.

D. MINUTES

Board Member Walker moved, seconded by Board Member Simmonds, to approve the January 7 and 21, 2020 minutes as presented. Motion passed, unanimously.

E. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

None

F. CONSENT AGENDA

Board Member Walker moved, seconded by Board Member Simmonds, to approve the Accounts Payable Report in the amount of \$172,998.78. Motion passed, unanimously.

G. BUSINESS ITEMS

1. STATUS OF EXECUTIVE DIRECTOR SEARCH

Bill McDonald with Prothman, called in to the meeting to give the Board an update on the Executive Director search. There are currently several qualified candidates. The job post closes February 16 and the Board will discuss semi-finalists at the March 10th Board Meeting.

2. 2019 YEAR-END FINANCIAL REPORT

FA Powell presented the financial statements for year-end 2019. Net income for 2019 was \$2,091,278 (after depreciation); the budget projected net income of \$1,685,903. The Convention Center had an operating income of \$8,783; Convention Plaza net income was \$691,852; and PFD office expenses were \$643,401. The PFD's annual net income has grown dramatically since 2008 but dipped slightly in 2019 from 2018.

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All projects that were approved for 2019 have been completed except for the emergency hot water heater and the CEC canopy. The hot water project is underway, and the CEC canopy has been postponed.

3. CONVENTION CENTER REPORT

GM Blayne proved an overview of business for 2019:

- The LCC had a net income of \$8,783.
- Guest feedback surveys scored an average of 4.8 without parking. Food and Beverage Quality scored a 4.7. Audio Visual scored a 4.7.
- The Convention Center generated an estimated 21,833 room nights and approximately \$20.5 million in direct and indirect economic impact.

4. SMG 2019 GOALS REPORT

GM Blayne presented SMG's Goals Report that were assigned by the Board to SMG. Ten percent of SMG's annual incentive fee of \$120,000 is based on SMG's ability to complete these goals and objectives.

5. CONSULTANT FOR CONVENTION CENTER MANAGEMENT RFP

The current contract for the management of the LCC expires at the end of 2020 and can only be extended for a nominal amount of time. John Christison, the former manager of the Seattle Convention Center and a long-time convention center management consultant, is prepared to help the Board issue an RFP and award a new contract to manage the LCC.

Motion made by Board Member Shawn Walker, seconded by Board Member Loren Simmonds, to authorize the Executive Director to execute a consulting agreement with John Christison pertaining to the Convention Center Management RFP process not to exceed \$15,000. Motion passed, unanimously.

6. HRA – HEALTH REIMBURSEMENT ARRANGEMENT

An HRA gives PFD employees a way to provide for medical bills, including retiree insurance premiums. Many local cities have established HRA plans for their employees; City of Lynnwood is in the process of establishing such a program for non-represented employees. The Plan allows PFD employees, upon retirement, to transfer their unused sick and vacation leave to an HRA. The employee pays no income tax on this transfer and the employer pays no FICA tax on the transfer.

Motion made by Board Member Shawn Walker, seconded by Board Member Simmonds, to adopt Resolution 20-01 authorizing the adoption of a Health Reimbursement Arrangement (HRA) Plan. Motion passed, unanimously.

H. EXECUTIVE DIRECTOR REPORT

The Snohomish County PFD held its first quarter meeting on January 23. Interlocal agreements distributing sales tax funds for the years 2027 – 2041 are pending with the cities of Everett, Edmonds and Lynnwood. The agreement for the Future of Flight has been executed. Two of the five positions are currently vacant, and two of the remaining three board members hope to step down later this year. The Board is therefore seeking four new members. Tier 2

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payments to the Lynnwood PFD, to be made in 2020 will total \$265,130. This is larger than the \$209,133 amount the Lynnwood PFD has in its 2020 budget. Snohomish County sales tax receipts were up 11.1% from a year earlier.

I. OLD BUSINESS/NEW BUSINESS

None

J. EXECUTIVE SESSION

None

ADJOURN

Meeting adjourned at 7:48 pm.

Wally Webster II, Chair Board Member