

**WSCC PFD Board Strategic Planning Retreat  
October 29-30, 2019**

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Washington State Convention Center Public Facilities District  
Board of Directors Strategic Planning Retreat  
October 29-30, 2019  
The Westin Seattle, 1900 Fifth Avenue, Seattle, WA 98101

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**Tuesday, October 30, 2019, 8:30 a.m. to 4:00 p.m.**

In attendance:

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Frank K. Finneran	Chairman, WSCC PFD Board of Directors
Deryl Brown-Archie	Vice-Chair, WSCC PFD Board of Directors
Robert Flowers	Director, WSCC PFD Board of Directors
Susana Gonzalez-Murillo	Director, WSCC PFD Board of Directors
Nicole Grant	Director, WSCC PFD Board of Directors
Jerry Hillis	Director, WSCC PFD Board of Directors
J. Terry McLaughlin	Director, WSCC PFD Board of Directors
Denise Moriguchi	Director, WSCC PFD Board of Directors
Craig Schafer	Director, WSCC PFD Board of Directors
Jeffrey A. Blosser	President & CEO, WSCC PFD
Linda Willanger	Vice President – Administration / A.G.M, WSCC PFD
Jon Houg	Vice President – Operations, WSCC PFD
Chip Firth	Chief Financial Officer, WSCC PFD
Michael McQuade	Director of Sales, WSCC PFD
Krista Daniel	Director of Event Services, WSCC PFD
Paul Smith	Director of Information Systems, WSCC PFD
Shannon Leahy	Director of Security & Public Safety, WSCC PFD
David Cononetz	Acting Director of Operations, WSCC PFD
Daniel Johnson	Administrative Services Manager, WSCC PFD
Lorrie Starkweather	Assistant to the President, WSCC PFD
Michael Murphy	Project Coordinator, WSCC PFD
Loni Syltebo	Communications Specialist, WSCC PFD
Matthew Hendricks	General Counsel to WSCC, Hendricks & Bennett
David Dolquist	Executive General Manager, ARAMARK
Keith Hedrick	General Manager, ARAMARK
Rebecca Bogard	Government Affairs Consultant, Bogard & Johnson LLC
Fred Eoff	Financial Consultant, Public Financial Management, LLC
Tom Norwalk	President & CEO, Visit Seattle
Ali Daniels	SVP / Chief Marketing Officer, Visit Seattle
David Blandford	Vice President – Communications, Visit Seattle
Patrick Smyton	Senior Director - Convention Strategy, Visit Seattle
Kris Cromwell	Vice President – Finance, Visit Seattle
Troy Anderson	Director of Sales, Visit Seattle
Kaulani (Ui) Robinson	Director of Public Relations, Visit Seattle
Mellie Lutz	Director of Marketing, Visit Seattle
Matt Rosauer	Pine Street Group

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*For Discussion Purposes*

Jane Lewis	Pine Street Group	
Arnetta Libby	Pine Street Group	
Margery Aronson	WSCC Addition Art Advisor	
Riisa Conklin	Executive Director, Freeway Park Association	
Steve Mattson	Senior Vice President, Oak View Group Facilities	
Zack Peggins	Community Outreach Coordinator, Oak View Group Facilities	(Lunch)
Rebekkah Sant	Technical Supervisor, PSAV at The Westin Seattle	
Erika Johnson	Pine Street Group	(Lunch)
Crystal Ng	Pine Street Group	(Lunch)
Jason Foley	Pine Street Group	(Lunch)
Kyle Acheson	Pine Street Group	(Lunch)
Zack Clements	Pine Street Group	(Lunch)
Webb Miller	Pine Street Group	(Lunch)
Mark Leahy	Pine Street Group	(Lunch)
Brenda Baxter	Pine Street Group	(Lunch)
Lester Brown	Pine Street Group	(Lunch)
Ashley Lippincott	Pine Street Group	(Lunch)

A. Chairman’s Welcome

Board Chairman Frank Finneran welcomed attendees to the WSCC PFD Board of Directors Strategic Planning Meeting and provided an overview of the schedule and agenda. The Chairman reminded the group that as a quorum of Directors were in attendance, the meeting is considered a “special meeting” under the Open Public Meetings Act.

- Review Mission and Vision

The WSCC Mission Statement, the Board of Directors Values, the staff service vision from the Quality Service (QSP), and the staff service promise were taken under review by the Board of Directors during this meeting. Mr. Finneran stated that the WSCC service vision and service promise have served us well over the past 31 years and the staff works hard and goes the extra mile to ensure they hit the mark with the service vision and service promise to meet the high expectations they have been tasked with. The Chairman advised that at the request of the Board at last year’s Retreat meeting, a “safety” statement was added to the Board of Director Values which reads “Provide a safe environment throughout the Center for clients, guests, and staff.” No further revisions requested at this meeting.

B. Marketing Committee Report (Mr. Craig Schafer, Chair)

Mr. Schafer advised that the Marketing Committee met on October 9<sup>th</sup> and discussed with Visit Seattle and WSCC Sales Teams their 2020 plans and goals, to be presented to the Board today. Also reviewed were the Committee’s 2020 Operating Goals which were approved by the Marketing Committee, to be approved by the full Board in November.

- Visit Seattle 2019 Highlights

Mr. Norwalk, in company with Ms. Daniels, Mr. Anderson and Mr. Smyton, provided updates on the 2019 highlights for Visit Seattle, including a look at 2019 Scope of Work Forecast as at 10/30/2019, 2019 Meetings & Conventions Coverage, 2019 Destination Coverage, WSCC Media Relations, Global Meetings Industry Day (GMID), Convention Trade Media Coverage – 2019 to date, and 2019 Public Affairs and 2019 Sales update. Mr. Norwalk advised that overall, the 2019 performance has been softer than was envisioned. A revised 2019 group goal was presented to Mr. Schafer and the Marketing Committee earlier this year as a result of the construction milestones. When the Visit Seattle 2019 performance goals were set for the sales team in 2018,

it was anticipated that we'd be confirming business in the Summit from March 2022 on. Although it is understood that construction is what it is, and with now selling to the June 22, 2022 date and beyond, this change in dates does eliminate several months that are very productive months. Visit Seattle has taken that opportunity to reduce the 2019 room night goal by approximately 30,000 rooms. Mr. Norwalk advised that not surprisingly, there are a number of groups in that window of time from March 2022 onwards that do want to be in Seattle and do want to be in the Summit. The Sales teams have managed to convince a number of these groups to hang in with us and see how construction goes, in the event of a potentially earlier opening date. To recap, that the 2019 goal has been reduced by 30,000 rooms with the understanding that if we are able to get those groups in to the Summit, then that goal goes back up as does the sales productivity. Mr. Norwalk stated that the actual business being consumed this year in the building is very good, just slightly below total room nights on the current forecast combined. In terms of delegate spending and revenue in the building, Visit Seattle is looking to report a very solid year. Mr. Flowers asked if the reduction in the 30,000 room nights was hitting the 2019 or 2020 budget, and Mr. Norwalk replied the 2019 Budget and that it is just a revised goal for 2019. Mr. Flowers asked Mr. Blosser if this amount is reflected in the budget, and Mr. Blosser replied that it was not as it would be for future business.

Mr. Smyton provided an update on Market Trends and the select competitive set information. Discussion occurred on the progress regarding Seattle's short-term rental growth and the need for the City's process with respect to enforcement of the rules regarding these rental units, along with the "Under 60 rooms" businesses where it relates to the collection of room taxes.

Ms. Daniels provided an update on 2019 Marketing highlights including 2019 Media Partners, brand awareness with respect to Summit creative ad suite, in-house creative ad suite and targeted email communications. Ms. Daniels updated the Board on the SEAforSHE program (Seattle's Women-Owned Businesses) and the marketing campaign "Women-Owned Businesses to Explore in Seattle." An update on Meetings & Conventions Tools was presented regarding Smart Meetings Insert and a Visit Seattle wayfinding APP and an augmented reality APP.

Mr. Blandford provided an update on the Prolific Offender Reports and ongoing policy initiatives within the region, along with Public Affairs highlights for 2019. Ms. Grant advised that the topic of the prolific offenders situation has been discussed at the Government Affairs Committee, and that she feels that one of the factors to be considered is that the emergency responders (police, fire fighters, ambulance) are underfunded, understaffed, and significantly impacted with the additional time over and above their regular duties that is being focused on the prolific offenders, homelessness and transiency issues in the region, and that WSCC should support the city in making decisions that prioritize those workers to ensure they are resourced to do what they need to do. Ms. Grant advised she is also concerned with the constant negative messaging surrounding crime in the city that people across the country are hearing about Seattle as a destination. Seattle is an awesome city; not as horrific as it's being made to appear in these messages. It is not good press for the people and families who live and work in Seattle. Ms. Grant stated there is a need for positive messaging to assist with bringing in the visitors, and that Seattle is one of the most powerful dynamic economies in the world, with lots of growth and a great cultural scene. Mr. Norwalk agreed with Ms. Grant on firefighters, on police, on support, on funding, and with regards to the messaging concern, Visit Seattle – as an organization – are trying to provide support with data and marketing. Mr. Norwalk advised that Visit Seattle would attempt to take a softer stance with the messaging surrounding prolific offenders, however this is the number one issue for businesses (small & large), hospitality industry and for tourism across the country. Substantial discussion occurred regarding the need for increased efforts from City Council and the City of Seattle to address the concerns of the

downtown businesses, residents, and visitors to the city, with regards to safety, civility, and the prolific offender situation, and ways that WSCC and Visit Seattle can assist in these initiatives.

Mr. Finneran advised that the Board could spend much more time discussing this particular issue and asked if the Board felt there was a place on the agenda so that the conversation could be expanded. Mr. McLaughlin stated that this has been one of the major priorities of the Long-Range Planning Committee and a topic of discussion at each meeting. Mr. McLaughlin stated that a lot of good words have been said all the way around the room today, and this is an intractable problem but WSCC will continue to make it a point of emphasis and review as part of our agenda as an organization within the context of the Long-Range Planning Committee. Mr. Schafer stated that, as was mentioned by Ms. Brown-Archie, with the new councilmembers taking office in January and WSCC building relationships with them, that this relationship building is extremely important as we strive together to cause change as it is leadership from City Hall that we need in order to feel like we can work together in a much closer environment.

- Visit Seattle 2020 Metrics & Scope of Work and Goals

Mr. Norwalk reported on the draft Scope of Work and draft 2020 Goals, advising that the goal is still a work in progress. Visit Seattle will continue to work on the goals over the next month or so in terms of how 2019 is finishing relative to what their goal will be for 2020. Mr. Norwalk advised that most of the business on the books for 2020, consumed coming into the building, looks very good and from a revenue standpoint, 2020 is looking to be another solid year. From a booking productivity standpoint, Mr. Norwalk advised that the teams are trying to get the right mix of business and as they are able to work around construction milestones, that could definitely impact not only the goal but certainly the performance that we are expecting. Mr. Norwalk extended thanks to the Board and WSCC for their continued support this year.

- WSCC 2020 Sales Goals and WSCC 2020 Marketing Strategies

Mr. McQuade reported on the proposed Scope of Work for WSCC Sales staff for fiscal year 2020 and provided an overview of the current Sales team and their roles. Mr. McQuade looks forward to the continued efforts of the WSCC and Visit Seattle sales teams as we work to sell both buildings and the opening of Summit.

Ms. Willanger reported on the WSCC Marketing and Communications Plan for fiscal year 2020 and provided an overview/update on each of the goals; Rebrand Project, Websites, Social Media, Food and Beverage, Creating the 2019 Annual Report, Assist in Internal/External Outreach Activities, Client Communications & Events, Periodic Messaging / PR / Media Relations. Addition Project for Summit, and Managing Internal Transition.

- Addition Marketing and Sales Blueprint

Ms. Willanger advised that the 5-year Strategic Blueprint for Summit Sales & Marketing continues to be updated as necessary and encompasses the focus of most work for WSCC and Visit Seattle teams.

Mr. Schafer advised that the Marketing Committee had also reviewed the 2020 draft Committee Operating Goals and are in agreement with the goals to be presented by Mr. Blosser later today. The 2020 Visit Seattle Scope of Work & Goals and the 2020 WSCC Sales Plan and 2020 WSCC Marketing & Communications Plan will be presented for approval by the Board at the November or December regular Board meeting.

C. Facility Committee (Mr. Jerry Hillis, Chair)

Mr. Hillis reported that the Facility Committee met on October 9<sup>th</sup> and reviewed the progress on the 2019 Capital Projects Plan, which is on track except for two items which have been delayed until 2020 which are: the I5 tunnel light controls project, moved by WSDOT to 2020; and the signage program which also will be moved and completed in 2020. The Committee reviewed the 2020 list

of capital projects, as well, which were provided to the Board in their packets. Mr. Hillis requested Mr. Houg and Mr. Cononetz to provide an update report on the 2019 Capital Projects Plan.

- 2019 Unrestricted Reserve Projects

Mr. Blosser advised that we are doing very well to have most projects completed by the end of the year. The Parking Equipment replacement is running over budget due to the need to upgrade the electrical wiring, fiber connections and switches which we did not know until the project got underway. The overages will be covered by other project savings and not go over the total approved budget. Two projects were delayed and will be moved into 2020 which are the WSDOT Lighting Project and the Exterior Signage Program. The Level One renovations of Studio 10 (Moby's Restaurant) are complete, and the renovations of Studio 14 (former Salon) are on track to be completed in November. Furniture for these locations will be delivered in late November/early December as both projects are ahead of schedule. Mr. Blosser advised there were a couple of emergency projects added during the year; one at the North Hand-Carried Freight area caused by one of the tenants to a sewer line that needed to be replaced; and then the Freight Elevator for the kitchen stopped working and needed to be fixed immediately for event issues. Both projects again will be funded out of other project savings and will not go over the approved 2019 Capital Budget.

- 2020 Capital Program

Mr. Blosser reported that a substantial amount of the Capital Projects work is being done by WSCC staff as opposed to being contracted out. Mr. Cononetz manages a skilled team and we are fortunate to be able to do a majority of the work inhouse which helps with project costs. Mr. Hillis advised that WSCC is fortunate to have Mr. Houg and Mr. Cononetz working this program. They do an amazing job with all the projects that are being managed here and staying within budget and getting projects done on time is no easy task. We should all appreciate the talent that we have here at WSCC.

Mr. Cononetz and Mr. Houg provided an overview of the 2020 Capital Program: Life Cycle / Plant Projects which include Project Management, Siemens BAC Panel Replacement, Upgrade Lighting in Exhibit Halls, Security/Garage Camera Replacement (plus Sensors), Door and Glass Replacements, Garage Re-Stripe & Marks Painting, Escalator Hand-Rail Replacement, among other items. Mr. Finneran requested that more detailed information be included in the project list to itemize replacements, repairs, new items, etc., to give a better understanding of what the particular project entails, for example the heat pump replacements. Mr. Cononetz advised that some of the items on the project list are at or nearing the end of their 30-year life expectancies. Mr. Blosser advised that a companion piece can be created to provide explanations with the Project document. Mr. Houg spoke to Building Enhancements which include Current Facility Architect / Design Work Consultant, North Pike Street Glass Canopy, General Retail Space T1 / Shell, and Front of House Signage Augmentation; Furniture, Fixtures, Equipment (FF&E) which includes Information Technology / Systems, Custodial Department, Set-Up Department, Administration Office Chairs, Administration Cubicle Add/Reconfiguration. 2019 Projects Carry Forward includes the WSDOT Freeway Lighting Work, Exterior Signage Replacement / Name Change, and Wayfinding Design Work. Mr. Houg advised that these items are currently what is being looked at for 2020 and there may be minor modifications to this list.

- 5-Year Plan

Mr. Houg provided a review of the 5-Year Plan Capital Improvement Plan, and stated it is associated with current 2019 year ending and out to 2023. The 5-Year Plan is informed from the 20-Year Plan that was first completed in 2018. It is our practice, habit and responsibility to revisit that 20-Year Plan at least on an annual basis to identify any further projects that need to be added to it. From that 20-Year Plan we identified Life Cycle Replacement items, Building Enhancement items, Furniture / Fixtures / Equipment items and any Carry Forward items to be

included and added to the year when we update the Board for the next 5-year cycle. The first pre-submittal walk through was just conducted mid-October. It is anticipated that an architect/design team will be selected by the end of 2019 and then begin the planning process. Mr. Blosser hopes to see the early design images next year. Mr. Hillis advised that there are some constraints due to budget amounts available to do the types of improvements we want for the Arch, and that will have to be conveyed to the architect so they don't get too far out from what they think we might need versus what it is we can do. Mr. Hillis stated that it may be a phased program because of the budget constraints. Ms. Grant asked if any fundraising has been considered, similar to what was done for T-Mobile Park, Key Arena, etc. Mr. Blosser explained that some of these details are contained in the RFQ document. Mr. Finneran added an observation that we have a legislative effort to recapture to some sales tax and if that gets orchestrated properly and a repayment schedule is one that we can deal with, that would go along way to start the work necessary for the existing building. For the years 2021 through 2023, Mr. Blosser explained that the projects are listed to provide an estimate for those years, and then the years will be revised and finalized each budget cycle for the projects. The 20-Year Plan helps to advise that effort.

- Scope of Work for Arch Building Renovations

Mr. Hillis advised that the Arch Building Revitalization Master Plan RFQ Attachment "C" was included in the Board packets for the information purposes.

Mr. Blosser will be bringing the 2020 Capital Projects to the Board for approval at the November meeting.

Mr. Hillis advised that the Facility Committee had reviewed and approved the 2020 Operating Goals and the 2020 Capital Projects which will brought to the Board for approval at the November 26, 2019 Regular Board meeting.

D. Ms. Riisa Conklin, Executive Director – Freeway Park Association

Ms. Conklin presented an update on the on-going programming at Freeway Park and plans for Freeway Park renovations. An opportunity for Q&A was provided.

E. Mr. Steve Mattsen, Senior Vice President – Oak View Group Facilities

A lunch break commenced at 12:00 p.m. A presentation was provided by Mr. Steve Mattson, Senior Vice President, Oak View Group Facilities. Mr. Mattsen provided a presentation of the Key Arena renovations, the new practice arena at Northgate and a review of Seattle's NHL Hockey Team. There was an opportunity for Q&A at the conclusion.

F. Government Affairs Committee (Mr. Deryl Brown-Archie, Chair)

Ms. Brown-Archie advised the Government Affairs Committee met on October 15 and were provided a report by the Lobbyist on activities happening at the City, County and State levels. The Committee discussed the City Council and County Council electoral races and potential impacts or issues needing the Committee's attention. Ms. Brown-Archie advised that as the Construction Sales Tax payment deferral for the Addition Project bill is still alive in the legislature, the Committee directed staff to review last year's bill language for any necessary changes and to ascertain how much the projected deferral amounts would be. The Government Affairs Committee will review this information and make recommendations as to direction.

Ms. Brown-Archie reported that the Committee reviewed the 2020 Operating Goals for the committee and staff were requested to add an item to Goal #1 "to schedule briefings with City and County Councils through their committee structure to discuss and educate them on WSCC business needs, with Visit Seattle as needed, so they better understand our business and hospitality industry." This revised goal was approved by the Committee along with the 2020 Operating Goals.

G. Long-Range Planning Committee (Mr. Terry McLaughlin, Chair)

Mr. McLaughlin advised that the Long-Range Planning Committee met on October 22<sup>nd</sup> and discussed and approved the 2020 Operating Goals. Succession planning and 2020 Board appointment process was discussed as there are four (4) appointments next year for terms expiring July 30, 2020. The Board Prospectus document was also reviewed and updated. The Committee discussed at length WSCC staff's planning process for the new organizational structure related to operating both buildings, the timing for hires in 2020 and 2021, and how this process will be completed. The Board will see the proposed WSCC organizational chart in December. Mr. McLaughlin advised that the Committee discussed the RFQ process and timing for the Arch renovations, design and master planning process. Proposals are due in November with interviews of potential firms taking place in early December.

H. Finance Committee (Mr. Bob Flowers, Chair)

Mr. Flowers advised that the Finance Committee met on October 17<sup>th</sup> and reviewed the 3<sup>rd</sup> Quarter WSCC Investment Fund with WSCC's consultants, Government Portfolio Advisors. Interest rates have dropped over the last few months which is helpful for future financing, but less interest revenue potential. The Committee reviewed the September Operating Financial Statement. September was a very good month and has put us back on track to meet or exceed budget projections for 2019. The 2029 Operating Goals were also reviewed and approved by the Finance Committee.

- **Property & Liability Insurance:**

Mr. Flowers provided an update on WSCC Property Coverage, WSCC Liability Coverage and WSCC Special Coverages, and advised that the anticipated changes have been included in the draft 2020 Operating Budget.

- **State Auditor – Update:**

Mr. Flowers reported that the Finance Committee met with the State Auditors who are currently performing an independent accountability audit of WSCC PFD in accordance with provisions of Chapter 43.09 RCW, for the period January 1, 2018 through December 31, 2015. Once complete, the State Auditors will schedule an Exit conference with members of the Board, possibly to be held in November or December.

- **Proposed Operating Budget for Fiscal Year 2020**

Mr. Flowers advised that the Finance Committee had reviewed the first draft of the 2020 Fiscal Year Budget. There are some Summit costs associated with the 2020 budget related to sales and event needs. Staff was directed to create a 2020 Summit Opening Budget along with the 2020 Operating Budget in order that the Committee could review each document. The 2020 Operating Budget will be presented to the Board in November or December for approval.

I. Committee Highlights

Board Committee Chairs presented committee highlights of 2019 scope of work/goals.

- **Outreach Committee (Ms. Denise Moriguchi, Chair)**

Ms. Moriguchi reported that the Outreach Committee met on October 10 and approved minutes for the July 15<sup>th</sup> Committee meeting and reviewed the status of progress on the Addition Project goals. The Board-approved Addition Project WMBE goal is \$80 Million and currently we are tracking very well for all participation levels for the project at \$94.7 Million.

The Committee reviewed the website reporting for design and content and approved it for release in November. Ms. Moriguchi advised the Committee had also agreed to add “paid to date” and “start date” columns for reporting of the contractors.

Support for the Tabor 100 project was discussed and the Committee is in favor of a scholarship program in the hospitality industry to bring value to WSCC for the one-time \$10,000 financial support. This will help build the hospitality workforce and is in keeping with WSCC’s internship and training programs.

Ms. Moriguchi advised that Clark|Lewis continues to focus on workforce development and outreach for subcontractors and for adding to the apprenticeship program. Clark|Lewis is also encouraging subcontractors to look for WMBE firms to fulfill contracting needs.

The Outreach Committee reviewed and approved the draft 2020 Operating Goals, to be approved by the Board in November.

- Art Committee (Ms. Susana Gonzalez-Murillo, Chair)

Ms. Gonzalez-Murillo, on behalf of the Art Committee, extended her thanks to Mr. Blosser, Ms. Willanger, Mr. Johnson, Ms. Cross and Ms. Starkweather for their support for all the Art meetings, and to our consultants for their work with the art initiatives of Arch and Summit.

The Art Committee met on October 15<sup>th</sup> and reviewed progress towards meeting the 2019 Operating Goals and feel confident that all Art goals and initiatives are on track as of Q3 and moving forward. Ms. Gonzalez-Murillo advised that the process for reappointing WSCC Art Foundation Board Members whose terms are expiring has begun and will be recommended by the Art Committee to the WSCC Board for approval by resolution at the November Board meeting. The Art Foundation will be meeting in November to discuss any potential interest in an artwork at Summit by some means, be it on loan, a commissioned piece, or a gift. An update will be provided once more info is available.

Art Committee members have participated, along with WSCC staff, at monthly meetings of the Addition Art Advisors. As well, the Board members and staff have participated in various art planning panels, specifically for the Concept / Design Approval for 2-D and 3-D Artworks for the Summit Interior Art Locations. The Art Committee reviewed the location categories and building art plan with Ms. Lewis, Ms. McClure and Ms. Aronson and approve the direction this is headed. This approval allows PSG to move forward to set construction plans for art wall backing support and lights to showcase these future art locations.

Ms. Gonzalez-Murillo advised that the Art Committee received an update on the work towards the Marketing Signature Artwork with the Chihuly Studio and is impressed with the progress and the drafting work underway for the agreement.

The Board may remember approving the Art Walk-Ups for conceptual approval on May 28, 2019. Ms. Gonzalez-Murillo reported that due to the integrated nature of construction for these artistic envelopes around the exterior retail spaces and one wall, on October 15<sup>th</sup> the Art Committee made final concept approval to allow the PSG team to move forward with the work, and she wanted to advise the full Board of the Art Committee’s action. Ms. Lewis had provided an overview of the artists update yesterday during the first day of the Retreat. The approved artists are Robert Hardgrave (Yellow box), Maki Tamura (Blue box), Ulises Mariscal (Pink box), and Satpreet Kahlon (Green wall).

The Art Committee reviewed and approved the draft 2020 Operating Goals for the Committee, to be approved by the full Board in November.

- Benefits Committee (Mr. Terry McLaughlin, Benefits Liaison)

Mr. McLaughlin advised that the role of the Benefits Liaison is to oversee the staff’s activities in the development and maintenance of a staff benefits program for the non-represented



employees. To date, the Benefits Committee has met 4 times in 2019 to review quarterly market and performance reports, cash flow reports, equity fund/bond fund, and retirement plan analytics. On October 16<sup>th</sup>, the Benefits Committee met to discuss the health benefits renewal for 2020. The Association of Washington Cities (AWC) has informed us that our plans will be subject to the following rate increases: Regence 0%; Kaiser Permanente 1.9%. There will be no increase in the dental, life insurance and vision coverage. WSCC has been a member of AWC benefits program for 7 years now as a PFD. These are excellent rates and remind us that as a PFD, our ability to be in a large pool with AWC provides us substantial savings. Mr. McLaughlin provided the Board with more details regarding the proposal for 2020 and advised that the overall increase with these changes will reflect in a blended 0.55% increase.

Mr. McLaughlin advised that the Committee also discussed the changes made to the administration of hardship distributions under the employees' retirement plans made by the Bipartisan Budget Act of 2018 (HR 1892) (BBA) and regulations issued thereunder. The BBA includes one mandatory change which will eliminate the requirement that employee elective deferrals be suspended for six months following the election of a hardship withdrawal. The BBA also includes four other optional changes. The Committee is recommending approval of the mandatory and permissive provisions brought about by the BBA and will formally present to the Board at the November 26<sup>th</sup> meeting for approval.

J. Operating Goals Progress Report for 2019 & Draft Goals for 2020

- Review 2019 Operating Goal Performance

Mr. Blosser advised that action taken on the 2019 Operating Goals to date, except as outlined in the reports for Capital Projects and Exterior Signage work, will meet or exceed the benchmark that had been set for these goals, and thanked staff for their efforts to achieve these results. Finalization of the 2019 Operating Goals to occur upon the closing of the year end financials in January and will be brought before the Board for approval at the January board meeting.

- Preview of "Draft" Operating Goals Proposed for FY 2020

A draft set of Operating Goals for 2020 was included in the Board packets for review.

Mr. Blosser provided an overview of the 2020 goals as listed in the Board packet. The 2020 Capital Projects will be brought to the Board for approval in November.

Favorable dialogue occurred on the goals as drafted. Mr. Blosser advised the proposed 2020 Operating Goals will be brought to the Board for approval at the regular board meeting in November.

K. Chairman's Wrap-Up Discussion

- Discussion of Retreat Issues and Strategies

The Chairman thanked Board members for their contributions and requested that suggestions or comments regarding the retreat be forwarded to Mr. Blosser or Ms. Starkweather. A questionnaire/evaluation form was distributed to the Board members for feedback.

- 2020 Board Meeting Dates

A draft schedule of 2020 Board meeting dates was distributed to the Board for review. Board members will be asked to approve a meeting schedule for 2020 at the Regular November 26, 2019 Board meeting.

L. Adjournment

The meeting was adjourned at 2:25 p.m.