

MINUTES

Edmonds Public Facilities District Board of Directors Virtual Online Meeting January 27, 2022

The Edmonds Public Facilities District Board virtual meeting convened at 7:33 a.m. via Zoom.

EPFD Board Members Present

David Brewster, President
Ray Liaw, Vice President
Robert White

EPFD Board Members Absent

Suzy Maloney
Bill Willcock

ECA Board Members Present

David Schaefer, President

ECA Staff Present

Gillian Jones, Associate Executive Director
Lori Meagher, Director of Finance & Operations
Liz Dawson, Director of Marketing & Business Dev.
Katherine Smith, Development Coordinator

City Staff Present

Dave Turley, Finance Director (Ex-Officio)

Other Guests Present

Susan Paine, City Council Liaison
Brian Thompson

1. Call to Order

Board President Brewster called the meeting to order.

2. Land Acknowledgement

Board Member White read the land acknowledgement statement.

3. Board President's Comments

- **Welcome Robert White, PFD Board Member**

Board President Brewster welcomed PFD Board Member Robert White and Board Member White described his background.

- **Welcome Councilmember Susan Paine, PFD Board Liaison**

Board President Brewster welcomed City Council Liaison Susan Paine and Councilmember Paine described her background.

4. Consent Agenda

- **EPFD Board Meeting Minutes – December 2, 2021**
- **EPFD Disbursement Report – November and December 2021**

Board President Brewster advised the Disbursement Reports were reviewed and approved by the Admin & Finance Committee. The Admin & Finance Committee has rescheduled future meetings so they are able to review the disbursements sooner and the packet can go out earlier.

BOARD VP LIAW MOVED TO APPROVE THE CONSENT AGENDA. BOARD MEMBER WHITE SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

5. Old Business

- **Prior Action Items Review**

Ms. Meagher reviewed progress on action items from the previous meeting and identified outstanding items (see Action Items below).

- **January Staff Report – Questions/Comments?**

6. PFD Board Business - None

7. Inclusion & Accessibility, Education & Outreach

- **Equity Statement - Update**

Ms. Meagher reported the task force met and reviewed feedback from an external review of the proposed statement. As a result the task force is reevaluating the statement to make it more concise and shorter, considering “being” versus “becoming,” etc. Today’s packet includes a draft of the statement. The task force will meet again to consider the more consist version of the statement. She displayed the revised ECA equity statement.

Ms. Jones commented the additional feedback was very helpful, particularly from younger community members who were not necessarily represented in earlier feedback. Everyone is eager to finalize the statement and move forward with implementation.

Questions and discussion followed regarding when the statement will be presented to the EPFD Board for approval, recent revisions to the statement, appreciation for the brevity of the current draft, and the use of “being” versus “becoming.”

7. Finance, Facilities & Operations

- **Finance Reports – DRAFT December 2021**

Ms. Meagher reviewed the DRAFT December 2021 reports, anticipating finalized reports will be presented at the EPFD’s next meeting. She reviewed the Statement of Revenue, Expenses and Changes in Net Position (Income Statement), highlighting revenue variances for presented events, rentals, marketing, and contributions; and expense variances for payroll and benefits, facilities, and uncollectible accounts.

Ms. Meagher reviewed the Statement of Net Position (Balance Sheet), highlighting areas where adjustments will be made and advising a \$50,000 payment was made to the City in 2021 and \$100,000 is scheduled in 2022. Ms. Meagher reviewed the Financial Dashboard, highlighting the cash flow projection.

Questions and discussion followed regarding the reason for the difference between budget and actual for presented events and the reason for the difference in accrued interest on the balance sheet.

- **Monthly Cashflow Analysis, Projections**

Ms. Meagher explained this report was created by ECA Secretary/Treasurer Rick Canning. In lines 1-20, he used budgeted revenue to forecast 2022 and made assumptions in subsequent lines for ticket sales, timing of the ARF grant, payments on loan, solar panel grant (revenue and expenditure), use of Snohomish County LTAC to match solar panel grant, capital costs for upstairs offices and downstairs dressing rooms. She reviewed operational expenses, debt service projections, transfers to board designated fund, ending cash debt service balance, and ending cash all funds.

Board President Brewster commended ECA /Secretary Treasurer Canning for creating this report. Questions and discussion followed regarding learning more about the solar project, past use of the Snohomish County LTAC grant, concern with the cost of the solar project, and allowable uses of the Snohomish County LTAC grant.

- **Capital Revenue & Expense – 2021 Results, Future Projections**

Ms. Meagher referenced the Capital Debt Overview. Discussion followed regarding a suggestion for the board to review this every six months and the rationale for the projected sales tax growth rate.

- **New DRAFT “Board Designated Funds” Policy – Update**

Ms. Meagher explained this is related to setting aside funds for certain purposes and recognizing there may be events when those funds will be made available.

Board VP Liaw requested the language in the policy referring to Admin & Finance Committee approval in addition to EPFD Board approval be revised to reflect Admin & Finance Committee review and recommendation and approval by the EPFD Board as the board has not delegated any approval authority to committees. Board President Brewster offered to modify the language for review by the committee.

- **Cellular Lease Agreement/Process – Update**

Ms. Meagher reported this has been outsourced to a group in Edmonds that specializes in cellular leases. They are updating the agreement and lease and determining if there are any revenue stream opportunities.

- **Solar Project, Commerce Grant - Update**

Ms. Meagher reported there is a meeting today to discuss the scope of work and the budget. In response to earlier concerns with the cost of the project, she relayed the grant requires committing to buying all Washington-made products which increased the cost. She will clarify today the total cost with matching funds. The grant was awarded and the next steps are to sign the agreement for the grant.

Board VP Liaw said the price tag of this solar project, \$200,000 in grants with a total cost of close to \$500,000, was very concerning to her and she stressed the need for a business case for this project. She commended staff for obtaining the grant, but the board needs to look at it more closely. She recommended staff complete the paperwork on the grant, and make a presentation to the board that describes the business case, payback versus investment, etc. She also recommended at a future meeting the board discuss the threshold/trigger for EPFD Board approval of capital projects, noting this project should have required board approval. Board

President Brewster recommended establishing written policies regarding the threshold for EPFD Board approval of capital projects.

9. Executive Report / Steering Committee

- **Vision Process – Update**

Board President Brewster reported the Steering Committee is continuing to work on creating a revised vision statement and mission for the organization. The intent is to present it to both boards at some point for feedback and approval. The joint board retreat has been postponed because the vision documents are not complete.

- **Board Professional Development 2022**

- **Focus on Fundraising**

Ms. Jones reported the co-chairs of the Philanthropy Committee attended the Board Governance Committee meeting to discuss plans for board professional development in 2022. In response to a survey of both boards, the focus will be on development fundraising. The intent is to have professional development sessions at four ECA Board meetings. The first meeting will be an overview of ECA fundraising process, looking at current trends in philanthropy, and how equity and philanthropy interact. The draft proposal will be presented to the Philanthropy Committee at their next meeting for approval.

- **Joint Board Retreat – March 5 (Postponed)**

The retreat has been postponed and will be rescheduled.

- **Committee Reports**

- **Board Governance**

Board President Brewster explained the ECA committees provide biannual reports on their progress toward Strategic Business Plan goals. The slides in the packet are representative of the reports the committees provide the Steering Committee and ECA Board on a monthly basis.

- **Education/Outreach**

10. Philanthropy

- **FY 2021 – Preliminary Yearend Results**

Ms. Smith reported the 2021 yearend campaign was a great success; she thanked volunteers, board members and ECA staff for their support. She provided details on the yearend campaign including a comparison of 2021 to 2020 and 2019, and the projected total contributed revenue for 2021. She offered special thanks to Lisa Helber for coordinating handwritten thank you notes to all the yearend campaign donors. Board President Brewster thanked all the generous donors.

- **Fall Campaign Results**

- **Board 1-on-1 Meetings**

Ms. Jones reported Mr. McIlwain and she have started one-on-one meetings with board members.

- **APAP Arts Forward Grant Request**

Ms. Jones advised a \$50,000 grant request was submitted that, if awarded, would be used for Jacob Jonas The Company scheduled in May. The grant is unique in that it focuses on equitable contracts between presenters and artists and starting a trend of paying artists in installments versus a lump sum at the time of the final performance. The ECA's grant request has moved into the second phase of the grant process; results should be available in early February.

- **Search Process – Development Director**

Ms. Meagher reported the position was posted last week in a diverse pool of locations. She and Ms. Jones have prescreened applications that been received and, when Mr. McIlwain returns from vacation, they will do prescreening phone interviews.

11. **Marketing & Business Development**

- **Ticket Sales Update**

Ms. Dawson displayed the Ticket Sales Report, relaying that ticket sales are trending well for the 2021/2022 season. She highlighted shows that are below 50% tickets sold, tickets sold for shows in January, efforts to increase attendance, impacts of the pandemic on patron attendance, increased attendance for more well-known artists, hope that patrons will be more comfortable returning in person as the Omicron surge lessens, recent marketing efforts, and tonight's We Speak Festival.

- **New Marketing Initiatives**

Ms. Dawson advised staff is working on a COVID Safety video to highlight what patrons can expect, what's required, safety upgrades made in the theater, and the ECA's safety policies. Staff is also looking to the 2022/2023 season, encouraging existing subscribers to resubscribe as well as attracting new subscribers with a pre-season video that will be presented at the Center Stage event in May. Staff continues to market shows for this season; great feedback has been provided in recent surveys indicating the ECA is bringing in new patrons from outside Edmonds who see social media and targeted campaigns. She summarized despite the many challenges, the ECA is faring well and she is excited to see how the rest of the season shakes out.

Board President Brewster recognize Liz Dawson and Kendal Hill for their efforts considering all the challenges.

- **Focus on Events – We Speak, EMN**

12. **Programming / Outreach**

- **APAP Virtual Conference - Outcomes**

Ms. Jones reported due to the Omicron surge, the APAP conference transitioned to virtual. She, Mr. McIlwain, Ms. Dawson and Ms. Hill participated in professional development opportunities and showcases for artists touring in the coming year.

- **Season Planning - 2022-2023**

Ms. Jones reported planning is in full swing, the intent is to have the season announcement at Center Stage in the spring. There are five confirmed performances for the 2022/2023 season and there are a number other offers out. She anticipated an exciting year, acknowledging the process is different when they cannot meet with agents in person.

- **OSPI Teacher Workshop Review**

Ms. Jones reported each year the ECA hosts a free teacher workshop for educators. The ECA is certified by the Office of Public Instruction (OPI) as an in-service education agency which enables the ECA to offer clock hour credits for teacher certifications. This year the ECA hosted a 2-hour virtual workshop by Kattam Laraki-Cote on percussion, dancing and world music. The feedback from the workshop was very positive although there was lower attendance than usual (six teachers), likely because it was held via Zoom.

The EPFD Board is the governing body for ECA's status as an in-person education agency, so after the workshop she shares information about the program and the teachers' feedback. She reviewed the survey responses, noting in a more typical year, 25-30 teachers participate. Board President Brewster commended Ms. Jones for the workshops.

13. New Business

- **Review/Update of PFD Board Bylaws – set timeline and process**

Board VP Liaw advised the edits need to be reviewed by legal counsel. She explained the board recently revised its charter to make updates to the EPFD such as allowing the Board to continue to meet over Zoom when the governor's executive order is lifted. As a result, the bylaws needed to be updated to reflect and implement those changes.

14. Adjourn

The meeting was adjourned at 8:55 a.m.

Next EPFD Board Meeting: Thursday, February 24, 2022 - 7:30 AM

ACTION ITEMS:

1. Have edits to EPFD bylaws reviewed by legal counsel
2. Share updated rental client information with EPFD Board
3. Post interlocal agreements, charter and bylaws on EPFD's website
4. Approve Board Designated Fund Policy at next EPFD meeting
 - a. Modify language regarding Admin & Finance Committee approval to review and recommend
5. Present final December 2021 reports at next EPFD meeting
6. Provide EPFD Board reason for the difference in accrued interest on Balance Sheet
7. Present business case, payback versus investment, etc. regarding solar project
8. Establish policy regarding threshold for EPFD Board approval of capital projects