

MINUTES

Edmonds Public Facilities District Board of Directors Virtual Online Meeting February 25, 2021

The Edmonds Public Facilities District Board virtual meeting convened at 7:31 a.m. via Zoom.

EPFD Board Members Present

David Brewster, President
Ray Liaw, Vice President
Bill Willcock
Greg Hinton

EPFD Board Members Absent

Suzy Maloney

ECA Staff Present

Joseph McIalwain, Executive Director
Matt Keller, Director of Operations

Other Guests Present

Adrienne Fraley-Monillas, City Council Liaison

ECA Board Members Present

David Schaefer, Vice President

1. Call to Order

Board President Brewster called the meeting to order.

2. Land Acknowledgement

Board VP Liaw read the Land Acknowledgement statement.

3. Board President's Comments

Board President wished ECA Board Member Andy Cline, who was hospitalized after a fall at his jewelry store, a speedy recovery.

4. Consent Agenda

- **EPFD Board Meeting Minutes – 1-28-2020**
- **EPFD Disbursement Report – December 2020**
- **EPFD Disbursement Report – January 2020**

The spelling of Jim Kristian name was corrected in the 1-28-2020 minutes.

Board President Brewster reported the disbursement reports were approved by the Admin & Finance Committee.

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

5. Old Business

- **Prior Action Items Review**

Mr. Keller reviewed progress on action items from the previous meeting and identified outstanding items (see Action Items below). With regard to providing an estimate of revenue potential for new

streaming equipment, Mr. McIlwain reported TJ Loehman prepared an analysis of the cost of using the equipment which can be used in preparing presentation budgets as well as passing those costs on to rental clients. He will provide updated numbers to several committees who are working on that.

6. PFD Board Business

- **2021 Operating Budget – Q1 Modification Update**

Mr. Keller provided an update on the process, relaying he is working with department directors to gather information on additional expenses and revenues. He anticipated presenting a first draft at the Board's March meeting.

7. Finance, Facilities & Operations

- **Finance Report – January 2020 DRAFT**

Mr. Keller reviewed the Statement of Revenue, Expenses and Changes in Net Position (Income Statement, highlighting the contribution received from the City; rental activity in the gym by sports groups, the church and the school; payroll slightly higher due to a greater level of activity expected in February and anticipated matching revenue; and tax revenues performing above expectations.

- **Cash Management – Jan-June 2021 – Tool Presentation**

Mr. Keller reviewed the EPFD/ECA Monthly Cash Flow Projections for 2021 (tracking cash and expenses by month and YTD total), a tool developed at the Admin & Finance Committee. He highlighted total revenue receipts, expenses, net increase cash, non-operating revenue (sales tax revenue and debt service payments) and total operating and debt service cash. The report anticipates a return to operations in September and shows expenses related to presentations and a list of potential initiatives to eliminate negative cash position.

Discussion followed regarding the conservative, middle of road approach to estimates; greater than expected January revenue; estimates in the report related to Center Stage/spring fundraising event and the Gala; potential 2021 special donor pandemic contribution; and potential initiatives to address an anticipated \$170,000 shortfall.

- **SBA Opportunities: Shuttered Venue Operating Grant Update**

Mr. Keller relayed he has been provided preliminary guidance and checklists for the application and is working to gather that information. The portal to apply has not yet opened; he is monitoring it daily. An SBA representative assured that the PFD/ECA qualified for this grant as a government entity and primary operator of the venue, unlike the PPP program. This grant would allow a request up to 45% of lost earned revenue comparing 2020 to 2019 (not including contributions).

- **Streaming Equipment Update**

Mr. Keller reported the final critical components were received by Morgan Sound and installation is scheduled on March 15 with testing that week. Discussion followed regarding ECA technical staff assisting with installation and training of other ECA staff.

8. Executive Report / Steering Committee

- **Long Term Vision and Planning**

Mr. Mclalwain reported the Steering Committee has had two meetings to review the draft vision originally created by David Schaefer and Mike Rosen. The committee is wordsmithing, asking questions, getting to a place of clarity regarding the future and what the north start looks like. He thanked Board President Brewster and others for recent work to update the existing mission, vision and values.

Board President Brewster relayed the committee takes this effort seriously and has spent 2-3 meetings on it. He thanked David Schaefer for accommodating this effort in the Steering Committee's regular work. The committee is getting close to bringing to the boards a vision concept that will drive the business and take the ECA into the future on solid footing.

9. Marketing & Business Development

- **CRM Migration, New System (Audience View)**

Mr. Mclalwain reported CRM migration is underway; he recognized Jim Kristian, who worked hard with Vendini in the past to improve reporting mechanisms and is working on the switch to Audience View, learning the system and training staff. He reported on ticket sales via Audience View, updating the seating chart due to renovation of the theater, reporting provided by Audience View, flexibility to explore dynamic pricing, and Audience Views' marketing tools. Data from the old fundraising system has not yet been migrated to Audience View; it will be exciting to have the ability to see and manage a patron's full history in one system. He summarized migration requires patience, and it was fortunate this could be done during a slower period, providing an opportunity to work out the kinks.

Discussion followed regarding completing migration by reopening, anticipation the kinks in the system will be worked out by early May, plans to migrate donor data after the May fundraising event, plans to begin promoting the 21/22 season in spring/summer, timeframe for having the system operational for marketing, perfecting the ability to sell tickets first, and Audience View assisting with transforming ticket buyers to package purchaser to donors.

10. Programming

- **Programming Taskforce**

Mr. Mclalwain reported the team met recently to discuss the great work being done in committees and task forces as a result of the 2020 retreat to identify ways to generate new revenue in early 2021 until the ECA can reopen safely, securely and in a better financial position. That led to conversations in committees regarding fundraising, ticket sales, and new activities in 2021 before audiences return to the venue for live events. He proposed to the team the idea of developing a single theme, tagline, brand, a way to tell a story that encompasses the May event, summertime events and then pivoting to the Gala in September to celebrate the end of those activities and the reemergence of the 21/22 season.

Mr. Mclalwain was hopeful this could include a revival of the seat naming campaign. Only about 10% of the seats were sold in a past effort to sell the naming rights for the auditorium seats. A new campaign could encourage people to put their own name, a quote, a family member's name, a beloved artist, a local hero during the pandemic, etc. on a seat. At \$1,000 each, the seat campaign has the potential to generate a great deal.

Board President Brewster reported on July/August events that will include live performances on the lawn, virtual only performances, and a combination of live and virtual speaking engagements. After considering up 50 ideas, the Programming Taskforce narrowed them to these. The Marketing & Business Development Committee focused its meeting on an umbrella vision for this new programming that encompasses regular summer programming, the seat campaign and other efforts to announce the ECA's reemergence in the fall.

11. Hosting

Mr. Mclalwain reported the Board Governance Committee is working on committee development. He hoped to expand the Hosting Committee due to several people expressed interest in a recent survey. Board VP Liaw looked forward to bringing the energy from Programming, Marketing & Business Development and Philosophy Committees to the Hosting Committee.

12. Philanthropy

- **Current Grant Requests**

Mr. Mclalwain reported staff is working on several important grant requests; he recognized Christina Kourteva for her efforts. He announced the Hazel Miller Foundation had approved a \$50,000 request and may invite the ECA to submit a special grant request for \$10,000 directed at dementia inclusion work which could include Window to the Arts.

- **Spring Event (Center Stage Replacement)**

Mr. Mclalwain commented the organization entered 2021 unsure whether there would be a May event. The Philanthropy Committee is focused on a single event/story that is not Center Stage but in a similar timeframe, great energy and a kickoff. The committee has not begun planning as they are awaiting a theme. The event is envisioned as a 45-60 minute online experience, with live broadcasts from the stage, prerecording testimonials/performances and a story to make it exciting and engaging.

Discussion followed regarding efforts to drive philanthropy via individual doors, other fundraising campaigns, bandwidth of two development staff working half-time, energy/effort to cultivate relationships with current donors, and the options of reaching out to individual donors instead of an event.

13. Inclusion & Accessibility, Education & Outreach

- **Development of Equity Statement – Process, Timeline**

Mr. Brewster reported a task force within Inclusion & Accessibility, led by Diana White and Liz Dawson, is focused on producing an equity statement.

- **Equity Training: Next Steps**

Mr. Mclalwain reported following staff equity training, Michelle Osborne and he discussed the transformation of the organization, the way it does business and interacts with the community, how to ensure everyone who walks in the door feels welcome and ownership, the progression of the training process and policy development, how to transform the way the organization hires and retain employees, the next evolution of the land acknowledgement, access for people with disabilities, etc. Ms. Osborne suggested determining what the organization wants to accomplish

over the next several years and send her an RFP and she will respond with ideas for pacing and engaging in a variety of activities/training to ensure it there is a well thought out, holistic approach.

Ms. Osborne also mentioned as cisgender white male in his position, he needs to recognize due to his own privilege and position that he may not see or respond to things that need to be done. She recommended considering a mentor on retainer to coach him to be a better manager of his team. Discussion followed regarding support for the RFP that Ms. Osborne suggested and mentor for Mr. Mclalwain, importance of equity training, and potential grants to fund equity training.

14. New Business

At Board VP Liaw's request, it was agreed to schedule on the March agenda an update/overview regarding the strategy for refinancing bonds, fresher on government financing, outstanding loans/bonds, questions that have been asked of the financial consultant, options for proceeding, timeline, history and opportunities.

15. Adjourn

The meeting was adjourned at 8:49 a.m.

Next EPFD Board Meeting: Thursday, March 25, 2021 - 7:30 AM

ACTION ITEMS:

1. Correct the spelling of Jim Kristian in 1-28-2021 minutes (page 4, Item 9)
2. Provide EPFD Board an update on the 5-year financial plan (carried forward from previous months' action items)
3. Schedule on March agenda update/overview regarding strategy for refinancing bonds, fresher on government financing, outstanding loans/bonds, questions that have been asked of financial consultant, options for proceeding, timeline, history and opportunities.
4. Present first draft 2021 Operating Budget – Q1 Modification at Board's March meeting.