

MINUTES

Edmonds Public Facilities District Board of Directors Meeting August 24, 2023

The Edmonds Public Facilities District Board hybrid meeting convened at 7:35 a.m. in the Edmonds Center for the Arts Green Room, 410 4th Avenue North, Edmonds, and via Zoom.

EPFD Board Members Present

Bill Willcock Vice President
Suzy Maloney
David Brewster
Wayne Grotheer

ECA Staff Present

Joseph McIalwain, Executive Director
Lori Meagher, Associate Executive Director

Guests

Will Chen, City Council Liaison

EPFD Board Members Absent

Ray Liaw, President

1. Call to Order

Board VP Bill Willcock called the meeting to order.

2. Land Acknowledgement & Equity Statement

Board Member Grotheer read the Land Acknowledgement Statement and Equity Statement.

3. Board President's Comments

- **Agenda Review**

Board VP Willcock reviewed the agenda.

4. Public Comment

There were no public comments.

5. Consent Agenda

- **EPFD Board Meeting Minutes: July 27, 2023**
- **EPFD Board Special Meeting Minutes: August 9, 2023**
- **EPFD Disbursement Report: June & July 2023**

BOARD MEMBER MALONEY MOVED TO APPROVE THE CONSENT AGENDA. BOARD MEMBER BREWSTER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

6. Old Business

- **Prior Action Items Review**

Ms. Meagher reviewed progress on action items from the previous meeting.

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

Board VP Willcock recognized the level of accomplishments and strategic work being done in all departments, the work done by the transition team to ensure a smooth transition with the hiring of a new ED, progress on key hires, and Window to the Arts performances.

7. **PFD Board Business**

- **Open Public Meetings Act (OPMA) & Public Records Act (PRA) Training**

Ms. Meagher relayed as a public board, periodic OPMA and PRA training is required. *She will send out OPMA and PRA training information and certification offered Municipal Resource Service Center (MRSC) to EPFD board members and staff will track when board member refresher training is required.*

- **Employee Handbook Addendum Approval**

Ms. Meagher advised this addendum to the Employee Handbook was presented to the Admin & Finance Committee yesterday. The addendum covers succession planning and the ability for the EPFD Board to negotiate benefits for recruitment as well as a retainment tool. The addendum was recommended for approval by Admin & Finance with the deletion of the sentence, “All such offers shall be limited to and within the funds budgeted for the budget year in which the officer is made.”

The EPFD Board requested a further amendment in the Vacation & Sick Leave section, “The purpose of this authorization is to permit the EPFD/ECA to attract and/or retain persons with experience at comparable public agencies.

BOARD MEMBER MALONEY MOVED TO APPROVE THE ADDENDUM TO THE EMPLOYEE HANDBOOK AS AMENDED. BOARD MEMBER GROTHEER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

8. **PFD Committee Reports**

- **Association of WA State PFDs**

Board Member Brewster advised the Association is seeking an EPFD representative. He has been attending meetings via Zoom, but due to other commitments, he recommended another board member be designated to represent the EPFD on the Association. Mr. McIalwain advised a conference will be held in Tri Cities at the end of September. Lynnwood, Edmonds and Everett will co-host the 2024 conference. The directors of Snohomish County PFDs have offered to assume oversight responsibility of the Association such as managing future conferences, organizing and managing communication between members, collecting dues and managing finances. It will be important to have a strong organization with an organized approach for further legislation and legislative opportunities such as extending the legislation (currently extended through 2041). The facilities owned by the PFDs will also have capital needs that the state may be able to assist with. Per the Association’s bylaws, board members must be PFD board members.

Board Member Brewster offered to attend the conference. An ECA staff member may also attend the conference. The EPFD Board will consider appointing a board member to the Association at

a future meeting. Due to the date of the conference, it was recommended the board *consider rescheduling the September EPFD Board meeting.*

- **Snohomish County PFD**
- **Fourth Avenue Cultural Corridor**

Board Member Maloney reported the ECA is hosting Cookies on the Corridor this Saturday at 3 p.m. in the ECA lobby. The event will include tours of the area and an opportunity to provide feedback on potential changes for the 4th Avenue Cultural Corridor.

9. Finance & Operations Update

- **Finance Update**
 - Mid-Year Budget vs Actuals Update

Ms. Meagher reviewed the mid-year financials that are contained in the packet, highlighting mid-year revenues, operating expenses, payroll and employee benefits, operating surplus, and total surplus.

- July Financials

Ms. Meagher reviewed July financial, highlighting presented events; concession, rental and contribution revenues; expenses including payroll and employee benefits; operating surplus; and total surplus. She reviewed key balances on the balance sheet including total cash, total receivables, and accounts payable. Ms. Meagher and Board VP Willcock commended Sarah Mixon and Beck Cole for increasing rental revenue.

Ms. Meagher reviewed the Cash Flow Projections by Month report. Questions and discussion followed regarding Debt Service Cash transfers, incorporating a development contingency in the cash flow statement, how cash is invested, and the interest rate and liquidity of LGIP investments.

- FY23 Budget Adjustments Approval

Ms. Meagher reviewed the proposed 2023 budget adjustment to increase payroll and benefits, facilities maintenance & utilities, and all other expenses, and the impact the adjustment has on operating surplus and non-operating net surplus. The Admin & Finance Committee reviewed and recommended approval of the amendment to the 2023 budget.

BOARD MEMBER BREWSTER MOVED TO APPROVE THE FY23 BUDGET ADJUSTMENT AS DESCRIBED. BOARD MEMBER GROTHEER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

- Audit & FY2024 Budget Update

Ms. Meagher reported the audit is underway and she is meeting with the auditors daily. There will be one adjustment to the financial statement per GASB 87 related to when revenue from leases is recognized. The audit is expected to be complete in early September.

Ms. Meagher reviewed the FY2024 budget cycle and timeline for budget approval. Board VP Willcock relayed Admin & Finance's suggestion to also provide a revenue forecast by department.

- **Human Resources**
 - Hiring Update

Ms. Meagher reported the ECA is almost fully staffed. An offer has been sent out for the marketing and communications assistant and interviews are being held for a part-time box office assistant position.

- **Facilities**
 - Building Envelope & Conditions Assessment Update

Ms. Meagher advised the contract was approved at the EPFD's special meeting. A kickoff meeting was held, the contractor has begun work, and subcontracting for items that are the owner's responsibility is underway. She will provide another update next month.

10. Executive Report / Steering Committee

- **Ticket Sales Update**

Mr. Mclalwain reviewed an updated 2023-2024 vs. 2022-2023 Presenting Season Statistics report highlighting the '22-23 season which is performing nearly as well as '21-22 season. He commended programming and marketing staff for their efforts, noting peer organizations are not performing as well. He offered to provide an analysis of ticket sales for '22-23 compared to '18-19.

- **Executive Transition Update**

Mr. Mclalwain reported the Snohomish County Lodging Tax grant application was presented, he and Director of Major Gifts Amy Stango are meeting with key donors. He will send a letter to the 100 top donors expressing his appreciation for their past support and introducing Ms. Stango and Ms. Meagher and advising them that Ms. Stango, Ms. Meagher or the new ED will reach out to them within the next two months. The Board Governance Committee is finalizing a Committees Best Practices Guide. The intent is to have a follow-up meeting after the retreat to introduce the Guide. A task force created an agenda for the retreat.

- **Development Update**

See above.

11. New Business

Board members and Mr. Mclalwain wished Ms. Meagher a Happy Birthday on August 19th.

Board Member Grotheer advised his attendance at meetings will be limited between September 9 and October 31.

- **Acknowledgement of Joe Mclalwain**

Board Member Maloney thanked Joe Mclalwain for his leadership and wished him well in the future. Mr. Mclalwain commented on the expectations and challenges when he was hired and the opportunity to create something beautiful. He expressed his appreciation for the EPFD Board's oversight. He was excited for the season ahead and all that lies ahead for the organization.

Board Member Grotheer recognized Mr. Mclalwain for his leadership through difficult economic times, being a strong leader but also very humble. Mr. Mclalwain recognized Board Member Grotheer for his volunteerism.

Board Member Brewster echoed the previous comments; as the longest serving ECA/EPFD Board member, he has watched Mr. Mclalwain from close to the beginning. His ability to unite people around a common goal and vision is as important as anything he brought to the organization. He agreed Mr. Mclalwain was humble and collaborative, never top-down, crack the whip management style. His leadership style was a breath of fresh air and exactly what the organization needed as it grew and developed, especially with the challenges of the recession and the pandemic. He was excited for Mr. Mclalwain's future and said he would always have a home at the ECA.

Board VP Willcock expressed appreciation to Mr. Mclalwain and his amazing thumbprint on Edmonds and the ECA. As a volunteer, he appreciated what he has learned from the organization, staff and especially from Mr. Mclalwain.

12. Adjourn

The meeting was adjourned at 8:42 a.m.

Next EPFD Board Meeting: Thursday, September 28, 2023 - 7:30 AM

ACTION ITEMS:

1. Ms. Meagher send OPMA and PRA training information and certification offered Municipal Resource Service Center (MRSC) to EPFD board members. Staff track when board member refresher training is required.
2. Develop a FY2024 revenue forecast by department
3. September EPFD Board meeting
 - a. Consider rescheduling the September meeting due to the Association of WA State PFD conference
 - b. Board member reports on EPFD committees
 - c. Update on the Building Envelope & Conditions Assessment
 - d. Mr. Mclalwain prepare analysis of ticket sales'22-23 compared to '18-19.
4. Appoint an EPFD board member to the Association of WA State PFDs at a future meeting