

# MINUTES

## Edmonds Public Facilities District Board of Directors Meeting August 25, 2022

The Edmonds Public Facilities District Board hybrid meeting convened at 7:31 a.m. in the Edmonds Center for the Arts Green Room, 410 4<sup>th</sup> Avenue North, Edmonds, and via Zoom.

### **EPFD Board Members Present**

Ray Liaw, President  
Bill Willcock Vice President  
Suzy Maloney  
Robert White  
David Brewster

### **ECA Staff Present**

Joseph Mclalwain, Executive Director  
Lori Meagher, Director of Finance and Operations

### **ECA Board Members Present**

David Schaefer, President

#### **1. Call to Order**

Board President Liaw called the meeting to order.

#### **2. Land Acknowledgement**

Board Member David Brewster read the Land Acknowledgement statement.

#### **3. Closed Executive Session Announcement**

#### **4. Closed Executive Session**

- **Executive Director Contract - Review**
- **Executive Director Performance Evaluation**

At 7:35 a.m., the EPFD Board convened in executive session to review the Executive Director's contract and the Executive Director's performance evaluation in accordance with RCW 42.30.110(1)(g).

The executive session concluded at 8:10 a.m.

#### **5. Reconvene Open Session**

(Board Member White left the meeting at the conclusion of the executive session.)

The EPFD Board meeting was reconvened at 8:11 a.m.

#### **6. Board President's Comments**

- **Agenda Review**

Board President Liaw requested approval of the agenda be added to future agendas.

**BOARD MEMBER BREWSTER MOVED TO AMEND THE CONSENT AGENDA TO REMOVE THE SPECIAL MEETING MINUTES OF 7/22/22. BOARD MEMBER MALONEY SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY. (Board Member White was not present for the vote.)**

**BOARD MEMBER BREWSTER MOVED TO APPROVE THE AGENDA AS AMENDED. BOARD MEMBER MALONEY SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY. (Board Member White was not present for the vote.)**

Board President Liaw congratulated staff on the successful audit. She reminded of the GALA on September 23<sup>rd</sup> and encouraged board members to buy their tickets.

- **Executive Director Announcement**

Board President Liaw acknowledged Mr. Mclalwain's announcement that he will be leaving the ECA as the Executive Director in fall 2023 for an amazing opportunity for his family. The organization is looking forward to and excited by this transition but will miss him and his history with the organization.

Board President Liaw reported she has begun the process of putting together a leadership transition team and will provide more details to the board and staff in September. The plan is to have a small group comprised of members of the ECA and EPFD Boards and the community to determine what position will be hired, the timeline, whether to hire consultant to assist, etc. Regular updates will be provided to both boards as well as input sought from the Steering Committee as appropriate.

Due to questions he has received from Steering Committee members and ECA Board leadership, Mr. Mclalwain urged Board President Liaw to provide an update to the Steering Committee regarding the structure and population of a committee. Board President Liaw advised she will give this level of detail to the Steering Committee immediately and provide more details to everyone by the week of Labor Day or before.

## **7. Public Comment**

There were no public comments.

## **8. Consent Agenda**

- **EPFD Board Meeting Minutes – June 23, 2022**
- **EPFD Disbursement Report – June & July 2022**

**BOARD MEMBER WILLCOCK MOVED TO APPROVE THE CONSENT AGENDA. BOARD MEMBER MALONEY SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY. (Board Member White was not present for the vote.)**

## **9. 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).

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

10. **PFD Board Business**

11. **Finance & Operations Update**

- **Finance**
  - State Audit – Update

Ms. Meagher reported at the August 18<sup>th</sup> exit conference, the organization received a clear, clean, unmodified audit, one of the better audits the organization has received in its history. There were a few minor items; almost all the items identified via a management letter or as exit items last year have been resolved. The auditor found \$108 which consisted of a missing gas receipt for the van, a seat upgrade for a staff member that was wasn't properly reimbursed, and an employee who over tipped by \$1.08. The auditor advised the tipping policy can be revised if the EPFD wishes. A capital asset error made in 2018 was not adjusted on the financials (\$1800) so the adjustment will be made this year so the financials do not have to be restated for fiscal year 2021. The remaining item was the financial standing of the PFD, however, the bond refinancing and the SVOG funds illustrated an improvement in the financial standing which reduced the concern from a management letter to an exit item. The auditor highlighted the amount of debt and being mindful of that with the aging of assets. The annual report and audit report will be posted on the state auditor's website today. Mr. McIlwain recognized Ms. Meagher for taking on the audit.

- Finance Reports – Draft June & July 2022

Ms. Meagher said the June reports represent mid-year financials and they look good compared to budget this year. Management is doing a good job controlling costs; budget versus actual information is being provided to department heads to assist with controlling expenditures. There has been some salary attrition due to unfilled positions. Facilities maintenance and utilities is over budget due to unanticipated maintenance on the fire sprinkler system. She highlighted revenue variances in contributions and operating grants due to less than anticipated revenue from the seat campaign. The variance in concessions is due to not having food/drinks in the theater; lidded cups have recently been allowed. The P&L is looking also look good mid-year.

(Board Member White returned to the meeting at 8:30 a.m.)

Questions and discussion followed regarding receipt of Snohomish County of ARPA funds by the end of September, staff's plans to apply for a \$75,000 State COVID-related grant, impact on the payroll budget when vacant and new positions are filled, 2023 budget planning, and a request to develop and share a budget schedule with the board at next month's meeting.

- **Human Resources**
  - **Update**

Ms. Meagher reported a draft org chart was provided to staff last month reflecting additional positions. Job descriptions are being written for new positions and positions are being posted. There has been some attrition with employees leaving the organization and employees being promoted from within. She reported on the use of catalytic coaching; employees are completing input forms which drives the first steps in meeting with their coach. The contract for the compensation software has been signed, the first step is filling out organizational documentation along with job descriptions so they can match job descriptions to the market. It includes building a compensation philosophy, pay bands and pay grades. That information will be provided to the Admin & Finance Committee next month and ultimately to the EPFD Board to approve the salary

bands and pay grades. It will provide employees with annual compensation updates and benefit values.

Discussion followed regarding these tools illustrating the maturity of the organization, the level of professionalism in the organization's systems, and recognition of Ms. Meagher for taking this step.

- **Inclusion & Accessibility**

Ms. Meagher reported Mr. Mclalwain met with Rentals & Event Coordinator Gracelynn Shibayama who also went through the Leadership for Racial Equity Program last year and they developed objectives about where they'd like to see the organization go with regard to DEI. Those were shared with staff and the Inclusion & Accessibility Committee and posted near the copier. She and Ms. Shibayama are working on the Land Acknowledgement & Equity Statement including developing questions to ask the Tribes about tangible, sustainable things the ECA can do in partnership with them.

Board Member White pointed out the land acknowledgement does not have to be a written statement; there are other ways to acknowledge the land. He offered to share his thoughts with Ms. Shibayama.

- **Facilities**
  - **Building Envelop Project – RFP Update**

Ms. Meagher reported she and Mr. Mclalwain created an RFP process timeline and she is drafting the RFP which will be presented to the Facilities & Operations Committee next month and then to the EPFD for approval. Chris Bryant has taken over as the Facilities Coordinator and is doing a great job. The Facilities Assistant position was posted this week. A contract was signed with City Wide Facility Solutions for daily facility cleaning as well as event cleaning; previously the facilities team did all janitorial work except for event cleaning.

Board President Liaw requested a structural assessment be added as an optional scope to the building assessment.

## **12. Executive Report / Steering Committee**

- **Boys & Girls Club - Update**

Mr. Mclalwain reported on a meeting with City planning staff regarding the concept of a development agreement. The City has existing code regarding the development agreement process but City staff has never done one.

Board President Liaw explained one of the reasons for a development agreement would be to provide certainty into the future regarding what could be developed. In addition to guaranteeing development under certain regulations for a period of time, the EPFD wants the flexibility to negotiate setbacks, etc. Further discussion will be necessary to figure that out.

Mr. Mclalwain reported on high level program conversations with Mithun about where Boys & Girls Club programs could reside in the existing facility. Mithun has developed several options that the team has reviewed. Board President Liaw relayed Mithun will make a presentation to the joint committee on September 8<sup>th</sup> regarding two options for discussion. After the September 8<sup>th</sup> meeting, the process will be paused to give both organizations an opportunity to determine if they are interested in either design.

Mr. McIalwain reported on initial conversations regarding fundraising; future conversations hinge on the location of program components in the building. Staff will update the EPFD Board on Mithun's presentation regarding design options for partnering with Boys & Girls Club.

- **Strategic Planning – Update**

This item will be discussed at next month's meeting.

- **Marketing & Business Development**
  - Ticket Sales Update

Mr. McIalwain relayed last season was the ECA's most successful season. The decision to build a season in 2020/2021, which was contrary to 99% of the ECA's peers, ended up being a good decision because tickets were sold in the early stages of the pandemic and following the pandemic which helped the ECA both financially and staying connected to its audience. For the next season, the organization is feeling some of the same challenges its peers are feeling with regard to rebuilding which will need to be part of the budgeting process. Director of Marketing & Business Development Liz Dawson is returning part-time in mid-September and full-time in October which will allow the marketing team to focus on season and ticket sales.

- **Programming/Outreach**
  - General Update

Mr. McIalwain relayed staff has been discussing the challenges posed by summer camps and whether they are the right answer for the ECA or should the organization switch to residencies, festivals, etc. that engage the broader community and bring more people to the campus during the summer. Window to the Arts will begin touring soon. A job description is being developed for an assistant to the Director of Education & Community Outreach.

- **Association of PFDs**

Mr. McIalwain advised the association has been informed that ECA staff will attend their annual conference on September 22-23 due to the GALA. He recommend the EPFD stay engaged with the association, pay its membership dues, etc. because at some point the association will need to advocate for another extension of the PFD legislation and other ways of partnering with members.

- **GALA Update**

Mr. McIalwain reported on a recent meeting with the team walking through the entire experience. This year's GALA will include more artistry and performance and a great flow. There will not be silent auction items around the building so there will be more room to move, engage, socialize, experience and learn. The mission board, photo booth, raffle opportunity etc. will be in the lobby to provide a more social experience. Auction items are coming together, but the team is still looking for interesting opportunities and experiences. He encouraged board members to confirm their attendance as soon as possible and to encourage others to attend.

### **13. New Business**

Mr. Mclalwain reported Diana Ortega, Lori Meagher, Lisa Helber and he will be attending the Western Arts Alliance Conference in Calgary, Alberta next week. Board Member Brewster offered his assistance with programming decisions.

- **EPFD Special Board Meeting Minutes – July 22, 2022**

**BOARD MEMBER BREWSTER MOVED TO AMEND THE JULY 22, 2022 MINUTES TO ADD COUNCIL PRESIDENT VIVIAN OLSEN AS AN ATTENDEE. BOARD MEMBER WILLCOCK SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

**BOARD MEMBER BREWSTER MOVED TO APPROVE THE JULY 22, 2022 MINUTES AS AMENDED. BOARD MEMBER WILLCOCK SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

Action Items 9 and 10 below were added at Mr. Mclalwain's request.

#### **14. Adjourn**

The meeting was adjourned at 9:08 a.m.

**Next EPFD Board Meeting: Thursday, September 22, 2022 - 7:30 AM**

#### **ACTION ITEMS:**

1. Add Approval of the Agenda to future EPFD Board agendas
2. Present RFQ for the building envelope assessment to Facilities & Operations at their September meeting.
  - a. Add structural assessment as an option in the scope
3. Schedule approval of Executive Director contract on September meeting agenda
4. Schedule review of updated employee handbook at the next EPFD Board meeting
5. Present updated Strategic Plan RFP to EPFD Board after review by Steering Committee
6. Develop budget schedule and share with EPFD Board at next month's meeting
7. Update EPFD Board on Mithun's presentation regarding design options for partnering with Boys & Girls Club
8. Reach out to Council President Olson about the Council liaison to the EPFD Board
9. Ask Dave Turley about scheduling a presentation to Council Finance Committee
10. Amend 7/22/22 special meeting minutes to add Council President Olson as an attendee
11. Provide periodic updates to the EPFD Board regarding the leadership transition team (Board President Liaw)