

# MINUTES

## Edmonds Public Facilities District Board of Directors Virtual Online Meeting August 26, 2021

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  
Suzy Maloney  
Bill Willcock

### **EPFD Board Members Absent**

Greg Hinton

### **ECA Board Members Present**

David Schaefer President  
Rick Canning, Secretary/Treasurer

### **ECA Staff Present**

Joseph Mclalwain, Executive Director  
Katie Newbaum, Education and Outreach Coord.

### **City Staff Present**

Dave Turley, Finance Director (Ex-Officio)

### **Other Guests Present**

Adrienne Fraley-Monillas, City Council Liaison

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

Board President Brewster called the meeting to order.

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

Mr. Mclalwain recalled a comment made in a workshop with indigenous artists that it was good to have the land acknowledgement be more fluid, less rout, and not say the same thing every time so it was more genuine and welcoming. He provided a Land Acknowledgement statement.

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

Board President Brewster urged board members and other guests to support ECA as much as they can in as many ways as they can in the coming months. He looked forward to the start of season on September 16<sup>th</sup>, noting one show had already been canceled by the artist. Anything you, family and board you influence appreciated.

#### **4. Consent Agenda**

- **EPFD Board Meeting Minutes – 6-24-2021**

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

Approval of the 7-22-21 minutes and the June and July EPFD Disbursement Reports were deferred to the September meeting as they were not included in the packet.

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

## 5. Old Business

- **Prior Action Items Review**

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

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

## 6. Inclusion & Accessibility, Education & Outreach

- **Equity Statement – Update**

Board President Brewster advised a third draft of the equity statement was circulated to ECA staff for input. The I&A committee continues to work on the statement.

- **Budgeting for Equity Work – 2022**

Mr. Mclalwain commented it is important to back up the mission, vision and values and commitment to equity and social justice with a financial commitment to that work in the 2022 budget and in subsequent years, something that has not been done in the past. There have been discussions about the concept of a dedicated employee for that work, but that will need to be part of a wholistic conversation about staffing and he was not committed to a position in 2022.

## 7. Finance, Facilities & Operations

- **Finance Report – June 2021 FINAL, July 2021 DRAFT**

Board President Brewster thanked ECA Secretary/Treasurer Rick Canning for all his work and support of the organization from a financial reporting perspective since Matt Keller left.

Mr. Canning reviewed July financial statements highlighting revenues and expenses that are above and below budget and the receipt of \$710,000 SVOG federal grant.

Mr. Mclalwain referred to unearned ticket revenue, explaining a lot of the cash from those sales was received and utilized prior to this report. While the balance sheets looks healthier due to the large grant, there are still liabilities from the past that need to be covered. The organization still needs additional support from its government partners and private sources to make up that gap as the facility reopens. He summarized the SVOG is making up for past losses.

- **Monthly Cashflow Analysis Report**

Mr. Canning reviewed the Cash Flow Projections – 5 year summary highlighting 2021 projections for operating revenue/receipts and expenses/disbursements, and non-operating. He suggested establishing a board-designated fund for capital and maintenance and/or borrow for operating shortfalls. He also suggested establishing an ad hoc group to discuss and draft policies for, 1) managing the fund, and 2) relieving restrictions on debt service funds when annual debt service has been met.

Mr. Canning reviewed 2022 projections highlighting requests for American Rescue Funds (\$500,000 from Snohomish County and \$50,000 from Edmonds), 2022 bond payments, and payment on the City loan.

Questions and discussion followed regarding the timeframe for establishing policies and processes for a board-designated fund, origin of the board-designated fund, anticipated uses of the board-designated fund, and source of funding for the board-designated fund.

- **Budget 2022 – Process, Timeline, Priorities**

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

- **Scheduling ECA/EPFD Key Staff – Reports to PFD Board**

Mr. Mclalwain encouraged board members to identify who they would like to hear from and on what subject matters. The first report will be scheduled for the September meeting.

- **SBA Opportunities: SVOG Update**

Mr. Mclalwain relayed he is investigating whether the ECA has been invited to apply for a second round of the SVOG. The SBA did not distribute some of their resources to ensure there was enough in round one to fund all the qualified organizations that applied.

- **Request to City of Edmonds – American Rescue Plan: Submitted**

Mr. Mclalwain reported a \$50,000 request was submitted to the City from the \$500,000 set aside from ARP for non-profit organizations. He explained a request for \$300,000 was submitted to the City prior to Council approval of a budget for ARP expenditures. Once the City established the \$500,000 budget for all nonprofits, the request was reduced to \$50,000 so other nonprofits would have an opportunity to receive support. He will keep the board informed regarding approval of that request.

- **Request to Snohomish County – American Rescue Plan: Due 9/3**

Mr. Mclalwain advised the Edmonds PFD and the other two PFDs in Snohomish County will provide the Executive's Office with a list of expenditures and investments they hope to make with the funding Snohomish County provides. The Executive's budget includes \$2.5 million for the three PFD projects qualified to receive support (requires approval by County Council); of that amount the EPFD hopes to receive \$500,000.

- **2012 Bond Refinancing Update**

- **Timeline**

Mr. Mclalwain reported on an August 17<sup>th</sup> meeting with Mr. Turley, and the City's and EPFD's financial advisers and bond counsel. Bond closing is scheduled by November 23, 2021, a week before the bond payment is due. If the refinancing is successfully completed, a bond payment will not be due on December 1<sup>st</sup>, a \$400,000 savings.

- **Update to 4-Party ILA**

Mr. Mclalwain said the City's bond counsel recognized a need to update the 4-party (EPFD, City, Snohomish County PFD and Snohomish County) ILA to reflect the extension of the debt service from 2026 to 2041. The City's and the EPFD's bond counsel are working on language to update the ILA.

## **9. Marketing & Business Development**

- **Ticket Sales Update**

Mr. Mclalwain reported he is working with ECA staff and Audience View to migration data from the old system to the new system so the necessary reports can be provided to update the ticket sales spreadsheet. It will likely take another two months to update.

- **Summer Series**

Mr. Mclalwain reported on current sales and ticket revenue from the canceled performance, summarizing the summer series would likely break even. It was well worth the investment to get staff up to speed, etc. He encouraged board members to watch tonight's live-streamed event. The September 9<sup>th</sup> ECA comedy night will be a hybrid event.

## **10. Programming**

- **21-22 Season – Special Engagements**

Mr. Mclalwain reported on special engagements.

- **22-23 – Initial Planning**

Mr. Mclalwain relayed Jillian Jones and he will be in Portland this week to attend the Western Arts Alliance Booking Conference. He hoped to announce the 22-23 season by May. He welcomed board members' thoughts for artists on the ECA stage next season.

Board Member Maloney relayed her appreciation as a board member and as a patron for Mr. Mclalwain and Ms. Jones' optimism, thinking about immediate needs and looking to the future.

## **11. Hosting**

- **Update, Priority Projects**

Board VP Liaw reported the Hosting Committee received an update on rental clients. Many of regular rental clients are optimistic about scheduling recurring events in 2022, although there is some nervousness about fall. The committee is focusing on a scholarship program to address requests from the community for deeper discounts for nonprofits more effectively, and formulating a discount policy.

## **12. Philanthropy**

- **SHINE! – 2021 Gala – September 24<sup>th</sup>**

Mr. Mclalwain said board members should have been notified of this change in writing, A decision was made to cancel the 2021 Gala due to not receiving the hoped for RSVPs and waning

excitement over an in-person event with the emergence the of delta variant, more hospitalizations, and more danger. One of the options would have been an online live-streamed event, but the experience with Spark and feedback from patrons and other organizations indicate there is a lot of fatigue with dialing into and participating in virtual events. There will be a weeklong online auction experience, a video to tell the ECA's story, and potentially a short live-streamed experience. .

Mr. Mclalwain recognized ECA Board Members Vicki O'Gorman, Jeanne Thorsen and Tamara Sharp who have been the driving force for the 2021 Gala. The intent now is to maximize revenue from a portion of the event and whatever isn't raised (net \$250,000), focus on development of a major gift program.

Discussion followed about other organizations' success with weeklong online auction events, and the expectation that it will be successful.

### **13. PFD Board Business**

- **EPFD Board Participation in OSPI Program 2021-22**

Education and Outreach Coordinator Katie Newbaum reported the process for the EPFD/ECA to be an approved provider of OSPI clock hour credits includes informing the board about the workshop and the board's formal approval. She reported on the last teacher workshop in January 2020 by Dan & Claudia Zanes, "Making a More Musical Classroom." Teacher workshops are typically about using music and rhythms to teach various subject matters.

In this year's online workshop, "Your Passport to Cultures of the World," percussionist Kattam Laraki- Côté will guide teachers as they discover musical styles he perfected studying under masters from around the world. Through playing the djembe, educators will be introduced to various styles of rhythm (African, Arabic, Indian, pop), learn to play over "tracks" so they feel part of a band as well as learn choreography so they can create a full performance experience. The workshop will be held on November 16<sup>th</sup> from 5 to 7 p.m. including a short break and Q&A. She will report to the board following the workshop as well as provide attendees' surveys.

**BOARD PRESIDENT BREWSTER MOVED TO APPROVE THE EDMONDS PUBLIC FACILITY DISTRICT'S PARTICIPATION IN THE OSPI PROGRAM FOR 2021-2022. BOARD VP LIAW SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

Ms. Newbaum provided a link to Kattam Laraki- Côté's website ([www.kattam.ca/en/kattam-and-his-tam-tams](http://www.kattam.ca/en/kattam-and-his-tam-tams)).

- **Approval of Snohomish County LTAC (Small Fund) Grant Request for FY 2022**

Mr. Mclalwain requested the board's approval to submit a \$20,000 grant request. Snohomish County LTAC has large and small funds. From the small fund, the LTAC allocates funds via a grant program to organizations to promote activities that draw people from outside the county for events and hopefully for overnight stays. This grant application is for fiscal year 2022 to support marketing efforts to draw people from outside the county to attend shows and participate in events. The grant also requires support and funding from the local LTAC; the Edmonds LTAC has recommended a \$15,000 grant to the EPFD for the same concept.

**BOARD VP LIAW MOVED THAT THE BOARD APPROVE THE EPFD'S GRANT APPLICATION FOR 2022 FOR SUPPORT FROM THE SNOHOMISH COUNTY LTAC SMALL FUND IN THE**

**AMOUNT OF \$20,000 AND UNDERSTANDS THE REQUEST SUPPORTS MARKETING EFFORTS OUTSIDE OF THE BORDERS OF SNOHOMISH COUNTY TO PROMOTE TOURISM AND OVERNIGHT STAYS. BOARD MEMBER WILLCOCK SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

**BOARD VP LIAW MOVED TO AMEND THE AGENDA TO ADD REVIEW AND POTENTIALLY APPROVAL OF THE RESTATED CHARTER TO THE AGENDA. BOARD PRESIDENT BREWSTER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

- **Review and Potentially Approve Restated Charter**

Mr. McIalwain relayed the EPFD's attorney has reviewed the changes and made slight modifications. The resolution is designed to formalize the EPFD's Board request to the City Council to amend the charter. Mr. McIalwain and Board VP Liaw reviewed amendments to the charter related to how new board members are appointed, removing a board member, officer positions, and remote participation.

**BOARD MEMBER MALONEY MOVED TO APPROVE THE AMENDED AND RESTATED PFD CHARTER. BOARD VP LIAW SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

**BOARD VP LIAW MOVED TO APPROVE RESOLUTION #2021-001 AS AMENDED. BOARD MEMBER MALONEY SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

**14. New Business**

**15. Adjourn**

The meeting was adjourned at 9:03 a.m.

**Next EPFD Board Meeting: Thursday, September 23, 2021 - 7:30 AM**

**ACTION ITEMS:**

1. Add approval of 7-22-21 minutes to September meeting
2. Add approval of June and July EPFD Disbursement Reports to September meeting
3. Provide board members timeline for 2012 bond refinancing
4. Establish a board-designated fund for capital and maintenance and/or borrow for operating shortfall. Establish an ad hoc group to discuss and draft policies for, 1) managing the fund, and 2) relieving restrictions on debt service funds when annual debt service has been met.
5. Schedule report/update from staff member at September meeting
6. Inform board whether invited to apply for second round of SVOG
7. Inform board whether receive funding from City from ARP funds