

MINUTES

Edmonds Public Facilities District Board of Directors Virtual Online Meeting September 23, 2021

The Edmonds Public Facilities District Board virtual meeting convened at 7:32 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
Gillian Jones, Director of Programming

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**

Board VP Liaw read the Land Acknowledgement statement.

3. **Board President's Comments**

Board President Brewster reminded of the week-long SHINE virtual auction going on now and encouraged everyone to get involved.

4. **Consent Agenda**

- **EPFD Board Meeting Minutes – 7/22/2021 & 8/26/2021**
- **EPFD Disbursement Report – June, July and August 2021**

Board President Brewster advised the disbursement reports were approved by the Admin & Finance Committee at their last three meetings.

BOARD MEMBER MALONEY MOVED TO APPROVE THE CONSENT AGENDA. BOARD VP LIAW 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 (action taken/pending is in italics).

- Inform board whether invited to apply for second round of SVOG
EPFD/ECA recommended for second round of SVOG funding, 50% of the first grant (approximately \$350,000).
- Inform board whether receive funding from City from ARP funds
City approved grants to non-profit organizations at Tuesday's meeting. The EPFD received formal notification and documentation for signature and notary. Check will be issued within 15 days.
- **September Staff Report – Questions/Comments?**

There were no questions/comments on the report.

- **Edmonds PFD Amended and Restated Charter – Update**

Board President Brewster reported along with approving ARPA funds, the Council approved the amended charter. The board can now act according to the terms of amended charter. Board VP Liaw recommended updating the PFD's bylaws

6. Inclusion & Accessibility, Education & Outreach

- **Equity Statement - Update**

Board President Brewster reported staff is reviewing the equity statement created by the Inclusion & Accessibility committee. Mr. McIalwain relayed Ms. Jones, Ms. Dawson and he met twice last week to review the statement and developed recommended changes. It will be referred back to the committee. Ms. Jones suggested it would be worthwhile for other staff to review the statement and return it to Diana White and other key staff members/partners she worked with on the original equity statement to get consensus. Mr. McIalwain agreed Diana White, Lindsay Geyer and Cena Conteh would be updated regarding revisions to the equity statement and their opinions sought on next steps.

- **Budgeting for Equity Work - 2022**

Mr. McIalwain reported the 2022 budget will include funds for equity work; the size and scope has not yet been determined.

7. Finance, Facilities & Operations

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

ECA Secretary/Treasurer Rick Canning reviewed the Financial Dashboard and Statement of Revenue, Expenses and Changes in Net Position (Income Statement), highlighting operating and net surplus, SVOG grant, revenues ahead of budget even without SVOG grant, most items are in line with the budget, and (unbudgeted) bad debt expense.

Mr. Canning reviewed the Statement of Net Position (Balance Sheet), highlighting the SVOG federal grant, payment of outstanding credit card balances, low accounts payable, and the net position. Discussion followed regarding plans to send out quarterly donor statements, budgeting for bad debt expense in 2022, why past bad debt is included in this year's income statement, expectations regarding recovery of bad debt, expectation of bad debt amount in future years, key income statement ratios, and when the bond refinancing will be completed.

- **Monthly Cashflow Analysis Report**

Mr. Canning reviewed the EPFD/ECA Cash Flow Projections – 5 Year Summary Executive Summary, highlighting operating and non-operating, board designated fund, HFPF and total cash balance – all funds. Questions and discussion followed regarding reduced bond payments due to refinancing, repayment of the debt to the City, management operations improvement plan cumulative target, and assumptions regarding future operations.

- **Budget 2022 – Update**

Mr. Canning reviewed the EPFD-ECA Calendar for 2022 Budget Preparation and Review; the preliminary budget will be presented to the EPFD Board at the October meeting for review and comment and the final budget will be presented for approval at the November 18th or December 2nd meeting. The November 25th EPFD meeting will be continued to December 2nd and the December 23rd meeting will be canceled.

9. Executive Report / Steering Committee

- **Committee Reports**

- **Hosting – Sarah Mixon, Ray Liaw**

PowerPoint in packet

- **Inclusion & Accessibility – Gillian Jones, Lindsay Geyer, Cena Conteh**

PowerPoint in packet

- **SBA Opportunities: SVOG Update**

See report in Agenda Item 5.

- **Request to City of Edmonds – American Rescue Plan - Results**

See report in Agenda Item 5.

- **Request to Snohomish County – American Rescue Plan - Update**

Mr. McIalwain explained the original request from the three PFD projects to the Snohomish County Council for ARP funds was \$5 million; the Executive's office recommended reducing that by 50% (\$2.5 million for the three projects) and the recommendation was subsequently reduced to \$1.25 million. Public comment will be taken on the list of recommended grants at the Snohomish County Council on October 6th at 1:30 p.m. Of the \$1.25 million, the ECA would receive \$250,000. He will update board members if any further effort is necessary. He assumed the Council would take action before the end of October.

- **2012 Bond Refinancing Update**

- **Timeline**

Mr. McIalwain referred to the updated timeline, explaining the process is driven by the City's and the EPFD's financial advisers and bond counsel. The closing date is still November 23rd.

- **Update to 4-Party ILA**

Mr. McIalwain explained the amendment will reference extending the debt to 2041 as well as the RCW that authorizes the extension. He hoped to complete the amendment to the ILA before the bond sale but that was not absolutely necessary.

9. Marketing & Business Development

- **Ticket Sales Update**

Ms. Jones reviewed the ticket sales report, highlighting the first performance of the season, Marty Stuart, late refunded tickets (people not comfortable coming to the theater in person or walkups that did not have proof of vaccination), ticket sales for performances rescheduled from 2019/2020 season that have been marketed longer versus 2020/2021 shows that have been marketed for a shorter time, special engagements, and a new December 8th show (Jake Shimabukuro) that will be announced in the next week.

- **Summer Series**

Ms. Jones commented the summer series was an interesting period of experimentation with new formats and a lower risk model due to local artists, lower artist fees and smaller scale. There were nine total events total, three completely virtual (live streamed from artists' homes or studios), three in a curbside series in the ECA parking lot, and three hybrid (live-streamed from the theater with a very limited in person audience). One event was canceled due to a member of the Delvon Lamarr Organ Trio having a COVID exposure. The curbside series did the best, there was great feedback on the culinary events, and performances in the theater were lightly attended due to the delta variant and hesitancy to be indoors. She summarized the actual and targeted net and net after support.

Mr. McIalwain highlighted the net change due to the canceled show, summarizing there was a total net loss for the series but lessons learned were worthwhile. Questions and discussion followed regarding live-streaming opportunities for the 2021/2022 presented season, and patrons' fatigue with virtual performances.

10. Programming

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

Mr. McIalwain and Ms. Jones relayed confirmed and unconfirmed special engagements.

- **22-23 – Initial Planning**

Mr. McIalwain reported on the booking conference in Portland that Ms. Jones and he attended, commenting it was good to be in person with agents and colleagues to discuss possibilities for 2022/2023. About 200 people attended in person and 300 attended virtually. Ms. Jones commented relationships with colleagues in the Pacific NW have been strengthened over the last 1½ years due to conversations about COVID protocols and meeting twice a month. That will be helpful when planning the next season and booking block performances. Mr. McIalwain said the professional development activities were very good; the Western Arts Alliance has a robust

program for advancing indigenous performances; approximately 15% of the attendees were indigenous artists and agents developing the touring system for indigenous artists.

11. Philanthropy

- **SHINE! – 2021 Online Auction – September 17-24**

Mr. McIlwain reported on a rally held Tuesday, number of household participating and funds raised so far toward the goal of \$250,000. He encouraged board members to invite others to participate. He and staff are reaching to board members, patrons and donors who have not yet registered; many said they are planning to get involved. He encouraged board members to consider making an early investment in the Raise the Paddle to help build momentum. That portion of the auction traditionally raises the most money but it is difficult to get the energy going in this type of event. He thanked the development team for their work and making the most of the situation. An invite will be sent later today for a Friday evening rally to bring things to a close and to celebrate.

12. PFD Board Business

- **Resolution 2021-02 – Appointment of Agent to Receive Claims for Damages**

Mr. McIlwain relayed the state and EPFD's insurance company require an employee be designated as the assigned agent to receive claims. It has always been him; the resolution just confirms that he is the representative of the organization designated to accept claims for damages.

BOARD VP LIAW MOVED TO APPROVE RESOLUTION 2021-02, A RESOLUTION OF THE BOARD OF DIRECTORS OF EDMONDS PUBLIC FACILITIES DISTRICT AUTHORIZING THE APPOINTMENT OF AGENT TO RECEIVE CLAIMS FOR DAMAGES AS STATED. BOARD MEMBER WILLCOCK SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

- **Revised Capital Asset Policy – Sept 2021 – Review and Approval**

This item was removed from the agenda.

- **Removal of Gregory Hinton from PFD Board – Consecutive Unexcused Absences**

Board President Brewster relayed the revisions to the charter, approved by the City Council, allows the board to take action (without the City Council's approval) to remove a board member who has missed three consecutive board meetings. He explained Board Member George Hinton ceased attending EPFD Board meetings for unknown reasons and efforts to reach him have been unsuccessful. Board President Brewster requested the board consider removing Mr. Hinton from the board and initiate an application process to fill the position on the board.

Board VP Liaw recommended documenting the unexcused absences in a resolution. Questions and discussion followed regarding whether the resolution needed to be approved before the search process begins, interesting in filling the position soon, what the resolution would address, scheduling a special meeting to approve the resolution, process for removing a board member, and using the language in the charter about unexcused absences in the resolution.

It was agreed to have the EPFD attorney draft a resolution documenting Board Member Hinton's unexcused absences and the intent to remove him from the EPFD board, to call a special meeting (September 27th at 8 a.m. via Zoom) to approve the resolution, and to begin the formal recruitment/application process.

13. New Business

14. Adjourn

The meeting was adjourned at 8:54 a.m.

Next EPFD Board Meeting: Thursday, October 26 2021 - 7:30 AM

ACTION ITEMS:

1. Update EPFD Bylaws
2. Update Diana White, Lindsay Geyer and Cena Conteh regarding revisions to the equity statement and get their opinions on next steps.
3. Schedule preliminary budget on October agenda.
4. Continue November 25 meeting to December 2 and cancel December 23 meeting
5. EPFD Attorney draft a resolution documenting Board Member Hinton's unexcused absences and intent to remove him from the EPFD Board
6. Schedule special meeting on September 27 at 8:00 a.m. to approve resolution
7. Begin recruitment process for new EPFD board member