

# MINUTES

## Edmonds Public Facilities District Board of Directors Meeting September 28, 2023

The Edmonds Public Facilities District Board hybrid meeting convened at 7:32 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  
Suzy Maloney  
David Brewster  
Wayne Grotheer

### **EPFD Board Members Absent**

Bill Willcock, Vice President

### **ECA Board Members Present**

David Schaefer, President

### **ECA Staff Present**

Lori Meagher, Interim Executive Director  
Lexie Marsters, Executive Assistant

### **City Staff Present**

Dave Turley, Admin. Serv. Director (Ex-Officio)

### **Guests**

Dave Teitzel, City Council Liaison

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

Board President Liaw called the meeting to order.

#### **2. Land Acknowledgement & Equity Statement**

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

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

- **Agenda Review**

Board President Liaw relayed the agenda was adjust slightly because Ms. Meagher and Board Member Brewster are at the Association of WA Cities PFD Districts Conference.

**BOARD MEMBER GROTHEER MOVED TO APPROVE THE AGENDA. BOARD MEMBER MALONEY SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

#### **4. Public Comment**

There was no public comment.

#### **5. Consent Agenda**

- **EPFD Board Meeting Minutes: August 21, 2023 (special meeting)**
- **EPFD Board Meeting Minutes: August 24, 2023**
- **EPFD Disbursement Report: August 2023**

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

## 7. PFD Board Business

- **PFD Support Letter**

Board President Liaw relayed the Lynnwood PFD asked if the Edmonds PFD would be willing to provide a letter of support regarding their board appointment process. In Lynnwood, there is an appointment process established by resolution, but the PFD does not have a role in the appointment of candidates which has proven difficult recently. She shared with Lynnwood's executive director the great relationship the EPFD has with the Edmonds City Council with regard to the appointment process. By state law, the city council makes appointments to the PFD. The draft letter of support speaks to the process and the board providing guidance to the city council regarding the appointment. The Lynnwood City Council plans to take formal action on PFD Board appointments on October 9, 2023 so the support letter will be submitted in the next few days.

Questions and discussion followed regarding who the letter is addressed to, past appointment processes, support for providing a letter of support, and background information available in Lynnwood Today and Lynnwood Times.

**BOARD MEMBER GROTHEER MOVED TO APPROVE THE SUPPORT LETTER AS PRESENTED FOR SUBMISSION ON BEHALF OF THE PUBLIC FACILITIES DISTRICT TO THE LYNNWOOD CITY COUNCIL. BOARD MEMBER MALONEY SECONDED THE MOTION.**

Discussion continued regarding the EPFD taking a leadership/mentorship role and demonstrating how well the Edmonds City Council works with the Edmonds PFD.

**MOTION CARRIED UNANIMOUSLY.**

Board President Liaw acknowledged the work done at last weekend's retreat by Board Member Maloney who facilitated the retreat and the retreat planning committee. She looked forward to hearing from the Steering Committee and Board Governance Committee about their ideas.

## 6. 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).

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

Board Member Brewster commended the work being done given the challenges everyone is facing. Board President Liaw commented it was great to hear at the retreat what the departments and committees are doing strategically, the challenges they are facing and how they are addressing those challenges.

## 9. Interim Executive Director Update

- **Finance Update**
  - August Financials

Ms. Meagher reviewed the Financial Dashboard, highlighting actual to budget for presented events, concessions and historic preservation fees; rentals; contributions; total operating revenue; operating expenses including presented events and concessions, payroll and employee benefits, and other expenses; and operating surplus (loss).

Questions and discussion followed regarding concern with presenters saying they feel the ECA is short staffed, using staff in the best way possible, streamlining resources to allow staff to work more effectively, and investment in resources in the 2024 budget to improve processes for staff.

Ms. Meagher reviewed Balance Sheet – key balances including total cash August 2023 compared to August 2022 and long term debt amounts. She reviewed Cash Flow by Month including ending operating cash, ending debt service balance, and ending cash-all funds.

Ms. Meagher reviewed a 2023 Seasonal Year (September-August) Statement of Revenue, Expenses and Changes in Net Position (Income Statement), prepared at the suggestion of Dave Turley, that looks at finances from a seasonal standpoint.

- FY2024 Budget Update

Ms. Meagher advised the FY2024 budget is being prepared; departments are preparing their budgets for her review. She and ECA Board Members Canning and Cox are meeting to discuss the budget before the first draft is presented to the Admin & Finance Committee in October. The first draft of the 2024 budget will be presented to the EPFD Board at the October meeting.

- Final Audit Update

Ms. Meagher reported the audit exit conference was held earlier this week. The EPFD received an unmodified opinion. A couple small typographical corrections made to the annual report. Staff will complete the IRS Form 990 for the ECA Board. The CPA filed an extension due to the timing of the audit. The IRS provided notice they will be examining the ECA's non-profit tax exempt status. She has an interview with the IRS examiner on October 24 to review the requested 2020 documentation.

Ms. Meagher responded to questions regarding what triggered the IRS review, whether the 2024 capital budget is on the same schedule as the operating budget, and schedule for the EPFD Board to review and approve the budget.

- **Human Resources**
  - Hiring Update

Ms. Meagher reported the ECA is fully staffed other than a facilities coordinator.

- Executive Director Onboarding Process

Ms. Meagher reported ECA Board Member Matt Cox and she are developing an onboarding plan for the new ED Kathy Lui. A draft plan will be reviewed by the Leadership Transition Team and the Steering Committee and shared with Ms. Lui for her input. Discussion followed regarding onboarding including some time working with Mr. McIlwain, and the positive response to the press release regarding the ECA's new ED.

- **General Update**

Ms. Meagher reported it has been a month since Mr. Mclalwain left; the team has stepped up and is doing an amazing job working and collaborating together as seen at the retreat. She commended the team for their continuing efforts, ensuring the organization is meeting its mission and continuing to create access to ECA for the community.

- **Ticket Sales Update**

Ms. Meagher reported on ticket sales, relaying the season started strong. She highlighted shows for which the marketing team is doing additional outreach, commenting sales often spike closer to the show date. Questions and discussion followed regarding tickets that are not on sale yet (special engagements that have not been announced), Seattle Times article regarding trends in performing arts post pandemic, patrons often waiting until closer to the show date to purchase tickets, rentals exceeding expectations, and whether rental events are experiencing the same trends. Board Member Brewster relayed in talking anecdotally with other PFDs, things are still rough for some of them and everyone is still in a period of regrowth. The EPFD/ECA may be ahead of the curve, but there are still opportunities to meet/exceed budgets.

- **Development Update**

Ms. Meagher shared the updated Development Report that is color coded to indicate categories at risk YTD versus budget (yellow: some risk, orange: moderate risk, and red: high risk). The notes section of the report identifies strategies for categories at risk. She highlighted strategies for individual major gifts, individual non-major, season sponsorships, and state & federal grants.

The grant writer has submitted \$313,000 in grants and has \$2.2 million in grants in the research stage. Board Member Maloney suggested the grant writer provide an analysis of available grants, grants submitted, grants awarded, grants declined, potential future grants, etc. Ms. Meagher displayed an ECA Grants Calendar through August 31 advising the rate of return is about 32%.

## **8. PFD Committee Reports**

Board Member Brewster reported he joined the Education and Community Outreach Committee which did not have PFD Board representation. This is a growth area for ECA and he is eager to see staff's plans to grow that business. He and Ms. Meagher are at the Association of WA State PFDs Conference and will hear updates from the lobbyist, insurance broker, other PFDs about their expansion plans, etc. which they will report on next month.

(Board Member Brewster left meeting at 8:24)

Board Member Grotheer reported he was asked to lead the Facilities and Operations Committee related to universal access. He reported Mithun has started the building envelope assessment and several small capital projects are underway.

Board Member Maloney reported she was unable to attend the Philanthropy Committee meeting, but they are primarily working on the Gala. The Fourth Avenue Cultural Corridor does not meet on a regular basis. They held an open house in August and received good feedback.

Board President Liaw reported she rejoined the Hosting Committee. Before launching the Mclalwain Access Fund, a policy needs to be drafted and approved by the EPFD regarding providing funds to community groups to utilize the ECA facility at discounted rates. She also joined the Admin & Finance Committee who had a good discussion on post retreat planning. Her understanding is Mithun will prepare a report out in October. The top strategic priorities at the

retreat were the campus plan, capital plan and planning strategically to incorporate work related to equity and access.

Board President Liaw reported on an internal discussion with department heads, David Schaefer, Mike Roen, and herself about the Boys & Girls Club. That conversation had been paused to focus on hiring a new ED and completing the Mithun study. She suggested once the results of the Mithun study are available, she and Ms. Lui set up a meeting with the Boys & Girls Club's executive director and an ECA board member to confirm where they are in their process. It was her understanding the Boys & Girls Club is still interested in a teen center, although they now plan to have a gym in their new facility. The \$200,000 grant the EPFD/ECA received to further the design is specific to partnering with the Boys & Girls Club so that partnership needs to be determined before grant funds are spent. The meeting with the Boys & Girls Club will be followed by conversations with the Steering Committee and the EPFD Board.

Board President Liaw reported once the new ED is onboarded, the LTT will wind down, and regular meetings between the EPFD and ECA Board Presidents and Vice Presidents and the ED will resume. The LTT is discussing a public event to welcome Ms. Lui to the ECA and Edmonds in November.

**10. New Business**

**11. Adjourn**

The meeting was adjourned at 8:36 a.m.

**Next EPFD Board Meeting: Thursday, October 26, 2023 - 7:30 AM**

**ACTION ITEMS:**

1. October EPFD Board meeting
  - a. First draft of 2024 budget
  - b. Report from Mithun on Building Envelope & Conditions Assessment
2. Send EPFD letter of support regarding appointment of Lynnwood PFD board members to Lynnwood City Council
3. If Mr. Mclalwain was unable to prepare an analysis of ticket sales'22-23 compared to '18-19 before he left, Ms. Meagher work with the Director of Programming and Communication to prepare the analysis
4. Appoint an EPFD board member to the Association of WA State PFDs at a future meeting.
5. Ms. Meagher review the ECA's 990 to see if something prompted the IRS' review of the non-profit's tax exempt status.
6. Create grant spreadsheet with analysis of available grants versus grants applied for and grants received.
7. Create policy regarding use of funds in the Mclalwain Access Fund
8. Once results of Mithun study are provided and before the end of the year, new ED, Board President Liaw, and ECA board member have an informal meeting with Boys & Girls Club to discuss their interest in partnering with the EPFD/ECA