

MINUTES

Edmonds Public Facilities District Board of Directors Meeting September 29, 2022

The Edmonds Public Facilities District Board hybrid meeting convened at 7:34 a.m. in the Edmonds Center for the Arts Green Room, 410 4th Avenue North, Edmonds, and via Zoom.

EPFD Board Members Present

Ray Liaw, President
Suzy Maloney
David Brewster

EPFD Board Members Absent

Robert White
Bill Willcock Vice President

ECA Staff Present

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

ECA Board Members Present

David Schaefer, President

Other Guests Present

Dave Teitzel, City Council Liaison

1. **Call to Order**

Board President Liaw called the meeting to order.

2. **Land Acknowledgement**

Mr. Mclalwain read the Land Acknowledgement statement.

3. **Agenda Review and Approval**

Board President Liaw requested the agenda be amended to add a report regarding the Executive Director Search Committee under PFD Board Business.

BOARD MEMBER BREWSTER MOVED TO ADD A REPORT ON THE EXECUTIVE DIRECTOR SEARCH COMMITTEE TO TODAY'S AGENDA UNDER PFD BOARD BUSINESS. BOARD MEMBER MALONE SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

Mr. Mclalwain advised the Admin & Finance Committee did not approve the August disbursements at their meeting yesterday so he recommended pulling that item from the consent agenda.

BOARD MEMBER BREWSTER MOVED TO REMOVE THE AUGUST 2022 DISBURSEMENT REPORT FROM CONSENT AGENDA AND MOVE IT TO NEXT MONTH'S MEETING. BOARD MEMBER MALONEY SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

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

4. **Board President's Comments**

- **ECA GALA & Season Opening**

Board President Liaw commented on last night's wonderful season opener, an excellent way to start the season. She commended staff for organizing the GALA and thanked board members and supporters who attended.

5. Public Comment

There was no public comment

6. Consent Agenda

- **EPFD Board Meeting Minutes – August 25, 2022**
- **EPFD Special Board Meeting Minutes – September 12, 2022**
- **Executive Director Contract**

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

7. 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).

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

Board Member Brewster referred to the report that Director of Patron Services Jim Kristian is retiring and for the record, relayed how pleased he has been with Mr. Kristian's performance over the years, the great structure he developed for volunteers, front of house staff, ticketing bartending, etc. The impression on the community is largely due to his work. He congratulated Mr. Kristian on his accomplishments. Mr. Mclalwain advised there will be a recognition for Mr. Kristian tomorrow at 1 p.m. in the lobby. He will be away from the organization for a month and then, in accordance with the pension plan rules, he plans to return on a part-time basis.

Mr. Mclalwain explained Patron Services Manager Nicole Giordano began working with Mr. Kristian eight months ago and is now overseeing volunteers, front of house process, etc. A job description has been written for the box office manager who ultimately will be part of the marketing department so there is a closer tie between marketing and the box office.

8. PFD Board Business

- **Update on Executive Director Search Committee**

Board President Liaw explained the leadership transition team, which consists of several ECA board members and Board Member Brewster, will be involved with the transition process as Mr. Mclalwain's time with the ECA/EPFD winds down over the next year and the search for his successor. The team has met once and will be meeting again today; they are putting together a work plan to better answer key questions such as whether to hire a search firm. A monthly update will be provided to boards and staff. If a decision is made to hire an executive search, an RFP will be prepared, but EPFD Board approval is not required.

Discussion followed regarding the timeline (Board President Liaw will share a Gantt chart), and discussion at the Admin & Finance Committee about ensuring there is adequate representation on the succession planning team.

9. **Finance & Operations**

- **Finance**

- Finance Reports – August 2022

Ms. Meagher reviewed the draft August Income Statement, highlighting the following:

- ❖ Presented events revenue is below budget for the month but above budget YTD.
- ❖ Presented event expenses are under budget in August but over budget YTD. She and Mr. Mclalwain will analyze.
- ❖ Operations is over budget; staff is watching expenses in the last quarter.

Questions and discussion followed regarding rental and lease revenues, rental cancellations early in the year due to COVID, how to better market rentals, whether additional team members are needed to assist with marketing rentals, increased rentals also increasing labor demands, contracting for part-time labor for rentals, and investing in a system for rentals to streamline processes.

Ms. Meagher reviewed the draft August Balance Sheet highlighting the healthy restricted for debt service account (funds for capital expenditures or for operations with board approval), total current assets, and cash flow projection compared to previous years. Questions and discussion followed regarding anticipation the Snohomish County ARPA funds will be received in September and where those will appear in the balance sheet.

Ms. Meagher reviewed the Cashflow Projection, highlighting ending cash over budget and the opportunity to move funds from restricted debt service into a board designated fund. She recommended the EPFD Board review and determine an amount to move into the board designated fund prior to fiscal yearend.

- FY 2023 Budget Schedule

Ms. Meagher displayed the FY2023 Budget Cycle with target dates for each phase of the budget. Templates have been sent to department heads to prepare projections for the last quarter of 2022 and for 2023. She and Mr. Mclalwain will review the projections, follow up with department heads as needed, and compile a first draft that will be shared with Admin & Finance Chair Matt Cox and ECA Board Treasurer Rick Canning. The schedule includes presenting the first draft to Admin & Finance and the EPFD Board in October, and presenting the final draft for approval in November with a backup date of December 1 if necessary. After approval, the final budget will be reviewed with department heads and staff so the team has a better understanding of the operational budget.

Questions and discussion followed regarding November and December meeting dates, and staff sending out a save-the-date for both the November 17 and December 1 meetings.

- **Human Resources**

- Update

Ms. Meagher reported the education & outreach coordinator position has been posted. Phone interviews have been conducted and a few candidates were selected for in-person panel interviews next week. There has been limited response to the part-time facilities assistant position. A panel interview will be held with the final candidate for the front of house event manager position

on Friday. Job descriptions are being developed for the programming manager, box office manager and HR coordinator positions. Discussion followed regarding the role of the programming manager. Ms. Meagher will share an updated org chart at next month's meeting.

- Employee Handbook Updates Overview

Ms. Meagher advised the first draft is being reviewed by a handbook taskforce from the Admin & Finance Committee. She described why the handbook is being updated, policies and components that have been added, and expanded/updated policies. Next steps include the taskforce meeting in October to provide her feedback and then a final rough draft will be provided to All Things HR who will prepare a final draft that will be presented to Admin & Finance next month.

Board President Liaw requested the EPFD Board be provided an advance draft before it is in the packet. As the Admin/Finance meets right before the EPFD Board meeting, Mr. Mclalwain suggested including the draft policy in the EPFD packet next month and schedule approval at the December 1 meeting.

- Inclusion & Accessibility

Ms. Meagher advised the committee is moving ahead with the land acknowledgment, renaming the committee, and internal equity work and priorities. Mr. Mclalwain and Gracelynn Shabayama (who attended the LFRE program) and she plan to meet to discuss LFRE and what should happen internally related to DEI and present that to the I&E Committee and eventually other boards.

Mr. Mclalwain advised of discussions about transforming the lobby space so it is welcoming and comfortable for all and illustrates the commitment to equity, diversity, access and inclusion. Discussion followed about the lobby making a good first impression, adding the land acknowledgement and equity statement to the lobby, and relocating the donor wall.

- **Facilities**

- Building Envelope Project – RFQ Update

Ms. Meagher advised the packet includes the draft RFQ for the building envelope and structural assessment which was presented to the Facilities and Operations Committee. The committee chair asked for two weeks for the committee to review and provide feedback. The RFQ will be on the EPFD Board's October agenda for approval.

Questions and discussion followed regarding including a structural assessment in the RFP as an optional scope; reviewing the purpose and scope to ensure the RFQ is broad enough; adding to the RFQ, 1) potential effects of performance standards required by the state by 2028, and 2) potential incorporation of another organization into building; this RFQ as a way to determine the current status of the building; and how far to go with the current vendor for this RFQ.

- Safety Update

Ms. Meagher advised L&I did a safety and health walkthrough, a service they provide free of charge to point out things that would be identified in an inspection. L&I then allows a year before an inspection is made to correct anything they find. Several of the things L&I found were corrected within the next day such as power cords, a missing GFI adapter in the pantry, etc. The two major things identified were fall hazards, the first on the roof; the solution is painting a 6-foot line from the edge of the roof and utilizing a buddy/watch system anytime an employee is on the roof (instead of creating a tethering system). The other fall hazard is the wall by the balcony is 6 inches

short of the threshold to prevent a fall. An anchoring/tethering system will be utilized when an employee works on the lighting on the balcony to prevent a fall. The ECA had until September 30 to correct those items as well as develop an accident prevention program. The final version of the updated accident prevention program and emergency procedures will be shared with L&I and both boards next month.

10. Executive Report / Steering Committee

- **Boys & Girls Club - Update**

Board President Liaw reported the team is meeting monthly; last month's meeting include a presentation from Mithun to explore the campus space and add the Boys & Girls Club. After exploring many options, Mithun focused on two alternatives, 1) take down the music building and build a new 2-story building with the ECA on one floor and the Boys & Girls Club on another, and 2) take down the entire building and build a 3-story building. Considerations include whether incorporating Boys & Girls Club would limit development capacity on campus and allowable building height if the building remains in the existing footprint. Both organizations agreed to consider the information and continue discussions next month. She envisioned seeking a commitment from the ECA and EPFD Boards by yearend to continue the conversation.

Mr. McIalwain relayed the driver of this conversation is potentially approaching the legislature for support to replace the Boys & Girls Club's existing building and support for the EPFD to continue exploration of design options.

- **Strategic Planning - Update**

Mr. McIalwain commented on discussions regarding the strategic plan to define whether the scope is a short, medium or long term plan. The Steering Committee will discuss this further at their next meeting.

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

Mr. McIalwain displayed the ticket sales report, advising ticket sales are tracking about 15-20% lower than the 2019-2020 season; however, that looked to be one of most gangbuster seasons until the pandemic shutdown in March 2020. Like other performing arts venues, the ECA is in recovery mode and it will take a couple years to rebuild. This requires hard work, taking care of patrons, being flexible, telling the story, adding special engagements, etc.

- **Programming/Outreach**
 - General Update

Mr. McIalwain referred to great stories told at the GALA, all the result of Ms. Ortega's hard work and exploration of where arts and health meet, which is her background. She is doing a great job continuing to build relationships created by Gillian Jones. Windows to the Arts is making presentations at assisted living facilities which include music therapist and those facilities are thrilled with the programs.

- **GALA Update**

Mr. McIalwain reported gross revenue of approximately \$330,000; more details will be available soon. He will provide an update at the next meeting and will email updates as information

becomes available. It was a great event overall and he has only heard positive comments about the experience. Topics under discussion include working with other organizations about spacing out fundraising events, difficulties with planning this year's event due in part to new employees, and lower attendance this year. He summarized this event will not meet the budgeted goal.

Questions and discussion followed regarding reasons for lower attendance at the GALA, people who were missing at the GALA, reaching out to new people in the community, timing of the GALA, holding the GALA prior to the season opening in the past, and the challenge of the Waterfront Center holding their gala the following weekend.

11. Programming/Education & Outreach Update

12. New Business

13. Adjourn

The meeting was adjourned at 8:56 a.m.

Next EPFD Board Meeting: Thursday, October 27, 2022 - 7:30 AM

ACTION ITEMS:

1. Add to October EPFD Board meeting agenda
 - a. Disbursement Report: August 2022
 - b. Updated org chart
 - c. Draft Employee Handbook (for board info only)
 - d. Approval of RFQ for Architectural & Engineering Services for Building Envelope Project
 - e. Final version of updated L&I Accident Prevention Program
 - f. Update on GALA revenues/expenses
 - g. Draft 2023 budget
2. Add to Building Envelope Project RFQ: 1) consideration of performance standards required by the State in 2028, and 2) potential incorporation of another organization into the building
3. Email GALA revenue/expense updates to EPFD & ECA Boards
4. Consider submitting written report to City Council Finance Committee
5. Provide monthly update regarding leadership transition to ECA and EPFD Boards and staff
 - a. Board President Liaw share draft Gantt chart
6. Send out save the date for EPFD Board meetings on November 17 and December 1
7. EPFD Board review and approval of amount to move from restricted debt service into board designated fund prior to fiscal yearend.
8. EPFD Board approval of updated Employee Handbook at December 1 meeting