

MINUTES

Edmonds Public Facilities District Board of Directors Virtual Online Meeting October 28, 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

ECA Staff Present

Joseph McIalwain, Executive Director
Lori Meagher, Director of Finance & Operations
Christina Kourteva, Director of Development

ECA Board Members Present

David Schaefer President
Rick Canning, Secretary/Treasurer

Other Guests Present

Adrienne Fraley-Monillas, City Council Liaison
Robert White, PFD Board Applicant

1. Call to Order

Board President Brewster called the meeting to order.

2. Land Acknowledgement

Board Member Willcock read the Land Acknowledgement statement.

3. Board President's Comments

Board President Brewster commented on the budget presentation later on the agenda. He invited board members to inform friends and neighbors about upcoming ECA shows. He welcomed Director of Finance & Operations Lori Meagher, ECA Secretary Treasurer Rick Canning and PFD Applicant Robert White.

4. Consent Agenda

- **EPFD Board Meeting Minutes – September 23, 2021 as amended**
- **EPFD Disbursement Report – September 2021**

The September 27, 2021 special meeting minutes will be scheduled on the next meeting agenda.

BOARD VP LIAW MOVED TO APPROVE THE CONSENT AGENDA AS AMENDED. BOARD MEMBER MALONEY SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

5. Old Business

- **Prior Action Items Review**

Mr. McIalwain reviewed progress on action items from the previous meeting; Revision of EPFD Bylaws was added to the next meeting agenda.

- **October Staff Report – Questions/Comments?**
- **Revision of Edmonds PFD Bylaws - Update**

Revised EPFD Bylaws will be scheduled on the next meeting agenda.

6. Inclusion & Accessibility

- **Equity Statement – Update/Process**

Mr. McIalwain reported the draft equity statement has been updated based on survey responses from both boards and staff. The statement will be reviewed by committees before being presented to the boards. He recognized the Inclusion & Accessibility Committee leadership, ECA Board Member Diana White, and staff including Liz Dawson, Gillian Jones and Laurie Meagher. He noted the equity statement is only a statement; the next step will be a list of action items to reach the vision in the equity statement.

7. Finance, Facilities & Operations

- **Finance Report – September 2021**

Ms. Meagher reviewed the Statement of Revenue, Expenses and Changes in Net Position (Income Statement), highlighting contributions & operating grants, payroll, and bad debt expense (recognizing unrealized sponsorship pledges in previous years). Mr. McIalwain responded to a question regarding the number of presented events in 2021.

Ms. Meagher reviewed the Statement of Net Position (Balance Sheet), highlighting receivables from customers, prepayments, reduced accounts payable, and increase in payroll and benefits payable. Discussion followed regarding not approaching major donors this year due to governmental support the ECA has received; December ticket sales; salary savings from the F&O Director vacancy and the Education & Outreach Director's leave; increase in payroll to assist with reopening tasks; budget adjustment in June that anticipated the F&O Director vacancy; and total funds received from SVOG; county and city.

- **Monthly Cashflow Analysis, Projections**
- **2022 Budget – Draft**

Mr. Canning provided an introduction, commenting on the input provided by staff, uncertainties regarding reopening, and 2023 assumptions. He reviewed 2022 budget assumptions related to overall activity level, presented events audience growth, education and outreach activities, contribution and grant revenue, staffing levels, staff salary increases, other inflation increases, additional expense increase, federal COVID grant assistance, sales tax projections, debt and depreciation, bottom line, cash flow and total cash balances at yearend. Mr. McIalwain reported on SVOG's approval of a \$355,000 supplemental grant and receipt of a \$25,000 insurance settlement.

Ms. Meagher and Mr. Canning reviewed the Income Statement Summary highlighting moving the \$355,000 SVOG grant from 2022 to 2021, additional FTEs, operating revenues, and projected operating surplus/loss. Mr. Canning reviewed key metrics including number of shows, average ticket prices, percentage of tickets sold, rental activities, contributions and grants, overall operating revenues, FTEs, average wage/benefit per FTE, sales tax, interest costs, debt principal payments, grants, total net surplus, net position, operating margin and total surplus percentage.

Mr. Canning reviewed the Cashflow Analysis, highlighting total net surplus, depreciation and refinancing costs, debt principal payments, capital expenditures, sales tax receipts not needed for debt service, change in cashflow and final cash balance.

Mr. McIlwain reviewed the 2022 New Expense Changes & Investments highlighting additional expenses related to improved staff support infrastructure (software), professional development and training, Community Wealth Identification Analysis, Innovation & Research Fund; labor cost changes including 4% COLA, salary adjustments, and market adjustments; and total labor FTE changes.

Discussion followed regarding thresholds for deciding when to hire staff, significantly increased revenue projections for 2022 and 2023, analyzing whether revenue projections are being met, investments in staff, cost of turnover, utilizing data to project audiences, assessing necessary capital facility investments and prioritizing expenditures, and including an estimate of capital facilities expenditures in the Cashflow Analysis.

Due to time constraints, Board President Brewster suggested board members review the slides related to risks, opportunities, and budget implementation and monitoring, and submit questions/comments to staff.

Mr. Canning reviewed the budget process to date, review and next steps, and approval of final budget. Board members requested the budget documents be sent out in advance of the next meeting.

8. Executive Report / Steering Committee

- **Committee Reports**
 - **Steering Committee – Vision/Mission/Values Statement - Progress**
- **SBA Opportunities: SVOG Update**
- **Approved: Snohomish County American Rescue Plan - \$250,000**
- **2012 Bond Refinancing - Update**

11. Philanthropy

- **SHINE Online Auction – Results**

Ms. Kourteva reported on the SHINE online auction September 17-24 highlighting planning for the event, fundraising goal, auction packages, total auction sales, unique auction items, Raise the Paddle gifts, sponsors and partners, net revenue, team members involved with the event and plans to survey participants about next year's event. She concluded the online auction raised as much as an in-person event which would have been more expensive to organize.

- **Year-End Development Efforts**

12. PFD Board Business

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

Mr. Canning briefly highlighted major changes to the Capital Asset & Depreciation Policy, advising it has been sent to the auditor for final input. It was agreed to schedule the policy on the next meeting agenda for approval and to include both the final and redline version of the policy in the packet.

13. New Business

- **Employment Policies Handbook**

Ms. Meagher relayed in reviewing the ECA's handbook, several policies need to be updated. She described a proposed process for reviewing the changes prior to presentation to the board for approval by the end of the year and implementation in 2022. Discussion followed regarding the original taskforce that updated the handbook. Mr. Mclalwain offered to set up a taskforce to review proposed updates to the handbook before they are presented to the board.

- **Potential New Lease Agreement – DISH Wireless**

Mr. Mclalwain advised negotiations are underway with DISH Wireless to lease space on the ECA building for their equipment. A permitting process with the City is required which DISH Wireless' consultant is overseeing. A lease agreement will be presented to the board at the next meeting.

- **Vaccination/COVID Test Verification, Protocols**

Board President Brewster invited board members to review the ECA Covid Safety Update on the ECA's website. Mr. Mclalwain relayed the burden of checking proof of vaccination/testing and identification is on ECA staff and volunteers. He thanked board members, volunteers and staff who have assisted with that effort and he welcomed their assistance in the future. Some security support has been hired to assist when necessary.

9. Marketing & Business Development

- **Ticket Sales Update**
- **Recap Catapult, Upcoming Events**

10. Programming

- **21-22 Season – Special Engagements**
- **22-23 Initial Planning**

14. Adjourn

The meeting was adjourned at 9:09 a.m.

Next EPFD Board Meeting: Thursday, December 2, 2021 - 7:30 AM

ACTION ITEMS:

1. Change "George" to "Gregory" in second to last paragraph on page 5 of September 23, 2021 minutes
2. Schedule approval of September 27, 2021 special meeting minutes on next agenda
3. Schedule update of EPFD bylaws on next meeting agenda
4. Send out budget documents sooner than they were sent out this month
5. Schedule review and approval of revised Capital Asset Policy on next agenda (include final and redline version in the packet)
6. Schedule review and final approval of 2022 budget at next meeting agenda
7. Establish a taskforce to review updates to the Employment Policies Handbook
8. Schedule lease Agreement with DISH Wireless on next meeting agenda