

# MINUTES

## Edmonds Public Facilities District Board of Directors Meeting November 30, 2023

The Edmonds Public Facilities District Board hybrid meeting convened at 7:30 am 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  
Bill Willcock, Vice President  
Suzy Maloney  
David Brewster  
Wayne Grotheer

### **ECA Staff Present**

Kathy Liu, Executive Director  
Lori Meagher, Associate Executive Director

### **Guests**

Will Chen, City Council Liaison

### **ECA Board Members Present**

David Schaefer, President

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

Board President Liaw called the meeting to order.

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

Board VP Willcock read the Land Acknowledgement Statement and the Equity Statement.

#### **3. Agenda Review and Approval**

Board President Liaw advised the agenda needed to be amended to add an executive session after the Executive Director's Update in accordance with RCW 42.30.110(g) to review the performance of a public employee; add an agenda item, Extending Interim Director Position for One Month, following the executive session; and add Approval of the October 26 Meeting Minutes to the consent agenda.

**BOARD MEMBER BREWSTER MOVED TO AMEND THE AGENDA TO ADD AN EXECUTIVE SESSION IN ACCORDANCE WITH RCW 42.30.110(G) TO REVIEW THE PERFORMANCE OF A PUBLIC EMPLOYEE, ADD APPROVAL OF THE OCTOBER 26 MEETING MINUTES TO THE CONSENT AGENDA, AND ADD AN AGENDA ITEM, EXTENDING INTERIM DIRECTOR'S POSITION FOR ONE MONTH. BOARD VP WILLCOCK SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

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

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

Board President Liaw commented the EPFD/ECA made it through another year. Assuming the EPFD Board will not meet in December, she commended staff and boards for their incredible work in 2023.

#### **5. Public Comment**

There were no public comments

**6. Consent Agenda**

- **EPFD Board Minutes – October 26, 2023**
- **EPFD Disbursement Report: October 2023**

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

**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).

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

Board comments included appreciation to staff for their work, appreciation for Production Manager Echo Johnson's comments about the impacts of COVID, kudos to the team for working with new challenges that are a reality, and pleasure at the return of KidStock!.

**7. PFD Board Business**

- **FY2024 Final Budget**

Ms. Meagher advised the final draft 2024 budget was reviewed by the admin & finance committee yesterday. Differences between the budget presented to the EPFD at their last meeting included changes to the production team staffing and contracting for a lighting designer which reduced the FTE by 0.25 and increased the budget by \$2,400. She reviewed the projected 2024 operating loss; capital expenditures budgeted in 2024; inclusion of some projects from the Building Condition Study related to universal access, orchestra pit remediation, and boys locker room remediation; system upgrades to streamline departments and increase productivity; five year projection; and strategy for reaching a positive operating model.

Questions and discussion followed regarding artists' requests for more accessible restrooms and dressing rooms, whether upgrading the men's restroom is being considered, formation of a taskforce related to universal access and creation of short and long term strategies, prioritizing the list of upgrades identified at the retreat, funds set aside for potential renovations based on the building assessment, funds budgeted to be moved to the board designated fund in 2024, strategy for reaching a positive operating model, appreciation for scheduling a special meeting to focus on the budget and doing that the future, increase in the number of shows in 2024, investments in staff to increase revenues and programming, assigning percentages of the development budget to individuals, holding department heads accountable through KPIs, reviewing weighting of development versus revenue in the annual reports of other nonprofits in the region, and plans to combine the marketing and donor databases.

Questions and discussion continued regarding the availability of grants, considering both people and processes, commendation to staff on their work in 2023, Covid demonstrating the organization's ability to pivot quickly, historical perspective of ECA and benchmarking it against

like organizations, what the organization's obligation is to make a profit, the level of loss the EPFD Board is comfortable operating at, how similar organizations have faced capital challenges, differences between the EPFD/ECA and most nonprofits due to the public facilities district and tax revenue, original intent for the ECA to be rental venue, operating with a balanced budget to reserve funds for capital improvements and renovations, requesting the development department provide monthly or bimonthly updates to the EPFD Board, scheduling a joint meeting with the EPFD Board & the philanthropy committee, scheduling a joint mid-year meeting with the admin & finance committee if there are significant adjustments to the budget, departments preparing a capital outlook, and concern the capital budget is driven by what the organization can afford, not what is actually needed.

**BOARD MEMBER BREWSTER MOVED TO APPROVE THE 2024 BUDGET. BOARD VP WILLCOCK SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY..**

- **Executive Director Onboarding Update**

Board President Liaw reported Ms. Liu was provided the onboarding plan on Monday. The plan includes a 30, 60, 90 day bulleted matrix format to ensure boards and staff are getting her up to speed as quickly as possible. She, EPFD Board VP Willcock, and ECA Members Lindsay Geyer and Matt Cox will continue to meet with Ms. Liu on monthly basis.

Ms. Liu reported even without an onboarding plan, there was an understandable structure her first few weeks. She has met with department heads and has begun meeting with EPFD, ECA and Emeritus board members and community members including councilmembers and other legislators. She and Mr. McIalwain plan to schedule a time for him to provide her the full history of the ECA which will be recorded for prosperity.

## **8. PFD Committee Reports**

Board Member Maloney reported she was unable to attend 4<sup>th</sup> Avenue Cultural Corridor meeting. Ms. Meagher reported the consultant provided a preliminary report. Due to numerous errors, and the group requested an updated report and a project estimate which will be provided at their next meeting.

Board Member Grotheer reported the IDEA committee is working on defining the cultural of the ECA as it relates to IDEA issues. The facilities and operations committee is working on universal access and the findings of Mithun's building assessment.

Board Member Brewster relayed he was unable to attend the education and community outreach committee meeting; the agenda included updates on KidStock! and summer camp planning. There has not been any activity at the Association of WA State PFDs; he anticipated more activity next year including planning to cohost the 2024 conference with Lynnwood and Everett. Ms. Meagher advised dates for the conference are being coordinated. The Snohomish County PFDs leadership will be meeting with the lobbyist to develop information to present to the legislature related to extending the sales tax legislation to 2051.

Board VP Willcock reported on the philanthropy committee, current projections indicate the development budget commitments will not be reached for 2023. The committee discussed how to do better going forward including a more analytical approach to key performance indicators, balancing dollars per headcount, creating a grant calendar, etc. The admin & finance committee reviewed the 2024 budget yesterday and recommended forwarding it to the EPFD.

Ms. Liu reported the education committee is working on a child safety policy that will be implemented as an HR practice prior to KidStock! The policy has been approved by the education committee, it will be reviewed the admin & finance committee followed by implementation by staff and boards.

Discussion followed regarding whether facilities and operation has discussed the general safety of patrons such as outdoor lighting and indoor air quality, and monthly safety committee meetings that addresses safety issues.

Board President Liaw reported the hosting committee continues to work on a hosting policy. The Boys & Girls Club meeting is on hiatus until the Mithun study is completed. Ms. Meagher reported the Snohomish County PFD's quarterly meeting included updates from each PFD and planning for extending the sales tax legislation.

## **9. Associate Executive Director Update**

- **Operations Update**

- Interlocal & Administrative Agreements between EPFD and ECA

Ms. Meagher referred to the original interlocal & administrative agreements between EPFD and ECA included in the packet, relaying edits have been made over the years, but none of them were signed. The issue of the agreements arose related to insurance for a bounce house at Kidstock! which now requires hiring a company that has their own insurance to setup and staff the bounce house. As a result, the bounce house has been removed from Kidstock! Discussions with Enduris, the EPFD's insurance carrier, brought up the joint operating agreement between the two entities and the realization of how outdated it is. She is in the process of preparing a joint operating agreement to present to the EPFD next month.

Discussion following regarding creating a document that describes the relationship between the EPFD and ECA before updating the interlocal and administrative agreements, reviewing and potentially including the unsigned edits, involving the attorney in any revisions, considering what is currently being done and what potentially should be changed, whether other agreements exist that need to be considered, key documents, involving Enduris, and considering the ILA between the City and EPFD.

- **Facilities Update**

- Building Envelope & Seismic Assessment Update

Ms. Meagher reported there was a meeting with Mithun yesterday to bring Ms. Liu up-to-date and review the preliminary results of the study and possible options for the gym, the 1921 admin building and the building envelope. They plan to meet again in mid-December and Mithun will provide a final report in February. Ms. Meagher offered to send the preliminary report to EPFD board members.

- **Finance Update**

- October Financials

Ms. Meagher reviewed operating revenues, highlighting presented events, concessions and HPF; rentals and leases; contributed revenue and operating grants; and total operating revenue. She reviewed operating expenses highlighting presented events and concessions, advertising and marketing, education and outreach, development, payroll and employee benefits, facilities maintenance and utilities, other expenses, total operating expenses, and operating surplus (loss).

She reviewed non-operating revenues and expenses, and total surplus (loss). She reviewed the Cash Flow Projections by Month projected as of October 2023 and ending cash-all funds.

Discussion followed regarding identifying a season sponsor, whether to transfer more to the board designated fund in 2023, and whether funds in the board designated fund or 2024 tax revenues would be used to offset the operating loss.

- ECA 990 Update

Ms. Meagher reported the 990 submitted to the IRS met the nonprofit obligation.

- **Ticket Sales Update**

Ms. Meagher reported tickets issued for fall are at 71% and spring are at 36%. There are areas of opportunity and marketing is doing great job marketing shows. There are still a lot of last minute ticket purchases. This year's Black Friday special focused on shows where ticket sales need attention. She encourage boards members to talk about shows to improve ticket sales.

Discussion followed regarding changing the column in the ticket sales report that compares ticket sales to capacity to a comparison of actual ticket sales to budgeted ticket sales, and replacing Ticket Sales Update on the agenda with a report that has more impact on the organization's financial health such as grants, capital projects, rentals, etc.

- **Development Update**
  - Gala

Ms. Liu reported the Gala was a great success financially, exceeding the goal by \$30,000. She commended staff, boards and volunteers for making the Gala a success. She was impressed, overwhelmed and grateful for how warm and welcoming the community was. She reported on yearend fundraising including a Giving Tuesday campaign, and staff's focus on the yearend appeal. She responded to a question regarding the target for the yearend campaign.

## **10. Executive Director Update**

- **Joint Board & Staff Leadership Retreat**

Ms. Liu reported she has been organizing the priorities from the joint board and staff leadership retreat into a spreadsheet which she will present to the steering committee tomorrow. She offered to report out on that discussion to the EPFD Board at the next meeting.

- **Strategic Planning Update**

Ms. Liu relayed at the last steering committee, she proposed moving the strategic plan process to 2025 and during 2024, develop and issue an RFP by the end of September, and hire a consultant by January 2025. She is developing a timeline that she will present to the steering committee in January. She relayed Mike Rosen has resigned from the ECA Board but will continue to provide input on priorities identified at the retreat. Discussion followed regarding using discussion from the 2023 joint board and staff leadership retreat to guide operations during 2024.

- **Organizational Capacity**

Ms. Liu reported on her plans to discuss organizational capacity with department heads, likely beginning with production and front of house to determine the capacity for presenting productions and manning the front of house, followed by rentals/presentations and what that means for revenues.

## **11. Executive Session**

Pursuant to RCW 42.30.110(g), the EPFD Board will conduct an executive session to review the performance of a public employee.

At 9:04 am, Board President Liaw recessed the EPFD Board to a 10 minute executive session regarding the item listed.

The meeting was reconvened at 9:14 am.

## **12. New Business**

- **Extending the Interim Director's Position for One Month**

Board President Liaw explained the interim director position was originally through the end of October.

**BOARD MEMBER BREWSTER MOVED TO EXTEND THE INTERIM DIRECTOR'S ROLE FOR ONE MONTH TO THE END OF NOVEMBER. BOARD VP WILLCOCK SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

Board President Liaw suggested cancelling the December EPFD Board meeting.

**BOARD MEMBER MALONEY MOVED TO CANCEL THE DECEMBER EPFD BOARD MEETING. BOARD MEMBER BREWSTER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

## **13. Adjourn**

The meeting was adjourned at 9:16 a.m.

**Next EPFD Board Meeting: Thursday, January 25, 2024 - 7:30 AM**

### **ACTION ITEMS:**

1. Forward Mithun's preliminary Building Envelope & Seismic Assessment to EPFD Board
2. Prepare analysis of ticket sales '22-23 compared to '18-19
3. Have grant writer create spreadsheet with analysis of available grants versus grants applied for and grants received. Circulate to EPFD Board prior to the next meeting
4. Create policy regarding use of funds in the Mclalwain Access Fund
5. Amend procurement policy to reflect statutory amendment taking effect in 2024 and internal changes related to authorizing contracts. Send EPFD Board existing procurement handbook/policy
6. Development department provide EPFD Board regular (monthly or bimonthly) updates
7. Hold joint EPFD Board/Philanthropy Committee meeting
8. Hold a joint EPFD Board/Admin & Finance Committee meeting if there are significant mid-year adjustments to the budget
9. Create document that describes the relationship between the EPFD and ECA

10. Prepare Joint Operating Agreement
11. Change column in Ticket Sales Report that compares ticket sales to capacity to a comparison of actual ticket sales to budgeted ticket sales
12. Consider replacing Ticket Sales Update on the agenda with a report that has more impact on the organization's financial health such as grants, capital projects, rentals, etc.
13. Ms. Liu report to EPFD Board on discussion with the steering committee regarding prioritization of items identified at joint board & staff retreat
14. Cancel the December EPFD Board meeting.