

MINUTES

Edmonds Public Facilities District Adjourned Meeting of the Board of Directors December 2, 2021

The Edmonds Public Facilities District Board hybrid meeting convened at 7:33 a.m. in the Edmonds Center for the Arts Green Room, 410 4th Avenue North, Edmonds, and via Zoom.

EPFD Board Members Present

David Brewster, President
Ray Liaw, Vice President
Suzy Maloney
Bill Willcock

ECA Staff Present

Joseph McIalwain, Executive Director

City Staff Present

Dave Turley, Finance Director (Ex-Officio)

ECA Board Members Present

David Schaefer President
Rick Canning, Secretary/Treasurer

Other Guests Present

Adrienne Fraley-Monillas, City Council Liaison
Robert White, PFD Board Candidate
Vivian Olson , City Councilmember

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 commented the holiday season was a time to be grateful and generous. For those who have not yet made a yearend donation to the ECA, he encouraged them to do so. He expressed appreciation for donations to the board challenge and to Giving Tuesday.

Recognizing this was Councilmember Fraley-Monillas' last meeting as the Council liaison to the EPFD Board, Board President Brewster thanked her for her advocacy and support and her stewardship navigating City politics and wished her the best in future endeavors. Councilmember Fraley-Monillas said the ECA has a deep place in her heart. She plans to stay active in Edmonds and invited the board to let her if there is anything she can do for the ECA in future.

Board President Brewster welcomed guests ECA Board Member Rick Canning, ECA Board President David Schaefer, and PFD Board Candidate Robert White. He reported the December 23rd meeting was canceled and the next meeting will be January 27th.

4. **Consent Agenda**

- **EPFD Board Meeting Minutes –September 27, 2021**
- **EPFD Disbursement Report – October 2021**

Board President Brewster pulled the October 28, 2021 minutes from the Consent Agenda.

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 (see Action Items below).

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

Board President Brewster suggested the ECA Calendar of upcoming events include events two months out. Mr. Turley and Councilmember Fraley-Monillas asked to receive the EPFD meeting packet. Board VP Liaw requested that the updated 21/22 Rental Packet and submission materials for rental clients be shared with the EPFD Board.

6. PFD Board Business

- **Nomination of PFD Board Candidate Robert White**

Board President Brewster advised the Board had received Mr. White's credentials and he was interviewed last month.

BOARD VP LIAW MOVED TO RECOMMEND ROBERT WHITE FOR APPOINTMENT TO THE EPFD BOARD. MEMBER WILLOCK SECONDED THE NOMINATION.

Mr. Mclalwain reported the target date for interview and appointment by City Council is January 18, 2022. He is scheduling orientation for the two newest board members and Mr. White in early January. Once approved, Mr. White will complete Board Member Greg Hinton's (originally Board Member Kimberlee Armstrong) term which expires and is up for renewal in June 2022. Staff will update the term expiration dates for Board Member Willcock and Board VP Liaw on the list of EPFD Board Members.

Board President Brewster welcomed Councilmember Olson to the meeting. Councilmember Olson clarified she was not opposed to supporting the ECA in the City's 2022 budget; she had hoped the support for the ECA would come from a different source in the City's budget. Board President Brewster recognized the challenge Councilmembers face in balancing the needs of the community in the City's budget and in the use of ARPA funds.

Councilmember Fraley-Monillas commented on the importance of the Council supporting the ECA regardless of the funding source because the ECA is a big driver in the Edmonds economy and a great partner. Mr. Mclalwain recognized the role of the ECA in reaching out to Councilmembers. He was thankful for the Council's support.

MOTION CARRIED UNANIMOUSLY.

- **Resolution #2021.04 – Authorizing Amendment #2 to the Interlocal Agreement for the Development of Edmonds Centre for the Arts**

Mr. Mclalwain explained the resolution revises the original four party ILA between the City of Edmonds, Edmonds Public Facilities District, Snohomish County and Snohomish County Public

Facilities District with regard to the recent refinancing and extension of the receipt of the sales tax rebate from the State of Washington to 2041. The resolution was developed by the EPFD's bond counsel, and reviewed by the EPFD's legal counsel and financial adviser. The resolution is a formality; the bond refinancing has been completed.

Recognizing it was difficult to read the amendments without having a redlined document, Board VP Liaw described the amendment that specify the term. She recommended posting all the interlocal agreements, charter and bylaws on the EPFD's website.

BOARD VP LIAW MOVED TO APPROVE RESOLUTION #2021.04, AUTHORIZING AMENDMENT #2 TO THE INTERLOCAL AGREEMENT FOR THE DEVELOPMENT OF EDMONDS CENTRE FOR THE ARTS. BOARD MEMBER WILLCOCK SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

- **Approval of Revised Capital Asset Policy**

Mr. Mclalwain displayed and reviewed the redline version of Revised Capital Asset Policy.

ECA Secretary/Treasurer Canning explained the Board passed a policy in February 2020. The intent of this revision was to, 1) clean up the language, and 2) extend the useful life of the building to coincide with the new bond issue (40-50 years).

Discussion followed regarding the ability to amend the policy in the future to extend the life of the building, common practice of providing a range for building useful life, standards the auditor uses to evaluate building useful life, renovations extending the useful life, benchmarking on useful life, and 30-50 years useful life in the City's asset policy.

BOARD MEMBER WILLCOCK MOVED TO APPROVE THE REVISED CAPITAL ASSET POLICY. BOARD VP LIAW SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY. (Board Member Maloney was not present for the vote.)

- **October 28 , 2021 Minutes (as amended)**

Board President Brewster requested the spelling of Lori Meagher's first name be corrected on page 2, Item 6.

BOARD VP LIAW MOVED TO APPROVE THE OCTOBER 28, 2021 MINUTES AS AMENDED. BOARD MEMBER WILLCOCK SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

7. Inclusion & Accessibility, Education & Outreach

- **Equity Statement - Update**

Mr. Mclalwain relayed the equity statement has been reviewed by every segment of the business. A recommended final step was to take it outside the organization to a group of community members identified by the Inclusion & Accessibility Committee which was done via a Survey Monkey survey. That is the last step in the process of developing a final version that will be ready for review by both boards. He thanked the I&A Committee for their hard work.

8. Finance, Facilities & Operations

- **Finance Report – October 2021**

Mr. Canning reviewed the Income Statement, highlighting variances in revenue and expense on presented events, YTD net surplus, and bottom line which is ahead of budget. He reviewed the Balance Sheet highlighting cash position, operating cash, debt service, accounts payable, payroll, ticket revenue, and net position.

- **Budget 2022 – Final Draft for Approval**

Mr. Canning reviewed the process to date, Income Statement Summary, Reconciliation of Total Net Surplus – Preliminary to Final 2021 Projection and 2022 Budget, Cash Flow, and Key Metrics.

Discussion followed regarding the \$50,000 contribution to the ECA in the City's 2022 budget, continued pandemic uncertainties, rationale/benchmarks for hiring new staff, rationale for wage adjustments and COLAs, COLA versus merit increases, contributed revenue budget, staff evaluation process, funds in the budget to analyze the governance structure of the ECA and PFD boards, funds budgeted for capital, challenges faced over the last two years, and optimism reflected in the budget.

VP LIAW MOVED TO APPROVE THE 2022 BUDGET. BOARD MEMBER WILLCOCK SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

Board President Brewster thanked Mr. Canning for his work on the budget.

- **Draft Policy and Resolution for Review**

- **Draft Debt Service Account Policy**

Mr. Canning described the past practice of receipting sales tax revenues into two different debt services accounts restricted for debt service, payment of debt service from those accounts and the any excess funds used for operations via an interfund payable receivable. The revisions to the policy allow, upon determination by the Director of Finance and Operations that there will be adequate funds in the Debt Services Accounts to meet debt service payments and that projected sales tax receipts in the next fiscal year will be adequate to meet debt service payments, any excess funds in the Debt Services Accounts are relieved of any debt service payment restrictions.

Discussion followed regarding the use of excess funds, correcting the interfund receivable and payable balance, and whether the policy requires any outside review.

Board requests included:

- ❖ Present the Board Designated Fund Policy to the EPFD Board after the first of the year.
- ❖ At the January meeting, provide the EPFD Board updated tracking of future projected sales tax revenue and current debt service obligations.

BOARD MEMBER WILLCOCK MOVED TO APPROVE THE DEBT SERVICE ACCOUNT POLICY. BOARD VP LIAW SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

- **DRAFT Resolution 2021.05 – Authorizing the Correction of Interfund Balances**

The resolution was amended as follows: in the last line of the 4th paragraph, change “and inter-fund” to “an inter-fund.”

BOARD VP LIAW MOVED TO APPROVE RESOLUTION 2021.05 – AUTHORIZING THE CORRECTION OF INTERFUND BALANCES AS AMENDED. BOARD MEMBER WILLCOCK SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

9. Executive Report / Steering Committee

Reports on the following were omitted due to time constraints.

- **Government Support – Updates (SVOG, City, County)**
- **Committee Reports**
 - **Admin/Finance**
 - **Philanthropy**

10. Philanthropy

- **FY 2021 Year-to-Date**

Mr. Mclalwain reported on the Seat Campaign, Giving Tuesday, Yearend Campaign and receipt of \$100,000 from Rick Steves Europe. The development staff is working hard to generate revenue in the last weeks of the fiscal year. He thanked board members who invested in a match challenge for the Yearend Campaign.

Mr. Mclalwain thanked Board President Brewster for assisting with annual support from the City which was ultimately approved in City's 2022 budget. He acknowledged it will be a stretch to reach yearend development targets due to donor fatigue and the challenge of online/hybrid events. He looked forward to ramping up in 2022. He encouraged board members to share the ECA's story to generate support.

Board President Brewster thanked staff for their hard work, particularly the development team Christina Kourteva and Katherine Smith.

- **Year-End Campaigns**

11. Marketing & Business Development

- **Ticket Sales Update**

Board President Brewster advised the report in the packet illustrates a lot of shows are selling well.

12. Programming

- **No Report**

13. New Business

Board VP Liaw congratulated Board President Brewster and Mr. Mclalwain on their birthdays.

Mr. Mclalwain reminded of the board social on Monday, December 13.

14. Adjourn

The meeting was adjourned at 9:04 a.m.

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

ACTION ITEMS:

1. Correct 10/28/21 minutes (page 2, Item 6, Lori Meagher's first name misspelled)
2. Schedule update of EPFD bylaws on next meeting agenda
3. In ECA Calendar of Upcoming Events in Staff Report, include events two months out
4. Send Dave Turley and Council liaison the agenda and meeting packet
5. Share updated 21/22 Rental Packet and submission materials for rental clients with EPFD Board
6. Update term expiration for Board Members Willcock and Liaw on list of EPFD Board Members.
7. Post all interlocal agreements, charter and bylaws on the EPFD's website
8. Present Board Designated Fund Policy to EPFD Board after the first of the year
9. At January meeting, provide EPFD Board updated tracking of future projected sales tax revenue and current debt service obligations
10. Correct Resolution 2021.05, last line of 4th paragraph, change "and inter-fund" to "an inter-fund"