

MINUTES

Edmonds Public Facilities District Board of Directors Meeting December 14, 2017

The Edmonds Public Facilities District Board meeting convened at 7:34 a.m. at 108 Maltby Hall, 7020 196th Street SW, Lynnwood.

EPFD Board Members Present

Mike Popke, President (arrived 7:37 a.m.)
Larry Ehl, Vice President,
Marla Miller
Patrick Mulva
Kevin McKay

ECA Staff Present

Joseph McIalwain, Executive Director
Matt Keller, Director of Operations

1. Call to Order

Board Vice President Ehl called the meeting to order.

4. Approval of Disbursements – October 2017

Mr. McIalwain advised due to the change in the meeting date, the Admin/Finance Committee will review the disbursements tomorrow.

BOARD MEMBER MILLER MOVED TO TABLE THE OCTOBER DISBURSEMENTS. BOARD MEMBER MULVA SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

5. PFD Board Business

• Roof Replacement Project – Vendor Selection

Mr. Keller relayed the Facilities and Operations Committee reviewed the bids and references and a J2 representative provided their recommendation; V&R Roofing was selected. He described V&R Roofing's experience and references. Board Member McKay relayed J2 is familiar with the individuals in the firm and were very comfortable recommending them. They will start work as soon as they receive notice to proceed. Mr. Keller will confer with V&R Roofing and key ECA staff to determine dates. (Bid result attached).

BOARD MEMBER MCKAY RECOMMENDED APPROVAL OF AWARD TO V&R ROOFING AND DIRECT STAFF TO COMPLETE THE CONTRACT. BOARD MEMBER MILLER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

3. Approval of Minutes – November 16, 2017

BOARD MEMBER MULVA MOVED TO APPROVE THE MINUTES OF NOVEMBER 16, 2017. BOARD VP EHL SECONDED THE MOTION. MOTION CARRIED (3-0-2), BOARD MEMBERS MCKAY AND POPKE ABSTAINING.

2. Board President's Comments

Board President Popke thanked Mr. McIalwain and BERK Consulting for a very successful retreat, Councilmember Mesaros for attending and Board VP Ehl's report on access and inclusion. Discussion followed regarding input about the limited appeal of some shows, appreciation for the

financial presentation at the retreat by Katie Oman, KO Projects, work done by the Strategic Planning Task Force, and BERK for providing just the right amount of facilitation.

6. Executive Report / Steering Committee – N/A

7. Administration & Finance

• **FY 2018 Budget**

Mr. Mclalwain referred to the FY 2018 budget forecast and narrative and invited comments/questions. He recommended the Board approve the budget today, recognizing the budget can be amended next year. He recommended a quarterly budget review in 2018.

Board Member Mulva relayed the Admin/Finance Committee did not have opportunity to review the proposed 2018 budget. He recommended meetings be scheduled to allow the committee to review the budget and make a recommendation to the Board. Discussion followed regarding approving the budget subject to approval by the Admin/Finance Committee, invaluable input by Admin/Finance but importance of approving the budget today, ability to amend the budget in January, support for assumptions built into the budget and appreciation for the narrative.

Mr. Mclalwain responded to board members' questions. Comments/suggestions included the following:

- Concern with not replacing Development Director
 - Evaluate mid-year the impact of not replacing Development Director, include year-to-year comparisons for first quarter
 - Identify/evaluate indicators that development revenue is not on track such as is Gala planning on schedule, are mailers going out on schedule, compare contributions through April in 2018 versus previous years, etc.)
 - First indicator will be Center Stage (early May)
 - For next year's budget:
 - Brief Board on budget early in process and schedule approval of budget at a separate meeting
 - Include more detail/explanation/assumptions in budget narrative
 - Admin/Finance Committee develop budget planning calendar in June/July that details steps for budget development/review/approval
 - PFD Board approve planning calendar
 - Identify roles/responsibilities in planning calendar
- Concern Steering Committee saw the proposed budget at their last meeting, uncomfortable the PFD Board had not seen it first.
- Staff recognizes this year's process was not ideal
- Concern resource development crunch points align with program development crunch points When the Board revisits the issue of not replacing the Development Director, Mr. Mclalwain will need to be forthcoming with the Board regarding how that work aligns; is it doable or do we need extra help?
- Consider shifting responsibility for Center Stage to an ECA Board Member.

BOARD MEMBER MULVA MOVED TO APPROVE THE 2018 BUDGET. BOARD VP EHL SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

8. Development

Mr. Mclalwain advised Development Director Karen Crowley will provide him with her annual work plan and he will work with Development Manager Angela Neubauer to develop a solid fundraising plan. He plans to participate in contribution conversations Ms. Crowley has with board members

and will be sending out personal notes to specific individuals for yearend support. He relayed receipt of an unexpected \$5,000 gift yesterday.

Mr. Mclalwain described planning for a private event in mid-January where he will make an appeal regarding cash flow issues in an effort to generate \$150,000-\$200,000. Board President Popke invited board members to attend the event for support, tell the story and participate. Discussion followed regarding where the private event will be held, ensuring the private event does not impact other fundraising efforts, and developing the invite list.

9. Marketing & Programming

Mr. Mclalwain reported he and Director of Programming Gillian Jones will be attending the Association of Performing Arts Professionals (APAP) in New York on January 11. Ms. Jones will attend International Performing Arts for Youth (IPAY) the following week. Several offers are out and the season is shaping up nicely. He highlighted shows for the upcoming season.

10. New Business

- **City Council Presentation – Recap, Next Steps**

Mr. Mclalwain thanked Board President Popke for his leadership and board members for reviewing the presentation slides and providing feedback. Following the meeting, several Councilmembers expressed interest in supporting ECA. Board members reported having similar conversations with Councilmembers and Mayor Earling.

- **Refinancing of 2008 Bonds – RFP published 12/8/17**

Mr. Mclalwain reported the RFP has been published as well as sent to two firms who expressed interest. The deadline to submit a proposals is December 27, 2017; Mr. Keller is the contact person. Board Member Miller commented the two firms who were sent the RFP do the most municipal bond refinancing in the area; during the recession, law firms were required to declare if they would be engaged in this business and take additional liability insurance which narrowed the number of firms that do this work. Mr. Mclalwain said this effort does not preclude from partnering with the City; it will provide a more clear understanding of the difference between the PFD issuing or the City issuing bonds and will allow the PFD to move forward on its own if that decision is made. Mr. Mclalwain advised a brief PFD meeting will be needed in early January to approve selection of bond counsel.

Board Member Mulva pointed out rates are going up and suggested determining a date to ask City Council to partner and establish a process to get there. Board members agreed the first step was presentation to the Council's Finance Committee. Board VP Ehl suggested using a visual/graphical method to illustrate to the City Council the support that PACs and PFDs receive from cities, tax revenue, etc. Board President Popke suggested including portions of Katie Oman's presentation.

- **December Staff Report – Questions/Comments**

Board VP Ehl commented the staff report is helpful to him in scheduling meetings. Mr. Mclalwain expressed appreciation to staff for the information in the staff report.

10. New Business (Con't)

Board President Popke advised an executive session needed to be scheduled to evaluate the performance of a public employee (Mr. Mclalwain's evaluation). Mr. Mclalwain suggested

scheduling that as part of the January meeting when the Board meets to approve the selection of bond counsel. He noted staff evaluations also need to be completed.

Mr. Mclalwain advised any changes recommended to the 2018 budget by the the Admin/Finance Committee will be presented at the January EPFD meeting. He reported with the assistance of ECA Board Members Lindsay Geyer and Suzy Herivel Maloney, position descriptions, salary ranges, evaluation templates, timing and process for adjustments, etc. are being updated.

Board VP Ehl raised the issue that the harassment policy in the HR Policy needed to be more descriptive about how an employee reports harassment. Mr. Keller advised he drafted policy steps and contact information. Mr. Mclalwain recommended review by Admin/Finance Committee followed by the EPFD Board.

A special January meeting that includes an executive session to evaluate the performance of a public employee was tentatively scheduled for January 4 at 7:30 a.m. (January 10 as backup date).

11. Adjourn

The meeting was adjourned at 8:41 a.m.

Next EPFD Board Meeting: Thursday, January 4 7:30 AM

ACTION ITEMS:

1. Include Roof Bid Tab in the 12/14/17 minutes
2. Quarterly budget review in 2018
3. Evaluate mid-year the impact of not replacing Development Director, include year-to-year comparison for the first quarter
4. For next year's budget:
 - a) Admin/Finance Committee develop budget planning calendar in June/July that details steps for budget development/review/approval.
 - b) PFD Board approve planning calendar
 - c) Identify roles/responsibilities in planning calendar
 - d) Brief Board on budget early in process and schedule approval of budget at a separate meeting
 - e) Include more detail/explanation/assumptions in budget narrative
5. Quarterly review of budget in 2018
6. Consider shifting responsibility for Center Stage to ECA Board Member
7. Determine date to ask City Council to partner on bond refinancing and develop a process
 - a) Present to Council Finance Committee first
 - b) Consider visual/graphical method to illustrate to City Council the support that PACs and PFDs receive from cities, tax revenue, etc.
 - c) Include portions of Katie Oman's presentation
8. Special PFD Board meeting scheduled January 4 (January 10 as secondary date). Agenda items to include:
 - a) Approve selection of bond counsel
 - b) Executive session to evaluate performance of a public employee (Mr. Mclalwain)
9. Mr. Mclalwain present any proposed changes to the budget at the January PFD meeting
10. Clarify procedure in personnel manual for employees to file a harassment complaint

EDMONDS CENTER FOR THE ARTS BID RESULTS
11/14/2017



BASE BID	CONTRACTORS			
	Cadence Construction 10/10/17 form	Cobra 10/10/17 form	RoofCorp 05/24/16 form	V&R Roofing 10/10/17 form
A General Requirements	\$ 20,000.00	\$ 3,846.45	\$ 10,906.00	\$23,150.00
B Demolition	\$ 100,000.00	\$ 31,302.00	\$ 99,084.00	\$21,359.00
C Exterior Framing/Sheathing	\$ 14,000.00	\$ 78,665.03	\$ 46,286.00	\$16,430.00
D Roof & Insulation	\$ 100,000.00	\$ 154,716.41	\$ 204,851.00	\$134,127.00
E Metal Coping	\$ 20,000.00	\$ 3,675.09	\$ 15,691.00	\$29,140.00
F Interior Protection	\$ 5,000.00	\$ 28,482.17	\$ -	\$10,582.00
G Asbestos Abatement	\$ 40,000.00	\$ 26,447.72	\$ -	\$61,542.00
H Exterior Stair Tower	\$ 5,000.00	\$ 9,374.70	Not on Form	\$3,500.00
Base Total	\$ 304,000.00	\$ 336,509.57	\$ 376,818.00	\$ 299,830.00

Duration (Weeks)	8	7	6	6
Overhead	5%	15%	20%	15%
Profit	18%	10%	15%	15%
Laborer	\$ 67.12	\$ 96.00	\$ 130.00	\$78.00
Carpenter	\$ 80.17	\$ 118.00	\$ 130.00	\$78.00
Superintendent	\$ 93.00	\$ 111.00	\$ 130.00	\$78.00
Foreman	\$ 87.00	\$ 106.00	\$ 130.00	\$78.00
Roofer	\$ 74.13	\$ 101.00	\$ 130.00	\$78.00

CONTRACTOR ESTIMATED ALLOWANCE				
Unforeseen Rotten Wood	\$ 5,000.00	\$ -	\$ -	\$ -
Replacement of Wood Decking	\$ -	\$ 10,000.00	\$ -	\$ -
Car Decking Replacement	\$ -	\$ -	\$ -	\$6.25 /sq ft
Plywood Sheathing Replacement	\$ -	\$ -	\$ -	\$4.10 /sq ft

ALTERNATES				
Leave Doghouses Intact	\$ (30,000.00)	\$ (58,000.00)	Not on Form	\$ (13,538.00)

BASE TOTAL	\$ 304,000.00	\$ 336,509.57	\$ 376,818.00	\$ 299,830.00
<i>tax at 10.3%</i>	<i>\$ 31,312.00</i>	<i>\$ 34,660.49</i>	<i>\$ 38,812.25</i>	<i>\$ 30,882.49</i>
Total Hard Costs	\$ 335,312.00	\$ 371,170.06	\$ 415,630.25	\$ 330,712.49