

MINUTES

Edmonds Public Facilities District Board of Directors Meeting November 21, 2019

The Edmonds Public Facilities District Board meeting convened at 7:32 a.m. in the Edmonds Center for the Arts Green Room, 410 4th Avenue North, Edmonds.

EPFD Board Members Present

Kevin McKay, President (arrived 7:33 p.m.)
David Brewster, Vice President
Kimberlee Armstrong
Ray Liaw
Suzy Maloney

ECA Board Members Present

David Schaefer, Treasurer

ECA Staff Present

Joseph McIalwain, Executive Director
Matt Keller, Director of Operations
Gillian Jones, Director of Programming

City Staff Present

Scott James, Finance Director (Ex-Officio)

Other Guests Present

Tom Mesaros, City Council Liaison

1. Call to Order

Board VP Brewster called the meeting to order. As Councilmember Mesaros needed to leave the meeting early, the discussion regarding the City budget was moved up on the agenda.

2. Board VP Comments - None

3. Land Acknowledgement

Mr. Keller read the Land Acknowledgement statement.

City Budget

Mr. McIalwain explained although Mayor Earling included a contribution to the ECA in the City's draft budget, the recent passage of I-976 will mean the likely loss of \$700,000 in revenue to the City in 2020. Therefore, staff is considering cuts/reductions to the 2020 budget which could include the contribution to the ECA. Councilmember Mesaros reported earlier this week the Council voted not to increase property taxes by 1% or \$0.65/month for the average property owner which equates to \$104,000 in lost revenue. Due to the importance of the ECA to the City and South Snohomish County, he will advocate to retain funding in the City's budget for the ECA. Mr. James said no Councilmembers or Mayor Earling have recommended that cut to date and staff is not planning to recommend it at this time.

Discussion followed regarding the lawsuit regarding I-976, management of the City's finances, and impacts of the injunction on implementation of I-976. Councilmember Mesaros recommended the PFD have representation at next Tuesday's Council meeting.

4. Consent Agenda

- EPFD Board Meeting Minutes – October 24, 2019
- EPFD Disbursement Report – October 2019

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

5. PFD Board Business

- **PFD 2019 Amendment to SnoCo Inter - Local Agreement – Approved**

Mr. Keller reported the agreement was approved by the Snohomish County PFD; once it is approved by the PFD Board, it will go to the City for approval and then to the Snohomish County Council.

- **Edmonds PFD General Counsel – Matt Hendricks**

- **Introduction**

Mr. Keller introduced Matt Hendricks.

- **Public Records Act Training**

Mr. Hendricks distributed PowerPoint printouts of the training. He explained the 7-8 years ago the State legislature made it mandatory for boards to have Open Public Meetings Act training. Because the EPFD Board is not elected, it is not required to have Public Records Act training, but he will also cover that due to the liability for the board. He reviewed:

- Open Public Meetings Act (OPMA) RCW 42.30
 - ❖ Often called “transparency laws” or “sunshine laws”
 - ❖ History of OPMA
 - Passed in 1971
 - Applies to all multimember public agency boards and commission governing bodies, and their committees.
 - Does not apply to courts
 - Does not apply to legislature
 - Requires meetings of governing body to be open gavel-to-gavel unless there is an exception authorized by law (e.g. executive session)
 - ❖ RCW 42.30.020 Definitions
 - ❖ RCW 42.30.030 Meetings declared open and public
 - ❖ RCW 42.30.040 Conditions to attendance not to be required
 - ❖ RCW 42.30.050 Interruptions – procedure
 - ❖ RCW 42.30.060 Ordinances, rules, resolutions, regulations, etc. adopted at public meetings – notice – secret voting prohibited
 - ❖ RCW 42.30.120, .130 Enforcement and penalties
 - ❖ Training available from Attorney General’s Office
- Public Records Act (PRA) RCW 42.56
 - ❖ Presumed open
 - ❖ PRSA is to be liberally construed
 - ❖ Records or information in records can be withheld only by law
 - ❖ Includes all electronic media
 - ❖ Enforcement and penalties – RCW 42.56.550, .565
- Social media – case by case

Mr. Hendricks responded to questions. He recommended the EPFD/ECA:

- Create retention policy for texts (attorney preferred no business texts)
- Consider business phones for staff and software that capture texts
- Create retention policy for voicemail (deemed transitory by nature unless substantive)

Board members signed and submitted certificates regarding OPMA training. Board members requested an electronic copy of the PowerPoint.

6. Finance, Facilities & Operations

- **October 2019 Draft Finance Reports**

Mr. Keller relayed the Admin/Finance Committee reviewed the reports and recommended they be forwarded to the EPFD. He reviewed the reports, highlighting rental revenue, ticket sales and fees.

- **2020 Operating Budget Final Draft - Approval**

Mr. Keller relayed the Admin/Finance Committee recommended approval of the 2020 budget. However, as the budget did not include a 1% reserve, the committee recommended identifying a revenue strategy in the first quarter and approve a first or second quarter budget amendment. Mr. McIalwain relayed there was robust discussion at the Admin/Finance Committee; the goal was to create a 1% reserve, however, staff was unable to present a balance budget that included it. The 2020 budget includes minor increases in payroll/benefits, no new hires, 1-1.5% COLAs and presumes a \$75,000 contribution from the City.

Questions and discussion followed regarding the difference between contributions in the 2020 budget and in the Philanthropy Report, concern with not building in capacity for merit-based increases, showing operating expenses as a pie chart, researching and reporting on how the ECA compares to peer organizations and other PFDs, thinking holistically about the campus, and the ability to use sales tax for operations and not just repayment of debt.

Mr. McIalwain advised by their March meeting, the Admin/Finance Committee will do a complete review of the budget year-to-date, and if a required, develop a budget amendment for consideration by the EPFD Board by June.

**BOARD MEMBER MALONEY MOVED TO APPROVE THE 2020 BUDGET AS PRESENTED.
BOARD VP BREWSTER SECONDED. MOTION CARRIED UNANIMOUSLY.**

Snohomish County LTAC Funding Opportunity

Mr. McIalwain reported an unexpected opportunity arose in September for PFDs in Snohomish County to write a grant request to Snohomish County LTAC in addition to the grant written earlier in the quarter. The grant requests were considered at a special November 19th LTAC meeting. Following discussion, the Snohomish County LTAC voted to recommend the Everett PFD be provided the same annual amount that was provided to Lynnwood PFD through 2034 and to provide Edmonds PFD \$100,000/year for 2021-2025. Formal approval is required by the Snohomish County Council.

Mr. McIalwain explained PFDs are still eligible to apply for specific project grants as they have in past; Edmonds PFD has been successful in receiving \$125,000/year for the past three years. Those grants may be more competitive in the future. Discussed followed regarding how EPFD board members can assist, making a case with the Snohomish County LTAC for more support of the EPFD, and having a conversation with the Snohomish County Councilmember that presents Edmonds as there is no representation from Edmonds on the Snohomish County LTAC. Once the EPFD is formally notified of the grant, Mr. McIalwain encouraged the board to send a thank you to the Snohomish County LTAC.

- **City Council Finance Committee Report - Debrief**

Mr. Keller reported the meeting was very short and successful.

8. Inclusion & Accessibility

- **Education Outreach: Teacher Workshop Approval**

Ms. Jones distributed information regarding the ECA Teacher Workshop, "Making a More Musical Classroom" with Dan & Claudia Zanes. She explained the ECA, which is certified by OPI to offer clock hour credits, offers a free professional development opportunity to educators each year. The EPFD Board is required to approve the workshop and following the workshop, teachers submit surveys for the Board's review and discussion. A brief discussion followed regarding how the workshop is advertised.

BOARD VP BREWSTER MOVED TO APPROVE ECA TEACHER WORKSHOP "MAKING A MORE MUSICAL CLASSROOM" WITH DAN & CLAUDIA ZANES. BOARD MEMBER MALONEY SECONDED THE MOTION. CARRIED UNANIMOUSLY.

7. Executive Report / Steering Committee

• ECA/PFD Joint Board Retreat: Agenda & Plan – December 7th

Mr. McIalwain referenced the retreat agenda and invited board members to contact him with any suggestion or comments. The retreat will be 8 a.m. to 3 p.m. The morning will be equity training led by Michelle Osborne. After lunch, board members will review and update the Strategic Business Plan. Elements to be added to the Plan include Board Governance and Philanthropy.

- Strategic Business Plan Implementation**
 - Recent Committee Reports
 - Philanthropy Committee
 - Marketing & BD Committee

Mr. McIalwain invited board members to contact him with any questions or comments.

9. Philanthropy

• Devo Report

The report will be updated for the next meeting.

10. Marketing & Business Development

11. New Business

Mr. McIalwain reminded of the joint board social on Tuesday December 10 in the ECA lobby.

Mr. McIalwain reported the December PFD Board meeting is tentatively canceled. Board members requested the retreat materials be sent out in timely manner.

12. Old Business

- Prior Action Items Review**

13. Adjourn

The meeting was adjourned at 9:06 a.m.

Next EPFD Board Meeting: December 26 meeting canceled

Thursday, January 23, 2020 - 7:30 AM

EPFD/ECA Boards Retreat: Saturday, December 7, 2019 – 8:00 AM

ACTION ITEMS:

1. EPFD/ECA Board representation at the November 26th Council meeting where the City's 2020 budget will be discussed

2. Open Public Meetings Act/Public Meetings Act Training
 - a. Email EPFD board members the PowerPoint
 - b. Attorney's recommendations:
 - i. Create retention policy for texts (attorney prefers no business texts)
 - ii. Consider business phones for staff and software that captures texts
 - iii. Create retention policy for voicemail (deemed transitory by nature unless substantive)
3. Research and report on how ECA compares to peer organizations and other PFDs
4. Once formal notification is received regarding additional Snohomish County lodging tax grant, EPFD Board send thank you to LTAC
5. Provide board members retreat materials in a timely manner
6. Provide the Board an updated Devo report