

# MINUTES

## Edmonds Public Facilities District Board of Directors Meeting November 29, 2018

The Edmonds Public Facilities District Board meeting convened at 7:30 a.m. in the Edmonds Center for the Arts Green Room, 410 4<sup>th</sup> Avenue North, Edmonds.

**EPFD Board Members Present**

Mike Popke, President  
Kimberley Armstrong  
Kevin McKay  
David Brewster

**ECA Staff Present**

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

**EPFD Board Members Absent**

Larry Ehl, Vice President

**City Staff Present**

Dave Turley, Assistant Finance Director

**ECA Board Members Present**

David Schaefer, Treasurer

**Other Guests Present**

Tom Mesaros, City Council Liaison

**1. Call to Order**

Board President Popke called the meeting to order.

**2. Board President's Comments**

**3. Approval of Minutes – October 25, 2018**

**BOARD MEMBER BREWSTER MOVED TO APPROVE THE MINUTES OF OCTOBER 25, 2018.  
BOARD MEMBER MCKAY SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

**4. Approval of Disbursements – October 2018**

Mr. Keller relayed the Admin/Finance Committee reviewed the disbursements and recommend approval. Discussion followed regarding issues the Admin/Finance Committee looks for, bank fees, changing credit card companies to get airline miles, and a suggestion to discuss waiving fees with the bank.

**BOARD MEMBER MCKAY MOVED TO APPROVE OCTOBER:**

1)	EPFD (1012) DISBURSEMENTS OF VOUCHERS #15009-15071	\$339,466/67
2)	ECA (1005) DISBURSEMENTS OF VOUCHERS #51389-51422	\$ 41,882.58
3)	TRANSFER OF FUNDS: ECA (1005) TO EPFD (1012) OF VOUCHERS #51423-51426	\$ 46,645.09
4)	TRANSFER OF FUNDS: ECA (1005) TO 1 <sup>ST</sup> SECURITY (1014) DEBT SERVICE VOUCHER #	\$ .00
5)	TRANSFER OF FUNDS: PFD (1012) TO EPFD (1014) 1ST SECURITY DEBT SERVICE VOUCHER #	\$ .00
6)	BOND DEBT PAYMENT: CITY OF EDMONDS – 2012 VOUCHER #	\$ .00
	BOND PAYMENT – 2008 TO US BANK ST. PAUL	\$ .00
7)	LGIP (1075) TRANSFER TO 1 <sup>ST</sup> (1014) SECURITY DEBT SERVICES VOUCHER #	\$ .00
8)	DEBT SERVICES 1 <sup>ST</sup> SECURITY (1014) TRANSFER TO OPERATIONS (1012) VOUCHER #9045	\$ 5,000.00

9)	1 <sup>st</sup> SECURITY RESERVE SAVINGS (1015) DISBURSEMENT VOUCHER #3016	\$	5.00
10)	UNION BANK FACILITY SAVINGS (1060) - DISBURSEMENT VOUCHER #7062	\$	30.00
11)	UNION BANK CHECKING (1010) – FACILITY ACTIVITY VOUCHER #	\$	.00
	TOTAL		<u>\$432,029.34</u>

BOARD MEMBER BREWSTER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

**5. PFD Board Business**

- **2008 Bond Refinancing – Closed 11/15/2018**

Mr. Keller reported the bond transaction was completed on November 15<sup>th</sup>. The payment to the City for the 2012 bond was made last week, the interest only payment of approximately \$10,000 will be made to First Financial in December, and the first payment of approximately \$50,000 to the City on the loan will be made next week.

- **PFD Board Meeting Schedule – December 2018 Reminder**

If the Board approves the 2019 budget today, Mr. Mclalwain suggested the December PFD Board meeting could be canceled.

- **Joint Board Retreat – December 8, 2018, 8:00 AM – 2:00 PM**

Mr. Mclalwain relayed board members have been provided the agenda and the most recent draft of the Strategic Plan. The Strategic Plan Task Force reviewed and accepted the most recent input on the SMART goals. There may be some modification/enhancement of SMART goals in the engagement section following review by Ms. Jones and Board VP Ehl. He thanked the Strategic Plan Task Force, especially ECA Board Member Rosen.

- **Resolution Approval 2018-04– Opening FFNB Bank Accounts**

Mr. Keller relayed the sale of bonds required moving the ECA’s operating accounts to First Financial Northwest Bank. The resolution gives Mr. Mclalwain authority to sign the agreements to establish accounts, authorizes Mr. Mclalwain, Jim Kristian, himself and one PFD member as signers on the account and provides the ability to delegate day-to-day operations of the account to a designated staff member.

**BOARD MEMBER MCKAY MOVED TO APPROVE RESOLUTION 2018-4, A RESOLUTION OF THE BOARD OF DIRECTORS OF EDMONDS PUBLIC FACILITIES DISTRICT, AUTHORIZING THE EXECUTIVE DIRECTOR TO ESTABLISH NEW OPERATING BANK ACCOUNTS WITH FIRST FINANCIAL NORTHWEST BANK AND DESIGNATE THE DIRECTOR OF OPERATIONS, THE DIRECTOR OF PATRON SERVICES, A BOARD MEMBER REPRESENTATIVE AND THE EXECUTIVE DIRECTOR AS AUTHORIZED ACCOUNT SIGNERS TO THE AFOREMENTIONED ACCOUNTS. BOARD MEMBER ARMSTRONG SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

- **Resolution Approval 2018-05 – Line of Credit (Rewards Credit Card)**

Mr. Keller reported this resolution gives Mr. Mclalwain authority to sign the agreements to open a Bank of America Alaska rewards credit card and assigns staff to manage it. The intent is to offset airfare, lodging and car rentals to reduce expenses. Discussion followed ability for a business to be a member of Mileage Plus and credit cards that allow more flexibility on airline choice.

**BOARD MEMBER BREWSTER MOVED TO APPROVE RESOLUTION 2018-5, A RESOLUTION OF THE BOARD OF DIRECTORS OF EDMONDS PUBLIC FACILITIES DISTRICT, AUTHORIZING THE DIRECTOR OF OPERATIONS AND EXECUTIVE DIRECTOR TO APPLY FOR AND OBTAIN A REWARDS CREDIT CARD FROM BANK OF AMERICA WITH SUCH CREDIT LIMIT AND TERMS AS THE EXECUTIVE DIRECTOR DEEMS ADVISABLE, AND DELEGATE DISTRICT STAFF WHO WOULD BE AUTHORIZED TO EXPENSE ON THAT ACCOUNT PURCHASES THAT ARE REASONABLY RELATED TO CARRYING OUT THE**

**BUSINESS OF THE DISTRICT. BOARD MEMBER MCKAY SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

- **City Grant to PFD**

Mr. McIalwain thanked Councilmember Mesaros for his assistance, and specifically Council President Councilmember Nelson and Councilmember Tibbott who spoke in favor and voted in favor of the \$75,000 grant to the EPFD in 2019. He also thanked City staff for their assistance and Mayor Earling for including the funds in the preliminary budget at the request of the Council. He also thanked Councilmember Fraley-Monillas for her vote to include the funds in the budget.

- **Boys & Girls Club**

Mr. McIalwain reported several members of the Boys & Girls Club Board, the Executive Director and their architect visited the site to explore the possibility of a new building on the ECA campus. It was his impression they were very interested in the possibility and intrigued by the existing gymnasium that could be modified and the area where the music building could be demolished and replaced with a functional building for the balance of their programs.

Councilmember Mesaros relayed the Boys & Girls Club is considering other options because the grants the City received for Civic only allow areas to contain structures and the Boys & Girls Club would like to expand their facility. Mr. McIalwain said relocating the Boys & Girls Club would also allow the public space on Civic to be increased. Further discussion of a variety of issues will be required.

Discussion followed regarding the Boys & Girls Club's timeline for relocating, funding the City needs to redevelop Civic, exploring limits that the Boys & Girls Club's use of the gym would put on the ECA, the Boys & Girls Club's financial position, possibility for programming cross pollination, potential for childcare during performances, next steps, Edmonds School District principals' discussion of having all before/after-school programs operated by one organization and the impact that would have on non-profits, and advantages of moving the Boys & Girls Club off the Civic site.

EPFD Board members were agreeable to exploring possibilities and will informally check in with Boys & Girls Club board members.

## **6. Finance, Facilities & Operations**

- **October 2018 Draft Finance Reports**

Mr. Keller reviewed the reports, highlighting Gala revenue, operating income, expenses versus revenues, ticket revenue, and special projects such as the Lift Every Voice Legacy tribute to Martin Luther King. Discussion followed regarding advanced tickets sales and expenses that are considered deferred revenue/expense and not reported until the show occurs, reports that are on an accrual basis and reports that illustrate cash flow, grant revenue, depreciation, and anticipated positive net position at the end of 2018.

- **September 2018 Final Finance Reports**
- **Draft Budget – Fiscal Year 2019**

Mr. McIalwain reviewed the proposed 2019 Operating Budget, highlighting changes made to the earlier draft and noting the budget reflects the City's contribution. Mr. McIalwain and Mr. Keller responded to questions regarding the depreciation schedule and making advertising revenue a higher priority.

**BOARD MEMBER BREWSTER MOVED TO APPROVE THE 2019 BUDGET AS PRESENTED. BOARD MEMBER ARMSTRONG SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

Board members thanked staff for drafting the budget earlier than in the past and for presenting it so clearly.

Mr. Keller reported the fire panel has been completed. A cost estimate for roof-mount solar panels indicates it may be possible to sell back up to 50 kilowatts to PUD.

## **7. Marketing and Programming**

- **Teachers Workshop Report**

Ms. Jones reported on the November 15, 2018 Teacher Workshop with puppeteer Hobey Ford. Mr. Ford did five sensory friendly performances at the Black Box Theater at Edmonds Community College and a teacher workshop regarding metamorphosis through puppetry and connecting STEM learning to the arts. Ten teachers participated from the Edmonds School District as well as private school teachers. She displayed photographs from the workshop, explaining each teacher created two rod puppets that they can then teach their students to make. The workshop was funded by Hazel Miller Foundation. She may change the date of the workshop from November to January/February next year to increase the number of participants.

Discussion followed regarding the artist fee for the workshop, the Hazel Miller Foundation grant for the ECA's educational program, and a suggestion to encourage teachers to advocate for the workshop. Ms. Jones explained as part of compliance with OSPI, each teacher completes an evaluation. She requested board members review the evaluations, recognize the success of the workshop and approve continuing the workshop next year.

**BOARD PRESIDENT POPKE MOVED TO CONTINUE THE TEACHER WORKSHOP SPONSORED BY THE HAZEL MILLER FOUNDATION. BOARD MEMBER MCKAY SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

- **Ticket Sales Report**

Ms. Jones presented the Ticket Sales Report, highlighting net income, shows with low ticket sales, discount ticket sales, and ticket sales for special engagements in January. Discussion followed regarding the '18-'19 season compared to '17-'18, Board Member Brewster's analysis of ticket sales, and the gap between budget and actual sales due to ticket discounts, comps, etc.

## **8. Development**

- **Development Director Search Committee**
- **Development Director Search – Update**

Mr. McIalwain reported the position has been posted for approximately two weeks and several resumes have been received. The position closes December 7. He plans to hold interviews December 12, 13, 14; all board members will be given an opportunity to participate. He was hopeful an offer could be made the following week and the person could start mid-January. Discussion followed regarding plans to hire the director position before hiring the support position, and in-house versus contract social media support.

- **Fall Campaign – 2018**

Mr. McIalwain reported on Giving Tuesday and plans for a direct mail campaign. Discussion followed regarding whether organizations see a bump in donations from Giving Tuesday,

donations that were triggered by Giving Tuesday, using Giving Tuesday to launch a special event/educational opportunity, and organizations that offer matching gifts for Giving Tuesday.

- **Development Report – October 2018**

Mr. Mclalwain reviewed the Development Report, relaying the Individual Major Gifts line includes the entire \$100,000 bequest; \$50,000 will be moved into a restricted fund, the other \$50,000 was used to purchase the van, theater seats and other items. The family who made the bequest toured the building, saw the seats with nameplates and the van, and agreed to allow the ECA to determine how to use the other \$50,000; the primary focus will be on new program development. He reported on individual major gifts expected in November/December and results from the Gala. It is possible development may meet its 2018 budget without including the bequest or the springboard campaign.

**9. Executive Report / Steering Committee**

- **November 2018 Staff Report – Questions, Comments**

The Board requested the Development Report be included in the Staff Report.

**10. Inclusion & Accessibility**

Ms. Jones reported the committee is meeting tonight. She and VP Ehl met last night to review SMART objectives related to Inclusion and Accessibility.

**11. New Business**

Mr. Mclalwain distributed a list of 2018 accomplishments and future goals that will be presented at the EPFD/ECA retreat. He reminded of the Joint Board Social on December 11 at Salt & Iron at 5:30 p.m.

**12. Executive Session**

At 8:56 a.m., Board President Popke recessed the meeting to a 10-minute executive session regarding the review of employee performance per RCW 42.30.110(1)(g). No action was expected to be taken following the executive session.

The meeting was reconvened at 9:08 a.m.

**13. Adjourn**

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

**Next EPFD Board Meeting: January 24 (December meeting canceled)  
PFD & ECA Joint Board Retreat – Saturday, December 8, 2018 – 8:00 AM**

**ACTION ITEMS:**

1. Discuss waiving fees with bank
2. Consider credit card that allows more flexibility on airline
3. Include Development Report in Staff Report
4. Send invite for Joint Board Social on December 11