

MINUTES

Edmonds Public Facilities District Board of Directors Meeting March 28, 2019

The Edmonds Public Facilities District Board meeting convened at 7:31 a.m. in the Edmonds Center for the Arts Green Room, 410 4th Avenue North, Edmonds.

EPFD Board Members Present

Mike Popke, President
Kevin McKay
David Brewster
Kimberlee Armstrong (arrived 7:35 a.m.)

ECA Board Members Present

David Schaefer, Treasurer

ECA Staff Present

Joseph McIalwain, Executive Director
Matt Keller, Director of Operations

City Staff Present

Scott James, Finance Director (Ex-Officio)

Other Guests Present

Ray Liaw, Candidate for PFD Board

1. **Call to Order**

Board President Popke called the meeting to order.

2. **Board President's Comments - None**

3. **Public Comments - None**

4. **Consent Agenda**

- EPFD Board Minutes – February 28, 2019
- Disbursements February 2019
- Disbursements January 2019 - corrected

BOARD MEMBER MCKAY MOVED TO APPROVE THE CONSENT AGENDA. BOARD MEMBER BREWSTER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY. (Board Member Armstrong was not present for the vote.)

Board President Popke referred to action items from the previous meeting and asked for an update on the RFQ for an attorney. Mr. Keller reported he is working on a draft. Board Member McKay requested a status update on action items from the previous agenda be added to Old Business. Discussion followed regarding whether an RFQ was the appropriate way to find legal representation. Mr. James offered to research and report to staff.

5. **PFD Board Business**

- **PFD 2018 Amendment to SnoCo Inter-Local Agreement**

Mr. Keller reported minor changes recommended by the City's bond counsel have been incorporated into the document. It was the consensus of the Board to accept the

recommendations from the attorney and send the agreement to the Snohomish County PFD Board. Mr. Keller will provide an update at the next EPFD meeting.

- **Proposed Candidates for Appointment to the PFD Board**

Mr. McIalwain thanked the search/interview committee who interviewed five very qualified candidates. Ray Liaw and Suzy Maloney are recommended for Board approval and recommendation for formally appointment to the EPFD by the City Council. He described their backgrounds and the process for recommending their appointment to the City Council (tentatively scheduled for April 16). Mr. McIalwain recommended appointing Ms. Liaw immediately to replace Larry Ehl and Ms. Maloney to replace Board President Popke when his term ends June 30.

BOARD MEMBER BREWSTER MOVED TO RECOMMEND TO THE CITY COUNCIL THE APPOINTMENT OF RAY LIAW AND SUZY MALONEY TO THE EDMOND PUBLIC FACILITIES BOARD, MS. LIAW TO BE APPOINTED IMMEDIATELY AND MS. MALONEY TO BE APPOINTED FOLLOWING THE CONCLUSION OF BOARD PRESIDENT POPKE'S TERM. BOARD MEMBER ARMSTRONG SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

- **Lobby and Pantry A&E Quote Review and Approval**

Mr. Keller explained the ECA received a grant from the Lodging Tax Advisory Committee (LTAC) to make improvements to the concession, ticketing and pantry areas of the lobby which will require architectural and engineering services. An RFQ was required; four vendors were contacted and only one, LMN Architects, provided a quote. Staff is comfortable with their quote and would like to begin the project in August, a timeline that is acceptable to LMN. The scope of services includes design, procurement of the construction team in accordance with Washington State standards, monitoring progress and closeout. Discussion followed regarding permitting.

BOARD MEMBER MCKAY MOVED TO APPROVE THE PLAN AS PRESENTED. BOARD MEMBER BREWSTER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

6. Inclusion & Accessibility

- **ECA Board Meeting March 12th – Unconscious Bias Debrief**

Board Member Brewster reported on the Inclusion & Accessibility Committee panel on unconscious bias led by Michelle Osborne and four community members with various backgrounds. Most of EPFD Board, ECA Board, volunteers and staff attended the 90 minute discussion. Ms. Osborne led the panelists through questions followed by Q&A. He found it a very positive experience, helping to surface many things that people speak to with regard to awareness but do not always live or acknowledge. It was a great first step toward becoming more aware of the issues associated with unconscious bias as well as differences and respecting and honoring others regardless of their state in life. The I&A Committee considers this a first step and will continue looking for ways to improve inclusion. For example, at the I&A Committee's next meeting, an independent bookseller will describe her challenges and how a presenting space looks to her.

Board Member McKay agreed it was good first step, an introduction to implicit bias that started a dialogue around better understanding that privileges that some have that others do not, awareness building to get everyone on the same level of understanding, an introduction to

language and concepts, and pushing past the luxury of ignorance. Mr. James commented on the networking that occurred among the audience members.

Mr. McIalwain reported the I&A Committee is discussing opportunities for continued education such as an exercise at the annual board retreat. He encouraged board members to attend the third annual “Step Up: Moving Racial Equity Forward 2019” on Friday, April 26 at the Lynnwood Convention Center where Ms. Osborne and Board Member Armstrong will be panelists. Several staff and ECA and PFD board members plan to attend.

7. Marketing & Business Development

- **Ticket Sales Report**

Mr. McIalwain thanked Board Member Brewster for his analysis of trends and staff for their efforts to respond to trends. The analysis indicates every year the organization has fallen short of budgeted goals with regard to the number of audience members and the amount of ticket sales earned, although the net result for each season continues to be strong. The next step is taking a closer look at budgeting and being realistic about ticket sales which may inform what the organization offers to artists to ensure expenses are covered, recognizing when that will not be possible and looking to supplemental income like grants, sponsorships, etc.. There are many other trends in the analysis such as the efficiency of marketing.

Board President Popke asked if the analysis considered the goal of a diverse calendar and that not all shows will be a positive but help build diversity. Board Member Brewster acknowledged “” was a different consideration; his.

Discussion followed regarding mission performances, analysis providing a numeric foundation for staff to consider when booking, using shows with higher net result to offset mission artists, production and marketing costs versus artist fee, using data to make data-driven decisions, the role mission plays in decisions, the goal to be net positive before sponsorship at the end of the season regardless of what happens at individual shows, and attracting new and returning patrons.

Mr. McIalwain summarized ticket sales are tracking ahead of budgeted goal YTD and he anticipated will finish the season net positive.

- **Young Professionals Pre-Show Mixer – Danito Brito April 5th**

Mr. McIalwain reported ECA Board Member Christian Anderson, a young professional and musician, offered to Development Director Kourteva to assist with a young professional mixer. There will pre-show mixer in the upper level lobby prior to Danito Brito with a bar and light hors d’oeuvres and opportunity to network. He described efforts to spread the word; tickets include a drink coupon.

8. Philanthropy

- **Center Stage May 1, 2019**

Mr. McIalwain urged board members to attend Center Stage and to RSVP as soon as possible as well as forward the emailed Save the Date to others. Once guests RSVP, weekly announcements will be provided regarding artists. He highlighted artists that have been

announced including Mavis Staples and Los Lobos. Center Stage is an opportunity for sponsorship, co-sponsorships, and to support education and outreach.

9. Executive Report / Steering Committee

- **Personnel Update**

Mr. Mclalwain reported three employees are being hired, two are replacements – support for marketing and development, and one is new – support for education and outreach, a portion of the salary is covered by a private foundation grant. Discussion followed the marketing person handling social media, generating new advertising revenue, website management, etc.

- **Site Development Exploration (Music Building)**

Mr. Mclalwain reported on a meeting with the City's development department team to discuss the potential of the Boys & Girls Club (BGC) moving onto the ECA site. He sent his notes from the meeting to Bill Tsoukalas, Executive Director, Snohomish County Boys & Girls Club, who responded with questions about the available square footage with required setbacks (nearly the entire existing music building is within the required setbacks). He summarized the discussion is ongoing, he has updated Parks & Recreation Director Hite and Mayor Earling and he is waiting to hear from the BGC that they are actually interested in exploring moving from Civic Field to the ECA site. Discussion followed regarding whether the BGC Board and Mr. Tsoukalas are interest in moving forward, the EPFD obtaining legal counsel, and agreements that would be required to partner on a building. Mr. Mclalwain invited EPFD board members to be involved in discussions with BGC board members.

- **Programming Update 19-20 Season**

Mr. Mclalwain reported plans for the upcoming season are going well. He recognized Director of Programming Gillian Jones for her efforts.

10. Finance, Facilities & Operations

- **February 2019 Draft Finance Reports**

Mr. Keller reviewed the Statement of Revenue, Expenses and Change in Net Position, highlighting the effect on the operating bottom line, rental events cancelled/rescheduled in February due to snow, payroll, total net income, grant revenue, timing issues related to contributions, and increase in sales tax revenue. Discussion followed regarding LEVL revenue and expenses, and increased sales tax revenue due to large construction projects.

- **Presentation to City Council Finance Committee – April 9th**

Mr. Keller displayed and reviewed reports to be presented such as December Changes in Net position 2018 and encouraged board members to attend. Suggestions included providing a trend line of the net position for the past five years, highlighting operating income and non-operating income and net position, and sending materials to board members prior to the presentation.

- **Audit Scheduling Update**

Mr. Keller announced the auditor will be on site May 6. Mr. James relayed the auditor's focuses this year are payroll, cash receipting and contracts.

11. New Business

Board President Popke thanked board members for their financial commitments this year. Mr. McIalwain thanked board members for meeting with Ms. Kourteva and for their investments in the organization.

Board Member Armstrong reported the Edmonds School District is excited about increasing their partnership with the ECA.

Mr. McIalwain reported he is finalizing committee membership and will be asking new PFD Board Members about their interests. Board Member Armstrong will chair the Education and Outreach Committee and he is seeking a chair for the Hosting Committee.

Board Member Schaefer advised the ECA Board invited one of the PFD candidates to join the ECA Board. Mr. McIalwain advised another PFD Board candidate was interested in the City's financial committee.

12. Adjourn

The meeting was adjourned at 8:47 a.m.

Next EPFD Board Meeting: Thursday, April 25, 2019 - 7:30 AM

ACTION ITEMS:

1. Add status update on action items from previous agenda to Old Business.
2. Determine whether RFQ is the appropriate way to find legal representation; Mr. James research and report to staff.
3. Suggestions for presentation to Finance Committee:
 - a. Include trend line of net position for past five years
 - b. Highlight operating income and non-operating income and net position.
 - c. Send materials to board members prior to presentation.
4. Provide update at the next EPFD meeting regarding the PFD 2018 Amendment to SnoCo Inter-Local Agreement (after sending recommended changes to Snohomish County PFD Board)
5. Schedule interview and appointment of Ray Liaw to EPFD Board on April 16 City Council Agenda