

MINUTES

Edmonds Public Facilities District Board of Directors Meeting September 26, 2019

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

EPFD Board Members Present

Kevin McKay, President
David Brewster, Vice President
Kimberlee Armstrong (arrived 7:36 a.m.)
Ray Liaw
Suzy Maloney

ECA Staff Present

Joseph McIalwain, Executive Director
Matt Keller, Director of Operations

City Staff Present

Scott James, Finance Director (Ex-Officio)

Other Guests Present

Tom Mesaros, City Council Liaison

1. Call to Order

Board President McKay called the meeting to order.

2. Board President's Comments

Board President McKay announced he will be retiring in February/March and moving to Mexico which will create a vacancy on the board. Board VP Brewster will become the Board President.

3. Consent Agenda

- **EPFD Board Meeting Minutes – August 22, 2019**
- **EPFD Disbursement Report – August 2019**

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

4. PFD Board Business

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

Mr. Keller relayed the process will be as follows: the SnoCo PFD will sign the Inter-Local Agreement at their October meeting, forward it to the EPFD for approval (November meeting) and then to the City of Edmonds and Snohomish County Executive for approval.

The date of the November EPFD meeting will be changed to November 21st. If the budget is approved in November, December board meeting will be cancelled. If a December meeting is necessary, the date will be changed to December 19th.

- **EPFD Historic Facility Preservation Fund Policy – Approval**

Mr. Keller reported the policy has been reviewed twice by the Admin/Finance and Facilities & Operations Committees. Discussion followed regarding the role of the Facilities & Operations Committee, whether delegating responsibility for approval of disbursements to the Facilities & Operations Committee potentially triggers the Open Public Meetings Act, and oversight provided by the committee but approval by ECA management.

The following change was made in the Access and Use section: add “Will be approved by staff in consultation with the Facilities & Operations Committee.”

BOARD MEMBER MALONEY MOVED TO ADOPT THIS POLICY WITH THE PROPOSED LANGUAGE CHANGE. BOARD MEMBER ARMSTRONG SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

Staff will send the EPFD Board the amended policy.

5. Inclusion & Accessibility

- **ECA/PFD Joint Board Retreat: Equity Workshop**

Board VP Brewster reported the facilitator who conducted the panel discussion for the equity workshop, Michelle Osborne, has been engaged for the joint board retreat. The committee is discussing the content and format of the workshop.

Mr. McIalwain said consideration was given to doing the “Change Game” led by Ann McMahon at the December retreat, but due to time constraints, it will be done at a spring joint board meeting. The focus of the December retreat will be an equity workshop in the morning and the strategic plan in the afternoon. The retreat will be 8 a.m. to 3 p.m.

- **Community & Cultural Development Reception: October 12th @ 6:00PM**

Board VP Brewster reminded of the October 12th reception prior to the Kelly Hall-Tompkins performance. The reception is an opportunity to bring a wide variety of community members into the building and connect them with various business functions in the organization particularly rentals and the ECA as gathering place. There are about 50 RSVPs and he encouraged board members to attend. Discussion followed regarding inviting Councilmembers as well as Council candidates.

6. Marketing & Business Development

- **Season Catalog, App**

Mr. McIalwain distributed the 2019-2020 season brochure, highlighting the size, shape and format including the “What’s your arts profile” on the back page, a code to identify yourself as a member of one of the categories. The personas are defined on pages 3-4. The brochure was expanded to over 50 pages from the typical 30+; each artist has a full page, improved imagery, and a description of the artist. The cost to print and mail was approximately \$5,000-\$7,000 less than last season. Approximately 15,000 copies are mailed; the purpose of mailing brochures is to draw audiences who may not have been to the ECA in the past. An additional 5,000 were delivered to the ECA and he encouraged board members to distribute them. Board members were invited to submit any comments about the brochure to Tina Baumgardner.

Board VP Brewster pointed out information about Edmonds and about accessibility in the brochure. Suggestions included distributing brochures to the City Council, having brochures available at City Hall, and distributing information about ECA to patrons at rental shows.

Mr. Mclalwain reported the app is functioning well, and discussion followed regarding information the app provides. Board Member Armstrong commented the African American community in Snohomish County is still talking about the India.Arie show and her message about healing and songversation.

- **Special Engagements**

Mr. Mclalwain advised performances by Lorrie Morgan, Pink Martini, Marty Stuart and Willy K have been announced.

- **Ticket Sales Report (Comparative)**

Mr. Mclalwain reviewed ticket sales for 2019-20, highlighting net result before sponsorship 2019-20 is trending higher than 2018-19, Board VP Brewster's analysis of ticket sales, a \$3,000 grant from the Canadian Consulate to help support the Jeremy Dutcher show, and discussion by the Business Development & Marketing Committee about marketing the Jeremy Dutcher show.

Discussion followed regarding student tickets, budgeting to ensure goals are met, whether to allocate a certain number of tickets as student tickets, artists intended to bring a wider audience to the ECA, suggestions for marketing the Jeremy Dutcher show, when comp tickets are made available, and a suggestion for a pop-up when a student ticket is purchased that states, "be prepared to show student ID."

- **Kelly Hall Thompkins, Jeremy Dutcher**

Discussed above. Staff will email board members the Jeremy Dutcher promotional materials.

7. Philanthropy

- **Draft ECA Investment Policies: Update**

Mr. Mclalwain recognized Councilmember Mesaros who assisted the Legacy Giving Task Force with developing a Gift Acceptance Policy and a Donor Bill of Rights which have been approved. The next step is developing policies related to holding and investing gifts and under what circumstances funds are spent. The Legacy Giving Task Force has reviewed a draft which was discussed by the Philanthropy Committee and forwarded to the Steering Committee who referred it back to the Legacy Giving Task Force. The policies will be presented to the EPFD Board when they are finalized, but will be approved by the ECA Board.

Mr. Mclalwain explained contributions are made to the non-profit ECA and the endowment fund will be managed by the ECA; moving the funds to the EPFD would significantly limit how the funds could be invested and managed. The intent is for the EPFD Board to be aware of and agree with the policies but the ECA will maintain legal control of the funds. All accounts are included in the financial statements presented to the auditor's office.

Discussion followed regarding a suggestion for the EPFD Board to pass a resolution stating it recognizes the philanthropic investment is best managed by the non-profit ECA, the ECA's management of the funds obviating the EPFD from risk, opportunity to delineating the difference

between the functions of the ECA and EPFD boards, and the non-profit as a separate entity that generates revenue for EPFD. Mr. Mclalwain invited board members to submit comments/questions to him. He summarized the ECA Board will formally approve the policies; the EPFD will approve a resolution at the same time.

- **Draft Endowment Policies for Unrestricted and Restricted Gifts: Update**

Discussed above.

- **2019 Gala Dinner & Auction – October 25**

Mr. Mclalwain reported there are still tables to fill and he encouraged board members to submit RSVPs. Procurement is going well and staff and the consultant, Salty Auctions, are working on event logistics

- **Fundraising Report - YTD**

Mr. Mclalwain reviewed the 2019 Contributed Revenue Report (YTD 2019 through August 31st compared to budget), highlighting individual, corporate, foundations, government, and special events contributions. He acknowledged the need to expand the donor base. Discussion followed regarding the change in the ECA's sub-designation with the IRS, meeting goals with a new development team, potential events in 2020 to expand revenue streams, and a suggestion to include in next year's brochure the information in the patron program regarding the impact of each donation amount.

Staff will send the 2019 Development Report to EPFD board members.

8. Executive Report / Steering Committee

- **Strategic Business Plan Implementation**
 - **Recent Committee Reports: Board Governance, Education & Outreach**

Mr. Mclalwain reported several committees are meeting their objectives. He thanked EPFD board members for taking leadership roles and serving on committees. Committee reports provided at the last ECA meeting are included in the packet.

- **Boys & Girls Club Taskforce**

Mr. Mclalwain reported on a communication received from the Boys & Girls Club, an outline of where an 8,000 square foot building could be located on the ECA site. In discussions with staff, Board Member Liaw, and Board President McKay, they realized there needs to be a fundamental conversation about philosophy, what the EPFD/ECA wants to achieve, what a building on the site looks like, etc. and then find appropriate partners.

Discussion followed regarding creating a list of things the EPFD/ECA needs from a partnership, and communicating with the Boys & Girls Club. Mr. Mclalwain will discuss next steps with Board Member Liaw and determine who to involve in further discussions.

9. Finance, Facilities & Operations

- **August 2019 Draft Finance Reports**

Mr. Keller highlighted operating revenue; impact on revenue from no summer programming; anticipated revenue from fall activity; rental revenue; increase in payroll, taxes and benefits; prior period adjustment in Facilities Maintenance; operating expenses trending over budget; and non-operating revenue.

Discussion followed regarding sales tax revenue. The board asked that the calendar budget be provided to the board at the time of the City Council presentation.

- **2020 Operating Budget Development**

Mr. Keller reported final projections are being developed. He reviewed the proposed schedule:

- ❖ Present draft to committees and EPFD Board in October
- ❖ Present final draft to committees in November
- ❖ Present final draft for approval at EPFD Board November meeting

- **City Council Finance Committee Report**
 - **Next Presentation - Tuesday, November 12th**

Mr. Keller thanked Mr. James and Councilmember Mesaros for their comments during the meeting. Overall the meeting was fairly positive, including positive feedback about the Strategic Plan, the organization's direction, the audit and that the ECA is good investment for the City. An invite to the November 12th Finance Committee meeting will be sent to board members

- **New Snohomish County Lodging Tax Grant: \$125k**
 - **Technology & Meeting Room Upgrades**

Mr. Keller reported the ECA's application to the Snohomish County Lodging Tax Advisory Committee was successful and the ECA will be receiving \$125,000 for capital equipment to improving meeting spaces (smart screens, projector, chairs, fixed screens, etc.), the lobby and a new sound mixer for the theater. The project is anticipated to begin in 2020.

10. New Business

11. Old Business

Board Member Liaw inquired about public records and Open Public Meetings Act training. Mr. Keller advised introduction of the attorney and training will be scheduled at a future EPFD Board meeting.

12. Adjourn

The meeting was adjourned at 8:58 a.m.

Next EPFD Board Meeting: Thursday, October 24, 2019 - 7:30 AM

ACTION ITEMS:

1. Change date of November EPFD Board meeting to November 21
2. Change date of December EPFD Board meeting to December 19 (cancel December meeting if budget passed at November meeting)
3. EPFD Historic Facility Preservation Fund Policy

- a. Add language in Access and Use sections, "will be approved by staff in consultation with the Facilities and Operations Committee."
 - b. Send EPFD Board the amended policy
4. Distribute season catalog to City Councilmembers and have available in City Hall
5. Consider distributing information about ECA at rental events
6. Provide pop-up when purchasing student ticket that states, "be prepared to show student ID"
7. Email promotional materials about Jeremy Dutcher to board members
8. ECA Investment policies
 - a. Consider an EPFD Board resolution recognizing that the philanthropic investment is best managed by the non-profit
 - b. Delineate differences between ECA and EPFD responsibilities
 - c. EPFD Board approve resolution at the same time the ECA Board approves the policies
9. Send Fundraising Report to EPFD board members
10. Provide EPFD Board calendar budget at the same time as quarterly presentation to City Council
11. 2020 budget
 - a. Present draft to committees and EPFD Board in October
 - b. Present final draft to committees in November
 - c. Present final draft for approval at EPFD Board's November meeting
12. Introduce new general counsel and have Open Public Meeting Act, etc. training at future EPFD Board meeting
13. Schedule approval of PFD 2019 Amendment to SnoCo Inter-Local Agreement on November agenda
14. Consider including in next year's brochure the information in the patron program regarding the impact of each donation amount
15. Send EPFD board members an invite to the November 12th Finance Committee meeting