

MINUTES

Edmonds Public Facilities District Board of Directors Meeting April 25, 2024

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

EPFD Board Members Present

Ray Liaw, President
Bill Willcock, Vice President
Suzy Maloney
David Brewster
Wayne Grotheer

ECA Staff Present

Kathy Liu, Executive Director
Lori Meagher, Associate Executive Director

Guests

Chris Eck, City Council Liaison

ECA Board Members Present

Norm Brown, Facilities & Operations
Committee Chair

1. Call to Order

Board President Liaw called the meeting to order.

- Attendance of those attending in-person for minutes.

2. Land Acknowledgement & Equity Statement

Ms. Meagher read the Land Acknowledgement and Equity Statement.

3. Agenda Review and Approval

BOARD MEMBER MALONEY MOVED TO APPROVE THE AGENDA. BOARD MEMBER GROTHEER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

4. Board President's Comments

Board President Liaw recognized April is Volunteer Appreciation Month and thanked board members and other ECA volunteers. She also recognized this is Administration Professionals Week and acknowledged the excellent work staff does every day.

5. Public Comment

There were no public comments.

6. Consent Agenda

- **EPFD Board Minutes**
 - November 22, 2023 Special Meeting
 - March 19, 2024 Special Meeting
 - March 28, 2024

- **EPFD Disbursement Report: March 2024**
- **Board Designated Funds Policy**

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

7. Old Business

- **Prior Action Items Review**

Ms. Meagher reviewed progress on action items from the previous meeting and identified outstanding items (see Action Items below).

- **April Staff Report – Questions/Comments?**

Board Member Grotheer recognized Nicole Giordano, Director of Patron Experience, for including the first report on the Universal Access Task Force.

8. PFD Board Business

- **Pets at the Workplace, Children at the Workplace, & Working with Minors Policies**

Ms. Meagher advised the updated policies, incorporating input from the PFD attorney and the insurance provider Enduris, were presented to the Admin & Finance Committee yesterday who recommended approval.

Questions and discussion followed regarding the need for both policies, changes to the policies to more clearly define processes, minor changes in the wording of the Pets at the Workplace policy, the EPFD attorney's recommendation to create separate Working with Minors policies for volunteers (which will include board members), contractors, teaching artists, etc.

BOARD MEMBER GROTHEER MOVED TO APPROVE CHILDREN AT THE WORKPLACE AND WORKING WITH MINORS AS ADDITIONS TO THE EMPLOYEE HANDBOOK. BOARD MEMBER BREWSTER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

Board Member Grotheer's minor edits to the Pets at the Workplace policy will be incorporated and the policy scheduled for approval on next month's consent agenda.

- **Amendment to Employee Handbook – Paid Leave (Discretionary Vacation Closure Policy)**

Ms. Meagher explained this closure typically occurs 4th of July week to recognize ECA's busy season and giving staff an opportunity to rest and reset from the amount of hours worked due to the volume of events on the campus. As there is no formal policy in the handbook, this policy was drafted at the direction of the EPFD attorney's. The policy was presented to Admin & Finance yesterday with a request for input and presentation and approval of a final draft next month. The policy would give executive leadership the ability, typically during 4th of July week, to close the ECA for business that week and pay employees.

Ms. Liu advised the policy would formalize the practice that has occurred for the past few years. The policy describes the public benefit of providing staff this reprieve. As this is considered a benefit, it needs to be incorporated into the handbook as a policy.

9. PFD Board Member Reports

Board President Liaw reported the Hosting Committee discussed the Mclalwain Access Fund; as the funds are raised through the nonprofit and are intended to benefit the community, the fund will be owned and administered by the ECA nonprofit board. A resolution will be drafted to acknowledge the EPFD receives funds from the Mclalwain Access fund. She reported Hosting is also developing a rental rate policy that will be presented to the EPFD Board later this summer.

- **Music Building Presentation**

ECA Board Member and Facilities & Operations Committee Chair Norm Brown, explained three months ago, discussions began about what to do with the Music Building following water damage. A taskforce was formed with members of the Facilities & Operations Committee and staff. The building is used for storage, approximately 2,000 square feet is used by ECA, and 300 square feet is leased to CCF. The report assumed the building would remain for 10 years. Options considered included:

- Option 1 – Keep Music Building for storage and make necessary repairs
- Option 2 – Demolish Music Building and replace with temporary portable building
- Option 3 – Demolish Music Building and replace with shipping containers

ECA Board Member Brown continued, the taskforce and the financial analysis determined Option 1 made the most sense. The Music Building is 70 years old; the roof is original roof and has been patched several times. The taskforce assumed with some care it could last another 10 years. The most susceptible part of the roof is where it previously leaked, the flat portion. The upper, sloped portion is in better condition. Replacement of the lower portion is estimated to cost \$40,000.

Board Member Grotheer commented on the diversity of perspectives from taskforce members and the process that lead to their conclusion. Ms. Liu thanked the taskforce (Norm Brown, Wayne Grotheer, Bob Gregg, Rick Canning, Corbitt Loch, and staff Sandra Nestorovic and John Dougall).

Questions and discussion followed regarding Option 1 making the most sense financially, risk of Option 1 is the roof not lasting 10 years, taking a more proactive approach to maintaining the roof, estimated costs 2024-2026, roofing company's recommendation to seal the perimeter of lower and upper roof, decommissioning the plumbing and installing louvers in some existing windows to allow the building to breathe, whether the cost includes future demolition, only using the building for storage, risk of damage to CCF's storage, moving CCF storage to the southern part of the building, CCF's access to their storage, liability for items in the storage area leased by CCF, water damage covered by insurance less the deductible, clarifying the scope of coverage under the insurance policy, and funding source for the repairs.

Board members expressed support for proceeding with Option 1. The Board asked staff to clarify the scope of coverage under the Enduris insurance policy.

9. PFD Board Member Reports (Continued)

Board Member Maloney reported the Philanthropy Committee discussed Center Stage and the Gala. The Gala is shifting from the historical auction to a performance. She was impressed with the breadth of the Philanthropy Committee and staff's efforts. Staff is also working on planned

giving, sponsorships, board giving and the spring appeal. Staff leadership is seeking a part-time, in-house grant writer.

Board VP Willcock relayed the Philanthropy Committee also discussed the results of Fashion Show. Ms. Stagno provided an update on planned giving and board giving, work being done with regard to key patrons, opportunities for developing an annual report, lobby recognition, etc. Mr. Gibbs talked about the spring appeal and Ms. Liu provided an overview of development and resource planning and an update on Center Stage and the Gala.

Board VP Willcock reported at the Admin & Finance Committee, in addition to financials, Ms. Liu provided updates on capacity planning work, the strategic plan and RFP, and development team goals. Ms. Meagher gave an update on the Board Designation Fund resolution and Ms. Liu provided an update regarding the new Gala format.

Board Member Brewster reported the Creative District Advisory Committee's April meeting was canceled. The Education and Community Outreach Committee meeting included mission moments, almost all the comments were about the Pamyua workshop and performance, how vital that was to ECA's mission, and the value of diverse programming. This was their first Washington State performance after performing all over world for 30 years.

Board Member Brewster relayed the Education and Community Outreach Committee also reviewed the deck presented to the ECA Board which he suggested be shared with the EPFD Board. They are doing incredible work, reaching almost 6,000 intergenerational learners during the last season, from kids summer camps to the dementia inclusive workshops to student matinees and performers visiting schools, 15% above last season. Ms. Liu suggested inviting Ms. Ortega-Chance to provide a report to the EPFD Board next month.

Board Member Grotheer reported the two high priority projects from the Universal Access Taskforce, the ADA doors to the lobby and the CO2 sensor, have been procured. Repairs to the boiler may be required. The IDEA Committee developed a draft equity audit RFP and is working on a self-assessment. The Universal Access Taskforce is meeting today and is welcoming its first community member, Dean Olson, who represents the deaf and hard of hearing community. The taskforce is working on a draft charter for review at next month's meeting and monthly reporting to staff and the IDEA and Facilities & Operations Committees.

Board President Liaw reported Mithun will provide their report at a special EPFD Board meeting in May. The Steering Committee reviewed the ILA between the ECA and PFD Board and is considering how committees exist relative to the boards.

10. Associate Executive Director Update

- **Finance Update**
 - 1st Quarter Draft Financials

Ms. Meagher relayed the packet includes the 1st quarter draft financials which were shared with Admin & Finance yesterday. She commented on the loss of revenue due to the canceled event earlier this year; the PFD attorney is developing a protection clause to include in the contract. She highlighted contributed revenue and operating grants. Ms. Liu relayed the development team is doing a budgeting exercise to develop a more realistic projection and will provide a formal reforecast in July.

Ms. Meagher reviewed operating expenses, highlighting advertising and marketing, payroll and benefits, facilities, maintenance and utilities, and total surplus (loss). She also reviewed non-operating revenues and expenses and balance sheet key balances, highlighting operating cash, accounts receivable, accounts payable, and cash flow by month.

Discussion followed regarding conferring with the EPFD attorney regarding any questionable contract provisions, contract negotiations, and what is meant by a spending hold.

- **Human Resources Update**

Ms. Meagher advised the packet includes a revised org chart that includes staff names and separates out the Emeritus ECA, and EPFD boards. Staff is interviewing for the grant writer and box office associate positions, working to fill gaps in the production team and building a robust over-hire list for backup, front of house event manager position has been filled, and the development manager is on medical leave.

- **Facilities Update**

Ms. Meagher relayed the ECA Envelope and Seismic Study Cost Estimate was included in the packet. Board President Liaw advised the presentation will conclude the initial phase of work in the contract with Mithun.

11. **Executive Director Update**

- **Development Update – Center Stage/GALA**

Ms. Liu reported logistics for Center Stage are well underway. She reported on RSVPs and staff's efforts to follow up with VIPs. She encouraged board members to invite friends and neighbors to attend.

Ms. Liu reported the Philanthropy Committee approved a change to the Gala format in 2024 to lean into the ECA's identity as a performing arts center, open some potential additional fundraising capacity and audience markets, and eliminate double dipping of auctions. This format eliminates Raise the Paddle and most of the auction in favor of a starry, one-night only performance with a donation incorporated into the ticket price, a model used by many other nonprofits including arts organizations in the Pacific NW. There will still be 2-3 of the traditional auction items for fun and additional revenue. Staff is working on the ticketing model; per capita spend at the 2023 Gala was about \$700/person so the ticket price is anticipated to be similar. A lot of messaging will be done in the community about why the ECA is moving to this model. Discussion followed regarding the performer, food at the performance, and the date (October 18).

Ms. Liu reported the spring appeal has been launched including GiveBig messaging; the spring appeal letter will be sent out this week and she anticipated social media and e-marketing to support that effort through June. Staff has been working on planned giving, revisiting soft pledges and converting them to hard pledges, finalizing a planned gift that will turn into an endowment gift, getting close to signing a season sponsor, and continuing to look at tech resources for development. She will be assuming more development responsibilities during Katherine Smith's medical leave.

- **Education & Community Engagement Update**

Ms. Liu reported on the two fantastic student matinees yesterday preceded by a school workshop. Education and Community Engagement will exceed 6,000 served by yearend, 78% at free or low cost events. Education is winding down its 23/24 season, there is one more dementia inclusive program and one more student matinee. The team is focused on the three Dungeon and Dragons summer camps and the June 4 Educator Preview.

- **Programming/Revenue Update**

Ms. Liu reported the 23/24 season is winding down with 3 shows remaining. She reviewed the Ticket Sales report. The 24/25 season will be announced at Center Stage; 17 shows planned in fall 2024.

Discussion followed regarding the industry-wide trend of people purchasing tickets last minute, marketing single ticket sales, public ticket sale beginning late May/early June, and purchasing ticket via the website.

- **Strategic Planning Update**

Ms. Liu advised an outline was reviewed by the Steering Committee and staff will be moving forward with the RFP for a strategic plan consultant. The Steering Committee plans to define a process for mission reaffirmation with input from boards and community partners.

12. New Business

Mr. Grotheer thanked Ms. Giordano and Ms. Liu for emphasizing Volunteer Appreciation Month to staff and volunteers as well as during curtain speeches.

13. Adjourn

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

Next EPFD Board Meeting: May 23, 2024

ACTION ITEMS:

1. Following Mithun presentation, create list of short and long term capital projects organized by dollar amount that identifies priorities for 2024 and 2025
2. Add board member assignments to external committees to committee list and distribute list
3. Consider liability for items in storage area leased by CCF in Music Building
4. Staff clarify the scope of coverage under Enduris insurance policy
5. May EPFD Board Meeting agenda items
 - a. GASB 96 policy
 - b. Pets in the Workplace Policy on Consent Agenda with minor changes suggested by Board Member Grotheer
 - c. Senior Staff Update by Diana Ortega-Chance regarding Education & Community Engagement