

MINUTES

Edmonds Public Facilities District Board of Directors Special Meeting December 10, 2025

The Edmonds Public Facilities District Board special hybrid meeting convened at 9 a.m. in the Edmonds Center for the Arts Green Room, 410 4th Avenue North, Edmonds, and via Zoom.

EPFD Board Members Present

Wayne Grotheer, President
Suzy Maloney, Vice President
David Brewster
Scott Ely
Ray Liaw

ECA Board Members Present

Matt Cox, President
Heidi Napolitano, Vice President
Jeff Lewis, Secretary/Treasurer
Rick Canning
Corbitt Loch

ECA Staff Present

Lori Meagher, Associate Executive Director
Amy Stagno, Director of Development
Liz Dawson, Director of Programming & Comm.

Emeritus Board Members Present

David Schaefer
Steve Sheldon

1. Call to Order

Board President Grotheer called the special EPFD Board meeting to order.

- Attendance of those attending in-person for minutes.

2. Land Acknowledgement & Equity Statement

Board Member Brewster read the Land Acknowledgement & Equity Statement.

3. Public Comment - None

4. Admin & Finance Committee

- **Disbursements: October 2025**
 - Review and Recommend Approval to EPFD Board of Directors

Due to difficulties with the audio, this item is not reflected in the minutes.

- **October YTD Financials**

Due to difficulties with the audio, this item is not reflected in the minutes.

5. Associate Executive Director Update

- **Presentation of the Draft FY 2026 Annual Budget**

Ms. Meagher thanked the Budget Taskforce for their support and guidance through the process, noting this is the fifth draft of the FY 2026 annual budget. She acknowledged the hard work by department heads on each version to arrive at this final product and for meeting the challenges

posed by the Budget Taskforce. She presented the Final Draft Budget, version dated December 10, 2025, reviewing the FY 2026 Budget Executive Summary and the FY 2026 Proposed Operating Budget, highlighting operating revenues including presented events, rentals, facilities and space leases, concessions, advertising, historic facility preservation fees, education and outreach, contributions & operating grants, and total operating revenue.

Questions and discussion followed regarding the number of summer shows, average ticket yield in 2025 compared to prior years, and increasing summer rentals.

Ms. Meagher reviewed operating expenses, highlighting presented events; rentals; patron experience; theater; advertising and marketing; education and outreach; development; payroll & benefits; facilities maintenance and utilities; insurance, audit and legal; general & administration; special project expense; total operating expenses, and operating surplus (loss).

Questions and discussion followed regarding the format of the 2026 Gala; assumptions related to the interim executive director's salary; whether the permanent executive director's salary is included in budget; what is included in special project expense; whether payroll and benefits related to rentals are included in rental expenses; ending operating loss; payroll market adjustments and COLA increases for union staff; mid-year budget review and considering COLAs at that time; non-monetary staff reward; executive director's salary that is reflected in the budget; executive director salaries in the region; analyzing the amount of turnover and possibly implementing an employee survey to raise visibility to the board regarding why employees come to/leave the organization; whether benefits include the four days employees receive around the 4th of July; tactics in the strategic business plan that address attrition; increase in insurance, audit and legal; expenses included in the theater line; higher theater expenses line in previous years; fewer presentations versus higher expenses; artist fees; ticket prices; plans to engage Clark Nuber to do projections and modeling; revenue versus expense challenge; and the ECA's internship program.

Ms. Meagher reviewed FY 2026 Proposed Non-Operating Budget, highlighting sales tax revenue, grant revenue capital related, Snohomish LTAC grant support debt service, SVOG & Snohomish County Grant-ARF, interest expense, depreciation expense, interest earned, interest earned from lessor lease under GASB 87, amortization expenses under GASB 87 & GASB 96, interest expense under GASB 87 & GASB 96, other miscellaneous revenues and expenses-net, and total non-operating surplus (loss) and total net surplus (loss).

Questions and discussion followed regarding potential increase in support from Snohomish County, budgeted capital expenses, and projected increase in sales tax revenues.

Ms. Meagher reviewed 2026 Operations Project Impacts & Trends, highlighting presented events, advertising, education and outreach, contribution & operating grants, total 20th anniversary and the goal to move to project-based budgeting.

Ms. Meagher reviewed FY 2026 Proposed Cash Flow, highlighting total net surplus (loss), depreciation and amortization, debt principle payments, principal payments for GASB 96 SBITA liabilities, capital expenditures, all other-net, transfer to board designated fund, total net change, cash balance end of period, cash balance board designated fund, cash balance total end of period. She also reviewed debt principal payments including 2012 bonds/2021B bond refinancing, FFNBW tax exempt note, and City of Edmonds operating loan.

Questions and discussion followed regarding when the City loan will be paid off, LTAC grant from the City, payment amount to the City, the last time ECA presented to the city council, discussing repayment of the City loan and the City's LTAC grant during the next presentation to the city council,

changing the name of the board designated fund, intended use of funds in the board designated fund, whether there was anything the budget taskforce recommended that was not implemented this year and if so why, expenditures from the board designated fund, use of funds in the historic building preservation fund, and making the HBPF a separate item in next year's project-based budget.

Ms. Meagher reviewed the FY 2026 CAPEX (projects in 2026), highlighting major projects of focus which include chloride UPS replacement, building envelope concrete spauling, and screen wall fly loft renovation. She reviewed Key Metrics: Non-Operating & Financial Margins, FTEs, a graph of Total FTE trends (2018-2024, 2025B, 2025P and 2026B), and a proposed 2026 org chart.

Questions and discussion followed regarding reducing mid-management, how external contractors are reflected in the org chart, and where contractor expenses are reflected in budget.

Ms. Meagher reviewed FTE trend by department 2022 Actual to 2026 Budget and the updated EPFD ECA Consolidated FY 2026 Revised Budget Cycle timeline.

Questions and discussion continued regarding whether staff impacted by the proposed org chart have been notified, following up with Board Member Liaw about proposed staff changes, appreciation to staff for development and presentation of the budget, acknowledgement of Ms. Meagher for her work getting to this version, seeking input on key metrics to consider in the mid-year review (discuss at A&F Committee and bring back to EPFD Board), timeline to achieve project accounting, what project accounting looks like, difficulty doing P&L on each show due to delay in receipt of expenses, and analyzing overhead expenses.

A&F Committee Action

ECA BOARD PRESIDENT COX MOVED THAT THE ADMINISTRATION & FINANCE COMMITTEE APPROVE A RECOMMENDATION TO THE EPFD BOARD FOR THE FINAL VERSION OF THE 2026 BUDGET. ECA BOARD VICE PRESIDENT NAPOLITINO SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

6. New Business - None

7. Adjourn

The meeting was adjourned at 10:31 a.m.

Next EPFD Board Meetings:

- Special Meeting: December 10, 2025 – 5:40 PM
- Special Meeting: December 11, 2025 – 7:30 AM

12/10/25 MEETING ACTION ITEMS:

1. Follow up with Board Member Liaw re proposed staff changes

Future Work Items

- Analyze staff turnover, consider implementing an employee survey to raise visibility to board regarding why employees come to/leave the organization
- Discuss repayment of the City loan and the LTAC grant from City during the ECA's next presentation to city council
- Make historic building preservation fund a separate item in next year's project-based budget
- Seek input on key metrics to consider in the mid-year review (discuss at A&F Committee and bring back to EPFD Board)