M I N U T E S

Edmonds Public Facilities District
Board of Directors Meeting
July 23, 2026

The Edmonds Public Facilities District Board hybrid meeting convened at 7:32 am in the Edmonds Center for the Arts Green Room, 410 4th Avenue North, Edmonds, and via Zoom.

EPFD Board Members Present
Wayne Grotheer, President
Scott Ely, Vice President
David Brewster
Suzy Maloney

EPFD Board Members Absent
Ray Liaw

ECAN Board Members Present
Matt Cox, President
Kim Bayer-Augustavo

ECA Staff Present
Caitlin Pontrella, Interim Executive Director
Madison Zimmerman, Dir. of Mktg, Sales & Patron Serv.
Deborah Bellangé, Dir. of Finance & Operations
John Farrimond, Dir. of Development

Guests
Chris Eck, Councilmember
Matt Hendricks, EPFD Attorney
Michael Miller

1. Call to Order

Board President Grotheer called the 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. Executive Team Introduction

Deborah Bellangé, Director of Finance & Operations, and John Farrimond, Director of Development, introduced themselves and Ms. Pontrella introduced Madison Zimmerman, Director of Marketing, Sales & Patron Services, and Carissa Castaldo, Director of Programming & Production.

4. Agenda Review & Approval

Board President Grotheer reported the agenda does not include an ECA Board Presentation as the ECA Board has not met since the EPFD Board's last meeting.

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

5. Board President's Comments

Board President Grotheer reported:

- Three of the four new directors started this month and he asked they be given time to understand the organization and their department and not be overwhelmed with requests
- August Meetings

  - August 21: Joint EPFD/ECA Board meeting, agenda will focus on the Joint Operating Agreement
  - August 27: Regular EPFD Board Meeting
  - Early August: Brief special EPFD Board Meeting to review Facilities Partnerships RFQ prior to vote at August 27 meeting. Lexie will poll board members regarding availability
- July 25 Volunteer Dinner on ECA stage @ 6 pm.

6. <u>Public Comment</u> - None

7. <u>Consent Agenda</u>

- **Employee Handbook**
- **June Board Meeting Minutes**
  - **June 11, 2026**
  - **June 25, 2026**
- **Disbursement Report**
  - **June 2026**

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

8. <u>Old Business</u>

- **Prior Action Items Review**

Board President Grotheer reviewed progress on action items from the previous meeting and identified outstanding items (see Action Items below).

9. <u>Joint Operating Agreement Considerations</u>

Ms. Pontrella referred to materials in the packet related to joint operations. The EPFD's agreement with the ECA nonprofit expired in May and is in the process of being updated. Currently the EPFD is the owner/operator of the space and responsible for all employees, programming, etc. and donations are funneled through the ECA nonprofit to support operations. Legal counsel for the EPFD (Matt Hendricks) and ECA (Apex Law) have been consulted to consider changes in the partnership to ensure it is operating in a transparent and compliant manner. She highlighted potential changes such as development staff moving to the nonprofit.

Matt Hendricks provided background, and described his role in the process, the operating agreement versus actual practices, difference between nonprofits and municipal corporations, PFD enabling legislation, the purpose of forming the ECA nonprofit, and potential risks and liabilities for the EPFD and ECA.

Ms. Pontrella clarified there are two issues, the legal minimum that needs to be done to ensure compliance and what's strategically best for the EPFD. She commented on investigation into other organizations that operate similar to the EPFD such as UW Meany Hall, some donors' reluctance to donate municipal entities, organizations that transitioned from municipally owned/operated to nonprofit such as Woodland Park Zoo and the Aquarium, potential financial impacts of changing the relationship, options considered (stay as is, move development staff to the ECA, move all mission-based programming to the nonprofit, move the entire operation to the ECA and lease back services to the EPFD, and completely outsource operations to another entity).

Questions and discussion followed regarding liability coverage for board members, relationship options, negative impacts of outsourcing, keeping the outsourcing option on the list until the board determines it is not viable, hybrid outsourcing, internal source contracts, PFDs that outsource operations, whether it makes sense for the EPFD to be the owner/operator in the next iteration of the campus, impact of this decision on the RFQ/RFP and a potential future partner, process and timeline for making this decision, raising this issue at the Association of Washington State PFD conference in September, issues associated with moving development staff to the ECA, likelihood the EPFD's agreement with the City and the EPFD's charter will need to be updated, past conversations about changing the relationship between the EPFD and the ECA nonprofit, budget process overlapping this decision, information needed to create a multiyear budget, and the intent to budget more transparently.

10. Interim Executive Director Update

Ms. Pontrella shared the presentation that will be provided to the Snohomish County PFD today, highlighting the new executive leadership team, shifts in staff, budget savings, and the spring fundraiser. She reported on outsourcing of accounting and reporting, updating the chart of accounts which will affect the appearance of financial reports, development of the facility partnership RFQ, utilization of the facility., educational programing, and ticket sales during the past quarter. She reviewed plans for the next quarter including the executive director search, launching the RFQ, transitioning to a 2-year budgeting process, plans for the Gala in October, and consideration of moving the liquor license to the EPFD.

11. Facility Partnership Update

ECA Board Member Kim Bayer-Augustavo reported on the intent to launch the RFQ in September with approval scheduled at the August EPFD Board meeting. The Facility Partnership Task Force's work plan has been updated and is available on the SharePoint link including the proposed RFQ timeline, PR outreach plan, board talking points, and details related to progressing from the RFQ to RFP. She commented on the need to hire a consultant to manage the RFP phase and the scope of work for that consultation. The intent is to have the RFP concluded and a partner identified by late March/early April.

12. Financial Update

- **Financial Assessment Recommendations – Quarterly Update**

Board President Grotheer recalled the Joint Finance Committee recommended the EPFD Board adopt a resolution requiring staff adopt the recommendation of the financial assessment; instead the EPFD Board's requested staff provide a quarterly update on implementation of the recommendations.

Ms. Pontrella highlighted a list of organizational highlights/talking points included in the packet. Staff plans to update the talking points monthly; she invited board members to submit topics to be addressed.

Ms. Bellangé reviewed progress on Turning Point Issues Raised: Immediate, 0-6 months, 6-12 months, and 12-18 months.

Questions and discussion followed regarding how changes in the financials will affect the budget process, whether staff needs any direction from the EPFD with regard to the budget, future RFP for a more permanent accounting partner, what is included in the accounting contract, the accounting firms' experience with GASB, outsourcing accounting versus hiring accounting staff, and automating and standardizing accounting practices.

- **2026 Budget Update**

Ms. Bellangé displayed the P&L Overview - April Forecast and described how personnel changes, fundraising, grants, professional services, education, and balance sheet review affect the 2026 budget.

Questions and discussion followed regarding change in the Hazel Miller Foundation's giving levels, investigating why a grant was not received, and the success of this year's Center Stage.

- **Long Term Forecast Update**
    - Sales Tax Revenue Extension

Board VP Ely explained when the PFD legislation was approved, funding was provided via .03% sales and use tax rebate. With the sales tax revenue extension, the EPFD will continue to receive the sales and use tax through 2056. Approximately one-third of the $1.3 million/year that the EPFD receives comes from the state, the other two-thirds, approximately $800,000 is received from Snohomish County. The four PFDs in Snohomish County (Edmonds, Lynnwood, Angel of the Winds Arena, Future of Flight) receive two allocations from Snohomish County, one paid monthly and the second paid semi-annually. Snohomish County's extension of that portion of the distribution from 2041 through 2056 will be discussed at today's Snohomish County PFD meeting.

Questions and discussion followed regarding past discussions regarding the four Snohomish County PFDs presenting a united front with Snohomish County, how to increase EPFD's share of the allocation, funding the Future of Flight receives from Boeing, Lynnwood PFD's interest in cooperating with EPFD, and timeline for expansion of the Lynnwood PFD facility.

- Existing Debt – Amount, Structure, Payback Date, Plans

Board VP Ely reported on the EPFD's existing debt:

- $839,000: Loan with the City of Edmonds that retires in 2029
- $1,060,000: Bond with First Financial Bank, now Global Credit Union, which matures December 2029
- LGTO bonds the City issued in 2021 that mature in 2041

Discussion followed regarding the auditors' indication the debt service to revenue ratio is too high.

13. <u>PFD Board Business</u>

- **Executive Search Firm Contracting – Potential Action**

Board Member Maloney reported on the process utilized by the Executive Director Search Task Force to select an executive search firm. Ms. Pontrella prepared a white paper and an "RFP-light" was sent to eight firms identified by the task force. ECA Board President Matt Cox and she reviewed the six proposals that were submitted and narrowed them to four (Arts Consulting Group, Aspen Leadership Group, Management Consultants for the Arts, and Valtas) who were interviewed by the other three task force members (EPFD Board President Grotheer, ECA Board Secretary/Treasurer Jeff Lewis and ECA Board VP Heidi Napolitino) using objective criteria that included placements over period of time, retention rate for placements, knowledge of arts organizations in placements, local knowledge, cost, customization, and general interview impression. The task force recommends contracting with Valtas. Board President Grotheer clarified Ms. Pontrella was not involved in this process as she is employed by Valtas.

Questions and discussion followed regarding appreciation for the thorough process, appreciation the recommended firm is relatively local, support for getting started soon, layer of learning they will need to seek out the right candidates, today's task force meeting to discuss next steps, quality of all the firms interviewed, and the firms' appreciation for the less complicated RFP.

BOARD MEMBER BREWSTER MOVED TO APPROVE HIRING VALTAS AS THE EXECUTIVE SEARCH FIRM. BOARD VP ELY SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

- **Turning Point Contract Extension - Potential Action**

Board President Grotheer reviewed services provided by Turning Point, funding to date and additional budget requested. The situation has been reviewed with Attorney Matt Hendricks who indicated the budget can be increased as long as the urgency, time, and effort needed is documented.

BOARD VP ELY MOVED TO INCREASE THE AUTHORIZATION FOR TURNING POINT'S CONTRACT BY $25,925, WHICH INCLUDES A 15% CONTINGENCY, FOR A TOTAL $125,925. BOARD MEMBER BREWSTER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

- **Valtas Contract Extension – Potential Action**

Board President Grotheer requested board approval of a budget increase through the end of the year. The board approved a budget of $260,718 in January 2026 which assumed up to 35 hours/week and scaling back to 24 hours/week beginning in July and ending in late September. With his approval, Ms. Pontrella has been working 40 hours/week and he expected that to continue until at least late October and Ms. Pontrella to continue work through the end of 2026. The current estimate for the year, which assumes full-time work and includes a 15% contingency (unlikely to be used), totals $427,869. The contract that expires at the end of August is being updated and will be presented to the EPFD Board for authorization in August. The contract amendment will continue full-time hours through the Gala, followed by hours to be determined from the Gala through the end of 2026.

Discussion followed regarding the separate executive search contract with Valtas and what the contingency could cover.

BOARD MEMBER BREWSTER MOVED TO INCREASE THE AUTHORIZATION FOR VALTAS' INTERIM EXECUTIVE DIRECTOR CONTRACT BY $167,151 FOR A TOTAL OF $427,869 for 2026. BOARD VP ELY SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

- **Banking and Brokerage Accounts Authorization Designation – Potential Action**

Board President Grotheer advised the EPFD Board acted earlier this year to provide authorization to him and Board VP Ely to make financial transactions on behalf of the EPFD in the absence of an executive director. With the hiring of Director of Finance & Operations Deborah Bellangé, the responsibility will be transferred back to staff with one exception for backup.

BOARD VP ELY MOVED TO ADD DEBORAH BELLANGÉ AS THE PRIMARY ADMINISTRATOR FOR OUR BILL.COM. BOARD MEMBER BREWSTER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

BOARD MEMBER MALONEY MOVED TO REMOVE WAYNE GROTHEER AND ADD DEBORAH BELLANGÉAS AS THE PRIMARY ACCOUNT HOLDER FOR THE ELON FINANCIAL SERVICE CREDIT CARD. BOARD VP ELY SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

BOARD VP ELY MOVED TO ADD DEBORAH BELLANGÉ AS AN AUTHORIZED PERSON TO MAKE DEPOSITS AND WITHDRAWALS FOR THE LOCAL GOVERNMENT INVESTMENT POOL. BOARD MEMBER MALONEY SECONDED THE MOTION.

Board President Grotheer advised as backup, he and Board VP Ely will continue to be authorized to make those transactions, and Operations Manager Sandra Nestorovic has read-only permissions.

MOTION CARRIED UNANIMOUSLY.

BOARD MEMBER BREWSTER MOVED TO REMOVE WAYNE GROTHEER AND ADD DEBORAH BELLANGÉ AS PRIMARY ACCOUNT HOLDER FOR ANY AND ALL EDMONDS PUBLIC FACILITIES DISTRICT ACCOUNTS AT GLOBAL FEDERAL CREDIT UNION. BOARD VP ELY SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

14. PFD Board Member Reports

Board Member Brewster reported he, Ms. Pontrella and Board President Grotheer plan to attend the AWSPFD conference in Bremerton on September 9-11.

Ms. Pontrella reported the Creative District Advisory Meeting included a demonstration and discussion of a tool to access cell phone data to track users entering Edmonds, which could be a great way to show economic impact.

15. New Business

16. Adjourn

The meeting was adjourned at 9:34 am.

Next EPFD Board Meetings:
Joint Boards Meeting – August 11, 2026, 5:30 PM
Regular Meeting – August 27, 2026, 7:30 AM (may be canceled)

ACTION ITEMS:

1. August 27 EPFD Board meeting
   a. Approve RFQ related to facility partnership
   b. Approve funding allocation for consultant to assist with RFP phase
   c. Update on Gala
   d. Approve updated Valtas contract for Interim ED
2. Staff poll EPFD board members regarding availability for a special EPFD Board meeting in early August to review the facility partnership RFQ
3. Schedule Special EPFD Board meeting in early August