

MINUTES

Edmonds Public Facilities District Board of Directors Meeting May 23, 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
Evan Chinn, Summit Law Group

ECA Board Members Present

David Schaefer, Immed. Past President

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

Board Member Grotheer read the Land Acknowledgement & Equity Statement.

3. Agenda Review and Approval

BOARD MEMBER GROTHEER MOVED TO AMEND THE CONSENT AGENDA TO REMOVE WORKING WITH MINORS POLICIES AND REPLACE THE PETS AT THE WORKPLACE POLICY WITH THE VERSION RECEIVED LAST NIGHT. BOARD MEMBER BREWSTER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

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

4. Board President's Comments

Board President Liaw had no comments.

5. Public Comment

There were no public comments.

6. Consent Agenda

- **Disbursement Report: April 2024**
- **Pets at the Workplace (as amended)**

BOARD MEMBER MALONEY MOVED TO APPROVE THE CONSENT AGENDA AS AMENDED. BOARD MEMBER BREWSTER 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).

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

Questions and discussion included the estimated cost and timing of IT network improvements, transition in the talent buyer role, recognition of work being done related to diversity and universal access.

8. PFD Board Business

- **LEAD Conference Attendance by W. Grotheer**

Board Member Grotheer reported in their role in universal access, Ms. Giordano and he were informed of a Leadership Exchange in Arts and Disability (LEAD) conference put on by the Kennedy Center in Seattle oriented toward staff of non-profit, a unique learning opportunity at a cost of \$395. Ms. Giordano plans to attend and as a member of the IDEA committee and the Universal Access Taskforce, he would also like to attend.

Discussion followed regarding Board Member Grotheer attending as a representative of the EPFD Board and an endorsement from the board improving the chances he would be able to attend the conference, the EPFD creating a policy regarding board members attending conferences, and developing a framework for funding conference fees from ECA funds.

BOARD MEMBER MALONEY MOVED TO DESIGNATE BOARD MEMBER GROTHEER AS THE EPFD BOARD DESIGNEE TO ATTEND THE LEAD CONFERENCE AND FOR THE ORGANIZATION TO PAY THE \$395 FEE. BOARD MEMBER BREWSTER SECONDED.

Discussion continued regarding developing a policy regarding conference attendance and including in the policy authorization for the designated representative to attend reoccurring conferences (instead of requiring annual approval).

MOTION CARRIED UNANIMOUSLY.

Discussion continued regarding considering policies, practices and procedures for the board instead of having a policy for everything.

- **Recommendation of D. Brewster for Second Term**

Board President Liaw explained when the EPFD updated its charter, instead of requiring a recommendation from a community organization, the council allowed the EPFD Board to provide a recommendation.

BOARD MEMBER MALONEY MOVED TO RECOMMEND DAVID BREWSTER FOR A SECOND TERM ON THE PFD BOARD. BOARD MEMBER GROTHEER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

Ms. Meagher advised the letter has been drafted; with approval by the EPFD Board, it will be sent to the city for approval by the council. Board Member Brewster asked about the EPFD's contact at the city. Ms. Meagher advised it is Deputy Administrative Services Director Kim Dunscombe.

- **Amendment to Employee Handbook: Paid Leave**

Board President Liaw relayed the Admin & Finance Committee had a robust discussion regarding the handbook at their meeting yesterday.

Ms. Meagher advised a clean, revised copy was included in the packet. Discussion at Admin & Finance included budget, describing the benefit to the public in the policy, and next steps before the policy can be enacted.

Board President Liaw explained the past two years, the facility has been closed over the 4th of July holiday to staff a break, but it became apparent that needed to be documented in the employee handbook as a benefit to the employees. A policy was developed with the assistance of legal counsel which allows management the discretion to make a decision to close up to four days around a holiday based on workloads and timing. Admin & Finance questioned whether the public benefits were adequately reflected in the policy and the committee was not comfortable recommending approval of the policy as written. Admin & Finance recommended the EPFD Board direct staff to finalize a policy as the next EPFD meeting is only a few days before the potential closure.

BOARD MEMBER BREWSTER MOVED THAT THE PFD DIRECT STAFF TO FINALIZE LANGUAGE FOR A POLICY THAT GIVES MANAGEMENT THE OPPORTUNITY TO DECIDE TO CLOSE THE ORGANIZATION FOR UP TO FOUR DAYS IN A WEEK AND GIVE THAT TIME TO STAFF AS A VACATION BENEFIT. BOARD MEMBER GROTHEER SECONDED THE MOTION.

Questions and discussion followed regarding the benefit of giving staff a breather during a busy work year, emergency closures of the facility, opportunity for a majority of ECA staff to work remotely during an emergency which is reflected in the handbook, the motion allowing management to communicate the closure to staff and the PFD board approving the amendment to the employee handbook at the June EPFD Board meeting, and preference to call this discretionary leave instead of paid leave.

MOTION CARRIED UNANIMOUSLY.

9. PFD Board Member Reports

Board Member Maloney reported on the Philanthropy Committee: GiveBig raised \$6,600 from different people than have donated in the past, the spring campaign raised more than \$10,000 (includes GiveBig donations), a new \$7500 grant was received, staff is interviewing for a new contract grant writer, and a more realistic number may be proposed for the contribution budget.

Board Member Grotheer reported the Facility & Operations Committee is considering repairs/replacement of one of the two boilers. Regarding the Universal Access Taskforce, the CO2 sensors are installed and the ADA doors are pending electrical work. The committee is developing a charter, considering sound system improvements, and what needs to be done the

rest of this year, the budget for next year, and how to move forward without solving all the problems at one time. The IDEA Committee has not met since the PFD's last meeting.

Board Member Brewster reported the Education & Outreach Committee is focused on the Educator Preview. He encouraged board members to read Ms. Ortega-Chance's inspiring account in the staff report. He provided a brief summary on the results of the seismic/envelope study to the Edmonds Creative District Advisory Committee. A Cascade Symphony representative asked how they could be involved in future discussions about the state of the building to which he advised all partners will be involved and assured the auditorium would remain. As there has been no communication from the person overseeing the Association WA State PFDS, he offered to contact her about organizing the conference. Ms. Meagher advised the date of the conference, September 23-25, has been finalized.

Board President Liaw reported much of what was discussed at Admin & Finance Committee is on today's agenda. Staff provided the committee a preview on the current state of the budget which will come to the EPFD Board next month. As a result of a change by the Steering Committee, people are eligible to join the Emeritus Board as soon as they wish without a gap year. Cheryl Foster recently joined the Emeritus Board.

10. **Associate Executive Director Update**

- **Finance Update**
 - April Draft Financials & Audit Update

Ms. Meagher reviewed revenue and expenses on the Income Statement, highlighting revenue related to ticket sales, rentals, concessions, marketing, and contributed revenue and expenses related to presented events, marketing, and wages and benefits. The variance in budget to actual non-operating revenue is due to the Tier 2 payment from Snohomish County. She reviewed the Balance Sheet, highlighting current assets, board designated funds, accounts payable. She reviewed the Cash Flow report

Questions and discussion followed regarding the addition of GASB lines as liabilities on the Balance Sheet, a request for staff to provide a detailed quarterly development revenue and grant report, outlook for the end of year and impacts to the board designated fund, staff presenting an analysis of the current budget next month and the EPFD making changes at the July meeting if necessary.

- Audit Update

The audit for fiscal year 2023 will start on July 22. The audit will include a pre-meeting to introduce Ms. Liu to the auditors and to review the SAO's typical process. It will continue to be a remote audit with possibly one onsite day. There will also be an accountability audit so the audit is likely to extend through nearly yearend.

- GASB 96 Threshold Policy

Ms. Meagher advised the policy was presented to Admin & Finance who recommended approval. GASB 96 had to be implemented effective January 1, 2023 related to subscription based technology like Zoom, QuickBooks, etc. The policy establishes a minimum threshold for the organization of \$2000 to align with the capital asset policy so the organization does not have to recognize very small contracts, and also defines how revenue is recognized as it relates to GASB

96. The language was adapted from several other public agencies as well as the SAO. The following motion was made as the policy was not scheduled for approval on today's agenda.

BOARD MEMBER MALONEY MOVED TO AMEND THE AGENDA TO MOVE APPROVAL OF GASB 96 THRESHOLD POLICY TO NEW BUSINESS. BOARD MEMBER GROTHEER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

- **Human Resources Update**

Ms. Meagher reported the production team and box office/front of house is fully staffed, the accounting assistant position will not be replaced and the cost savings will be invested in an accounts payable/receivable software that will streamline several processes, the current rental assistant is resigning and the position will not be replaced at this time, and the talent buyer position will be posted Monday

- **Facilities Update**
 - Mithun Presentation

Board President Liaw commented there has not been an opportunity for a board following the presentation. This is an opportunity for board members' immediate reactions/comment. There will be further discussions in the months ahead. Board input include the following (staff response in italics):

- Provide Mithun's report, executive summary and PowerPoint to board members and post the full report or executive summary on the website.
- Insight from Mithun regarding how the master planning process integrates with the strategic plan would be beneficial. What questions need to be answered to feed into the master planning process for the campus.
- Appreciated the comprehensive approach and putting things into perspective by meshing Mithun's findings with an overall campus plan/strategic plan. However, the expectations for driving closure to the bigger picture are left open such as when does the effort finish, risks that occur during that timeframe, whether more major repairs to the building will be required, etc. Without a schedule or target, things can drag on. *Developing a rough outline of the decisions that need to happen will be helpful. The presentation was deliberately open-ended as there is no framework related to investing in the building or focusing on the next phase.*
- The PFD Board is the body that needs to give direction to the executive team regarding that framework and the timeline.
- The EPFD Board needs the assistance of a third party professional to make those determinations.
- Mithun did a good job presenting options. Need to determine how to get there, whether the organization is equipped to get there on its own or if a third party needs to be hired.
- Decide what work is needed in the interim. *Will be discussed by Facilities and Operations Committee.*
- Worthwhile for the Facilities and Operations Committee to consider what are the high risk items.

11. **Executive Director Update**

- **Development Update – Center Stage**

Ms. Liu reported \$202,000 was raised the evening of Center Stage which is \$12,000 more than 2023, but below budget for 2024. She expected the total to increase slightly due to pursuing some

potential sponsorships. The new Gala format is moving forward. The performer and event will be announced with the season launch on May 29.

- **Education & Community Engagement Update**
- **Programming/Revenue Update/2024-25 Season**

Ms. Liu reported there is one show remaining in the regular season, three summer shows have been announced and one remains to be announced.

- **Strategic Planning Update - Mission**

Ms. Liu commented on mission affirmation and its capacity for guiding the strategic planning process. Steering Committee and staff leadership have been developing the structure for the next strategic plan which covers key areas for the next five years including financial plan, operations, team, and the building and campus plan. It proposes questions, desired outcomes, and identifies the strategic input from board, staff and community. At the conclusion of the strategic plan, it is hoped there will be a charted pathway to reach those desired outcomes, laying out incremental goals and forming an operational guidebook for the next five years. Central to the strategic plan is an opportunity to reaffirm the organization's mission, work she preferred to do internally rather than having an external consultant tell the organization what its mission is.

Ms. Liu continued, the ECA's 20th anniversary is approaching and there has been a change in leadership; this seems like a good point to stop and reflect and reaffirm if the organization is doing what it should be doing, serving the community, serving the organization's clients and patrons and make revisions if necessary. She viewed the mission affirmation as a joint exercise between the EPFD and ECA boards. She observed not everyone talks about the mission in the same way, activities are not always tied to the mission, and sometimes there is disagreement on priorities. Vision and execution develop as a result of the mission. The Steering Committee will drive the process and wants feedback from staff, board members and the community and plans to use resources developed during the executive director search. There will be multiple opportunities to provide input either written or verbally. Steering suggested discussing it in committees; the ECA Board wants to discuss it as a group. She asked how the PFD Board wanted to provide input.

Discussion followed regarding the Steering Committee's interest in feedback on high level concepts, the Steering Committee distilling concepts into 3-4 formats/philosophies that would be presented to everyone, the Steering Committee developing a process, preference not to get input via committees, and determining how PFD board members want to be involved.

12. New Business

- **GASB 96 Threshold Policy**

BOARD MEMBER MALONEY MOVED TO APPROVE THE GASB 96 THRESHOLD POLICY. BOARD MEMBER BREWSTER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

13. Executive Session

- **Per RCW 42.30.110(1)(i) to Discuss Potential Litigation or Legal Risks of a Proposed Action**

At 8:43 a.m., Board President Liaw recessed the PFD Board to executive session for approximately 30 minutes to discuss potential litigation or legal risks of a proposed action per RCW 42.30.110(1)(i). No action was anticipated to occur as a result of meeting in executive session.

At 9:13 a.m., Board President Liaw announced the executive session would be extended for 10 minutes.

The meeting was reconvened at 9:23 a.m.

14. Adjourn

The meeting was adjourned at 9:23 a.m.

Next EPFD Board Meeting: Thursday, June 27, 2024 - 7:30 AM

ACTION ITEMS:

1. As a result of the Mithun presentation, create list of short- and long-term capital projects organized by dollar amount that identifies priorities for 2024 and 2025
2. Distribute list of board member committee assignments
3. Develop policy/procedure for board member attendance at conferences
4. Send letter to City staff requesting Edmonds City Council approval of appointment of Board Member Brewster to a second term on the EPFD Board
5. Provide EPFD Board a detailed quarterly update regarding development revenue and grants
6. Provide Mithun's PowerPoint and full report to EPFD board members. Post report or executive summary on website
7. Finalize language for a policy that gives management the opportunity to decide to close the organization for up to 4 days and give that time to staff as a vacation benefit during the closure
8. June EPFD Board Meeting
 - a. Staff clarify scope of coverage under Enduris insurance policy
 - b. Approval of Amended Employee Handbook
 - c. Analysis of 2024 budget