

MINUTES

Edmonds Public Facilities District Board of Directors Special Meeting with Administration & Finance Committee November 22, 2023

The Edmonds Public Facilities District Board hybrid meeting convened at 9:02 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
Suzy Maloney
David Brewster
Wayne Grotheer

EPFD Board Members Absent

Bill Willcock, Vice President

City Staff Present

Dave Turley, Admin. Serv. Director (Ex-Officio)

ECA Staff Present

Kathy Liu, Executive Director
Lori Meagher, Associate Executive Director

Admin & Finance Comm. Members Present

Lindsay Geyer
David Schaefer
Matt Cox
Rick Canning
Steve Shelton
Heidi Napolitano

1. **Call to Order**

EPFD Board President Liaw called the meeting to order.

2. **Land Acknowledgement & Equity Statement**

EPFD Board Member Brewster read the Land Acknowledgement and Equity Statement.

3. **Admin and Finance Committee**

• Review of the 2024 Proposed Budget

Lori Meagher referenced opportunities, challenges and assumptions related to operating revenues and reviewed the Income Statement Summary: Operating. She highlighted projected versus budgeted operating revenue YTD 2023 and described the rationale for budgeted operating revenues. She and Committee Member Rick Canning responded to questions regarding whether there was a fee for rentals to utilizing the ECA's marketing, increase in the technology billing rate, opportunity to increase rental rates, whether the ECA's rental rates are competitive with other local venues, grants that have conditions regarding the use of funds, and budgeted increase in education and outreach versus projected 2023 education and outreach revenue.

Ms. Meagher reviewed and described the rationale for budgeted operating expenses. She and Committee Member Canning responded to questions regarding insurance renewal, members of the insurance risk pool, facilities maintenance and utilities savings, investing in advertising and marketing to drive incremental revenue, researching Washington Cities Insurance Authority's and other insurance companies' rates, analyzing presented events overhead, and higher artist fees for some shows.

Ms. Meagher reviewed and described the rationale for budgeted non-operating revenues and expenses. She and Committee Member Canning responded to questions regarding increased interest earned, rationale for budgeting lower interest expense, and revenue from Snohomish County lodging tax.

Ms. Meagher referenced key metrics related to revenue and the increase in the number of shows in 2024. She reviewed the 2023P and 2024B Capital Expenditures (CAPEX), highlighting 2023 and 2024 budgeted expenditures. Ms. Meagher and Committee Member Canning responded to questions regarding the cost of the Audienceview software upgrade, support for including a contingency in the capital budget, when the building condition study will be completed, budgeting for capital expenditures providing visibility to the long term capital plan, source of water related to the orchestra pit water remediation and repair, and use of the orchestra pit.

Committee Member Canning reviewed the Cash Flow report, highlighting the Net Cash Flow Change, Cash Balance Board Designated Fund and the Cash Balance Total end of period. He reviewed 2025-2029 Future Years Projections for Operating, Non-Operating and Cash Flow. The five-year projection for operating anticipates reaching break even by 2029. He highlighted capital expenditures in each of the five years and cash balance at the end of five years. He displayed and reviewed graphs comparing 2018-2029 related to total operating revenues, total operating expenses, operating surplus (loss), total net surplus (loss), sales tax revenue debt service (P&I), and cash balances.

Questions and discussion followed regarding increase in Tier 2 from Snohomish County in 2026, extending the PFD legislation that expires in 2041, significant debt paid off in 2029, repaying the loan to the City, and commendations to everyone involved in preparation of the budget..

Ms. Meagher advised the budget will be presented to Admin & Finance Committee next week for a recommendation to the EPFD Board for approval at their November 29 meeting. She invited members to contact her with any questions or concerns.

Discussion continued regarding the importance of looking long term, strategy for the next five years, considering the ECA's capacity, certainty of assumptions, opportunity to envision next steps, utilizing technology to increase productivity, financials help to tell the story, appreciation for the Admin & Finance Committee meeting with the EPFD Board, and including a joint meeting in the budget timeline in the future.

4. Adjourn

The meeting was adjourned at 10:26 a.m.