

# MINUTES

## Edmonds Public Facilities District Board of Directors Meeting August 22, 2024

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

### **EPFD Board Members Present**

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

### **ECA Staff Present**

Kathy Liu, Executive Director  
Lori Meagher, Associate Executive Director

### **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 for minutes.

### **2. Land Acknowledgement & Equity Statement**

Board VP Grotheer read the Land Acknowledgement & Equity Statement.

### **3. Agenda Review & Approval**

**BOARD MEMBER BREWSTER MOVED TO STRIKE THE SURPLUS POLICY AND MOVE SEASON RENTAL RATES TO PFD BOARD BUSINESS. BOARD MEMBER MALONEY SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

**BOARD MEMBER BREWSTER MOVED TO APPROVE THE AGENDA AS AMENDED. BOARD VP GROTHEER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

### **4. Board President's Comments**

Board President Liaw remarked on all the good planning and introspective by staff and boards getting ready for the next season and said she looked forward to the launch of the excellent new season.

### **5. Public Comment**

Oleg Gorboulev and Mara Vinson, Artistic Directors, Olympic Ballet Theater and School, relayed OBT has been in Edmonds for approximately 40 years and this is their 14<sup>th</sup> year at the ECA. OBT is the only professional ballet company in Snohomish County, providing training for dancers and productions at the ECA. They requested the board consider not raising the rental rates for next season and remove fees for self-ticketing and merchandise fees. They commented on audiences they bring to the ECA and efforts to ensure their organization's sustainability.

### **6. Consent Agenda**

- **EPFD Disbursement Report: July 2024**
- **Meeting Minutes – July 25, 2024**

**BOARD MEMBER BREWSTER MOVED TO APPROVE THE CONSENT AGENDA. BOARD VP GROTHEER 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).

Board President Liaw referred to the list of committees in the minutes with an asterisk on Board Member Willcock's assignments, advising he will move to the Hosting Committee this year. The board requested staff update the list of committee assignments and inform the committee chairs.

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

## **8. PFD Board Business**

- **Historic Building Preservation Fund Policy**

Ms. Meagher commented feedback has been provided by ECA board members, the Facilities & Operations Committee and Board President Liaw. The fund was originally established in 2014 as a ticket surcharge to help fund facility improvements, but no board-approved policy was established for use of funds. This is a simplified policy that gives management the opportunity to utilize the funds accrued through the year to a certain threshold for capital and maintenance expenses related to the building and campus. The Admin & Finance Committee reviewed the policy and recommended approval.

Questions and discussion followed regarding a minor amendment in Use of Fund Revenues section, appreciation for the policy's simplicity, and the change to allow staff to make decisions similar to other purchases instead of requiring every use of the fund to go to the F&O Committee for approval.

**BOARD MEMBER BREWSTER MOVED TO REVISE THE USE OF FUND REVENUES SECTION TO READ, "...(EXECUTIVE DIRECTOR AND/OR ASSOCIATE EXECUTIVE DIRECTOR.)"**  
**BOARD VP GROTHEER SECONDED. MOTION CARRIED UNANIMOUSLY.**

**BOARD MEMBER BREWSTER MOVED TO APPROVE THE HISTORIC BUILDING PRESERVATION FUND POLICY, RESOLUTION NO. 2024.03, AS AMENDED. BOARD MEMBER WILLCOCK SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

- **Season 24/25 Rental Rates**

Ms. Meagher relayed the revised rates move towards a bundled packaging rate format versus an ad hoc piecing of pricing sheets which will assist with streamlining the rental process administratively for staff and clients as well as be very transparent to clients regarding what is included in the fee and available add-ons to the package selected. These changes and increases also keep the ECA in line with what similar venues in the area are charging and reduces areas of

missed revenue opportunities and/or loss. She reviewed the revised 2024-2025 Rental Rate Charges schedule:

- 5% increase on base rental charges
- Increase in labor charge from \$40 to \$50 per hour; overtime from \$60 to \$75 per hour
- \$500 increase to ticketing buyout charges
- \$0.25 increase to the Historic Building Preservation Fee (from \$3.50 to \$3.75)
- \$250 increase to Meal Break Penalty Fee (from \$250 to \$500)
- 0.25% increase to credit card processing fee on ticketing gross sales from 4% to 4.25%
- \$50 increase to daily piano rental from \$200 to \$250
- \$50 increase to daily marley dance floor rental from \$250 to \$300
- Adding event rush fee for events booked less than 60 days of \$250
- Adding administrative processing fee of 4% for event settlement payments owed to PFD that are paid by credit card

Questions and discussion followed regarding alternatives to a rush fee, support for a rush fee but prorating it based on the total cost of an event, average rental fee, rationale for the rush fee, making the rush fee optional depending on the event, intent of proposed rental rates to true up costs and to be more transparent, rescheduling fee, current theater rental rates for private and commercial events, difficulty creating quotes by piecing together elements of rental, whether there is room for discretion in pricing and who has that authority, Hosting Committee's discussion about building in flexibility via the policy, and adding an "included in this package" section.

Questions and discussion continued regarding whether there is an option to pay a la carte rather than a package, events that last more than one day, ability for staff to creatively bundle based on a user's needs, presenting the changes in a more formal way as an approved policy of the EPFD Board, staff providing an estimate of how the changes will impact the ECA's finances, past rental rate increases, impacts of delaying adoption of the new rates, and approving the rate increases as shown in bulleted form on an interim basis and staff returning with a formalized document.

**BOARD VP GROTHEER MOVED TO APPROVE THE PROPOSED 2024-2025 RENTAL RATES AS SHOWN IN THE SUPPLEMENTAL DOCUMENT. BOARD MEMBER BREWSTER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

Staff will provide a table of rental rates as an approved policy of the EPFD Board at the next meeting.

- **2024 Budget Reforecasting**

Ms. Meagher displayed the FY 2024 Reforecasted Annual Budget (presented 8.22.24 retroactive to 7.1.24), relaying the updated version reflects a reality check on contributions and operating grants for the last quarter compared to actuals YTD. She highlighted operating revenues, contributions and operating grants, operating expenses, and the projected increase in the 2024 operating loss.

Questions and discussion followed regarding the variance in payroll, actual salaries/benefits in 2023 and increase in 2024 compared to shortfall in development, anticipated reductions in grant revenue, performance of the grant writer and whether to continue investing in a grant writer, overly optimistic 2024 development goal, 2024 grant budget, lessons learned during the reforecast process, adjusting tickets sold projections in the 2025 budget, expectations of new development positions versus sources, involving the Philanthropy Committee in creating the development revenue budget, reforecast providing a reality check, considerations in the 2025 budget, concern with the 5-year goal for operating revenues to offset expenses, Admin & Finance Committee

considering what financial success means for the organization, and appreciation for using technology instead of filling positions.

**BOARD VP GROTHEER MOVED TO APPROVE THE AMENDED BUDGET AS PRESENTED IN THE PACKET TODAY. BOARD MEMBER BREWSTER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

## **9. PFD Board Member Reports**

Board Member Brewster reported on his efforts to contact the leader of the Association of WA State PFDs in preparation for the upcoming conference hosted by the three Snohomish County PFDs. Board President Liaw suggested noticing the conference as a public meeting if three or more EPFD Board members plan to attend. She commented the association's strength is key to extending the legislation beyond 2041 which is critical for the ECA. Questions and discussion followed regarding agenda items for the conference and benefits of EPFD Board members attending.

## **10. Associate Executive Director Update**

- **Finance Update**
  - Audit Update

Ms. Meagher offered to send board members the rental rate sheets.

- Insurance Coverage Assessment Financials

This item was moved to the September meeting

- **Human Resources Update**
- **Facilities Update**

## **11. Executive Director Update**

- **Strategic Planning Update**

Ms. Liu reported the draft RFP is underway. There have been conversations regarding the mission by staff, ECA and EPFD Boards, and the Steering Committee. She invited EPFD Board members to continue sharing their feedback.

- **Development Update - Gala**

Ms. Liu reported on progress on the Gala; the Gala chair and three vice-chairs have been confirmed, most sponsors have renewed at increased levels, but overall ticket sales have been slow. She described the marketing strategy which will go into full force after Labor Day.

- **Partnership**

Ms. Liu advised this topic was presented to the Steering Committee. She suggested further discussion by the EPFD Board next month.

- **Programming/Revenue Update**

Ms. Liu reported on ticket sales for next season and evolving ticket buying trends with a lot of last minute ticket purchasing. Ticket sales are generally ahead of last year, subscriptions are healthy including new subscribers as well as subscribers moving from full season to a smaller or custom subscription which reflects the overall trend in performing arts.

**12. Closed Session - RCW 42.30.140 - Negotiations**

At 8:55 a.m., Board President Liaw recessed the EPFD Board to a closed session regarding labor negotiations in accordance with RCW 42.30.140.

The closed session ended at 9:05 a.m., and the meeting was reconvened at 9:05 a.m.

**13 New Business**

**14. Adjourn**

The meeting was adjourned at 9:05 a.m.

**Next EPFD Board Meeting: Thursday, August 22, 2024 - 7:30 AM**

**ACTION ITEMS:**

1. September EPFD Board Meeting
  - a. Approval of Surplus Policy
  - b. Provide table of rental rates as approved policy of EPFD Board
  - c. Estimate of how changes to rental rates will impact ECA's finances
  - d. Insurance Coverage Assessment Financials
  - e. Discussion regarding partnerships
2. Send rental rate sheets to EPFD board members
3. Notice Association of Washington PFDs conference as public meeting if 3 or more EPFD board members plan to attend
4. Update list of committee assignments and inform committee chairs
5. Consider posting Historic Building Preservation Fund Policy or purpose and use of funds on ECA website
6. Consider posting committees, their responsibilities and membership on the ECA website