

SNOHOMISH COUNTY PFD MEETING MINUTES
JULY 16, 2020

This meeting was held via Skype teleconference to comply with physical distancing requirements due to COVID-19.

Board Members Present:

Steve Shelton, President
Mark Beales
Tim Menzies, Secretary / Treasurer

New Board Members to be Elected:

Dave Earling, Edmonds
David Hambelton, Everett
Mason Ruthledge, Everett

Staff Present:

Brad Cattle, Anderson Hunter Law Firm
Sharyl Raines, Snohomish County Finance Department
Jan Hawley, Snohomish County Finance Department
Stacy Forte-Smith, Snohomish County Finance Department

Interested Parties Present:

Matt Keller, Edmonds Center for the Arts (ECA)
Joe McIlwain, Edmonds Center for the Arts (ECA)
Janet Pope, Lynnwood Convention Center
Corey Margolis, Angel of the Winds Arena (AOW)
Nick Landgraff, Snohomish County Airport and Future of Flight (FOF)
Katherine Overby, Future of Flight (FOF)

Call to Order

Steve Shelton called the meeting to order at 3:05 p.m.
Introductions were made.

Approval Items

Minutes for January 23, 2020 meeting were presented for approval. *Brad clarified that new members are eligible to approve any items for but cannot ask for modifications since they were not present.* Steve called for a motion to approve. Tim moved to approve; Mark seconded. No comments were made, and the motion passed unanimously.

Minutes for March 27, 2020 special meeting to provide early release of tier 2 funding were presented for approval. Steve called for a motion to approve. Mark moved to approve. Tim seconded. No comments were made, and the motion passed unanimously.

Steve asked Jan or Stacy if there has been any public correspondence. Jan presented that we are currently in a State of WA financial audit for 2019. Sharyl clarified that the PFD has an accountability audit every few years, but this is the first financial audit since 2004 due to exceeding the 3 million dollar distribution threshold.

Payment Voucher approval for Q1 and Q2 2020; Jan presented that nothing out of the ordinary has occurred in financial payments issued for Q1 and Q2. Mark agreed that all payments were in line with what had been paid in the past. Monthly tax revenue is lower by 5.58%, however, YTD we are ahead

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3.34%, because of higher revenues collected in 2019. She explained that the tax revenue collected in April would be seen in June. If we continue at a 5.58% reduction in revenue, tier 2 payments in 2020 would be reduced, but that we cannot predict what will happen in the coming months. Steve called for a motion to approve. Mark moved to approve; Dave E seconded. The motion passed unanimously.

Budget Status report approval for Q1 and Q2 2020; Jan had no additional comments to add to the report. Steve called for a motion to approve. Mark moved to approve. Dave E seconded. The motion passed unanimously.

Interlocal Agreement Status update; Brad Cattle gave a status update on the final signatures. All signatures from the PFD have been captured and the Addendum 2 documents are now being routed within Snohomish County through the PA for review, then to the Executive for signature and then to Council for final execution. Addendum 3, to release tier 2 funds early, will be routed concurrently with Addendum 2. *Nothing to approve*

Travel and Reimbursement Policy approval; Sharyl Raines provided a draft policy to the board; the policy is a modified version of Snohomish County Travel Policy. It was requested that there were a few instances of the draft referring to Snohomish County and that approval be knowing that the draft would be updated to refer to the PFD board in those instances. Steve called for a motion to approve. Dave H moved to approve. Mark seconded. The motion passed unanimously.

Procurement Policy approval; Sharyl Raines provided a draft policy to the board; the policy is a modified version of Snohomish County Procurement Policy. Steve called for a motion to approve. Mark moved to approve. Dave E seconded. The motion passed unanimously.

Election of Officers:

5 positions: President/Chairman; VP; Secretary/Treasurer; Audit Officer; Public Records Officer. All positions are exclusive to and within the board.

President/Chairman; Steve request discussion or nomination. Mark nominated Dave Earling for President. Dave accepted the nomination. Mark moved nominations be closed. Dave H seconded. Vote passed unanimously.

Vice President; Steve request discussion or nomination. Dave H nominated Steve Shelton for VP, but he declined due to stepping down from the board upon election of the new President. Mark Beales Volunteered to be VP. Steve moved nominations be closed. Dave H seconded. Vote passed unanimously.

Secretary / Treasurer; Steve request discussion or nomination. Mark Beales nominated Tim Menzies to be Secretary / Treasurer. Tim accepted the nomination. Mark moved nominations be closed. Dave H seconded. Vote passed unanimously.

Audit Officer; Steve request discussion or nomination. Dave H volunteered to be Auditing Officer. Steve moved nominations be closed. Mason seconded. Vote passed unanimously.

Public Records Officer; Steve request discussion or nomination. Mason volunteered to be Public Records Officer. Mark moved nominations be closed. Dave H seconded. Vote passed unanimously.

It is requested that each board member set up a Gmail email account keep PFD business segregated. To be consistent, a naming convention of First name.last name.scpfd@gmail.com is to be used when setting up the email address. Once completed, please send to Stacy (Stacy.forte-smith@snoco.org) an email

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that also includes the password to the account in case legal necessity requires entrance to the email inbox.

Steve called these matters being the conclusion of business and asked if anyone had any questions or other business to address.

Dave Earling requested that a tour of each PFD location be scheduled. It was the intent of the board to have each of the quarterly meetings be held at a different location for 2020; every other year the board meetings are held at the Snohomish County Campus, since COVID, meetings have been attended virtually. Once we can meet again in person, we can schedule the meetings in the physical PFD locations.

Dave Earling asked why we had a motion to approve a classified add payment to the budget in the January meeting minutes. The classified ad was to solicit for new PFD Board members. Steve explained that any changes to the budget must be approved by the board. Stacy presented that no classified ad was ever placed, and no expenditures incurred since a press release was sent to the PFD media contact list and two new board members were gained by the articles that were written because of the press release.

Dave Earling asked who the board contacts to have a press release sent out. It is often advantageous to send press releases about the positive things the board is doing. Stacy commented that she is willing to work with the board to send out any press releases they would like. Dave asked that the media contact list be forwarded to all board members so we could possibly expand the list to additional contacts.

Steve thanked everyone for their participation in the business part of the meeting, the not so exciting stuff. He reinforced to the new board that the exciting part of the PFD is the funding that is provided to each of the four great facilities in our county. That we owe a debt of gratitude to the members that came before, and all the people involved in the creation of the facilities and to those who run those facilities today.

Facility Updates:

Lynnwood Convention Center PFD, Janet Pope; Looking forward to moving into COVID phase 3 to allow meetings up to 10 people. They are working with the city of Lynnwood on *welcome back* and other travel tourism opportunities and publicity. They are working on new video publicity. They are trying to not spend too much money. Working with State PFD how to separate themselves from other venues because they can accommodate smaller groups. They are really looking forward to phase 3, when they can reopen to certain groups. Reduced to 4 staff and do not plan to hire before fall. Financially they are in the red about 450K and are fortunate to have the businesses at the convention plaza that supplement income and those businesses are doing ok. Forecasting 950K under for 2020. Rescheduling for 2021 is looking really good with many 2020 events moving to 2021, including months that had been traditionally slow being secured now. They are working on master planning for the convention plaza rebuild project.

Future of Flight, Katherine Overby; Fully closed like Lynnwood. Had planned to reopen August 27 and looking forward to phase three when guests can return. 21 staff are left and getting ready to release 6 more and have released 28 contractors and 8 staff already. Been working on deep cleaning prior to reopening. Experimenting with Live streaming and virtual tours. Doing online and interactive virtual engagement of guests. People are holding onto tickets till the last possible moment to cancel tickets so they are optimistic that they will come back.

Edmond Center for the Arts, Matt Keller and Joe McLalwain; Feeling the same as others, lack of activity, looking forward to phase three to be open for small meetings. More looking forward to phase 4 and reopening for larger events with social distancing. Many events have been rescheduled to later in the

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year or into 2021 and not too many cancelled, which is good. Have laid off many hourly staff and have many working on the shared work program. They are currently in the middle of their State audit and many staff are rising to the occasion, even under the circumstances. Revenue is about 25% lower as of May, due to no on-stage presentations and expenses are lower about 22%. Good news is personal donations are up about 40K over last year. Looking forward to their Fall Gala for additional contributions. They are projecting about 500K shortfall. Staff are getting creative and have been working to keep them relevant by introducing new programs, such as Window to the Arts that uses local artists to go to senior living facilities and play in courtyards or outside of open doors or windows. The care givers as well as the residents are enjoying it and they have found a way to pay for it with grant funds. They have received many notes of thanks. They are part of a network of venues that create tours, different locations are handling it differently, some trying to stay relevant with virtual events. Many artists are beginning to decide they won't be touring in the fall and possibly into the spring. This will create a situation where refunds will need to be given which will worsen the financial situation. They are working on reopening plans. Joe thanked his staff for lots of hard work as they figure out what reopening looks like and how to make it all happen. They are currently in the middle of remodeling the main orchestra level to move the sound board back and create new ADA seating and much needed egress.

Mason asked if the industry was looking into outdoor events: Joe said the entire industry is looking into opportunities such as outdoor events, drive in events and even a bike in event. The challenge is infrastructure and expertise around that sort of events is lacking. They believe that the cost associated to infrastructure and management of those events would exceed possible revenue streams of sponsorship and ticket sales. Katherine from FOF added that Boeing is strict that they stick to the distancing guidelines which at this time allow no more than 5 at an event. Corey from AOW added that even large promoters are not able to find ways to be profitable in outdoor events at this time.

Angel of the Winds, Corey Margolis; YTD loss of 162K which is 862K behind same time, YTD 2019. Current projections are at nearly 1.5M deficit in 2020 vs. budgeted 131K profit in 2020. Closed since mid-March with lost revenue including playoff hockey and other events. In April to June the ice rink spaces were used as an isolation and quarantine location by Snohomish County, that was moved in July and the entire center was deep cleaned and sanitized from top to bottom. They hosted a blood drive in the conference space that will impact 600 patients. They are also working to stay relevant and are using social media with #goalsforeverett hockey challenge with Silvertips and Seattle Storm raising money for VOA in Snohomish County. They are utilizing streaming content to keep in front of patrons and allowing their corporate sponsors exposure as well.

Lynnwood facilitated a meeting with the Snoco Health District liaison and the PFD venues which allowed open conversations about how things would look going forward. The liaison acts as a sounding board and conduit for questions and informational access.

AOW has been able to have a few events compliant with physical distancing requirements. These include a hot tub sale and Superior Court Jury orientation every Monday. Many precautions and COVID policies were put in place in order to make that happen.

Engineering and Operations crews have been busy removing the retractable seating and are now installing the new seating. Most of the old equipment was able to be recycled.

To date they have lost 2M in revenue bookings cancelations for the year. Many of the events have been cancelled completely. In March they laid off 40% of their part time staff with overall 60% of staff being affected. Staff have been working on reducing operational expenses. Spector Venue Management

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renewed their management contract which includes a substantial investment in the facility, which under normal circumstances would have been used for capital investments, is being used to cover operational costs. EPFD built up a modest reserve the past few years which they are currently using portions of to stay ahead.

Dave Hambleton suggested that Brad Cattle review all press releases. No additional discussion was had.

Dave Hambleton requested clarification on the History and Projection of Financial Revenue report.

Steve Shelton announced that he is stepping down from the board effective today since there is a successor and the board is full now. Dave Hambleton thanked Steve for his service.

Steve Shelton adjourned the meeting at 5:02 p.m.

Next scheduled meeting: October 15, 2020 at Edmonds Center for the Performing Arts but may be held virtually if required by physical distance mandate.

President Signature

Date