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

**Board Members Present:**
Dave Earling, President  
Tim Menzies, Secretary / Treasurer  
David Hambelton, Audit Officer  
Mason Ruthledge, Public Records Officer

**Board Members Absent:**
Mark Beales, Vice President

**Staff Present:**
Jan Hawley, Snohomish County Finance Department  
Stacy Forte-Smith, Snohomish County Finance Department

**Stakeholders Present:**
Joe McAlwain, Edmonds Center for the Arts (ECA)  
Janet Pope, Lynnwood Convention Center  
Joshua Cain, Lynnwood Convention Center  
Corey Margolis, Angel of the Winds Arena (AOW)  
Nick Landgraft, Snohomish County Airport and Future of Flight (FOF)  
Christin Medlyn, Future of Flight (FOF)

**Call to Order**
Chairman Earling called the meeting to order at 3:05 p.m.  
Introductions were made.  
Roll was taken.

**OLD BUSINESS:**
Chairman Earling asked for any public comment, there was none.  
Chairman Earling asked staff if there has been any public correspondence, there was none.

**Approval Items**
Minutes for April 15, 2021. Chairman Earling called for a motion to approve. Dave H moved to approve; Mason second. No comments were made and passed unanimously.

Payment Voucher report 2021 Q2 (purple) was presented for approval. Chairman Earling called for a motion to approve. Dave H moved to approve; Mason second. No comments were made and passed unanimously.

PFD Financial Statement 2021 Q2 (blue) was presented for review and approval. No discussion was had. Chairman Earling called for a motion to approve. Dave H moved to approve; Mason second. No comments were made and passed unanimously.

Jan called out the 2022 preliminary budget (yellow) and reminded the board that we need to approve the budget in September. This requires the approval of the preliminary budget at the July meeting and
revisions to take place in January, after actuals are complied. Compared to the 2021 budget (green) that the numbers are higher, as the tax rebate is at 3.8M and the investment interest was reduced over 2021. The audit line is higher because we are now being audited yearly due to our increase in funding pass through.

Budget Status report approval for 2021 Q2 (green). Chairman Earling called for a motion to approve. Dave H moved to approve; Mason second. No comments were made and passed unanimously.

**New Business:**

WA SAO Data Sharing Agreement. Jan explained that due to a data breach at the State of Washington, they are requiring us to sign a Data Sharing Agreement (DSA). The agreement has been reviewed by Brad Cattle, our legal council, at Anderson, Hunter Law Firm. He drafted a notice which will be sent to each PFD alerting them to the agreement between the PFD and the State Auditors office. The agreement must be in place before the Auditors office will begin our yearly audit. Mark Beales made a motion to approve the DSA and have Chair Earling sign. Dave H second. No comments were made and passed unanimously.

Agreement excerpt.

1. **PURPOSE OF THE DSA**
   The purpose of the DSA is to provide the requirements and authorization for the Agency to exchange confidential information with SAO pursuant to ESSB 5432. Chapter 291. Laws of 2021. This agreement is entered into between Agency and SAO to ensure compliance with legal requirements and Executive Directives (Executive Order 16-01. RCW 42.56. and OCIO policy 141 and standards 141.10) in the handling of information considered confidential.

Future meetings – in person, hybrid, virtual discussion. Chair Earling is requesting that each board member make every effort to attend each of the four quarterly meetings in person. Most of the board have not met each other and it will be beneficial for this board to be meeting in person. If a conflict may arise for a board member, virtual attendance will be an option. No motion as made for this, as it was meant as a reminder.

**Facility Updates:**

*Edmond Center for the Arts, Dave Brewster for Joe Mcalwain;*

Dave Brewster President of the Edmonds PFD is presenting for the absent Joe Mcalwain.

Edmonds Public Facilities District’s total operating revenue in FY 2020 decreased -$1,162,467 (-40.8%) compared to FY 2019. Significant losses have continued through the first six months of 2021, estimated to be an additional $1 Million.

We have recently launched a 9-show series of events for Summer 2021. The Spotlight Summer Series is divided into three parts: 1) Livestreamed events from artists' homes or studios, 2) outdoor events in the ECA parking lot featuring local music acts, and 3) a hybrid series of events welcoming live audiences into our venue while also broadcasting to patrons at home who are not yet comfortable to attend in-person events. And we are now preparing for our return to full operation in September with the launch of our
2021-2022 Season, opening with Marty Stuart and his Fabulous Superlatives on September 16th. We hope to have our team up to 100% employment as soon as possible so we can ensure a successful summer and a great start to our new Season.

A Task Force consisting of members of the Inclusion & Accessibility Committee, the Facilities and Operations Committee, EPFD Staff and experts in the field of ADA compliance completed an initial ADA Audit of the front-of-house. This audit process resulted in recommendations to make the facility more accessible and welcoming. The Facilities Team quickly implemented several of the Task Force’s recommendations, and plans are in development to address larger projects in the months and years ahead.

The District is currently working in partnership with the City of Edmonds to refinance bonds that were issued in 2012 by the City, on behalf of the District. The District Board has formally requested that the City, utilizing its stronger bond rating and access to lower interest rates, facilitate this refinancing in 2021 and extend this portion of the District’s debt out to 2041. By doing this, The District will remain in compliance with the 2017 amendment to the Public Facilities District legislation requiring that a portion of The District’s original capital debt (from the 2005-2006 renovation of the auditorium) remain outstanding through this period. This refinancing will also bring much-needed cash flow relief to The District over the next several years as we begin to recover from the effects of the pandemic on our organization and our industry.

_Angel of the Winds, Birgit Evans; Everett Public Facilities District_

**Operating Income:**

YTD through May we have a $226k operating loss which is $184k worse than last year.

**District Income:**

The District’s income was $162k YTD which is $51k lower than same period last year.

Combined bottom line YTD through March is $64 which is $134k worse than last year in the same period.

**Operations Report:**

The Community Rink returned to normal operating program. Dressing rooms are reopened. Classes and camps are scheduled, and registration is open for all programs in the fall.

Juror orientation in the Edward D. Hansen Conference Center has resumed on Mondays.

The conference center has hosted a handful of social events and gatherings. Including High School events, graduation events and some local fundraisers. The event schedule is beginning to pick up for fall and the holidays.

Many graduation events were cancelled but two were held, including one first time event holder. They hope to add them to the graduation lineup for 2022 and expect to host over 20 school districts for graduation in 2022.

Seattle Storm basketball team made AOW their home arena for 2021 while their arena is under construction. The Storm have played 11 of 16 games so far and are in first place in their division. The hope is that they finish the season strong and then we would host playoff games. All games have had
some fans. We continue to reconfigure and adjust the layout to comply with changing guidelines. AOW was able to host over 2500 persons for the Storm game on July 11.

Concerts and other events are on sale that will begin in September with Foreigner and then Judas Priest in October. Sales are strong for both of those events. We will again host Disney on Ice in November and the Seattle Kraken will play a pre-season game October 1. They are also working with the Everett Silvertips, Seattle Kraken and the NHL to bring more hockey to AOW.

WA State Financial and Accountability Audit is underway, and they have no issues to report.

They are looking forward to hiring more event staff for busy fall season events and filling open full time positions that have been vacant because of the pandemic.

Thank you for the support of the board in the request to Snohomish County for grant funds. We believe the group of PFD’s will receive about 2.5M. EFPD submitted an application for the SVOG grant, it is under review and they hope to receive approval notice soon.

*Lynnwood Convention Center PFD, Janet Pope;*

- To date in 2021 the Lynnwood Convention Center (LCC) remains well under budget for scheduled events and accompanying income. However, we are sensing a turning tide with the state reopening on June 30th.

- Through June we held 29 events out of a budgeted 94 with 7,128 attendees down from a budgeted 18,800. As a result, our budget income variance for direct income is (620,000). We are seeing small regular events come back such as church services and community meetings which do provide consistent income with minimal staffing expenses.

- However, to address the issue we continue to cut budgeted expenses including preventative maintenance and staffing. Our total variance from our budget is only (57,328). The LCC has not had to ask for sustaining funds from the Lynnwood PFD (LPFD) for May or June and expect that to continue through the summer.

- We have reached the limit of what we can reasonably cut and must start incurring labor expense to ensure that we are staffed up and trained for booked events in the future. If consistent income does not return soon this will provide a challenge. In addition, we anticipate not being able to attract appropriate staff without additional costs for incentives, whether extra benefits or increased salaries. This may result in budget amendments later in the year.

- We are hopeful as the bookings for July 2021 are higher than 2018 or 2019 and interest for bookings later in the year are significantly increasing.

- In looking at 2nd quarter numbers for the entire PFD we had a net positive of $349,732 despite a (323,119) loss from the LCC. This was due to our tenant and other income streams.

- The LPFD selected JLL International to be our development partner both for our master planning and the release of our upcoming operator RFP. We will be releasing that RFP later this week. It includes some significant changes on how we hope the new operator will address and measure economic development in the community.
Our key focus on our master planning currently is determining the need and feasibility of expanding the LCC to increase both income and economic development. After determining that we will focus on the highest and best use for the surrounding property.

Future of Flight, Christin Medlin;
Q2 – Boeing Future of Flight Highlights

10K visitors through June and averaging about 350 per day in July. This does not include a factory tour which is suspended due to logistics.

Focus is currently on adding value. Daily offerings of “Passport to Learning” – Visitors receive a booklet with a scavenger hunt activity and Drones and Robotics gallery experiences – increased to 10 hours of daily program time per day. A new gallery walk lead by tour guides.

Annual pass product being offered and currently available for purchase for repeat. It has been available for about a month and have sold approximately 30.

Café remodel completed and the Paper Plane Café reopened July 2nd.

Agreements are being finalized with the Boeing Health and Safety and Legal teams to reinstate facility rentals to make spaces available to the public for private event space.

Programs and Projects in 2021
Dedicated educational workshop space including AV and streaming. That way they can have in person or digitally broadcast events.
They have identified about 500 sq ft. that is going to be developed into a kids corner with interactive space for kids 3 to 7.

Good of the order
Chairman Earling thanked the PFD’s for their financial presentations during the County Council meeting last week. All questions asked by council after the presentations were clear.
Chairman Earling adjourned the meeting at 4:05 p.m.

We will begin all meetings with roll call.

Next scheduled meeting: October 21, 2021 virtually via SKYPE with Board members optional in person at Boeing Future of Flight if allowed.