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, Vice President  
Naz Lashgari, Secretary / Treasurer  
David Hambelton, Audit Officer  
Mason Ruthledge, Public Records Officer

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

**Stakeholders Present:**
Joe McIalwain, Edmonds Center for the Arts (ECA)  
Janet Pope, Lynnwood Convention Center  
Birgit Evans, Angel of the Winds Arena (AOW)  
Nick Landgraff, 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 July 15, 2021. Chairman Earling called for a motion to approve. Dave H moved to approve; Tim second. No comments were made and passed unanimously.

Payment Voucher report 2021 Q3 (purple) was presented for approval. As a reminder, this is a listing of all payments made from July-September 2021. Nothing unusual to report, except the payment for Enduris. Enduris is our insurance carrier. They cover any kind of lawsuits, on behalf of the PFD and Board. In 2019, we paid $3,330 for insurance; in 2020 we paid $3,660, and 2021 is $4,030, quite an increase. Chairman Earling called for a motion to approve. Dave H moved to approve; Tim second. No comments were made and passed unanimously.

PFD Financial Statement 2021 Q3 (green) was presented for review and approval. Of note, the growth in Year-to-Date sales is up by 18.21%, which is positive. However, with the drop in 2020, the % might feel skewed. Quarterly comps are up by 13.03%. Another good sign that the economy is better than 2020. Hopefully, we have turned the corner, and the economy will continue to do better.
The fund balance is sitting at around $2 million. Tier 2 payments will be made next week, which will pull the balance down. No discussion was had. Chairman Earling called for a motion to approve. Dave H moved to approve; Tim second. No comments were made and passed unanimously.

Jan called out the 2022 budget (yellow) Looking at actual Year-to-Date (as of 09/30/21) figures; Interest income is quite a bit lower than anticipated. Revenues are coming in higher at 83%. Expenditures: Admin costs are lower and we still have to pay the State Auditor’s Office for the 2020 audit. PFD payments % will increase at the end of October, once the Tier 2 payments are paid. Chairman Earling called for a motion to approve. Dave H moved to approve; Mason second. No comments were made and passed unanimously.

**New Business:**

Dave E prefaced New Business by reminding the board that Mark Beales term had ended in June. We went through the application process and Dave interviewed two wonderful candidates. Ultimately, he recommended, Naz Lashgari, to the County Council, who they appointed to the PFD board. He welcomed her to the board and the meeting today. He mentioned that Time Menzies had also been reappointed during the same Council sessions. The change in members left two positions open, VP and Secretary/Treasurer.

Dave made a call to the board to see if anyone was interested in filling the Vice President role, clarifying that if any board member wanted to be VP that the board is open to it. Tim Menzies answered affirmative. Dave E made a motion to approve; Mason second; No comments were made and passed unanimously.

With Tim becoming the new VP, that leaves the Secretary/Treasurer role vacant. Dave made a call to the board to see if anyone was interested in filling the Secretary/Treasurer role, clarifying that if any board member wanted to be Secretary/Treasurer that the board is open to it. Naz Lashgari answered affirmative. Tim made a motion to approve; Dave H second; No comments were made and passed unanimously.

**Facility Updates:**

*Edmond Center for the Arts, Joe McAlwain;*

Edmonds Center for the Arts is carefully reopening to performances and events. Like most venues across the region, we are requiring proof of full vaccination or a negative COVID Test (PCR only, within 72 hours), plus masking to enter the facility. With the exception of a few frustrated patrons, the process has been relatively smooth. With a limited team for front-of-house operations, we are relying on administrative personnel, members of our boards, and volunteers to provide the labor for vaccine/test verification at the doors. It is unclear at this stage how long this policy will need to remain in place. Our first presentation under these new guidelines was Marty Stuart and His Fabulous Superlatives on Thursday, September 16. Attendance was 550 for the performance, and the experience was extremely well-received by the audience.

We held an online auction to help raise funds for operations during the week of September 17-24. This event, which did not have a live component, still generated net revenue of $250,000, which we consider to be a very positive outcome. The fundraising staff was forced to adjust their plans for this event several times from an in-person event, to a livestreamed experience, to an online auction without any
form of live engagement due to the rise of the Delta Variant. We look forward to being able to return to in-person gathering for this event next September.

Our administrative personnel are gradually returning to the office an average of 2 days per week. Production, facilities, and part-time box office and front-of-house personnel have been working primarily on-site. We recently hired a new Director of Finance & Operations, Lori Meagher, who replaces Matt Keller on our team. We look forward to introducing her to the Sno Co PFD Board in January. She has quickly made a positive impact on our operation.

Financial Overview:

Included with this report is our financial statement dashboard for September, 2021. You will note that the Shuttered Venue Operators Grant (SVOG) has provided much-needed relief in the short-term, and will also help provide critical cash flow as we build back to full operation. While it may appear that ECA is lagging behind in ticket sales for 2021, please note that ticket sales revenue for each event is not recognized until the date the event occurs. We have 10 events remaining in FY 2021, so we are still positioned to meet our budgeted goal by 12/31. Contributions from the private sector still continue to outpace budget projections. However, we do anticipate that fundraising overall in FY 2021 will likely fall short due to donor fatigue, and the impact of having fewer events and performances through which we can build connections and encourage contributions. FY 2022 should provide opportunities to increase contributed revenue, and hopefully return to FY 2019 levels of support.

COVID Relief and Long-Term Financial Stability:

On Wednesday, October 6, Snohomish County Council approved a grant in the amount of $1.25 Million from their American Rescue Plan (ARP) funds to support Angel of the Winds Arena, Lynnwood Convention Center, and Edmonds Center for the Arts. Of that amount, $250,000 is anticipated to be allocated to Edmonds PFD / Edmonds Center for the Arts. We want to thank the Snohomish County PFD Board for your partnership to help make this possible.

In addition, Edmonds City Council recently approved an allocation of ARP funds in the amount of $50,000 for Edmonds Center for the Arts. This is another very important and much-needed grant to help us in our continued recovery.

A supplemental Shuttered Venue Operators Grant (SVOG) grant in the amount of $355,000 also remains a possibility. This amount has been recommended but remains under review. We continue to monitor the SBA website for a final determination and next steps.

Finally, the process to refinance our 2012 Bonds continues without delay. As a reminder, the City of Edmonds is leading this effort, and Edmonds PFD is represented by our own Financial Advisor and Bond Counsel. The timeline for the sale of new bonds and retiring the 2012 Bonds currently projects a closing date of November 23, 2021. This would guarantee that Edmonds PFD would not be required to make a principal bond payment in December of this year, translating into a significant, much-needed short-term cash savings of $400,000 in FY 2021. In this refinancing effort, we are stretching the term of the bonds out to FY 2041, thus securing our direct sales tax rebate from the State of Washington to that year, and lowering our annual debt service obligation going forward.

Angel of the Winds, Birgit Evans; Everett Public Facilities District

Operating Income:
YTD through September we have a $689k operating loss which is $242k worse than last year.

District Income:

The District’s loss is $230k YTD.

Combined bottom line YTD through September is a loss of $919k, however, the District is maintaining positive cash flow.

Operations Report:

Since the last quarterly meeting, we completed the Seattle Storm regular season and hosted a second-round playoff game. Unfortunately, they didn’t go further, but hosting the Storm for 2 seasons was great for the building. It was also a great boost to local businesses as we don’t typically host as many summer events and their 16 home games brought over 25,000 people to the arena, many of whom came from outside the County.

The Storm games also gave our staff the opportunity to get lots of practice with changing covid protocols, and we operated vaccinated and un-vaccinated seating sections in the early season, which required us to check vaccination cards at doors.

This experience has been very helpful as we continue to ramp up our event activity and the State’s Nov. 15 guideline comes into place requiring proof of vaccination for all attendees of events with more than 1000 people.

On September 14, we hosted our first live concert since the pandemic began, with the legendary band, Foreigner. We’ve had plenty of sports in our arena over the last year, but hearing live music and seeing the crowds enjoying themselves was very exciting for all of us.

The Silvertips once again hosted their preseason tournament with 6 games over 3 days and hosted the 4 other US division teams. It was very exciting to have the Silvertips back on home ice in front of their fans!

They also have now had their home opener and the charity game of Pink the Rink. The team is currently 4-0 and we’re rooting for the team to continue the strong play as attendance increases.

In close collaboration with the Everett Silvertips and the Seattle Kraken, we hosted the first ever Seattle Kraken game in the Seattle metro area. With a capacity crowd and excitement all around the downtown Everett area, the Kraken dug deep and came away with an overtime victory! This was a landmark event for our facility and we were thrilled to have the opportunity.

The Community Rink continues to operate with typical programming and we are offering a full compliment of youth hockey and figure skating programming.

The Edward D. Hansen Conference Center has hosted a handful of banquets and weddings again now, in addition to meetings and the weekly County Juror Orientation. Bookings for social and charity events including holiday parties is slow, however, and we do not expect a return to normal levels this year.

Our Main Arena has a fairly normal level of activity though, with the Everett Silvertips regular season, 7 upcoming shows of Disney On Ice, Playboy Carti, Harlem Globetrotters, for King & Country and more to come.

We also have been working closely with the Snohomish County Sports Commission to bid on large sporting events that involve substantial room night stays.
We have recently hired some new staff to fill positions opened by the pandemic, and they’ve been great additions. We will gradually add on further personnel. Part-time staffing is a major challenge across all departments and industry wide, and we continue to make do and strategize for ways to improve things.

Thank you to everyone on the PFD board for their support and advocating for the projects to receive funding from Snohomish County’s ARPA funds. We look forward to investing the generous dollars awarded by the County Council into improvement projects in the facility.

*Lynnwood Convention Center PFD, Janet Pope;*
Income at the LCC continues well below budget despite a few strong summer months
The LCC continues to lose about $120K per month likely ending 2021 similar to 2020 at ($1.2 million)
Opening with a few events as opposed to none is almost more challenging due to labor costs
Fortunately the LPFD is still relatively healthy due to Convention Plaza rents and better than anticipated tax revenues
The LPFD is wrapping up its RFP process for the operator for the Convention Center with an announcement expected in mid to late Nov.
The Master Planning process will be determining if we will be expanding the Convention Center after reviewing marketing data.
The next decision will be determining if a hotel is feasible on the property and if so, what type that might be.

*Future of Flight, Christin Medlin;*
Q3 – Boeing Future of Flight Highlights
Current Operations
Gallery, Sky Deck, Store and Café continue with 5 day/week operating schedule
Factory Tour operations closed (strategic planning ongoing for 2022 reactivation)

Q3 Metrics
Attendance: 30% increase from Q2 to Q3
July average over 300 visitors/day
Continuing with high engagement rate for drones and robotics interactive experiences

Theater Experience (To be named later)
Opening December 2021
Bring the factory to our audience!
Boeing Everett Factory: On the Floor of the Largest Factory in the World
Use 200 seat theater to present pre-recorded factory footage and archival video content
Trained tour guides facilitate ~45 minute interactive presentation

Education Lab
Opening January 2022
Under construction now!
Seating up to 48 for event and education programs
Technology infrastructure for broadcast and live stream virtual class facilitation
90-minute onsite workshop planned for launch: Robotics 101

**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 4:10 p.m.

We will begin all meetings with roll call.

Next scheduled meeting: January 20, 2021 virtually via SKYPE with Board members optional in person at Lynnwood Convention Center if allowed.

[Signature]
President Signature

[Date]

1-26-22