

**RICHLAND PUBLIC FACILITIES DISTRICT
REACH, 1943 COLUMBIA PARK TRAIL, RICHLAND
THURSDAY, JANUARY 20, 2022 MEETING TIME: 5:30 P.M.**

The Richland Public Facilities District will meet remotely and only take action on necessary and routine matters or matters necessary to respond to the COVID-19 outbreak until such time as regular public participation is possible. The public may attend this meeting remotely, by audio only.

Join Zoom Meeting: <https://us02web.zoom.us/j/84921898948>

REGULAR MEETING: #01-22

MINUTES

CALL TO ORDER

President Dan Boyd called the meeting to order at 5:30.

ROLL CALL

MEMBERS

Dan Boyd, President	Present
Bill King, Vice President	Present
Shirley Long, Secretary/Treasurer	Present
Veronica Kenney	Present
Miriam Kerzner	Present

LIAISONS

City Council Liaison: Phillip Lemley	Present
Reach Foundation: Steve Simmons	Absent

STAFF

Rosanna Sharpe, Executive Director	Present
Dianna Millsap, Executive Assistant	Present
Sherri Fluaitte, Finance Manager	Present

APPROVAL OF AGENDA

Ms. Long moved and Ms. Kerzner seconded a motion to approve January 20, 2022, Richland PFD Agenda as presented

Motion Carried 5-0

APPROVAL OF CONSENT AGENDA

Mr. Boyd pointed out the financial reports sent to members electronically do not show the draft watermark, financial statements presented for approval are drafted.

Ms. Kerzner moved and Ms. Kenney seconded a motion to approve January 20, 2022, Richland PFD Consent Agenda as presented, financial statements as drafted

Motion Carried 5-0

COMMITTEE/LIAISON COMMENTS

- City Council – Phil Lemley

Mr. Lemley reported that COVID cases are day to day, with many people coming into the emergency rooms. The National Guard is coming to assist in hospitals.

The City of Richland has a new Mayor, Michael Alvarez, Mayor Pro Tem, Terry Christensen, and two new Councilmembers, Jhoanna Jones and Theresa Richardson. Mr. Lemley spoke with Jon Amundson, City Manager, regarding the vacant Richland PFD board position. The position vacancy is advertised, but no applications received.

- Reach Foundation – Steve Simmons not present

Mr. King reported that Ms. Fluitte presented the 2022 Operations Budget to foundation members in more detail. Foundation members did not have any questions or concerns. Under the foundation's formula, they were able to make \$80,000 available to the RPF from the endowment fund, more than what was expected. The market has performed strongly so foundation members approved the transfer.

Ms. Sharpe added that foundation members discussed their attrition. Mr. Hedges and Mr. Hamrick's terms expired. Nominations of vacant foundation officer's positions deferred to Steve Simmons, President, Reach Foundation. Ms. Sharpe will speak to Mr. Simmons for an update.

PUBLIC COMMENTS

Mr. Epperly stated that he is available to answer questions as board members get into deliberations. In my most recent email, I tried to emphasize the point that there is an element of messaging, whether you support a performing arts facility or not. As far as funding a facility needed in the community, the Kennewick PFD has informally expressed to me that they are not going to act on something that I might present to them, there was some cautious element of consideration from the Richland PFD. As I pointed out you are not entering into some sort of obligation to do something whatsoever, but it is a way in which to try to develop a means of communication between the two organizations in which to move forward on a performing arts facility and I think that is something that the community can appreciate.

REPORTS AND CORRESPONDENCE

- Executive Director's Report – Rosanna Sharpe

Ms. Sharpe provided highlights of the Executive Director's Report:

- The End of Year Campaign raised \$20,780, over 40 gifts ranging between \$20 and \$2,500. Half of the donations were a result of the letter campaign and the other half came from people that heard about it from other means. Overall successful performance of the campaign.
- We are working out some kinks with the website. Ms. Mosely is working on some things that are not set up, some dead ends in our website, a lot that needs addressing. I hope that by the end of the month, we will be back on track more seamlessly.
- Jenna Rudolph, Education Assistant, accepted a position at Boys and Girls Club; she will stay on our team intermittently for Saturday programming so we are glad to keep that connection. Ms. Schafer and Ms. Constance are considering what that position might look like in the future. Until the education assistance position is filled, we will find a way to provide education the coverage that they need.

- The Reach Foundation authorized Ms. Fluitte's \$80,000 request. Mr. Dunwoody presented for the board's consideration and they approved unanimously. In terms of the math, 1/3 of our resources will come from the foundation, 1/3 will come from the 631 Fund, 1/3 from earned income. Ms. Sharpe informed foundation members that we would rely heavily on the foundation for the next 1 to 2 years until we round the corner and can recapture some of the markets that we enjoyed pre-COVID.
- The Three River Science organization, before COVID, organized an annual event related to science, a conference we collaborated on, canceled due to COVID. Unfortunately, the organization decided that big annual events would not be possible so decided to dissolve their organization and allocate the remaining funds in their account making a gift to the foundation of \$1,000, earmarked for education programs.
- REACH staff members expressed gratitude to the board for the wage increases, thank you on behalf of the staff.
- Ms. Sharpe and Ms. Schafer are meeting next week with Trish Herron, PNNL, Director of Community Affairs & Protocol, to resume conversations started before COVID. We are looking forward to getting all of our partners reengaged; redesigning programs to meet the needs and the interests of students and teachers, as they exist today. It is going to take some creativity and flexibility as we rebuild various programs.

BUDGET COMMITTEE

None

NEW BUSINESS

None

OLD BUSINESS

- Proposed Joint Project for the Richland and Kennewick Public Facilities Districts – Board of Director's Discussion

Mr. Boyd opened for discussion Mr. Epperly's s proposed joint project for the Richland and Kennewick Public Facilities Districts, as presented at the December 16, board meeting. Mr. Boyd asked members to keep in mind when considering the joint project that the Richland PFD has a vision, a strategic plan in place.

Mr. Boyd asked members to include consideration of the opportunity to refinance bonds in 2026. Current bonds go through 2028. The last three years' bond payments provide an opportunity for refinancing in 2026. The City of Richland would have to agree to allow us 5 million of bonds, we would owe 1.6 million in the last three years, and after paying off the refinance we would have a little over 3 million without raising taxes or requiring a vote for REACH expansion.

Mr. Boyd turned Mr. Epperly's proposal over to board members for comments.

- I would love to see a performing arts center in the Tri-Cities and theoretically, the Richland PFD can look at other projects but only as we are authorized by Richland City Council. Council authorized one project and have an expectation and I feel obligated to make sure that the REACH is on a solid financial footing to refinance the bonds. If we do not refinance the bonds, that source will go away once the current bonds are paid off. This revenue stream is very helpful because we use the excess to finance operations, which covers about 1/3 of our revenues.

- Our priority is to make sure that the REACH is not only solid and viable but also growing. There are two performing arts centers in the discussion, one is a smaller theater primarily for local performance, and the other is a larger theater that can accommodate traveling Broadway shows. I believe it would be worth our while to consider whether or not having a second facility on the REACH campus will bring greater awareness that can also help the REACH grow, is this something that will bring in more money, will it improve the viability of the REACH. It would be ideal for us to do our research, from the perspective of the RPFDF rather than outside groups.
- In the beginning, the RPFDF had many meetings, focus groups, with the community leaders and the public to try to understand the mission of the REACH to better focus on the benefits to the Tri-Cities, the city, and the public. I disagree that if we do not respond to this proposal that it signals we do not support the performing arts center projects. The RPFDF and Reach Foundation focus is to look at the viability of the REACH Museum. The REACH was doing well and then COVID hit, now we are back to surviving. I believe that we need to stay with our mission, our goals for education, and science. Look at the opportunity of expanding the REACH, we have many major projects to focus on to make the REACH beneficial to our education program; focus on that first.
- When first approached by the Arts Center Task Force about the RPFDF's potential partnership, it was consensus that we all wanted a performing arts center for the Tri-Cities; that was not an issue. We opened the door for the conversation to see how the ACTF envisioned their project. The REACH is still a startup; we have lost three years of agency development. As a startup we have responsibilities and expectations and financial considerations to keep in mind, the REACH comes first, a second startup won't see profits for ten years, and the 631 Fund they hope to create isn't going to provide a big surplus overnight. My priority is to take care of the interest of the REACH and to execute its strategic plan. There are other methods of pursuing an expansion without going to the public to tax themselves, other resources on a state level, private individual philanthropists, in addition to tax authorities. Another capital project would exceed the public's palate at this point.
- The bottom line is that right now, we are trying to pull out of COVID without knowing what is next. We have to wait for the rest of society, for the community, to agree that as much as we would like to make it go away or move on from it, it is going to take a while to recover. We have lost a couple of years of that growth and it is not going to pick up and take off again. We have to be very cautious before we take on another project. The REACH is our first responsibility. To prove to the community and city council that we can make the REACH thrive. I believe there is a need and an interest in the performing arts but right now the community tax dollars generation is not going to be overnight. We are not going to have the money to do what was proposed when the bonds were created for the REACH, we still have not fulfilled that commitment, and we have a fiscal responsibility to make that happen.

Mr. King offered to members that it is time to revisit the strategic plan, to look at where we are versus where we thought we might be to lead us into needed updates to get a concrete plan in mind. Ms. Sharpe added that the strategic plan is comprehensive. We had certain objectives related to operations, education, and the facility, pillars that we determined were points of

interest where we wanted to concentrate. Look at our pillars, our vision, our objectives see how they have been refreshed based upon our partnerships and our interests moving forward. The strategic plan is still valid, some things we have had to put on the back burner but we have not forgotten about them. Other things we have had to invent, our online education programs became first. Our main objectives are still true for us.

Ms. Kerzner suggested that it might be worthwhile having a retreat for the Richland PFD board, to review how we see our place within the city, government, relationship with the Reach Foundation, and with the REACH Museum. How to move forward as manager of the REACH and as a public facilities district, a strategic plan for the PFD.

Mr. Boyd concluded with a recommendation that the board gives authorization to Ms. Sharpe to draft a letter to Mr. Epperly, thanking him for his proposal and that we appreciate his time. The timing is not right for the Richland PFD and the Kennewick PFD.

Members agreed that Ms. Sharpe takes the point on drafting the letter in response to Mr. Epperly's proposal.

NEXT MEETING

The next meeting scheduled for February 17, 2022, will be a Zoom meeting only, in-person not offered.

ADJOURNMENT

Ms. Long moved and Mr. King seconded the motion to adjourn the meeting

Motion Carried 5-0

President Boyd adjourned the Regular Meeting at 6:45

Prepared by: Dianna Millsap

Reviewed by