

**RICHLAND PUBLIC FACILITIES DISTRICT  
REACH, 1943 COLUMBIA PARK TRAIL, RICHLAND  
THURSDAY, SEPTEMBER 17, 2020 MEETING TIME: 5:30 P.M.**

*Note: Governor Inslee's Proclamation 20-28 prohibits public meetings from being conducted in person. For this meeting, 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 as provided at [www.visitthereach.org](http://www.visitthereach.org). Public attendance by audio only. Effective June 1 the governor's prohibition on taking "action" was removed by proclamation 20-28.4.*

**REGULAR MEETING: #09-20**

**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  
Dianna Millsap, Executive Assistant  
Sherri Fluaitte, Finance Manager

**APPROVAL OF AGENDA**

Ms., Kerzner moved and Mr. King seconded a motion to approve the September 17, 2020, Richland PFD Agenda as presented

Motion Carried 5-0

**APPROVAL OF CONSENT AGENDA**

Ms. Kerzner moved and Ms. Kenney seconded a motion to approve the September 17, 2020, Richland PFD Consent Agenda as presented

Motion Carried 5-0

**COMMITTEE/LIAISON COMMENTS**

- City Council – Phil Lemley

Mr. Lemley reported that regarding COVID-19, from the city standpoint, there has been no change. It is too soon to tell the effect on the numbers from the Labor Day holiday. The mayor and city manager are on calls daily to encourage the health department and the state. Thirty-three applications for the vacant city council position received and pared down to three for interviews next Friday. Mr. Lemley has contacted the Cindy Reents regarding the Regional PFD; he will send her another message.

- Reach Foundation – Steve Simmons – Absent

Mr. King reported that he had an opportunity to speak at the foundation meeting about the REACH needs for the remainder of the year and the first quarter of 2021. Mr. King presented conservative numbers, shared the worst-case scenario. The endowment has increased and there is an expectation that the foundation will make a distribution at their next meeting. Ms. Sharpe added that the foundation should be in a financial position to make a substantial gift. The foundation is gearing up for the direct mail campaign.

**PUBLIC COMMENTS**

Steve Wiley, Chair, Arts Center Task Force responded to plans and documents provided by Vic Epperly at the last Richland PFD meeting. Mr. Wiley stated that Mr. Epperly is proposing the Richland PFD reject the ACTF offer to work together, instead Mr. Epperly wants both organizations to work with him to resurrect the Regional Public Facilities District. Mr. Wiley added that Mr. Epperly's draft memo to the three cities is half-truths and innuendos regarding the ACTF efforts to build the arts center. The ACTF rejects them in their entirety. ACTF does not believe Mr. Epperly is making a good faith effort to work with ACTF and the Richland PFD; instead, his efforts designed to disrupt plans and create divisions and ill will. Mr. Wiley stated clearly and unequivocally that the ACTF would never work with Mr. Epperly to help him advance his goals. ACTF remains committed to the goal to work with the Richland PFD.

Vic Epperly stated that the proposal made to the ACTF and Richland PFD based on a long-term observation of the Regional PFD and Richland PFD activities. The proposal I made was holistic, it covers not only all the desires for a regional performing arts facility but the other facilities identified by the Regional PFD in their early beginnings. Mr. Epperly stated that he put forth a capital project that distributed these projects among the various cities and that way the Regional PFD can move forward on selection, getting the sales tax passed regionally to benefit everybody including the Richland PFD. I am disappointed in Mr. Wiley's comments.

**REPORTS AND CORRESPONDENCE**

- Executive Director Report – Rosanna Sharpe

Ms. Sharpe provided highlights of the August 20, 2020, Executive Director's report.

- The REACH remains closed until the COVID-19 numbers indicate we can open. When open, we will at 25% capacity creating an economic concern of generating enough funds to cover our operating expenses. Statewide, museums that are located in Phase 2 counties are all over the board in terms of reopening. Some have chosen to remain closed.
- Ms. Sharpe announced that the Reach Foundation would receive a \$25,000 gift from Battelle for work in partnership with PNNL for online programs.
- Women Helping Women remitted the second payment of the grant for online programming with schools as a substitute for on-site field trips.

- The Reach Foundation met October 12; with reported endowment earnings and cash position, they are in the position to support the REACH.
- Ms. Sharpe is waiting to hear back from Salsa Labs regarding forgiving the invoices for DonorPro. Ms. Sharpe will follow up with Salsa Labs.

### **BUDGET COMMITTEE**

- Revised 2020 Budget

Ms. Fluaitte reviewed the revised 2020 Operating Budget, Income and Expenses line items. Ms. Fluaitte pointed out income not received and the reductions to expenses. The January through August budget is not changed. An adjustment column added to report the actual on each line item and the adjustment to the budget number. Total Revised 2020 Budget and Total Original 2020 Operating Budget adjustment column indicates the Change Increase/Decrease column on each line item. Ms. Fluaitte reviewed income and expenses adjustments, and explained the adjustments by line item.

Mr. King brought forward additional withdrawals from the Debt Service 631 fund and asked members their thoughts. Mr. Boyd reported that last month's report from the city \$170,000. A 75,000 withdrawal taken in September puts it below \$100,000. A deposit from Benton County PFD of about \$25,000, and assuming the sales tax dollars received cover the accrual for the bond payment, there could be between \$100,000 - \$125,000. The board has withdrawn more than budgeted for 2020. Mr. Boyd is hoping for no more withdrawals in 2020. Mr. King added that a withdrawal would certainly be needed in the first quarter of 2021.

Mr. King stated that he appreciated the efforts to cut expenses and inquired about the exhibit and repair line item expense that while the museum is closed might be a good opportunity to take care of some of the needed repairs. Ms. Sharpe reported that there is an exhibit punch list, some items completed in-house, and we will revisit the list to see where we are and what it takes to do those repairs.

Ms. Kenney moved and Mr. King seconded a motion to approve the Revised 2020 Operating Budget as presented

Motion Carried 5-0

### **NEW BUSINESS**

None

### **OLD BUSINESS**

- Arts Center Task Force (ACTF) Business Plan – Discussion

Mr. Boyd opened for discussion, questions and comments regarding the ACTF Business Plan, the goal is to provide board members an opportunity to ask questions and express concerns.

- Is ACTF asking the Richland PFD board to make a decision right away?

Mr. Wiley responded that ACTF is not asking the Richland PFD for any specific action, they are responding to the PFD request for information. ACTF would like to go out to the community and report that they are working with the Richland PFD. ACTF is not asking for a commitment but an agreement in anticipation that at the end of COVID we will be in a position to pick it up again.

- Uncomfortable at this state of the pandemic and the current Richland PFD financial situation. We are all about survival at this time. We need time to get our footing back, wait until the REACH can reopen, get our financial situation back before we can make a commitment that we are willing to do this or to tell Richland City Council we agree with ACTF plans.
- Concern that some of the arts center features and functions are similar to what the REACH is doing. The job of the Richland PFD board is to protect the REACH. This is moving too fast, we are not ready because we are in survival mode; we need to get back to healthy again.

Mr. Wiley pointed out that the business plan provided to the board is the original plan for the Vista Field facility. There will be plan revisions to be compatible with Columbia Park West, removing anything that would compete with the REACH. ACTF is not asking for approval of their plan.

- Could there be an informal MOU?

Mr. Wiley responded yes, ACTF would accept anything to continue discussions and in the end go to city council.

- Suggestion of an executive session for the Richland PFD board members to discuss ACTF plan from beginning to end. We need a grasp and understanding of our role, what we are hoping to get out of this as the Richland PFD supporting the REACH. The PFD needs to have a good discussion regarding what this relationship means going forward.
- Increasing property tax is concerning, people are hurting with the pandemic.
- The Richland PFD has unfinished work as a board, everything has been put on hold. Things we have to think about in terms of what is going to help the REACH and how to pay for it and is a STEAM Park part of that. If we are going to go out for a bond measure, the citizens are going to want to know we are a stable organization. It is probably not the right time to go out with a bond measure. There is work we need to do.
- Suggestion of having a workshop at some point to think this all through and what the next steps are, what is the logical road forward.
- The ACTF business plan geared towards Vista Field; thought this was a proposal put together for the land adjacent to the REACH.
- My understanding was that ACTF is asking the Richland PFD to make this proposal to the city sooner rather than later. In our current situation, I would ask that we not close doors right now on this possibility, there is potential in the future but I cannot see it in the near future. Right now, the PFD has responsibility to keep one facility that is a public facility up and operational.
- I worry about competition with the REACH; I worry about other local competitors. We do not have any outlook as far as financial stability on sales taxes. Property taxes are paying for the current remodel of the Richland auditorium, this a tough time. I do not know how long you can wait for the Regional PFD to come together to make this happen.
- If we can move forward, we have this opportunity to create a unique exciting feature then that becomes a better way to fundraise and try to fill in that gap. This is the benefit that I see from a verbal agreement with ACTF to move forward, in the end the Richland PFD is in the driver's seat.

Mr. Boyd stated appreciation to board member's for their input and added that he is also in survival mode. As a board, our number one priority is to do what we have to do to make sure the REACH survives but it does not mean we cannot look at other things. I believe it is wise to continue the conversation but our focus at this point needs to be on what we need to do to make sure the REACH survives.

Ms. Sharpe pointed out that if the Richland PFD were to take on the performing arts center and another scenario as COVID-19 occurs in the future, the board will be taxed twice. Both organization would not qualify for federal funding related to non-profits. Ms. Sharpe suggested that CBC and the Toyota Center be brought into the conversation to find out their plans for their facilities, gather information on a performing arts center in the Tri-Cities, understanding the dynamic on how these organizations work. I think there are inherent problems with the architectural plan, business plan, and operational plan; they are not in alignment. My level of uncertainty is high; I would like to table the conversation to when we have gotten through the hurdles in front of us. Mr. King suggested that perhaps sometime early in the New Year we set up a workshop to talk all of this through, to think about the future and the best road forward. If the board agrees, Mr. King offered to act as liaison to ACTF to assist with plan revisions.

Board member's consensus that Mr. King will serve as Richland PFD liaison to ACTF and report back to the RPF board. Further conversations tabled until March of 2021 at which time Mr. Wiley and Mr. Diaz will provide an update.

- Vic Epperly's Letters – Discussion

Mr. Boyd opened for board member's questions, concerns and ideas related to Mr. Epperly's letters provided to board members.

- It is important to consider the Regional PFD. I think this is the wrong time to do it. Not expected to see anything happen right away.
- Seen as beneficial down the road in the future but not high on the priority list right now.
- Appreciation for Mr. Epperly's time to write the letters and provide this information to the RPF board.
- The RPF board has gone on the record asking for representation on the Regional PFD. If still an option in the New Year, we can discuss further.
- Appreciation for the presentation of different perspectives. Revamping the Regional PFD based on what I have seen, a single entity would solve so many issues, and I do not see it happening.
- Mr. Epperly has done a lot of exploration into viable size of the theater but not reflected in what he has presented the problems when the facility is too large.

Mr. Boyd suggested that board members consider next spring, revisiting the option presented in Mr. Epperly's letter regarding the Regional PFD. Members thanked Mr. Epperly for bringing this to the Richland PFD, as it will be important to look at all revenues in the future. Board member consensus is to revisit Mr. Epperly's letters in March of 2021, depending on what happens with the Regional PFD.

#### **UNSCHEDULED**

None

#### **NEXT MEETING SCHEDULE**

The next Richland PFD meeting is October 15, 2020.

#### **EXECUTIVE SESSION**

None

**ADJOURNMENT**

Ms. Long moved and Ms. Kenney seconded a motion to adjourn

Motion Carried 5-0

President Boyd adjourned the regular meeting at 7:27 p.m.

Prepared by: Dianna Millsap

Reviewed by

*approved as presented  
at November 19, 2020  
Richland PFD Board  
meeting.*