

**RICHLAND PUBLIC FACILITIES DISTRICT
REACH, 1943 COLUMBIA PARK TRAIL, RICHLAND
WEDNESDAY, NOVEMBER 13, 2019 MEETING TIME: 5:30 P.M.**

SPECIAL MEETING: #11-01

MINUTES

CALL TO ORDER

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

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	Excused
Reach Foundation: Steve Simmons	Present
Alternate Council Liaison: Sandra Kent	Absent

STAFF

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

APPROVAL OF AGENDA

Ms. Kenney moved and Ms. Long seconded a motion to approve the November 13, 2019, Richland PFD special meeting agenda as presented

Ms. Kerzner not available for vote

Motion Carried 4-0

BUDGET COMMITTEE

- Draft 2020 Operations Budget

Ms. Sharpe opened for discussion the presentation of the 2020 Operating Budget as the first draft. The purpose of this review is to look primarily at expenses and at staffing resources needed in 2020. In preparing the draft budget, Ms. Sharpe and Ms. Fluaitte have attempted to get both expenses and income reported. Ms. Fluaitte met individually with staff in preparing department budgets taking into consideration the Strategic Plan to ensure that staff have resources for projects to act upon those strategies. Ms. Sharpe and Ms. Fluaitte will address board member's questions and if additional details needed will provide that information at the November 21, 2019, regular Richland PFD meeting.

Ms. Fluitte presented the draft Operating Budget January 1, 2020 to December 31, 2020. The total 2019 Operations Budget and the current budget numbers also reported. Ms. Fluitte reviewed income and expenses line items.

Income:

2020 Contribution Income:

Contribution Income – \$275,600

Components: Endowment Fund Distributions, Day's Pay Fundraiser, Orange to Black Campaign

Ms. Fluitte pointed out that in determining the 2020 Contribution Income the past regular distributions from the endowment averaged between \$20,000 and \$25,000 quarterly. Also taken into consideration the success of the 2019-Day's Pay event. Ms. Sharpe added that the Strategic Plan calls for \$175,000 annual funds raised. This includes \$75,000 from the 2020 Orange to Black Campaign and an increase of \$25,000 from the 2019-Day's Pay fundraiser, which raised \$80,000.

Membership Income:

A membership drive is currently underway that will run until the end of December.

2020 Membership Income - \$26,000

Education Program Income:

Ms. Fluitte provided a supplement to the draft 2020 Operations Budget: Education Programs Projected 2020 Revenues:

- Three Richland Elementary School contracts for services beginning October 2019 to June 2020 - \$22,000
- Field Trips - \$15,000
- In House Programs – STEAM Family Workshop, Little Explorers, Boredom Busters - \$5,500
- Outreach Programs and Bus Camp - \$2,500
- B Reactor Docent Fees - \$4,000
- Total \$49,000

Tour Program Income:

Ms. Fluitte provided a supplement to the draft 2020 Operations Budget: Tour Analysis Worksheet, Projected Revenue & Expenses. Revenues and expenses for eight 2020 tours planned for a budgeted profit of \$4,458.80. The budgeted revenue based on 15 persons, \$99.99 per person; budgeted expenses vary from tour to tour depending on mileage. The tour program evaluation following the 2020 tour cycle will determine whether this program is sustainable long term.

Fund 631 Transfer (Debt Service):

2020 Fund 631 Transfer (Debt Service) - \$210,600

Four transfers of \$50,000 for operations in 2020. Ms. Sharpe explained that \$10,600 transfer September 2020 is a residual needed to implement the Strategic Plan.

Event Income:

2020 Event Income - \$6,500

Four events scheduled in 2020: April Mastersingers, October Energy Experience, October Screech at the REACH and November Drummers and Dancers. The 2020-event income increase due to expanding the Screech at the REACH and Drummers and Dancers.

Admissions Income:

2020 Admissions Income - \$96,000

Ms. Fluaitte provided a supplement Admissions - Projected Revenues 2020:

- \$63,807 Cruise Lines (includes new Road Scholars cruises in 2020)
- \$32,193 Average walk-in admissions
- \$96,000 Total 2020

Shop the REACH Sales:

2020 Shop the REACH Sales - \$50,000

Staff met to discuss different ideas for the REACH store including adding 10 new products related to programs and branding opportunities.

Facility Rental Income:

2020 Facility Rental Income - \$60,000

Ms. Cannell has booked holiday party facility rentals in January and is working on several weddings in 2020.

Corporate Sponsorships Income:

Ms. Fluaitte provided a supplement: Grants & Corporate Sponsorships Revenue 2020 breaking down the grant sources and corporate sponsors.

Grant Revenue:

- \$27,827

Corporate Sponsorship Revenues:

- \$15,500

Investment Interest Income:

2020 Investment Income - \$72.00

Interest on checking and savings account balances.

Expenses Administration:

Training:

2020 Training Expense - \$3,000 (Safety and Emergency Preparedness training)

Travel:

2020 Travel Expense - \$4,000

Meeting:

2020 Meeting Expense - \$2,400

Liability Insurance:

2020 Liability Insurance Expense - \$40,104

Printing:

2020 Printing Expense - \$4,700

Marketing Material:

2020 Marketing Material Expense - \$15,500

Licenses and Permits:

2020 Licenses and Permits - \$300

Dues & Subscriptions:

2020 Dues & Subscriptions - \$600 (Tri-City Herald)

Memberships:

2020 Memberships Expense - \$2,400

Expenses: Finance:

B&O Tax:

2020 B&O Tax Expense - \$4,000

Freight & Shipping Costs:

2020 Freight & Shipping Costs Expense - \$4,000

Bank Service Charge:

2020 Bank Services Charges Expense – \$7,000 (increase due to additional charges for online admission sales)

Expenses: Expert Services:

Legal Fees:

2020 Legal Fees Expenses - \$1,500

Marketing Consultant:

2020 Marketing Consultant Expense - \$20,800

Professional Fees:

2020 Professional Fees Expense - \$900 (building security)

Tech Support:

2020 Tech Support Expense - \$3,900

Expenses: Programs:

Tour Expenses:

2020 Tour Expenses - \$7,540

Education Program Expenses:

2020 Education Program Expenses - \$8,326 (\$4,300 education, \$4,000 B Reactor Tour docent)

Event Expenses:

2020 Event Expenses - \$3,150 (quarterly events expenses)

Shop the REACH Expenses:

2020 Event Expenses - \$700

Memberships Expenses:

2020 Memberships Expenses - \$800

Exhibit Fabrication and Rental:

2020 Exhibit Fabrication & Rental - \$4,000

Ms. Carswell will focus on exhibit maintenance in 2020. Ms. Sharpe added, related to the Strategic Plan, larger projects have steeper price tags that are un-funded at this point. As we find resources to pay for these projects, we will incorporate those into the budget. Income reported from the \$5,237 Benton County Historical Preservation Grant, reported as an exhibit expense for refreshing exhibits, replacing signage on the trail, signage on the trailer and signage for the Cold War Bus. Ms. Fluaitte will adjust the budget to reflect these costs on the exhibit repair and maintenance line item.

Expenses: Operations:

Operations:

2020 Operations Expenses - \$95,070

Ms. Fluaitte provided a supplement Operations Analysis Worksheet, Projected Operations Expenses with an expense line item breakdown. Increases to Telephone and Internet, and Utilities reflect a 6% increase.

Repairs & Maintenance:

2020 Repairs & Maintenance - \$51,750

Ms. Fluaitte provided a breakdown on items expensed to repairs and maintenance. REACH staff are working on sponsorships for Aquarium maintenance, Water Feature maintenance, and Grounds maintenance in 2020. Martin Flores, Facility Manager, provided a prioritized list of 2020 projects.

Volunteer Expenses:

2020 Volunteer Expenses - \$500

Restricted Expenses Education:

2020 Restricted Expenses Education - \$49,600

Endowment funds are restricted to education. Education costs moved to the restricted expenses.

Salary & Benefits:

2020 Salary & Benefits Expense - \$513,710.71

Ms. Sharpe provided a report on her research in determining the 2020 salary expense line item, which includes a \$40,942.57 increase. Ms. Sharpe and Ms. Fluaitte considered 2020 income and expenses in determining salary increase. Ms. Fluaitte has done the calculation to include tax and the proposed increase for the Executive Director. The increases range from 3.5% to 10%, with the majority at 4% to 6% increase for staff. Employees will pay the increase in the health insurance premium in 2020. A minimum wage increase effective January 1, 2020, equating to a 10% raise will affect one employee. Ms. Sharpe is considering performance, tenure, job responsibilities, and program delivery that have return on investment for wages increases.

Mr. Boyd stated that it is the job of the RPFDD board to set the parameters and the Executive Director's job to make the decisions regarding raises. Ms. Long agreed but stated the need for a broader discussion between board members regarding the increase to salary and benefits expense to understand the process. Ms. Kerzner questioned setting the proposed increase range as a precedent but added the board wants to make sure everyone makes a living wage and have a Cost of Living Adjustment. Ms. Kenney referred to the minimum wage increase to \$13.50 per hour; it is gradually going up to \$15.00 per hour. Ms. Sharpe is anticipating trends to deal with the minimum wage increases incrementally to be ahead of the curve.

Further questions and concerns can be brought to Ms. Sharpe's attention to be addressed at the November 21, 2019, Richland PFD regular meeting. Approval of the 2020 Operations Budget will be on the November 21st agenda. With no further discussion, Mr. Boyd announced that RPFDD members would move into executive session.

EXECUTIVE SESSION

- RCW 42.30.110(1)(g) Review performance of a public employee
Executive Director's Contract

President Boyd adjourned to Executive Session at 7:00 p.m. per RCW 42.30.110 Sub-paragraph (1) (g). Executive Session to last approximately 30 minutes.

President Boyd announced at 7:30 p.m. that Executive Session extended an additional 15 minutes.

President Boyd reconvened from Executive session at 7:45 p.m., no action taken.

NEXT MEETING SCHEDULE

The next regular PFD Meeting is November 21, 2019 start time for this meeting changed to 5:00 p.m.

ADJOURNMENT

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

Motion Carried 5-0

President Boyd adjourned the regular meeting at 7:46 p.m.

Prepared by: Dianna Millsap

Reviewed by

