



APPROVED Minutes
Board of Directors Meeting
Fort Worden Public Development Authority
Wednesday, February 27, 2019 | 9:00 a.m. – 12:00 p.m.
Commons Building 210, Room B, Fort Worden

- ❖ **Action:** Motion to approve January 23, 2019 Board Meeting Minutes **Unanimously Approved**
- ❖ **Action:** Motion to approve **Resolution 19-05** designating Executive Coordinator as public records officer. **Unanimously Approved**
- ❖ **Action:** Motion to authorize Executive Director to enter into a contract with Rainier Industries for glamping tents. **Unanimously Approved**
- ❖ **Action:** Motion to authorize Executive Director to enter into a contract with Americas Elite, Inc. to undertake final mitigation of bat guano in Building 305. **Unanimously Approved**

Regular Board Meeting:

I. Call to Order: 9:00 a.m.

II. Roll Call & Staff Introductions

Fort Worden PDA Board Members: Cindy Finnie, Jane Kilburn, Gee Heckscher, Norm Tonina, Jeff Jackson (called in), Herb Cook, Todd Hutton, Terry Umbreit

Staff: Dave Robison, Diane Moody, Rufina Garay, Karolina Anderson

Public: David Goldman, Bonnie Showers, Rob Birman, Scott Wilson, Jeanie Cardon, Maryna Frederiksen, Holly Height, Owen Rowe, Carla Main

Diane Moody introduced Sonya Baumstein, Finance Director & Holly Height, Human Resources Manager

Tonina noted that board member Terry Umbreit will be leaving early to receive a Lifetime achievement award from Washington State University. Board and staff congratulated him.

III. Changes to the Agenda

None

IV. Partner Presentation: Centrum

Rob Birman, Centrum's Executive Director, stated that this is Centrum's 46th year at Fort Worden and that Centrum recently entered into a partnership with Frye Art Museum. Birman reported that Centrum has installed \$340,000 worth of LED lighting in McCurdy and Wheeler Theater, which will result in 80-90% energy savings.

Birman passed out Centrum's newly completed business plan (one for each board member) to be shared after it is reviewed by the Executive Committee. Birman introduced Bonnie Showers, Youth Program

Manager at Centrum and stated that she has 15 years of senior leadership experience in urban, rural and international settings - including, most recently, serving as the Curator of Education for EMP Museum/Museum of Pop Culture in Seattle. Showers talked about the upcoming Native American Voices Arts Academy program – an arts immersion program for native youth that includes storytelling, dance and contemporary art. The program is staffed by high-level native artists. Showers stated that the goal of the program is modeling deep cultural learning and building confidence, trust, relationships and connections – moving through a painful and anguished past and relating to the land. Showers stated that by the end of last years’ program, the students were completely transformed. Showers reported that every meal started with a blessing and that the FWPDA food service staff came out and communed with the students and the elders before the meal – she noted that students and faculty were greeted warmly by FWPDA staff. The next program will include a medicine woman from Vancouver Island who will teach healing medicine to the students and students will create songs using their native language. Showers stated that the 32 native students represented multiple tribes. The board and Showers discussed other native youth programs, the chosen student demographic and leadership opportunities for native youth. Showers noted that Senator McCoy (a native voices faculty member) wants to see the program connect to the Canoe Journey. Norm Tonina stated that the program is a great addition to the Centrum’s youth programs.

V. Public Comment

Carla Main invited board members to assist with the canoe landing, noting that authentic curiosity about culture is a bridge to further connections.

Scott Wilson applauded the FWPDA for a job well done and stated that he’s in the process of putting together a 50-year history of Centrum which he will be sharing parts of during FWPDA board meetings.

Wilson stated that when the Juvenile and Diagnostic center closed in 1971 it was the largest employer in Port Townsend and that the unemployment rate rose to 20% after the closure. Civic leaders wanted to see Fort Worden become a center for the arts and the Center for Creative Development was created in conjunction with Fort Worden State Park. Wilson noted that the arts don’t really work well as a business model but that Centrum is stronger than it’s ever been and strives to keep arts and education accessible to people of modest means.

Herb Cook stated that he and his wife attended the creative aging conference and had a thoroughly enjoyable day (a collaboration between Centrum and the Frye Art Museum).

VI. Consent Agenda

A. Review and Approval of Regular Board Meeting Minutes, January 23, 2019

Action: Motion to approve January 23, 2019 Board Meeting Minutes

Unanimously APPROVED

VII. Review and Discussion of Financials

A. Staff Report

See the financial memos in the board packet (on website). December 31, 2018 and January 31, 2019 financial reports were presented. Robison reviewed the 2018 Capital Improvement projects and noted that emptying building 305 cost the FWPDA over \$22,000 and that the work was originally proposed to be completed by Washington State Parks. Robison stated that State Parks contracted with a company who conducted a superficial clean-up of bat guano in the attic of building 305 but that there is still significant clean-up to be done. Robison stated that State Parks had \$100,000 in their capital budget for historic window replacement and that State Parks agreed to have the FWPDA manage the replacement of windows in buildings 305 and 308. Robison reported that graduates from Port Townsend School of Woodworking and the Northwest School of Wooden Boat

Building were hired to work with the FWPDA facilities crew to replace the windows in the buildings. Robison stated that the team was trained by a National Parks Service Historic Preservation Specialist and that the FWPDA facilities team is now capable of historic window preservation and that the team is starting to build storm sashes. Robison noted that the project will need to be completed by the end of the fiscal year. Robison also reported that the floors of building 204 have been refinished using historical preservation funds.

B. Board Discussion

Board and staff discussed utility costs. Moody reviewed the year-end financials (see memo). Cindy Finnie stated that 2018 was a challenging year for the FWPDA despite strong revenue growth and noted that she is unsure how sustainable the trajectory of growth is over the long term. Moody stated that expenses are being reduced in anticipation of potential repairs. Board and staff discussed food service and staff overtime. Robison noted that there was a goal to keep as many staff as possible employed through the shoulder season, resulting in higher staffing costs. Board and staff discussed reporting features of the new property management system and time and payroll management systems. Board and staff discussed the reduced occupancy strategy that was implemented in December 2018 and January 2019. Moody reported that the occupancy strategy will be adjusted going forward – occupancy will not be reduced in December 2019 but slightly reduced in January 2020. Robison stated that donations that were previously received by the FWPDA are now going to the Fort Worden Foundation so that funds that are earmarked for Makers Square or operations are no longer visible on the FWPDA balance sheet. Board and staff discussed ways of better explaining the relationship between the FWPDA and the Fort Worden Foundation. Board and staff discussed ending 2018 with a negative net revenue and the impacts of the additional expenses taken on after the maintenance transition. Robison noted that Makers Square and glamping will bring more revenue generating capacity to the Fort.

Cook stated that although a negative balance sheet is a concern, prudent investments the FWPDA made in hiring staff (and other things) could drive future revenue. Tonina noted that FWPDA is starting to see the financial impact of emergency repairs (i.e. boilers). Hutton stated that future cost cutting initiatives should be reviewed within the context of a long-range strategic plan and suggested a 5-year pro forma showing the consolidated balance sheet between the FWPDA & Fort Worden Foundation.

VIII. Makers Square Update

A. Staff Report

Dave Robison stated that David Beckman & Gee Heckscher have been diving deeply into the Makers Square design drawings for Buildings 305, 308 & 324 as well as the proposed KPTZ remodel bid specs and design drawings. Robison reminded the board that the Makers Square project does not need to be completed by July 2020 in order to obtain Historic Tax Credits and stated that David Beckman and Gee Heckscher have been reviewing the design set in detail and working closely with the design team to address ambiguities. Robison noted that these changes in the design set will save money in construction costs (due to reduced likelihood of construction change orders). Heckscher reported that the goal is to have drawings complete for resubmission for permits by March 21 and noted that comments received from the City of Port Townsend have been incorporated. Heckscher reported that

the Makers Square schedule includes a 5-week bidding period and that the lowest responsible bidders will be presented to the board. Robison stated that he is anticipating bringing a contract award to the board in May or June.

B. Board Discussion

Board and staff discussed the Makers Square project base bid and alternates. Robison stated that a decision on project alternates and phasing will be made after passage of the State Capital Budget appropriations. Robison stated that that KPTZ is investing over \$600,000 into the basement of building 305 and that a long-term lease is being negotiated. David Beckman will be serving as KPTZ project manager for the KPTZ renovation project. Board and staff discussed the project timeline, potential impacts on personnel costs and Historic Tax Credits. Robison stated that the project must be completed within five years from January 1, 2018 in order to qualify for tax credits and stated that the expected Historic Tax Credits will be higher than originally expected (an estimated \$1.7 million, after attorney fees). Robison discussed phasing site improvements and the parking lot. Beckman stated that the whole Makers Square project is still a 12 to 15-month project and that the project may still be completed by June 30, 2020.

IX. Resolution to designate Executive Coordinator as public records officer.

A. Staff Report

Robison noted that as a public entity, the FWPCA needs to have a designated Public Records Officer and that the task previously rested in finance.

B. Board Discussion

None

Action: Move to approve **Resolution 19-05** designating Executive Coordinator as public records officer.
Unanimously Approved

X. Motion to authorize Executive Director to enter into a contract with a tent manufacturer for the Glamping Project.

A. Staff Report

Robison stated that the glamping project has been delayed due to several factors including snow, the flu season, the SEPA review process, the tree inventory and the cultural resource survey process. Robison stated that a draft survey will be received next week, final specs from the civil engineer are anticipated and bid documents are in process. Robison outlined possible timing scenarios for the glamping project and possible implications of each scenario. Beckman stated that bid documents will be submitted asking for the project to be completed on June 1.

B. Board Discussion

Board and staff discussed possible budget implications of the glamping delay. Board and staff discussed financing and financial implications of each scenario and whether to authorize Executive Director to move ahead with entering into a contract with Rainier Industries for the glamping tents.

Action: Move to authorize Executive Director to enter into a contract with Rainier Industries, identified as the responsive and apparent low bidder, to provide 15 tents for the Glamping Project. **Unanimously Approved**

XI. Motion to authorize Executive Director to enter into a contract with service master (aka Americas Elite, Inc.) to undertake final mitigation of bat guano in Building 305.

A. Staff Report

Robison stated that State Parks contracted with a company who conducted a preliminary clean-up of bat guano in the attic of building 305 but that there is still significant clean-up to be done to get the building ready for occupancy. Robison stated that three bids were received ranging from \$4,000 to \$156,000 and that the lowest qualified bidder came in at \$40,807.54.

B. Board Discussion

Cindy Finnie asked whether State Parks will pay for the additional clean-up cost and Robison replied that they will not pay for the additional clean-up cost of building 305. Board and staff discussed formalizing value exchanges and future negotiations with Washington State Parks.

Action: Move to authorize Executive Director to enter into a contract for \$40,807.54 to undertake final clean-up of Building 305. **Unanimously Approved**

XII. Staff Report

A. Jefferson County PIF grant

Robison stated that a grant request was submitted to the Jefferson County Public Infrastructure Fund (PIF) and that Fort Worden received \$150,000 to renovate 14 rooms for seasonal employee housing on the lower floor of building 203. The single-occupancy rooms may also be used for interns (i.e. hospitality internship program and/or partner interns) during the shoulder seasons. Robison stated that an additional \$100,000 grant request will be submitted next week from a different source. Board and staff discussed details of the space, possibility of providing room and board for seasonal employees, and partner needs for housing (i.e. PTSW students).

B. State Audit

Moody reported that the audit is complete and under review. Moody noted that this was the first audit under the accrual basis. Robison noted that the highly unique nature of the FWPDA posed extra challenges for the auditors. Board and staff discussed areas of focus for the audit and receipt management. Robison noted that the FWPDA conforms to the same strict rules as a city.

C. Neighborhood Advisory Committee

Rufina Garay stated that Fort Worden aims to be a good neighbor and that some neighbors in the area have expressed concerns about increased traffic and noise (i.e. during Fourth of July or Modest Mouse). Garay reported that a Neighborhood Advisory Committee will be formed to receive neighborhood feedback on how to best move forward. Robison has been in discussions with the City of Port Townsend regarding updating the transportation plan to minimize traffic coming up and over the Cherry Street hill. Rufina Garay reviewed details of the Neighborhood Advisory Committee and stated that the commitment includes a 3-

year term and two meetings per year. Board and staff discussed representation on the committee, updating the transportation plan, managing traffic during major events and obtaining traffic counts.

D. Partner Handbook

Rufina Garay reviewed the table of contents for an upcoming Partner Tenant Handbook and stated that objectives include transparency, consistency and communicating campus-wide initiatives (i.e. sustainability) - highlighting possible synergies. Garay noted that the Partner Handbook includes guidance on business plans and that the Handbook will continue to be revised as comments are received. Garay reported that Partners will receive the Handbook for review at the Partners Meeting on April 2. Board and staff discussed adding the responsibilities of the FWPDA as well as the Fort Worden Branding Statement. Robison stated that the Handbook will help explain what Fort Worden is about to prospective partners.

E. Recycling Program

Rufina Garay stated that custom recycling bins are being installed across campus and noted that the Sustainability Committee has been actively engaged.

F. Marketing Report & “Get Here” Video

Board and staff viewed the “Get Here” video produced by Champion Productions that shows people along the I-5 corridor how to easily get to Fort Worden and activities to do along the way. Most of the funding for the video came from an LTAC grant.

XIII. Public Comment

David Goldman encouraged the FWPDA to obtain better data in order to accurately assess risks and decide on the best course of action. Goldman also encouraged staff to not “lend” out funds in the form of outstanding accounts receivables to partner organizations. Goldman noted that FWPDA absorbed maintenance costs after the transition from State Parks, significantly impacting 2018 expenses. Goldman reiterated the importance of telling the Fort Worden story and cited the “Get Here” video as an example. Goldman discussed the connection between the Fort Worden Foundation and the FWPDA. Goldman stated that the national debt continues to increase and that the risk falls to this board to manage operational risk.

Owen Rowe stated that he would like to see a plan for relinquishing the waiver of indexing public records. Rowe noted that there were a couple of misspellings in the “Get Here” video.

XIV. Next Meetings

- ❖ Executive Committee Meeting, March 19, 2019, 9 a.m.
- ❖ Board of Directors Meeting March 27, 2019, 9 a.m.

XV. Adjourn: 12:10 p.m.

Board Packets and PowerPoint Presentations are available on our website at: www.fortworden.org under public documents>agendas & documents>public meetings>PDA Board Meeting 2.27.19