



Fort Worden

— PORT TOWNSEND —

A HISTORIC GATHERING PLACE

MEMO

DATE: August 31, 2016

TO: PDA Board Members

FROM: Dave Robison, Executive Director
Todd Gubler, General Manager
Diane Moody, Chief Financial Officer

RE: August 2016 Board Report

We hope you are all enjoying the last summer days of August. In lieu of a board meeting this month, staff agreed to prepare the following August Staff Report to the Board.

July Financial Reports:

The official July Financials will be finalized and posted to fortworden.org website on Friday, September 2nd, 2017.

Revenue - We anticipated a shortfall of accommodation revenues in July, due to the impact of the loss of the film. Food & Beverage remained slightly ahead of plan year-to-date. Overall revenue for the month was lower than plan, bringing our year to date revenue to about \$2.46 million to a plan of \$2.78 million. We anticipated that July would have this impact.

Expenses - We managed our expenses in accordance with the anticipated revenue shortfall. Personnel expenses were lower than budget and year-to-date represent a savings of over \$100,000. Utilities for the July were higher than budget but remain lower than budget for year-to-date. Expenses were relatively in-line with budget for the month but remain over \$320,000 lower than plan year to date.

We continue to manage our revenue and expenses in a manner that will achieve the PDA's 2016 financial objectives.

2016 Organizational Goals:

Dave, Todd and Diane had a series of work sessions in June and July to review progress on the 2016 organizational commitments. While the team agreed we have made significant progress, leadership staff sees a need for improvements and course corrections before the end of the year. Many of the metric deadlines did not meet the planned completion dates. One issue that stands out which has impacted some staffing impacts (primarily recruiting and on-boarding) is a result of not being able to hire and place an HR manager that possess the desired skills and experience. One outcome that resulted from the series of works sessions is the development of a 120-Day Departmental Management Plan for each director that will help to bring the plan back on track by year-end.

120 Day Departmental Management Plans:

Our directors are now carrying out their 120 Day Goal Plans. Their focus areas are detailed under the following sub-themes: Lead Our People, Grow the Top Line, Manage the Middle, Deliver Results, & Teamwork. We have also completed a Management Team Values and Guiding Principles process and document that will begin to be rolled out in the last quarter of 2016 and reinforced in 2017. The goal plans and values document are designed to assist us in developing culture that includes accountability, among many other values, among our current leadership and future leaders.

By-Laws:

Another outcome from the series of staff management work sessions is a five-year road map to building an organizational structure that supports the multi-faceted goals and mission of the PDA. As part of this review, the staff recognized that there may be a need to expand and clarify the Board's by-laws. Therefore at the September Board meeting, staff will propose their five-year organizational road map, provide a framework, and recommendations for modifications to the Board's by-laws.

Marketing Update:

The marketing team is once again meeting regularly which includes Christina Pivarnik, director of marketing for the City of Port Townsend, with whom the PDA collaborates on co-op marketing campaigns. Fall and Winter print/digital advertising campaigns are set to focus on multi-night accommodations stays packaged with special food service offers. A weekly "Fresh Sheet" that highlights seven days of events of and activities at Fort Worden is updated each week and has become an effective tool for the Front Desk to educate visitors about campus offerings. Our website developers met with staff in August to discuss redevelopment of the homepage and Meet Here pages. The goal is to increase the website's usability and effectiveness as a sales tool. A six-month Google Adwords campaign has been developed and the initial round of advertising launched with positive results. Additional advertising is planned and will constantly be evolved based on the feedback and effectiveness of previous campaigns.

Point Wilson Lighthouse:

In July, we received notification from the USCG that the PDA was not selected to manage and operate the Point Wilson lighthouse property. Very surprising and disappointing. In a follow-up call, Dave was told that the National Lighthouse Society was the successful bidder. Dave received very little other information, other than there was no appeal process. Staff has filed a public disclosure request (FOIA) with the USCG for all materials, emails and correspondence pertaining to their decision. We will keep you informed as we learn more.

Emergency Response Guide

Finally, after months of work (Thanks Karolina!), the emergency guide was completed and reviewed by all partner organizations. As part of the process, we were able to streamline our phone system and build the platform for a future emergency broadcast system across campus. The Guide is at the Printery and should be distributed around campus in early September.

Building 202 and Historic Tax Credits (HTCs):

The construction of Building 202 is almost complete. The final review of the HTC transaction documents by OFM and other parties has been quite intense over the past month. The good news is that the parties are taking about a closing date in early September—as opposed to whether or not the HTC’s should move forward. Peninsula College’s fall session begins on September 19th. We will let you know the date for the grand opening celebration when it becomes scheduled.

Master Lease Amendments:

Dave has been working with State Parks leadership staff on several amendments to the PDA’s master lease. Amendments under consideration include: changing deadline dates for submittal of the Annual Maintenance Plan and Report to better reflect the Commission’s review process; clarifying how we use our Capital Fund account; clarifying how the Discover Pass annual proceeds are accounted for; possible changes to PDA management of camping reservations; and, buildings that may be transferred from the State’s Reserved Area to the PDA lease area (e.g., Buildings 296 & 364, mower and paint shops). The proposed amendments will be discussed and reviewed at the September board meeting.

Partner Tenant Lease Negotiations:

Board Chairperson, Norm Tenino and Dave have completed meeting with all Partner tenant organizations to discuss future lease/use agreements. As you may recall, most partner tenant leases expire on Jan. 31, 2017. Norm and Dave are pleased with the discussions thus far and will seek to have revised terms and conditions for partner leases by early fall in order for Partner tenants to do their 2017 budgeting and longer-term organizational business planning.

Grants:

The PDA was awarded a *Washington Heritage Capital Fund Grant* in the amount of \$750,000 for the renovation of Buildings 308 and 324. Both buildings were built around 1908 and have been used as warehouse buildings ever since. The two buildings are proposed to be renovated as multi-purpose classroom/workshop spaces to support programs in the Makers Square. Grant funds would be used to bring both buildings up to code as assembly spaces and include water, sewer, and electrical upgrades, heating, insulation and ADA accessibility. This grant is dependent on the State Legislature appropriating capital funds in the 2017-19 budget.

Dave and Arts Consultant Kris Tucker made a grant presentation request of \$1.5 million to the *Building for the Arts Advisory Board*. Grant funds would be used for the renovation of Building 305 (currently the State Parks maintenance shop) as a future arts and education center. If awarded, this grant is also dependent on the State Legislature appropriating capital funds in the 2017-19 budget.

Executive Coordinator:

We are pleased to announce that Karolina Anderson has recently accepted the offer for the Executive Coordinator position to the management team (Dave, Todd and Diane). She will attend the management team's daily meetings, coordinate our appointment and meeting calendars, take on special projects and strive to enhance the overall functioning of the management team. Karolina will also serve as the primary staff contact for Board members, will attend board meetings and take meeting minutes.

Thank you all for your commitment and dedication to making Fort Worden sustainable and a tremendous asset for Port Townsend and Washington State. It definitely takes a team of talented people all pulling together.

Thank you for your ongoing involvement as a PDA board member.

Onward!