

MINUTES
Board of Directors Meeting
Fort Worden Public Development Authority (FWPDA)
Wednesday, March 29, 2017 | 9 a.m. – 12 p.m.
Commons “B” (Building 210), Fort Worden

Action: APPROVED Resolution 17-03 updating persons authorized to make transactions on the Infin^eix Financial Group brokerage account ending #5102.

Action: APPROVED Motion to establish Audit Committee and for Executive Committee to act as the Audit Committee.

Present – Board Members: Herb Cook, Bill James, Lela Hilton, Jane Kilburn, Bill Brown, Norm Tonina, Gee Heckscher; Cindy Finney, Jeff Jackson (by phone), Harold Andersen. PDA Staff: Todd Gubler, Diane Moody, Dave Robison, Karolina Anderson; Public: Kevin Alexander, Shelley French, George Randels, Rodger Schmitt, Daniele Costello, Bill Drath, Owen Rowe, Jon Schorr, Larry Sammons, David Goldman, Kerry Tremain, Robert Ambrose, Nora Petrich, Kate Anstine, Holly Barousse.

- I. Call to Order:** 9:00 A.M.
- II. Roll Call & Staff Introductions**
Todd Gubler introduced Fort Worden staff Holly Barousse (Housekeeping Manager) and Kate Anstine (Chef de Cuisine)
- III. Fort Worden Partners Report**
Kevin Alexander presented the Partner’s Report and Kerry Tremaine of Port Townsend School of the Arts (PTSA) presented a Power Point presentation about PTSA. PTSA was founded in 2015 by local artists and, in its first year of operation served over 500 students of all ages. Mission statement emphasizes intergenerational learning. PTSA is committed to the success of Fort Worden and the Makers Square development - the PTSA building is located in the center of Makers Square. Highlights from first year of operations include: achieved IRS nonprofit status, collaborated with local schools and nonprofits, achieved budget goals and financial stability, hired a full-time staff member, offered 5 terms averaging over 25 classes and workshops each, recruited and paid top-notch faculty artists and participated in design process for Makers Square. PTSA also hosted free community events, and is led by a strong and actively engaged board of directors.
- IV. Changes to the Agenda** None
- V. Consent Agenda**
 - A. Review and approval of Board Meeting Minutes, February 22, 2017 **Approved**
 - B. Review and approval of Executive Committee Minutes - Audit, February 23, 2017 **Approved**
 - C. Review and approval of Executive Committee Minutes, March 21, 2017 **Approved**
- VI. Review and Discussion of February Financials**
 - A. Staff Report
Todd Gubler reported on the Hospitality Revenue and Expense report, Diane Moody reported on the organization’s balance sheet. Gubler reported that February total revenue was 52% higher than February 2016 and is 8% ahead of budget. He then explained the state of overall

revenue, personnel costs and total expenses. Total revenue in February was \$256,929, which is 108% to a budget of \$237,740. Accommodations (room) revenue for the month was \$137,186. This is 72% more over last year and \$24,000 ahead of this year's budget. Food and Beverage was also up 79% over last February and \$6,000 for the month. Personnel costs were slightly over budget for the month at \$153,421. However, as a percentage of revenue, the cost was 63% to a plan of 67% and compared to last year, where personnel costs were 74% of revenues. Total expenses were \$240,687, which is 9% over budget. As was the case in January, utility costs were the main contributor to higher than usual expenses for the month. Gubler was going to take a detailed look at utilities and costs per building to identify the cause of these higher costs. Gubler ended the presentation stating PDA monthly net revenue actuals are ahead by \$6,800, year-to-date revenues are on slightly over budget and net revenues are behind budget for year-to-date by \$56,398. Moody presented that there is no significant change from last month to the assets and liabilities on the Balance Sheet.

B. Board Discussion

Jeff Jackson requested that the variance column in the financial report be modified to present the variance as favorable or unfavorable vs. direct math. David Goldman (member of the public) encouraged the PDA to make financial accessibility central to the mission of the PDA and stated that efforts to expand markets and increase profitability is leading to a concern that people are being priced out - he encouraged building in opportunities for lower income people to participate in activities and access to the Fort. Goldman's comments spurred a board discussion on the subject. Robison stated that financial and social accessibility is central to the mission of the FWPDA. Robison also stated that having lower cost space rental, lodging and food package rates for partner organizations is one of the ways that the FWPDA ensures that the Fort remains accessible to financially diverse groups of people. Lela Hilton encouraged staff to explicitly incorporate outreach to lower income people as a stated goal in FWPDA materials, including marketing.

VII. **Resolution 17-03** updating persons authorized to make transactions on the Infinix Financial Group brokerage account ending #5102.

A. Staff Report

Robison explained that adding Diane Moody as an authorized person on the Infinix Financial Group brokerage account would enable her to facilitate necessary transactions in his absence. Moody clarified that she would only act with Robison's prior approval.

B. Board Discussion

None

Action: Resolution updating persons authorized to make transactions on the Infinix Financial Group brokerage account ending #5102. Motion to approve by Herb Cook, seconded by Jane Kilburn. **Unanimously approved**

VIII. **Staff Report**

❖ **2017 Marketing Plan**

Jane Kilburn presented an overview of the Marketing Plan starting with the Fort Worden brand message: "Fort Worden is a historical retreat in a magnificent natural setting – a creative place for arts, education and recreation". The plan identifies the following target audiences: leisure – families, foodies and festival-goers; groups – sports, military, education, religious, fraternal, ethnic, corporate specialists and weddings; partners, prospective partners and employees. The plan addresses strategies in the following categories: organizational strategies, strategies for FWPDA development and revenue generating operations and programs. Bill Brown encouraged staff to engage in collaborative marketing with the Film Festival, Kinetic Festival, Rhody Festival, Wooden Boat, and Race to Alaska. Robison stated that he is contact with the organizers of some of these festivals regarding possible

collaborations. Cindy Finney encouraged staff to increase direct marketing to guests about downtown Port Townsend and Robison suggested incorporating that training to the FWPDA new employee onboarding process. Rodger Schmitt suggested adding a book in the houses that includes both Fort Worden and downtown restaurants and activities.

❖ **Staff Retreat**

Robison and Gubler presented a PowerPoint about the recent staff retreat that included visits to Olympic Club McMenamins, Fort Vancouver and Edgefield McMenamins. Robison presented staff takeaways including: ideas for improving guest services and amenities (i.e. providing earplugs, soaps); events and activities including more movie showings, regular live music, and having a game room onsite; retail ideas; improving ambiance and character; improving landscaping; visual storytelling and art; marketing and conceptual approaches. Robison reported that the Leadership Team reviewed the Mission, Values and Guiding Principles of the Fort Worden PDA and created a timeline and plan to roll out the Core Values to employees and to incorporate the core values throughout the property. In addition, staff reviewed Quarter 1 accomplishments and successes as well as outlining Quarter 2 Goals and Objectives.

❖ **Business plan consultant for Makers Square**

Robison introduced Kate Oman, the new Makers Square business plan consultant. She is meeting with stakeholders and is looking at potential new tenants, board relationships, etc. (please see FW Foundation/PDA joint board meeting notes for more details).

❖ **Annual report to City Council**

Norm Tonina stated that he and Robison presented an annual report and State audit results to the City Council and that members of the City Council responded positively.

❖ **Capital Investments/Feasibility Studies**

Robison reported that financing options are being explored for initiating the glamping project, building 203 upgrades and remodeling of NCO Row. Financing is also being sought for the energy efficiency project (replacing lighting with LED). Jefferson County declined to sponsor a bond and Robison and Moody are now exploring private loan options.

❖ **Lighthouse**

Robison reported that Gubler and he toured the Point Wilson Lighthouse with the Lighthouse Society and further discussed a possible partnership. PDA will take the lead to draft a partnership agreement and putting together a feasibility study for building renovations.

❖ **Leases**

Final terms have been sent to Centrum. Norm Tonina pointed out that the PDA could enter into a longer-term lease (10 years) with Centrum after they keep current with payments to the PDA for twelve consecutive months and submit a business plan and capital investment strategy.

IX. Public Comment

George Randels suggested focusing on a cohesive marketing theme and let partners market their own products. David Goldman suggested using partner organizations to tell the story of the Life Long Learning Center at Fort Worden. Kerry Tremaine suggested organizing more activities at the Fort to increase local engagement.

X. WA State Parks Report –Rodger Schmitt

Schmitt presented a report on the progress of the State Parks 2017-2019 Capital budget – the preliminary Fort Worden breakdown before reconciliation in the State Legislature. The following new projects have been approved for funding by the State Senate: \$2,320,000 for the sewer line replacement and \$192,000 for the fire alarm system – both same as the Governor’s budget. The State Senate possibly funded \$497,000 for the overhead electrical supply – however, it’s in a minor works category and details are not yet available. The following budget requests were not funded: \$734,000 for the pier and marine learning center, \$1,043,000 for improving the housing exteriors and \$377,000 for replacing failing water lines. Schmitt noted that the projects not funded did not appear to be specific, targeted reductions but that reductions reflect the lower level of funding by the Senate – where they drew the cut line using priorities identified in Parks’ Capital Budget submittal. The Fort Worden Foundation received \$1,207,000 for the Sage Arts and Education Building through the Building for the Arts program and \$643,000 for historic warehouses rehabilitation through the Washington State Historical Society.

XI. Board Reports/Discussion

- ❖ Establish Audit Committee

Action: Motion for the Executive Committee to act as the Audit Committee. **Approved**

XII. Board Motion to hold Executive Session to review personnel issues and lease terms and conditions in accordance with RCW 42.30.140(4) and 42.30.110 (c) respectively. No Executive Session was held.

XIII. Next Meetings

- ❖ PDA/FW Foundation Public Luncheon, March 29, 12 p.m.
- ❖ PDA/FW Foundation Joint Board Meeting, March 29, 1 p.m.
- ❖ Executive Committee Meeting, April 18, 9 a.m.
- ❖ Board Meeting, April 26, 9 a.m.

XIV. Adjourn: 11:33 A.M.