

AGENDA
Board of Directors
Fort Worden Public Development Authority
Commons B, Fort Worden

Regular Board Meeting: Wednesday, February 25, 2014 9:00 a.m. – 12 p.m.

- I. **Call to Order by President Cindy Finnie at 9:07 a.m.**

- II. **Roll Call & Staff Introductions**
 - a. **Board: Anne Murphy, Bill Brown, Bill James, Cindy Finnie, Gee Heckscher, Jeff Jackson, Lela Hilton, Norm Tonina, Scott Wilson**
 - b. **Staff: Colleen Jones, Dave Robison, Jill DeCianne, Todd Gubler**
 - c. **Partners: Janine Boire, Kevin Alexander, Lisa Werner, Rob Birman**
 - d. **State: Brian Hageman, Rodger Schmitt**
 - e. **Public: Carla VanDerbeen, David Goldman, Diane Moody, Herb Cook, George Randels**

- III. **Public Comment - none**

- IV. **Changes to the Agenda – no changes**

- V. **Consent Agenda**
 - A. **Review and approval of Board Meeting Minutes, January 27, 2015; Motion to approve; 1st by Bill James, 2nd by Anne Murphy; Passed unanimously.**

- VI. **Review of Memo from Diane Moody**
 - **Staff Presentation: Todd Gubler – Introduction of Diane Moody, Financial Consultant**
 - **Diane presented Initial Observations and Recommendations. Her goal was “to gather information on the PDA’s organizational and management structure, personnel responsibilities, policies and procedures related to public entity compliance components and to financial management and reporting.” Also reviewed was “the PDA’s key strategic goals, services and planned development projects.” Her findings are located in the board packet.**
 - **Board Discussion**
 - **There should be caution to be lean in the policies rather than creating a quagmire where things cannot get done or become too bureaucratic. There needs to be structure, but we need flexibility. There definitely is a need for checks and balances. The state auditor will review policies and procedures and give warnings on non-compliance or on issues found. We must separate roles and responsibilities and define specific policies for financial management. For example, future donations need to be distributed into restricted and unrestricted donations. Currently they have only been unrestricted donations.**

- VII. **Review of Draft 2015 Budget and Staffing Plan**

Staffing:

 - **Staff Presentation**
 - **A power point presentation is included in the board packet;**

- Alignment must be formed between the public side and the business side of the organization. We are a government agency, not a corporation;
- Federal employment standards change when staffing reaches 50 full-time employees;
- Compliance/Records Management and Human Resources will likely become two positions in the future;
- There need to be clear checks and balances;
- Board Discussion
 - The board discussed the pros and cons of the HR Manager and the Financial Manager reporting to the General Manager or the Executive Director. No consensus was reached. Staff will bring back a recommendation to the March board meeting.

Budget:

- Staff Presentation:
 - Conference housing has a great sales team and will have possibly more growth, but will be minimal for 2015;
 - Vacation housing – this has a great opportunity to grow, but we can do even better;
 - Spring promotion – Think of the motto: “Come home to our home town”
 - We are beginning to back off summer promotions since our campus, being pretty filled up, has limited offerings at this time – mostly weekdays. We will begin developing a strong fall promotion.
 - Based on prior year assumptions, we will be looking for meeting space growth for the fall months.
 - Employment growth is coming from the local area; we are giving personal growth to our staff, which should have a great impact on our community. The pay scale is appropriate to the positions, but is higher than minimum wage. We have covered all the service needs of the organization. There are no names on the job list. There are job levels in each position, allowing for different levels of responsibility, advancement and growth. Experienced and skilled talent can grow and advance into supervisor’s positions and then into management.
 - Team Jefferson would love to hear a report on this
 - If we find the right talent, define the success we will have measurable success for retention;
 - We are at Spring Gear Up time from April to June. We are adding to our operational staff and doing maintenance on our accommodations. We want good impressions from our customers on our rooms, therefore change is needed in each of the houses; we need to invest in new linens, bring each room up to current hotel standards which will consist of minor repairs and painting with updated color schemes. In detailing the rooms, we will be giving the right first impression to guests.
 - Currently spending \$55,000 on the Cable House Canteen to bring it up to code and renovating it so it is capable of assisting the current kitchen when out of operation for repairs.
 - We want previous guests to recognize the changes at Fort Worden. We want to have the ability to add more hospitality service options.
 - There are a significant amount of capital improvement projects being looked at – new roofs on NCO row, sewer system, \$2 million to develop shop space, \$1 million to work on Officer’s Row. We are working with State Parks to get the state legislature to approve the capital budget priorities for Fort Worden.

- We need to grow our net reserve into a larger amount for anniversary year 5 of the PDA. We need a healthy reserve for when we take over maintenance duties from State Parks.
 - There are no donations shown in the budget; this is strictly in-house operations budget. At the March board meeting we will show how the donations fit into the PDA scenario. and how they will meet the compliance issue. It will not change the budget much. The board will decide the allocation of the donations; there may be certain projects that utilize those donations. In-house staffing operations costs may go down or supplement those costs because of the donations allocated to those projects, which might take on in-house staffing rather than outside staffing.
 - The budget shown is based on pages of back up data all rolled into this condensed report.
 - We are in a unique system, but this budget is realistic and achievable. Norm strongly supports this budget approach.
- **Public Comment:**
 - Brian Hageman – The PDA will take over all maintenance operations in 3 years, 2 months.

Action: *Move to approve/table adoption of 2015 budget – 1st by Gee, 2nd by Lela; Passed unanimously.*

GM Todd is appreciative of the time from Jill, Norm and Dave in creating the aforementioned budget.

VIII. Review of January Financials

- Staff Presentation
 - Fort Worden Food Services made a profit in the month of January. Bon Appetit never made a profit in January, we had to subsidize them. We had expected a \$20K+ loss. Kudos to Kristan for making into the black and who treated this business as though she owned it herself. The balance sheets will show COG in detail and also show deferred income and deferred expenses.
 - The PDA P/L shows that the utilities continue through the winter on a keep full basis; the propane is used in the Commons;
 - January and February are always months that operate in the red. Next year there will be a winterization schedule for full shutdown of particular buildings and partial to others. We are researching how to winterize them.
 - This season housekeeping is checking on each building daily for lights left on, heat left up, doors and windows that are not properly secured. We eventually want to manage some of these items from a centralized location with wireless building control systems.
 - Certain buildings will need new boilers as they are 60 years old and we are uncertain if they would restart after being shut down if winterized.
 - We currently have a \$500,000 budget for utilities. This is a great area for future savings.
 - The balance sheet does not have the assets entered, so therefore no balance sheet at this time. Discover Passes are located on the balance sheet. Cost is budgeted on Discover Passes, but recognize it is not an income. Overages would go into reserves. Discover Passes are sold on the State Fiscal year of July 1 – June 30. There is a lag time in State reporting to the PDA, which also pertains to their

online sales of the Discover Pass. Recommendation made to show reporting of annual and daily Discover Passes. Possible idea for Discover Pass sales is to place a \$10 per hour person at the main gates to welcome guests and be proactive on the sales of Discover Passes. The State has recommended the possibility of selling the Discover Daily Passes at a discounted rate to possibly sell more.

VIII. Staff Report

- ATRIO Update—Todd Gubler – There will be a full reconfiguration of the system, which is less than ideal in late May and early June. It will require a full retrain of the staff. ATRIO has stated that ALL areas will be fixed.
- Building 202—Dave Robison – The bid ad went out this morning and into various publications through March 4. It is a \$4.2 million construction project. A pre-bid walk through will be on March 26. Peninsula College and the State will issue notice to proceed on April 20. The construction project is slated to begin in May. There are no red flags on the historic tax credits at this time. An additional layer of state review was added to the historic tax credits process, but we don't anticipate a problem in going forward.
- Public-Private Partnership Conference – Dave is attending in Dallas and will share with the Board some of what he learns at our March meeting.
- The Master Use Plan RFP was sent out Friday, February 20th. The planning process will begin around the end of April and run through June.

IX. Board Member Reports

- Capital Projects
 - Gee Heckscher –State capital funds are being used on the following:
 - Building 16 - boiler and controls (\$180K). The contract has been awarded;
 - Building 5, 6, 7 and 15 – roofing is on schedule (\$750K);
 - Commons Kitchen Floor – under contract, March 16 begin date (\$55K). It is a four week project with all equipment being removed, cleaned and re-installed. In addition, Kristan has chosen to relocate the coffee urns into the Servery area, requiring electricians to refit the wiring.
 - The Cable House Canteen needs to be up and running to accommodate the needs of the Commons Kitchen while it's being re-floored. We are one day ahead of schedule and are ready for the electrician and plumber to come in on Monday. Kudos to Jaime and his crew. There needs to be a seamless transition so that food service event commitments can be met. The Cable House Canteen will be open to the public around Memorial Day or at the latest, by mid-June.
 - The Guardhouse is an upcoming project needing evaluation and cost examination.
 - O Row, Building 6 E & W has an improvement plan for the interior that will become the template for future interior upgrades on all O Row buildings.

X. Possible Board Motion to hold Executive Session for personnel matters or to review lease terms and conditions in accordance with RCW 42.30.110(c). Not at this time.

XI. Public Comment

George Randels – These are fun meetings to attend. Continued complements to the Board, Dave and Others. You are doing a stellar job in light of the problems that have ensued during the first year of operations.

Herb Cook – Regarding the organizational chart, agreement on compliance and transparency between the PDA and the Public. Believes compliance should be separate from the General Manager; having the Financial Manager report directly to the General Manager would be a mistake. Believes the Financial Manager should report directly to the Executive Director.

Rodger Schmitt, Liaison from the WSPRC - Reminded that commissioners now use their Parks email addresses – first name, period, last name @parks.wa.gov (e.g., Rodger.Schmitt@parks.wa.gov).

Operations Budget

The Parks Commission Operations budget request to the Governor was \$150M, plus dedicated funds of \$20M, for a total \$179M. The Governor submitted his budget to the legislature and included his request for Parks Operations of \$136M, plus \$20M in dedicated funds, for a total of \$156M. This leaves Parks with a gap of \$23M from the amount the Commission has determined is the level needed to provide for public services and maintenance and operation of all parks.

Capital Budget

The Parks Commission Capital budget request to the Governor was \$102M and the Governor recommended \$91.6M, or about 90% of what Parks requested. Included in that total was \$18M in spending for programmatic projects.

Both Operating and Capital budget numbers may vary with pending adjustments.

Discover Pass sales are estimated to increase 8.8% in the 13-15 biennium, with overall revenues estimated to increase 5.4%.

Legislation

Hunting in Parks – provides authority for the Commission to receive requests for hunting in parks and make determinations based on said application(s). [This was later changed to directing Parks to allow hunting in 4 State Parks.]

Discover Pass – introduced to change the requirement for the pass to be used by only one vehicle at a time to allow one pass to cover both vehicles for which the license is on the Discover Pass. Parks feels this will cut into DP revenue and opposes the bill.

Exemptions – this bill would allow access for persons with disabilities free access to DNR and DFW lands.

Litter Citation Fines – increases the litter fee with the new revenue raised dedicated for Parks.

Free Days in the Parks – changes the number of days from 11 to 12 and gives the Director authority to set the free days differently by park.

Volunteer Hours – provides authority for married couples to receive a free Discover Pass with 24 hours of combined volunteer time spent in a park or parks.

Discover Pass – ORV Use – exempts some ORV's from requirement to have a Discover Pass.

XII. Next Meetings

- Executive Committee Meeting, Thursday, March 19, 4pm
- Regular Board Meeting, Wednesday, March 25, 9am

XIII. Adjourned at 11:22 a.m.