

MINUTES
Board of Directors
Fort Worden Public Development Authority
Commons C, Fort Worden

Regular Board Meeting: Wednesday, June 24, 2015

I. Call to Order

9:05 am by Cindy Finnie

II. Roll Call & Staff Introductions

Introduction of Pat Kenna as part-time admin support and Diane Moody, currently a financial consultant, who will begin as CFO in July

Board Members Attending: Cindy Finnie, Norm Tonina, Gee Hecksher, Lela Hilton, Bill Brown, Anne Murphy, Jeff Jackson, Bill James; Absent—Scott Wilson.

Public Attending: George Randels, Jeannie McMacken, Janine Boire, David Goldman, Herb Cook, Kevin Alexander, Forrest Rambo, Rob Birman, Carla Main

III. Public Comment: None.

Executive Director Dave Robison commented upon an article regarding Master Use Plan in Leader on page p.3. In addition, on p. 17 there is an article on the seven local Petanque Teams that went to Portland. Our local women's pairsteam(made up of Gerda from our sales staff) came in 2nd place in the Nationals competition.

IV. Changes to the Agenda: None.

Motion to accept Agenda – NormTonino – Anne Murphy 2nd motion. Unanimous.

V. Consent Agenda

A. Review and approval of Board Meeting Minutes, May 27, 2015

B. Review and approval of Executive Committee Meeting Minutes, June 1, 2015

Motion to approve both above minutes:Jeff Jackson– Lela Hilton 2nd.Unanimous.

VI. ReviewAmendment to Employee Handbook Adding a Housing Policy.

- **Staff Report:**Todd Gubler introduced new housing policy for on-site overnight employee needs. Two different scenarios addressed: (1) Employees needed on-site overnight for security or maintenance purposes(hourly employee paid for on-call work during stay: salaried employee not paid) or (2) Other purposes such as running the business during peak times and/or new hires and need for interim housing.
- **Board Discussion:** Gee Hecksher requested clarification on the language of the policy. After discussion “at no charge” was recommended to be added to the second paragraph of the policy.
- **Public Comment:**None
- **Action:** *Move to approve new housing policy and add to the Employee Handbook in the Benefits and Leave of Absence section with wording change.*
Motion to approve: Gee Hecksher, 2nd motion– Jeff Jackson; Approved unanimously

VII. Atrio Reconfiguration Update

Staff Report: Todd Gubler reported to the Board that the system is now redesigned and implemented, however it is in its' first stages of operation. The system is user-friendly, intuitive and allows for growth. A tremendous benefit to the system is meeting space, food, lodging and dorm revenues are all now billing synchronistically. Updating and refining accounting balance transfers are the next phase of the project and should be finished in 2 weeks. Todd Gubler wanted the Board to know that four team members helped greatly during this transition: Tricia Africa, Michael Stonecipher, Megan Lehr and Gerda Jorgenson.

Board Discussion: Bill James requested clarity on system conversion and what areas were still separate. Todd Gubler explained there are 3 areas that are now live and in the system: (1) State Campgrounds (including specific site campground allocations); (2) Meeting Space (only used for reservation-not financial); (3) Dorms and Housing.

Jeff Jackson requested names of the 4 staff to thank and also extend a thank you to every staff person. Ann Murphy asked if Todd felt the reservation system is where we want to be. Todd said yes and is looking forward to continued efficient implementation and staff training to utilize the system at its' utmost efficiency. This system is very good with a capacity for growth. Marketing strategies can now be built around experiences at Fort Worden and the four different options: Officer's Row, Courtside (NCO housing), Group Housing (Dorms), and Cottages. Cindy Finnie thanked Todd for his leadership and also the Staff for their progress in Atrio reconfiguration and implementation.

- A public question from David Goldman requesting clarity that ALL bookings go thru this one system and campus partners no longer book their own. Todd affirmed this.

VIII. Review and discussion of May Financial Reports

Staff Report: Todd Gubler commented on items of interest on the May Financial Reports. YTD is softer than budgeted. Food service revenues are behind but accommodations are ahead. Cost of Goods right on track at 32% Salary, but wages look high – however May has more pay days (3 actual pay periods in May but only 2 budgeted. Will true up in June as 3 are budgeted for June and only 2 will actualize). Canteen was not open due to construction during most of May, hence reduced revenues. We should see revenue even out by July. YTD labor is within 3K of budget. YTD utilities under budget. Contracts and billing cycles will be allocated monthly from now on. Net Operating income for May (negative 48K). If allocation of labor was true to May it would have brought the Net Operating income for May close to even. Overall YTD we are within 1K of budget for bottom line.

Future Bookings Report: Todd clarified that June, July, Aug and Sept are the best revenue months. We are now in peak season with partners as well as leisure travelers. We don't have many rooms available in the summer but we do have some meeting space. Rotary and other meeting organizations are being courted to come to Fort Worden. Sales team is focusing on fall and winter groups and conferences, as well as weddings.

Board Discussion: Board discussion ensued regarding A/R clarification and requested aging accounts in future Board packets for A/R and A/P. Also discussion of "normal business practices" for interest collection. Cindy Finnie wants us to look ahead 3.5 years when the PDA takes over responsibility for maintenance costs and wants advance planning for that absorption of expenses, which could be upwards of \$400K a year. Discussion ensued regarding upgrading facilities which will result in increased revenues. Discussion ensued about "high tech in old houses". The Board also discussed contingency planning for a bare-

bones operation should the economy decline. (Todd says our Oct.throughApril budget currently has a ramp down plan that mirrors revenue reductions). Diane reported right now we owe State Parks 57K plus payables by end of June. Due to on-line Discover Pass sales it is not known at this time what our outstanding liability may be. For the period we are at \$190K as of the end of May of the 250K owed.

IX. Review adding new financial policy on advance deposits

Staff Report: Advance Deposits: Diane reported on using advance deposits (cash on hand) vs. using our line of credit at 5.25% currently. Advance deposits can legally be used for operations with a minimum threshold for risk. The intent of the policy is to use a portion of advance deposit account for operations but leave a percentage in cash for risk management. Discussion ensued regarding seasonal fluctuation and liability.

Motion to Approve: Move to adopt Policy for Advance Deposits as presented.
Jeff Jackson moved; Gee Hecksher seconded. Unanimous.

XI. Staff Reports

- City Council Presentation: Executive Director Dave Robison reported that the annual report to the City Council was well received. It was in a workshop setting and lots of questions were asked and we received compliments for our first year progress.
- Second Annual Open House: Dave reported More than 1000 people came. Event funding came from First Federal Bank and LTAC funds and it was a great success for Fort Worden. 18 campus and community partners came. There will be future discussion at Partner Meetings regarding continuation of the annual event. Todd Gubler reported that Christina Pavarnik had a wholesale European Tour agency who arrived that same day and he gave them a tour. Their feedback was very positive.
- Guardhouse Bid Process: Dave reported bid has not gone out yet and there is work being done to lower costs and review kitchen equipment list. 3 bids will be requested and time will be needed to get the revised bid packet together. He noted that there is no rush to get this going in a hurry because we will have missed the busy summer season in any event.
- Building 202 Update: Dave reported we are in week 4 of construction. Either Bill Brown or Gee are attending weekly construction meetings. The next phase of the Historic Tax Credit process is being underwritten by the City who has hired the tax attorney to prepare the business transaction in order to obtain the credits. The Peninsula College Foundation will likely receive the tax credits but the funds are earmarked for the building construction.
- Purchasing & Contracting Seminar: Dave attended this Seminar along with Gee Hecksher and Diane Moody. It was very useful information and we are in the process of revising the bid documents for the Guardhouse to ensure we have complied with all of the state's bidding requirements.
- Fort Worden Foundation: Dave Robison reported that this is still a work in progress and it is moving forward.

XII. Report on Master Use Plan Process

- **Staff Report:** Dave Robison provided a PowerPoint presentation and reported on the results of the 2 day Charrette process with the design team. He gave an in-depth visual presentation of the specific plans which overviewed the preliminary recommendations of this process. The process is in Phase I at this time focusing on underutilized building and potential news uses and tenants. Future redevelopment and maintenance cost concerns were taken into consideration as well as items including the Accessibility Spine, Landscaping, Camp Use, Lawn games, Historic building footprint, Gathering spaces, and future Arts and Education areas. An annual project schedule and investment strategy is

included in the plan for the next ten years. Phase 2 of the study will focus on the need for future accommodations and hospitality services.

Public Comment:

- David Goldman noted that small rental housing issues are not as prevalent in the plan.
- Janine Boire from the P. T. Marine Science would like their future developments to be included in this plan.
- Rob Birman thanked the PDA for supporting the wrapped doors on the Pavilion and also reported that he secured funding for 5 passenger shuttle vans.

XIII. Board Member Reports:

- Roger Schmitt of Washington State Parks reported his visit to the Canteen was impressive. The food and service were high quality. Also, Parks is working with the Chelan PUD to give out free passes and that may have impact to Discover Pass costs. Legislature must pass a budget in order to keep Parks open. It looks as if a vote will come out before a possible but unlikely shut down. He does not anticipate locked gates at Fort Worden. Worst case scenario is 85 displaced campsites and fireworks cancellation as the City will not continue if Parks are not involved.
- Bill James reported that P.T. Rotary is very happy to be back at Fort Worden for their meetings. Staff service has been excellent.

Public Comment: None

Adjourn:At 11:45 am by Cindy Finnie