



Fort Worden

— PORT TOWNSEND —
A HISTORIC GATHERING PLACE

APPROVED Minutes
Executive Committee Meeting
Fort Worden Public Development Authority (FWPDA)
Tuesday, October 15, 2019 | 9 a.m. to 11 a.m.
Seminar Building 297, Fort Worden

All Executive Committee minutes are draft until approved by the Committee

- ❖ Motion to approve the September 17, 2019 Executive Committee Minutes. **Unanimously Approved**

Regular Executive Committee Meeting:

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

II. Roll Call

Executive Committee Members: Norm Tonina, Gee Heckscher, Jeff Jackson

Other Board Members: Herb Cook, Todd Hutton

Staff: David Robison, Rufina Garay, Diane Moody, Joan Rutkowski; Lane DeCamp (Fort Worden Foundation Staff)

Public: David Goldman

Executive Committee members discussed the role of board members who attend Executive Committee meetings. Board members who are not on the committee said they understand that they have a voice at the meetings, but they can't vote and aren't able to attend Executive Committee executive sessions. Board chair Norm Tonina said the board might want to consider clarifying meeting guidelines if board bylaws are revised.

III. Review of Board Meeting Agenda

Executive Committee members and staff reviewed anticipated agenda items for the October 23rd board meeting. Tonina noted that the finalized agenda will show that the proposed Board Governance Committee would be ad hoc. The board meeting will be held jointly with the Fort Worden Foundation board so that both parties will be together for the presentation about Makers Square.

IV. Review of Cash Flow Report

Chief Financial Officer Diane Moody reviewed the Cash Flow report (see packet on website). She said that her report is conservative on revenue and costs. Moody has asked departments to spend only on necessities in the 4th quarter, which will leave the PDA in a stronger cash position for each month. She said a conversation will still be needed about payroll. Board Treasurer Jeff Jackson asked

how restricted spending will affect operations, and Moody said the tightening should not affect the guest experience. Moody and Jackson noted how essential glamping revenue will be in 2020 and onward.

Board members and Moody discussed strategies for increasing revenue and reducing costs. Moody said the inventory control achieved by the Food & Beverage Department is one of the greatest accomplishments of the year. Also, unlike last year, Officers Row housing will be fully available for bookings in December and January to help offset losses from the need to take Non-Commissioned Officer Row housing offline later in the year for State Parks' sewer and water line projects. Some wondered if the legislature could address the revenue loss the PDA will experience from State Parks projects. Executive Director Dave Robison said the PDA's lease with State Parks does not have any clauses regarding liability for the disruption of business. He said the PDA and Parks staff are focusing more on working together on project timing and other details to mitigate financial impact. Board members and staff also talked about how to help the community and tenant partners understand the PDA's operational challenges.

V. Review and Approval of September 17, 2019 Executive Committee Minutes

Action: Motion to approve the September 17, 2019 Executive Committee Minutes. **Unanimously Approved**

VI. Board Governance Committee

Robison described reasons for convening an ad hoc board governance committee, which include the need to establish bylaws for officer positions and to clarify and simplify rules that guide the Executive Director's administrative authority. He said the board has talked about this need over the last few years. Tonina agreed, stating that the existing bylaws are sparse. Jackson said the committee may want to consider addressing conflicts of interest in the bylaws review. The group agreed that this round of work will be ad hoc. Robison said the formation of an ad hoc committee or a change to the bylaws do not require City Council approval.

VII. Staff Update & Board Discussion

● **Lease Discussion Presentation**

Chief Strategy Officer Rufina Garay provided an update on the effort to establish a framework for long-term leases with interested partners. She described attorney Gerry Johnson's September 25th presentation and discussion with partners about leases on public properties. Johnson led the negotiations of the Master Lease Agreement on behalf of the PDA and served on the Governor's task force to establish the lifelong learning center at Fort Worden. Garay said Johnson's presentation began with the state's constitutional framework to help people understand legal tests for whether lease terms and rates violate the prohibition on "gifts of public funds." The legal test that pertains to the PDA's lease contracts is whether there is adequate consideration, Garay said. Also, a public entity can't have donative intent with its leases; for example, the PDA needs to document the impacts of earnbacks granted for capital investments, she said. Garay said Johnson also summarized what is typical for leases on public properties, such as routine maintenance by tenants.

Robison noted that the PDA inherited leases that partners first entered into with State Parks. To help with renewals and negotiations the PDA is trying to trying to standardize something that is hard to standardize and working to be transparent and fair along the way, he said. PDA

leadership will soon meet with a committee of partners who would like to collectively discuss the draft leasing strategy, and they will talk about appraisals and how to move forward on long-term leases. Tonina said that the sentiments expressed after Johnson's presentation indicate that there are more areas of agreement than disagreement.

- **Branding Working Group**

Robison discussed recent work to update the PDA's brand, which includes a revamp to the website led by the Marketing & Sales Department. He said that Bruce Hale, a well-known brand identity expert, is interested in helping the working group with the PDA's visual identity. Hale created the logos for the PDA's eateries. Robison said that he and Moody are working out the scope of work for Hale's involvement.

Board members and staff also discussed the formation of a group of PDA leaders and partners who are discussing how to have collaborative strategic planning processes to align the broader Fort Worden community. The group anticipates that this work will be helpful to the PDA in its strategic planning for the organization in 2020. The group involves the PDA's executive team (Robison, Moody, and Garay), and Renee Klein (Madrona MindBody), Janine Boire (Marine Science Center), and Teresa Verraes (Port Townsend School of the Arts). The group anticipates meeting a few more times in late 2019 and early 2020. Robison said the effort reflects the PDA's focus on relationships with a shared commitment to success. The group is looking at shared goals, which include increasing the volume of public awareness, marketing, and fundraising, he said. Jackson noted that from his perspective, even if not all goals are shared, organizations can still coexist and be cooperative. Jackson said he hopes that people recognize the value of differences and can be vulnerable and genuine about those differences.

Moody added that the first meeting with partners included discussion about the challenges of the lifelong learning center concept, which led the branding group to propose a gathering with partners to discuss the concept and consider alternatives.

- **Organization Capacity Planning**

Moody referred the board to the Organization Capacity Planning spreadsheet (see agenda packet), which provides an overview of projects and their timelines. She said that she built the spreadsheet based on this year's Strategic Priorities to show what remains for the 4th Quarter and the items that have been moved into 2020. Moody said the spreadsheet will continue to be fleshed out as goals are set for achieving Strategic Priorities in 2020. Moody said the key insight from the spreadsheet is that PDA staff have a lot on the plate. This spreadsheet supports the need to help board members and partners understand priorities and workloads, she added. Tonina suggested that PDA leaders meet with partners on a quarterly or semi-annual basis to talk about each other's projects and needs.

- **Staff Planning Retreat**

Robison informed the board that directors will be gathering for their annual planning retreat, which will include a focus on next year's budget and staffing plan. He said the time together will likely be off-campus and provides an important opportunity for team-building and thinking outside of the box.

- **November Board Meeting Timing**

Board members talked about the timing for the November board meeting, which has been scheduled for the 27th, one day before Thanksgiving. The group determined that this date likely remains as the best Wednesday in the month for the meeting, and it will be reviewed with the full board next week.

VIII. Public Comment

David Goldman said much of the meeting's conversation has ultimately been about a culture issue. He noted that trust, respect and good intentions are not shared in the larger culture and cited the struggle over the library bond in Port Townsend [in 2013] and the fallout from its defeat. Goldman said that situation is part of the town's legacy and exemplifies the need to stay sober about what people bring with them from previous experiences while moving forward with priorities. He added that he encourages partners to come to the PDA's board meetings.

IX. Adjourned: 11:14 a.m.