



Fort Worden

— PORT TOWNSEND —
A HISTORIC GATHERING PLACE

APPROVED Minutes
Executive Committee Meeting
Fort Worden Public Development Authority (FWPDA)
Tuesday, March 17, 2020 | 9 a.m. to 11 a.m.
Commons B, Building 210, Fort Worden

All Executive Committee minutes are draft until approved by the Committee

- ❖ Motion to approve the February 18, 2020 Executive Committee Minutes. **Unanimously Approved**

Regular Executive Committee Meeting:

I. Call to Order: 9:02 a.m.

II. Roll Call

Executive Committee Members: Norm Tonina, Todd Hutton, Jeff Jackson, Cindy Finnie

Other Board Members: Herb Cook, Gee Heckscher, Lela Hilton

Staff: David Robison, Diane Moody, Rufina Garay, Joan Rutkowski

Public/Staff Guests: David Goldman, Don Englebach, Lisa Werner, Teresa Verraes; Cody Griffith, Holly Height, Lane DeCamp, Aislinn Palmer

Board co-chair Todd Hutton noted that most board members are attending the meeting via a conference call that can be heard in Commons B in order to observe social distancing recommendations. The public can still share comments with the board. Hutton also announced that the scheduled executive session would be for reviewing personnel matters that are exempt from the Open Public Meetings Act requirements. Todd noted that no action would be taken in the executive session.

III. Review of draft March 25, 2020 Board Meeting Agenda

Board and staff members agreed that the draft agenda for the March 25th board meeting would be in flux given the need to adjust to quickly changing circumstances related to the COVID-19 outbreak. The agenda will be finalized closer to the board meeting.

Executive Director Dave Robison stated that this meeting's agenda is driven by the COVID-19 crisis. He said he has shared with the board details about the proactive measures the PDA has been taking, which include daily emergency planning meetings, adjustments to operational practices to support increased hygiene and social distancing, and scenario planning to protect employees, guests, and the community. He said the PDA is being as nimble and adaptable as possible. Robison said the PDA is doing financial stress testing every day and ramping up its internal and external communications.

Putting staff on furlough or standby is being considered, he said. Robison said today's executive session will involve consideration of personnel changes, and the board isn't expected to take any action unless there is disagreement about the staff executive team's proposed course of action.

IV. Review and Approval of February 18, 2020 Executive Committee Minutes

Action: Motion to approve the February 18, 2020 Executive Committee Minutes. **Unanimously Approved**

V. Review of Cash Flow Report

Chief Financial Officer Diane Moody reviewed the Cash Flow report (see packet on website). She said it was very difficult to make the projection given current circumstances and uncertainty of this crisis. It was finished right before Governor Jay Inslee ordered the closure of restaurants, which she said now makes the cash flow report irrelevant. Moody said that with the closure of the PDA's restaurants, the PDA is in a much more dire situation. She said she'll have updated projections ready for the March 25th board meeting.

VI. Cancellation Policy

Sales and Marketing Director Cody Griffith and Moody shared the PDA's standard cancellation policy. They talked about efforts to work with guests and partners who are seeking to cancel or reschedule reservations for accommodations, meeting spaces, and/or catering due to concerns related to the COVID-19 illness. The policy has tiered refund or fee amounts based on how close a cancellation is to the event date. Moody said the sales department has done an excellent job working with guests to reschedule to a later date, which doesn't involve any fees. The existing penalty for last-minute cancellations is being discussed, and the PDA will reduce the catering charge for all dates of cancellation to just 30% of the catering deposit, Moody said. She said partners have been asking for a policy change, such as eliminating charges for venue and accommodations cancellations in the 45-90 day range. For other groups, Moody said the PDA would continue to enforce the standard policy unless a cancellation is needed due to government mandates. In the future, the PDA also is considering requiring customers to carry event insurance policy, which is inexpensive and can help recoup expenses from these situations. Board and staff talked about the value of being able to respond to quickly-changing circumstances without having to recreate policy with each change. Griffith said that by focusing more on moving events to new dates, including into 2021, the policy hasn't yet had to change. Moody said a revised policy will be drafted and shared with the board at the March 25th meeting.

VII. Staff Update & Board Discussion

● **Construction Projects Update**

Capital Projects Director David Beckman said Makers Square and Glamping are proceeding on schedule and on budget. Contractors are planning to move forward with these projects unless a COVID-19 related mandate shuts down construction or someone at a site contracts the illness, he said. State Parks' sewer and water projects are ahead of schedule, Beckman said.

● **Makers Square Grants Update**

Robison reported that two of the grants awarded for Makers Square construction have been reappropriated by legislators into grant categories that make the funds easier to access. That means the primary project is now fully funded, he said. PDA staff are involved in a lengthy process to prepare invoices that are needed to secure reimbursements from the grants for

construction expenses paid by the PDA. The first invoice project took over 100 hours and involved expenses from 2016, and the second invoicing project is underway, Robison said. With the funding gap completed, the PDA can move forward with the process to secure Historic Tax Credits, he added. Board and staff discussed concerns about timely payments to Clark Construction for their subcontractors. Moody said this issue relates to the lengthy invoicing process and delay in being able to seek grant funds. The PDA has been working with Clark on this and trying to get the subcontractors paid as soon as possible, Moody said. Robison also noted that clarification is needed for people who think tax dollars are paying for glamping. He said glamping is funded by a local revenue bond. No public dollars or grants are being used for the glamping project.

- **Leasing Update**

Though the draft of general lease terms is in the packet, Robison said the document doesn't need to be discussed at today's meeting given the focus on immediate concerns. Hutton noted that the lease issues are important and the PDA is committed to returning to the matter as soon as feasible.

- **Coronavirus Response Plan**

Robison provided a summary of the PDA's response plan earlier in the meeting. Tonina commended the PDA's leadership team for working seven days a week on the coronavirus response plan, adjusting to constantly changing information. Hutton thanked Chief Strategy Officer Rufina Garay for her summary of partners' coronavirus response plans. Robison said he and Moody will share the PDA's personnel plan for the next two months with board members in executive session.

VIII. Public Comment

David Goldman said that he expects business won't return to usual until 2021. He said that an economic system that doesn't work has been shored up since the great recession of 2008; with this pandemic, major systems that shouldn't have been put together in the first place will be crashing. He believes private funds will be needed to provide support. With this as the climate, he said the PDA project should consider simply surviving with integrity in 2021. He added that he will be pushing for the Washington State Parks and Recreation Commission to remove the lease provision that calls for the PDA to pay 3.5% of its gross revenue to State Parks, beginning in 2021.

IX. Executive Session

At approximately 9:45 a.m. Tonina announced that the Board will enter into an executive session to review personnel matters in accordance with RCW 42.30.140 (4). He said the board would not take any action during the session, which he expected to last for one hour.

X. Regular Meeting Resumes

Tonina reopened the board meeting at approximately 11 a.m. Tonina noted that no action was taken in the executive session.

XI. Regular Meeting Adjourned: 11:04 a.m.