



**Board of Directors Meeting Agenda**  
**Fort Worden Lifelong Learning Center Public Development Authority (FWPDA)**  
**Tuesday, June 28, 2022 | 5:30 p.m.**  
**Remote on Zoom**

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***To access the webinar:***

**Via internet:**

<https://us06web.zoom.us/j/84857640473?pwd=UVpEY0NIR2QxSXpvZ1lvY29kb1dTdz09>

**Via phone-only dial in:**

+1 253 215 8782

Webinar ID: 848 5764 0473

Passcode: 202173

\*9 to raise hand to speak

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**Meeting Agenda**

**I. Call to order (5:30)**

**II. Roll Call**

**III. Reports**

**A. Finance Reports**

- a. Profit & Loss\*
- b. Cash Flow\*
- c. Balance Statement\*

**B. Executive Director's Reports**

- a. Lobbying Memo and Report\*
- b. SAO 2021 Annual Financial Report
- c. Status Report on US/Japan Climate Action Partnership w/Renewable Nations and OIST
- d. Status Report on Justice Capital Nomination
- e. Status Report on Fire Safety Inspections
- f. Status Report on Alliance Lease Agreements
- g. Status Report on Web Site Development

**IV. Public Comment**

**V. Action Items (6:30 p.m. estimate)**

**1. Consent Agenda**

- a. Review the May 24, 2022 meeting minutes. \*
- b. Accounts Payable (time period)

**Proposed action:** Approve the consent agenda.

**VI. Public Comment**

**VII. New Business**

- a. Memorandum of Understanding Regarding Amendments of terms with FWH
- b. Glamping Report & Resolution
- c. Debt Restructuring Resolution
- d. Lobbying Contract Renewal and Scope of Work

**VIII. Next Meeting**

Tuesday, July 26, 2022 at 5:30 p.m.

**IX. Executive Session—Executive Director’s Evaluation**

No action will be taken.

**X. Adjourn (8:00 p.m. estimate)**

*\*Topic involves documents in agenda packet*

**FORT WORDEN PDA**  
**Profit & Loss**  
January through May 2022  
(preliminary - unaudited)

	Jan 22	Feb 22	Mar 22	Apr 22	May 22	TOTAL
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
4000 Accomodations	46,224	56,005				102,229
4400 Food Sales Revenue	16,022	35,892				51,914
4600 Other Revenues						
4010 Partner Leases	9,582	12,461	9,437	9,901	8,325	49,706
4015 Concession Fee			6,844	9,757	16,964	33,565
4103 Cleaning Services	4,105		2,650	1,440	1,715	9,910
4200 Fees	3,002	5,552	83	50	798	9,485
4300 Other	210	30			132	372
4425 Meeting Rooms	1,823	10,570	327			12,720
4450 Merchandise Sales	163	59				222
4600 Other Revenues - Other			1,133	85	85	1,303
<b>Total 4600 Other Revenues</b>	18,885	28,672	20,474	21,233	28,019	117,283
4900 PDA Grants/Donations			300,839	26,957		327,796
<b>Total Income</b>	81,131	120,569	321,313	48,190	28,019	599,222
<b>Cost of Goods Sold</b>	424	11,597				12,021
<b>Gross Profit</b>	80,707	108,972	321,313	48,190	28,019	587,201
<b>Expense</b>						
6010 Personnel Costs	83,885	149,894	68,318	38,699	23,669	364,465
7000 Repairs & Maintenance	9,107	2,470	1,911	3,396	14,792	31,676
7100 Utilities						
7101 Fuel Oil	25,016	14,016	31,294	6,240	27,503	104,069
7102 Electricity	27,567	24,951	26,337	23,746	22,721	125,322
7103 Water	12,384	10,565	9,063	9,510	10,185	51,707
7104 Propane	9,594	7,514	9,033	6,590	6,779	39,510
7105 Garbage/Trash						
7105A Compactor Lease	1,704		852	852	854	4,262
7105 Garbage/Trash - Other	2,052	159	1,726	811	141	4,889
<b>Total 7105 Garbage/Trash</b>	3,756	159	2,578	1,663	995	9,151
7107 Comm-Info-Tech						
7108 Tenant Partner Internet Ex	(1,415)	(1,315)	(3,200)	(1,913)	(1,913)	(9,756)
7107 Comm-Info-Tech - Other	7,778	7,464	8,086	8,088	7,463	38,879
<b>Total 7107 Comm-Info-Tech</b>	6,363	6,149	4,886	6,175	5,550	29,123
7199 Partner Reimbursement	(18,993)	(19,862)	(80,187)	(45,447)	(60,441)	(224,930)
<b>Total 7100 Utilities</b>	65,687	43,492	3,004	8,477	13,292	133,952
8000 Contracts						
8002 CompSoftware/Support Maint	250			3,901		4,151
8003 Alarm/Security/Fire Rescue				1,697	72	1,769
8005 Lobbying	3,000	3,000	3,000	3,000	3,000	15,000
8009 Design Arch/Eng	28,831	22,008	26,957			77,796
8010 Audit/Accounting	8,219	2,850	9,188	6,141	2,423	28,821
8012 Maintenance Contracts		684	3,123	525		4,332
<b>Total 8000 Contracts</b>	40,300	28,542	42,268	15,264	5,495	131,869

	Jan 22	Feb 22	Mar 22	Apr 22	May 22	TOTAL
<b>8500 Operating Expense</b>						
8501 Bank & Credit Card Fees	445	13,624	21	85	33	14,208
8507 Office Supplies	671	349		1,413		2,433
8508 Legal					3,648	3,648
8510 Insurance/Risk Management	7,212	7,212	7,212	7,212	7,212	36,060
8512 Dues & Subscriptions	33					33
8513 Housekeeping Supplies	3,126	1,765				4,891
8514 Vehicle Expense	534	210				744
8518 Travel & Meetings	570	109				679
8523 Misc Fees	96	453	475			1,024
8527 Permits & Licenses	724					724
8528 Business Taxes	794	310	505		9	1,618
8529 Professional Services		2,462	3,764	3,909		10,135
8531 Comp Hardware/Software/Sub	3,476	463	334	334	209	4,816
8532 Training-Education		35		140		175
8535 Smallwares/Housewares	18					18
8538 Linen Laundry Service	1,016	343				1,359
8560 Cash Over & Short	(125)	(75)				(200)
8562 Food Service Supplies	348	796			(968)	176
8563 Equipment Rental	281	281	281	281	281	1,405
8564 Sustainability Program		180				180
<b>Total 8500 Operating Expense</b>	<b>19,219</b>	<b>28,517</b>	<b>12,592</b>	<b>13,374</b>	<b>10,424</b>	<b>84,126</b>
<b>Total Expense</b>	<b>218,198</b>	<b>252,915</b>	<b>128,093</b>	<b>79,210</b>	<b>67,672</b>	<b>746,088</b>
<b>Net Ordinary Income</b>	<b>(137,491)</b>	<b>(143,943)</b>	<b>193,220</b>	<b>(31,020)</b>	<b>(39,653)</b>	<b>(158,887)</b>
<b>Other Income/Expense</b>						
<b>Other Expense</b>						
9200 Bond Interest Expense			55,125			55,125
9500 Capital Purchase/Equipment						
9502 Vehicles				137,500		137,500
9510 Depreciation Expense		22,057				22,057
<b>Total 9500 Capital Purchase/Equipment</b>		<b>22,057</b>		<b>137,500</b>		<b>159,557</b>
9600 Leasehold Improvements	447					447
<b>Total Other Expense</b>	<b>447</b>	<b>22,057</b>	<b>55,125</b>	<b>137,500</b>		<b>215,129</b>
<b>Net Other Income</b>	<b>(447)</b>	<b>(22,057)</b>	<b>(55,125)</b>	<b>(137,500)</b>		<b>(215,129)</b>
<b>Net Income</b>	<b>(137,938)</b>	<b>(166,000)</b>	<b>138,095</b>	<b>(168,520)</b>	<b>(39,653)</b>	<b>(374,016)</b>

Net Income April through May (208,173)

**Fort Worden PDA**  
**Stmt of Cash Flows**  
**April through May 2022**  
(preliminary - unaudited)

	<b><u>Apr - May 22</u></b>
<b>OPERATING ACTIVITIES</b>	
Net Income	(208,173)
Adjustments to reconcile Net Income to net cash provided by operations:	
1120 Partner Tenant	10,011
1140 Grants Receivable	50,839
1207 Due from FW Hospitality	(298)
2000 Operating:2001 Operating Payable Bank	62,471
2003 Capital Fund A/P	124,399
2100 Current Liabilities:Payroll & Business Taxes	529
2120 Due To FWH	294,528
2200 Advance Deposits:2201 P-Tenant Deposit	500
	<b><u>334,806</u></b>
<b>INVESTING ACTIVITIES</b>	
2400 Notes Payables:2407 Kitsap Makers Square Bond	(600,000)
Net cash used by Investing Activities	<b><u>(600,000)</u></b>
<b>Net cash increase (decrease) for period</b>	<b><u>(265,194)</u></b>
<b>Cash at beginning of period</b>	1,152,077
<b>Cash at end of period</b>	<b><u>886,883</u></b>

**FORT WORDEN PDA****Balance Sheet**

As of May 31, 2022

(preliminary - unaudited)

	<u>May 31, 22</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1000 First Federal Operating Accts	459,272
1020 Kitsap Operating	17,754
1021 Kitsap Capital	31,858
1022 Kitsap Debt Reserve	377,999
<b>Total Checking/Savings</b>	<u>886,883</u>
<b>Accounts Receivable</b>	
1100 Hospitality Services AR	265,718
1120 Partner Tenant	36,076
<b>Total Accounts Receivable</b>	<u>301,794</u>
<b>Other Current Assets</b>	
1200 Prepaid Expenses	37,934
1207 Due from FW Hospitality	145,395
1250 Due from MS Landlord LLC	755,540
<b>Total Other Current Assets</b>	<u>938,869</u>
<b>Total Current Assets</b>	<u>2,127,546</u>
<b>Fixed Assets</b>	
1300 Fixed Assets (net of depreciation)	174,096
<b>Total Fixed Assets</b>	<u>174,096</u>
<b>TOTAL ASSETS</b>	<u><u>2,301,642</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
2000 Operating A/P	94,981
2003 Capital Fund A/P	142,023
2100 Current Liabilities	(5,535)
2120 Due To FWH	498,157
2200 Advance Deposits	828,077
2400 Notes Payable	1,013,617
<b>Total Current Liabilities</b>	<u>2,571,320</u>
<b>Long Term Liabilities</b>	
2700 Kitsap Bank Bonds	4,244,272
<b>Total Liabilities</b>	<u>6,815,592</u>
<b>Equity</b>	
Unrestricted Net Assets	(4,139,934)
Net Income	(374,016)
<b>Total Equity</b>	<u>(4,513,950)</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>2,301,642</u></u>



*Fort Worden*  
— PORT TOWNSEND —  
A HISTORIC GATHERING PLACE

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To: FWPDA Board of Directors

From: David Timmons, Fort Worden Lifelong Learning Center Public Development Authority (FWPDA) Executive Director

Date: June 24, 2022

Subject: Agenda Item – III B. Executive Director’s Reports

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- a. **Lobbying Memo and Report.** Attached to the agenda is the latest reports. As we noted, we are competing with many other activities in Olympia for limited resources. While the economic forecast is favorable for state income, there is a proviso on this performance being maintained.
- b. **SAO 2021 Annual Financial Report.** We are required each year to file by May 31<sup>st</sup> the prior year’s annual financial report with the SAO. The past years were behind in meeting this requirement. I am pleased to report that we are current with all required filings. Prior years 2018/2019/2020 are currently under audit. 2021 has been submitted and will under go audit review sometime late this year.
- c. **Status Report on US/Japan Climate Action Partnership w/Renewable Nations and OIST.** We should have a report to share with you soon on the progress the organizations are making to develop a climate institute “hub” here at the Fort that will focus on implementation of elements of the US/Japan Climate Initiatives. The document/proposal is being finalized for presentation to the White House and when it is complete we will share the plan as it is presented.
- d. **Status Report on Justice Capital Nomination.** You may recall the Fort was nominated by the Justice Capital group for a special round of infrastructure funding. The proposal we submitted in response to this nomination was for \$250,000,000 investment in capital throughout the campus. Over 200 nominations were made and the list has been reduced to 13. We have been updated that the Fort’s proposal is one of the 13! The group was to get a further update from the Whitehouse on the 22<sup>nd</sup> and we are waiting to hear more. Once we hear something we will be quick to share that information.
- e. **Status Report on Fire Safety Inspections.** The campus is under going a series of facility inspections conducted by East Jefferson Fire and Rescue and the City of Port Townsend. As you can imagine the old facilities here are bound to have issues. As we progress with the inspection issues are being addressed in the order of priority and impact on use of the facilities. We are putting together a comprehensive review of the inspection findings and will be working with State Parks and Partners on how best to begin the process to bring the

facilities into compliance. Since this is an ongoing and developing situation we will continue to update you as matters develop.

- f. **Status Report on Alliance Lease Agreements.** With the help of Rob Birman and the Alliance Partners we have completed all edits of the lease documents and are proceeding to complete their execution early next month. The edits are non-material and do not alter the basic terms. The next step in the process is the Alliance partners will be seeking approval from their respective boards to authorize execution of the leases. Once we have all the documents in place we will be preparing a full announcement.



### ***General Update***

Legislators, agencies, and advocates are settling into the rhythm of a more normal interim than we've seen in the past two years. This interim work largely falls into the areas of implementation of policies and funding passed last session, preliminary planning for the 2023 legislative session, and campaign season.

### ***Implementation from 2022 Session***

There were significant new policies passed during the 2022 legislative session and substantial new investments funded through the budgets. Given the increased revenue that was available for the legislature to appropriate this session, there is a lot of work for state agencies to do to disperse the funding, and implement services and programs that got new or increase funding.

### ***Planning for 2023***

State agencies are also hard at work developing their decision packages (funding requests), which will be worked on over the course of the summer and turned into the Office of Financial Management in September for the Governor's consideration to include in his proposed budget that will be released in December.

Coming up on June 22<sup>nd</sup>, the [Economic & Revenue Forecast Council](#) will be convening to discuss the summer quarterly revenue forecast (which will be released that same day). That revenue forecast will provide an indicator of the health of our budget and economy compared to the last quarterly revenue forecast from February, which is what the legislature based their budget on. The revenue forecast could show an increase in revenue, a decrease in revenue, or maintaining about the same level. The Governor and Office of Financial Management typically use this information to direct state agencies on how to approach their decision packages – whether there is potential room to grow, or if revenue is tight or taking a downturn whether they should be more conservative in what they are requesting.

In addition to state agency activity, legislators are also doing a lot of interim planning, which includes legislative committees determining what they will be focusing on leading up to the 2023 session. The House recently released the [House 2022 Interim Plans](#), which outlines when the various committees will be meeting and what topics those meeting will be focused on. As a reminder, we shared the [Senate 2022 Interim Committee Meeting Schedules & Work Plans](#) document in last month's report. These interim plans from both chambers provide helpful insight into what issues legislators are digging into in preparation for next session. (Keep in mind that these plans are always subject to change)

### ***Campaign Season***

The week of May 16<sup>th</sup> was candidate filing week where people running for an elected position on the November ballot had to file their candidacy with the Secretary of State. All candidates

had file for office by Friday, May 20<sup>th</sup>. Given the large number of legislators retiring (at least 26 at recent count), there are a lot of races with open seats that will have very active campaigns. You can see the list of candidates who filed [here](#). Keep in mind that this list includes over 1,000 candidates for 603 offices at all levels (city, county, state, and federal), so use the filters to narrow down.

In addition to campaigns for elected offices, this is also the time for ballot initiatives to be filed for the November election and signature gathering to begin. [Over 100 initiatives have been filed](#), but only a few will likely gather enough signatures to make it to the ballot. Getting on this November's ballot will require 324,516 signatures from registered voters by 5pm on July 8<sup>th</sup>.

Some key upcoming dates related to elections and initiatives include:

- Friday, July 8<sup>th</sup> at 5pm – Deadline for signatures to be turned in for initiatives to the people
- Tuesday, August 2<sup>nd</sup> – August Primary Election
- Tuesday, November 8<sup>th</sup> – General Election

## ***Behavioral Health***

### ***988 Hotline***

The Seattle Times did a [piece](#) highlighting a recent trip that several legislators, state agency representatives, and local leaders took to Arizona to learn more about that state's crisis response system. The learning trip was taken as Washington prepares for the launch of the 988 crisis response hotline on July 16<sup>th</sup>. Officials who attended the trip stated there things that Arizona has that are missing pieces in Washington, and that there is good local work being done in Washington that can be built upon. [Senator Manka Dhingra did a recent Q&A](#) relating to the Arizona visit and 988.

Also related to the upcoming launch of 988, [U.S. Senator Patty Murray and U.S. Secretary of Health Xaveier Bercerra recently visited a local crisis center in Seattle](#). During their visit they held a roundtable discussion about how important action from the U.S. Department of Health is to address the mental health crisis, including with the launch of the 988 line.

### ***Behavioral Health Project Funding***

The Washington State Department of Commerce recently [announced](#) almost \$47 million in new grant funding for 25 behavioral health projects throughout the state. The funding aims to create more opportunities for local behavioral health treatment and supports the goal o transition to more community-based care. The grant money [is expected to](#) create more than 300 new beds and expand outpatient capacity [in nine counties](#) across the state. Commerce Project Manager Matt Mazur-Hart stated that the next round of grant funding, which he expects to total close to \$50 million, will focus on supporting crisis stabilization facilities.

## ***Early Learning***

### ***Early Learning Workforce***

According to ChildCareAware, which represents 5,000 Washington providers, [80% of early learning programs in the state report they are currently understaffed](#). ChildCareAware cited

low wages and insufficient benefits as barriers to recruiting and retaining people into the child care industry. Similar staff shortages and difficulty hiring providers have [also been highlighted for ECEAP](#) (Early Childhood Education and Assistance Program), which is the state's preschool program.

#### *Fair Start for Kids Newsletter*

The [Fair Start for Kids Act](#), passed by the Washington State Legislature in 2021, provided a historic \$1.1 billion investment to expand access to child care, cap rates, build the child care workforce, and help strengthen the recovery from the COVID-19 pandemic. The Department of Children, Youth & Families (DCYF) is launching a monthly newsletter showcasing the Fair Start for Kids Act and the positive impacts on making quality child care more affordable and accessible for Washington families. [Subscribe here](#) to receive the Fair Start for Kids monthly newsletter.

#### *Fingerprint Requirements*

[Starting July 1<sup>st</sup>, all child care and early learning providers in Washington will need to comply with the fingerprint requirements](#) to continue their employment on site at all Department of Children, Youth and Families licensed facilities. In addition, all early learning providers, including those not working directly with children or youth, who were previously allowed to work supervised after submitting background check applications, must now complete fingerprints and obtain a "cleared" status in order to continue to work at a childcare facility. To facilitate the expected surge in background checks, the 2022 supplemental operating budget allocated funds to DCYF to cover the cost of child care background check fees in Fiscal Year 2023.

#### **Education**

Enrollment in Washington's [Running Start program has significantly dropped by about 14%](#) after years of steady increases. The Running Start program allows teens to earn college credits while working toward their high-school diploma. A variety of factors are believed to be fueling the drop, including a desire by many to have a normal high school experience instead of taking college classes that have continued mostly online. Some students also stated that they don't feel ready for college yet given how disrupted learning was during the pandemic.

#### **Food Security**

##### *School Meals*

[Federal waivers issued during the pandemic that granted increased federal funding and flexibility for school meals are set to expire on June 30, 2022](#), unless Congress takes action to extend them. Through the waivers and increased funding, all students have had access to the free school breakfast and lunch programs, which has been critical for child nutrition during the pandemic. States like California and Maine have already taken action to fund school meals for all students. While Washington passed legislation and funding last session to expand free meals at certain schools through the Community Eligibility Program, the state has not taken action to date to fund free school meals for all students once the federal funding expires.

### *Baby Formula Shortage*

The ongoing nationwide shortage of baby formula resulting from a product recall due to safety issues has garnered significant media attention. According to the Washington Women, Infants, and Children Nutrition Program (WIC), about 18,000 babies whose families rely on WIC and use formula made by the impacted company. The WIC program estimates that about the same number of babies not on WIC are also impacted by the baby formula shortage. WIC program director Paul Throne in a [recent interview](#) discouraged families from attempting to make their own formula, citing significant health and safety concerns. In response to the shortage, President Biden has [invoked the Defense Production Act](#) to require suppliers to direct needed resources to infant formula manufacturers before any other customer who may have ordered that resource. The American Academy of Pediatrics has also released [new emergency guidance](#) relating to baby formula in light of the shortage.

### **Health Care**

#### *Access to Health Care*

[The Seattle Times did a piece highlighting the 1332 waiver application that the Washington Health Benefit Exchange submitted last month.](#) A 1332 waiver, if approved by the federal Centers for Medicaid and Medicare Services, allows states to bypass or change some of the Affordable Care Act requirements. The [waiver being submitted by Washington](#) requests that people be allowed to purchase and enroll in health coverage through the Washington Health Benefit Exchange, regardless of immigration status, which would expand access to more than 105,000 people (about 23% of the state's total uninsured population). If the waiver is approved, Washington could become one of the first in the country to offer comprehensive benefits regardless of immigration status.

#### *Agency Updates*

[The Health Care Authority \(HCA\) Director has selected Dr. Charissa Fotinos as the new state Medicaid director.](#) Dr. Fotinos will also continue to serve as HCA behavioral health medical director, the position she held previously. State Medicaid directors oversee Medicaid and Children's Health Insurance Program (CHIP), which are programs governed by federal rules but administered by and tailored to the needs of each state. Dr. Fotinos has been the interim state Medicaid director since August 2021.

#### *Apple Health Coverage*

In preparation for the unwind of the Public Health Emergency (PHE), the Health Care Authority is reminding Apple Health (Medicaid) clients to [update their contact information](#) so they receive important notices about their coverage. During the PHE, once someone is enrolled in Medicaid they have been able to stay on Medicaid regardless of changes to income or other eligibility requirements. However, that maintenance of coverage will end after the PHE expires and people's eligibility will need to be redetermined. The current PHE is set to expire on July 15, 2022.

#### *Health Insurance Filings*

[Fourteen health insurers filed an average requested rate increase of 7.16% for plans to be sold in 2023 through Washington's individual health insurance market.](#) An estimated 223,202 people

in Washington are currently enrolled in health plans through the individual market. [Click here](#) to see the proposed 2023 health insurers and plans by county. The plans and proposed rates are currently under review and final decisions will be made this fall.

### *Immunizations*

Washington state health officials recently shared a new report that shows [routine childhood immunization rates have decreased during the pandemic](#), dropping by 13% in 2021 when compared to pre-pandemic levels. Rates were found to have declined the most in younger children, with vaccinations decreasing 9.6% in the 19-to-35-month age group. They decreased 3.9% in those ages 4 to 6 and decreased 3.6% for those ages 11 and 12. In response, the Department of Health, health care providers and other agencies are working with people to catch up and remain current on routine immunizations.

### *Medicaid Transformation Project – 1115 Waiver Renewal*

The Health Care Authority (HCA) has opened the public comment period on the [draft application](#) for Washington's Section 1115 Medicaid demonstration waiver renewal. Washington State's waiver is called the Medicaid Transformation Project (MTP). The public comment period goes through Monday, June 13<sup>th</sup>. HCA will use feedback to refine the application that HCA will submit to Centers for Medicare & Medicaid Services (CMS) later this summer. There are multiple ways to provide public comment, which are outlined [here](#).

### *Pediatric Health*

The American Academy of Pediatrics recently announced that it is putting all its guidance under the microscope to [eliminate “race-based” medicine and resulting health disparities](#). For years, pediatricians have followed guidelines linking race to risks for urinary infections and newborn jaundice. The AAP stated they have begun purging such outdated guidance. In recent years, other major doctor groups including the American Medical Association have made similar pledges. They are spurred in part by civil rights and social justice movements, but also by science showing the strong roles that social conditions, genetics and other biological factors play in determining health.

### *Public Health*

The Washington State Board of Health has [adopted rules relating to Local Board of Health Membership](#) as required by [HB 1152](#), which passed the legislature in 2021. The rules go into effect on July 1, 2022. The rules provide local governments with a standard process for recruitment and ultimate appointment of nonelected members of local boards of health representing public health/health systems, consumers of public health, and other community stakeholders. The rules:

- Establish the purpose and scope of the chapter.
- Define terms for use throughout the chapter.
- Establish the requirements for any resolution, ordinance, or other mechanism for amending the composition of a local board of health.
- Establish requirements for recruitment activities for nonelected members of local boards of health.

- Establish requirements and provide flexibility for the selection of nonelected members of local boards of health.
- Describe the exceptions to the chapter in alignment with [Engrossed Second Substitute House Bill 1152](#) (2021).

The [concise explanatory statement](#) summarizes the differences between the proposed rules and adopted rules, and the response to public comments.

### *Reproductive Health*

Given the U.S. Supreme Court’s potential overturning of *Roe v. Wade*, there has been a lot of discussion about what protections exist at the state level. Washington is one of [16 states](#) with laws that would preserve access to abortion. Washington’s Reproductive Privacy Act already codified *Roe* into state law in 1991 through a voter initiative. While this patient protection already exists in Washington, [Governor Inslee has stated he would consider an amendment cementing abortion rights in the state constitution](#). The reasoning for embedding the protection into the state constitution is that if something is amended onto the constitution, which requires a two-thirds supermajority vote to pass, it is much more difficult to modify or repeal than state statute.

### ***Housing & Homelessness***

#### *Homelessness*

At a recent press conference, [Governor Inslee promoted his plan](#), which was funded by the legislature last session, for rapid housing for people living unsheltered along highways. The plan is focused on removing people living in tents along state highway right-of-ways, while also expanding housing by purchasing hotels and building tiny house villages for the removed people to transition to. When asked what happens if people refuse offers of shelter, Inslee responded that "They will simply have to comply with the law, which is to go."

Seattle Mayor Harrell [announced a homelessness dashboard](#) that gives a snapshot of people experiencing homelessness by neighborhood and identifies around 1,300 new or upcoming shelter and housing units. The dashboard is designed to track and connect the city’s unhouse population with shelter, transitional housing and permanent units. It also contains data on public safety issues at encampments. Mayor Harrell also committed to issuing permits for approved affordable housing projects within 12 months of application and releasing a public safety plan in the next couple of weeks to quantify public safety issues and progress in the city. The dashboard is available at [homelessness.seattle.gov](http://homelessness.seattle.gov)

#### *Housing*

A recent [Crosscut article](#) highlights a campaign called [House our Neighbors](#) aimed at addressing the growing affordable housing crisis with “social housing.” Social housing is a government build and managed apartments that are permanently affordable to people making a mix of incomes. This model of housing is used in Singapore, Vienna and other cities around the world. The campaign envisions housing would be made available to people with zero income at one end of the spectrum up to those making comfortable middle-class salaries of 120% of the area median income. The House Our Neighbors campaign is currently gathering signatures to get

Initiative 135 on the ballot this year to ask Seattle voters to create a new public agency called the Seattle Social Housing Developer, which would acquire, build, and managed permanently affordable housing for low- and middle-income residents.

### ***Opioids & Other Substance Use Disorder***

#### ***Opioid Distributors Settlement***

Attorney General Bob Ferguson [announced](#) that after several months into a trial between Washington State and the three largest opioid distributors, those companies have agreed to pay the state \$518 million. More than \$476 million will be directed toward addressing the opioid epidemic. Ferguson had previously [rejected a national settlement](#) between the three opioid distributors stating that the national settlement was insufficient. Instead Ferguson took the opioid distributors to trial and the settlement from that effort will result in Washington receiving \$46 million in additional resources.

As part of his strategy of rejecting national settlements and choosing to litigate, Ferguson also declined to settle with Johnson & Johnson last year. The Washington Attorney General's Office has a trial scheduled against opioid manufacturer Johnson & Johnson in September. Ferguson's legal team is conducting multiple ongoing investigations into conduct by other entities that helped fuel the epidemic.

#### ***Overdose Deaths***

[More than 100,000 Americans died of drug overdoses in 2021](#), up 15% from the previous year, according to an estimate released by the National Center for Health Statistics. The increase reflects challenges exacerbated by the coronavirus pandemic including lost access to treatment, social isolation, and a more potent drug supply. According to the data, since the start of the 21<sup>st</sup> century, the opioid epidemic has killed more than 1 million people in the United States.

#### ***Substance-Related Initiatives***

A couple of initiatives filed with the Secretary of State relate to substance use.

- [Initiative 1886](#) would authorize and regulate the manufacture, sale, and use of psilocybin in Washington State. Psilocybin is a psychedelic drug compound produced by fungi/mushrooms. Proponents of the measure believe psilocybin could help individuals with mental health or chemical dependency issues. A similar ballot measure passed in Oregon in November 2020.
- [Initiative 1922](#), the Substance Use Disorder Prevention and Recovery Act, would decriminalize the possession of controlled substances in Washington State. Selling or delivering drugs would remain a crime, and law enforcement would retain the authority to confiscate drugs. The initiative would also direct funding toward substance use treatment, prevention and outreach efforts, education, and academic studies.

Because both measures are initiatives to the people, they have until July 8<sup>th</sup> at 5pm to collect the 324,516 signatures from registered voters that are required to make it on the ballot.



### *Youth Overdoses*

[As youth overdoses rise, there has been a push to expand training in schools](#). In King County alone, a total of 22 youths, age 19 or younger, died of opioid overdoses last year, which is more than double the 2019 rate. A group of parents is advocating for Seattle Public Schools to require training for all school staff to administer naloxone, the lifesaving opioid overdose reversal medication. Currently, only nurses and security guards are mandated to be trained to use the nasal spray, and many schools lack full-time nurses or security staff.

### ***Outdoor Rec***

[Check Out Washington](#) has expanded the program with more new adventure packs, a new partnership and additional funding. The popular interagency program allows local library card holders to check out adventure packs, including special Discover Passes, for a week at a time. The expansion prioritizes communities where health disparity data indicate higher need for free access to recreation opportunities. The Washington State Parks Foundation secured a sponsorship from WSECU that funded the purchase of more than 400 additional passes and further collaborated with Parks, the State Library System and the Office of the Secretary of State to create new adventure packs to enhance the exploration and enjoyment of state parks. This latest program expansion will triple the capacity of the Check Out Washington program.

### ***Police Reform***

[Governor Inslee has appointed former federal prosecutor and King County Superior Court judge Roger Rogoff to lead the new Office of Independent Investigations](#), which was formed by the Washington Legislature to probe shootings by police statewide. Rogoff was recommended for the post after a national search by an advisory board of 11 people that included county prosecutors, police trainers, defense attorneys, police reformers, experienced investigators and the father of a victim of police violence. The office is the first of its kind in the country.

### ***Tribal***

The Duwamish Tribe has [filed a lawsuit](#) seeking federal recognition that it is indeed an Indian tribe. Filed in U.S. District Court for Western Washington, the suit is part of a continuing battle for recognition by the Duwamish stretching over 40 years and through multiple presidential administrations. The suit also contends that the federal government has illegally discriminated against the matriarchal tribe by discounting its members, which would be a violation of the federal equal protection clause under the Fifth Amendment.

### ***Transportation***

#### *Electric Cars*

A recent [Crosscut article](#) highlights seven factors driving the policy conversation on meeting a deadline for all new cars registered in the state to be electric by 2030. A couple of years ago it would have been difficult for the public to believe the internal combustion engine was on its way out, but experts point to economic, political and cultural factors have been colliding to create the conditions for the sudden shift. The shift to electric vehicles won't be smooth as there are several barriers in the way, like lack of charging infrastructure. Washington's Move Ahead Washington transportation package directs the state to create a road map by the end of the year to figure out how to reach the 2030 target.



**ANNUAL REPORT CERTIFICATION**

Fort Worden Public Development Authority  
(Official Name of Government)

3074  
MCAG No.

Submitted pursuant to RCW 43.09.230 to the Washington State Auditor’s Office  
For the Fiscal Year Ended 12/31/2021

GOVERNMENT INFORMATION:

Official Mailing Address	<u>200 Battery Way</u>
	<u>Port Townsend, WA 98368</u>
Official Website Address	<u>http://fortworden.org</u>
Official E-mail Address	<u>dtimmons@fortworden.org</u>
Official Phone Number	<u></u>

AUDIT CONTACT or PREPARER INFORMATION and CERTIFICATION:

Audit Contact or Preparer Name and Title	<u>Becky Wagner Contract CPA</u>
Contact Phone Number	<u></u>
Contact E-mail Address	<u>bwagner@fortworden.org</u>

I certify 27th day of May, 2022, that annual report information is complete, accurate and in conformity with the Budgeting, Accounting and Reporting Systems Manual, to the best of my knowledge and belief, having reviewed this information and taken all appropriate steps in order to provide such certification. I acknowledge and understand our responsibility for the design and implementation of controls to ensure accurate financial reporting, comply with applicable laws and safeguard public resources, including controls to prevent and detect fraud. Finally, I acknowledge and understand our responsibility for immediately submitting corrected annual report information if any errors or an omission in such information is subsequently identified.

Signatures  
Becky Wagner (bwagner@fortworden.org)

**Fort Worden Public Development Authority  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2021**

		<u>401 Operations</u>
<b>Beginning Cash and Investments</b>		
308	Beginning Cash and Investments	170,402
388 / 588	Net Adjustments	1,754,222
<b>Revenues</b>		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	383,458
340	Charges for Goods and Services	2,735,027
350	Fines and Penalties	-
360	Miscellaneous Revenues	80,651
Total Revenues:		<u>3,199,136</u>
<b>Expenditures</b>		
520	Public Safety	-
530	Utilities	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	3,764,838
Total Expenditures:		<u>3,764,838</u>
Excess (Deficiency) Revenues over Expenditures:		<u>(565,702)</u>
<b>Other Increases in Fund Resources</b>		
391-393, 596	Debt Proceeds	4,037,140
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	319,767
Total Other Increases in Fund Resources:		<u>4,356,907</u>
<b>Other Decreases in Fund Resources</b>		
594-595	Capital Expenditures	114,595
591-593, 599	Debt Service	4,332,871
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	721,938
Total Other Decreases in Fund Resources:		<u>5,169,404</u>
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(1,378,199)</b>
<b>Ending Cash and Investments</b>		
50821	Nonspendable	-
50831	Restricted	427,016
50841	Committed	-
50851	Assigned	119,409
50891	Unassigned	-
<b>Total Ending Cash and Investments</b>		<b><u>546,425</u></b>

**Fort Worden Public Development Authority**  
**Fiduciary Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		Investment Trust
308	Beginning Cash and Investments	196,809
388 & 588	Net Adjustments	-
310-390	Additions	2,596,871
510-590	Deductions	2,644,946
	Net Increase (Decrease) in Cash and Investments:	(48,075)
508	Ending Cash and Investments	148,734

*The accompanying notes are an integral part of this statement.*

Fort Worden Public Development Authority  
Notes to the Financial Statements  
For the year ended December 31, 2021

**Note 1 – Summary of Significant Accounting Policies**

The Fort Worden Lifelong Learning Center Public Development Authority (PDA) was incorporated September 2011 and operates under the laws of the State of Washington applicable to a public corporation. The PDA is a special purpose district that manages, promotes, develops, and secures funding to enhance the Fort Worden State Park and Lifelong Learning Center.

The PDA reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financials as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

**A. Fund Accounting**

Financial transactions of the government are reported as a single fund. The fund uses a set of self-balancing accounts that comprises its cash and investments, revenues, and expenditures

Enterprise Fund: this fund is the operating fund of the PDA and is supported primarily by user charges.

Fiduciary Fund: this fund is used to account for the activities of the Fort Worden Foundation.

**B. Basis of Accounting and Measurement Focus**

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received, and expenditures are recognized when paid.

**C. Cash and Investments**

See Note 5 – Deposits and Investments

**D. Capital Assets**

Capital assets are assets with an initial cost of more than \$5,000 and an estimated useful life in excess of five years. Capital assets and inventory are recorded as capital expenditures when purchased.

#### E. Compensated Absences

Vacation leave may be accumulated up to one year's accrual and is payable upon separation or retirement. Sick leave may be accumulated up to a maximum of 160 hours. Upon separation or retirement employees do not receive payment for unused sick leave. Payments are recognized as expenditures when paid.

#### F. Long Term Debt

See Note 3 – Long Term Debt

#### G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted and committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the PDA Board of Directors. When expenditures that meet restrictions are incurred, the PDA intends to use the most restricted resources first.

Restrictions of Ending Cash and Investments consist of *philanthropic gifts*.

#### **Note 2 – Component Unit & Related Party**

The Fort Worden Foundation (FWF) a WA non-for-profit corporation was incorporated on April 15, 2016 to operate as an IRC Section 509(a)(3), Type I supporting organization. On June 3, 2021 the Fort Worden Foundation, a public charity under IRC Section 501(c)(3), amended its Articles of Incorporation to eliminate its status as a Type I supporting organization of the PDA. Its newly broadened purpose is to support Sections 501(c)(3) organizations which operate in, or are affiliated with Fort Worden State Park and further the purposes of lifelong learning. During 2021 the PDA continued to act as a fiscal agent for the FWF and the Makers Square LLC's. Beginning in 2022 FWF will no longer perform this function.

The FWF provides a vehicle to support efforts to secure historic tax credits as a funding mechanism for the re-development of historic buildings in the PDA's lease area. Three LLCs (two in December 2017 and one in October 2019) were formed by the Foundation to take advantage of tax credits for the PDA's Makers Square Project. Tax credits of \$2,578,636 were earned in 2021.

Foundation activity (including LLC's) is included in the financial statements on the Fiduciary Fund Resources and Uses Arising from Cash Transactions.

#### **Note 3 – Long-Term Debt**

In September 2021 the PDA issued \$1,698,277 of 2021A refunding bonds to retire \$1,600,000 of existing 2018 revenue bonds and \$2,107,863 of 2021B refunding bonds to retire \$1,950,000 of existing 2019 revenue bonds at 4% interest. This refunding was undertaken to capitalize accrued interest, delay initial repayments for 2 years and extend total debt service payments over the next 25 years.

In November 2021 the PDA issued \$231,000 of taxable revenue bonds, 2021C at 4% interest – for the purpose of providing operating revenue to the PDA. Future draws up to a maximum of \$1,934,000 will be provided for operating revenue and to restore capital funds which were utilized for operating expenses.

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the PDA and summarizes the PDA's debt transactions for the year ended December 31, 2021.

The debt service requirements for revenue bonds are as follows:

	Rev Bond, 2019A	Rev Bond, 2021A	Rev Bond, 2021B	Rev Bond 2021C	Interest	Total
2022	1,500,000	0	0	0	128,604	1,628,604
2023	-	100	100	0	338,747	338,947
2024	-	46,157	57,287	6,278	178,181	287,903
2025	-	48,024	59,602	6,531	155,984	270,141
2026	-	49,961	62,009	6,795	151,376	270,141
2027- 2031	-	281,762	349,712	38,322	680,911	1,350,707
2032- 2036	-	343,466	426,296	46,714	534,231	1,350,707
2037- 2041	-	418,683	519,652	56,945	355,428	1,350,707
2042- 2046	-	510,124	633,205	69,415	136,335	1,349,079

A \$350,000 short term loan the Foundation provided to the PDA on October 30, 2020 was repaid in full with 4% interest on January 6, 2021.

A \$214,000 draw was taken on Revenue Anticipation note, 2021A on December 24, 2020. Principle was repaid with funds provided by the FWF on January 11, 2021.

#### **Note 4 – Financial Condition**

Lack of timely financial reporting for 2018 and 2019, followed by the catastrophic financial impact to the PDA of the COVID shutdown in 2020 caused a substantial doubt about the PDA's ability to continue as a going concern.

Major initiatives to remedy the situation included key staff transitions, working with lenders to extend terms and obtain bridge financing to close project payables and qualify for grant reimbursements, timely financial reporting to management and Bankers, completing past due State Auditor submissions, maintaining minimal staff levels and expenditures and working with the City and the Foundation to explore code revisions and various Makers Square operating structures. Ongoing dialog with Bankers on restructuring Bond debt and advances of Historic Tax Credits gave time for the foregoing initiatives to bear fruit and gain the trust needed to provide critical financial relief for the advancement of the recovery. Continued adherence to strict financial controls and the reorganization (see subsequent event) are ongoing.

In 2021 Jefferson County provided a \$378,000 grant using Federal funds from the American Rescue Plan Act (ARPA) designated to provide relief from economic impacts due to Covid-19. The grant is to be used

to meet specified financing needs. This grant and these planned actions are expected to enable the government to continue operating and meeting its obligations as they come due.

#### **Note 5 – Deposits and Investments**

Investments are reported at original cost. Deposits and investments by type at December 31, 2021 are as follows:

PDA's Own Bank Deposits \$546,425

FWF's Own Bank Deposits \$148,478

FWF Brokerage Account \$ 256

Custodial credit risk is the risk that, in the event of a failure of a depository financial institution, the PDA would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The PDA and FWF's bank deposits are mostly covered by federal depository insurance (FDIC). All investments are insured, registered or held by the PDA or its agent in the government's name.

#### **Note 6 – Subsequent Events**

##### **Subsequent event – Reorganization**

The PDA established Fort Worden Hospitality Services (an LLC not-for-profit) effective February 14, 2022. Staff, resources and assigned facilities will be transferred to the new LLC under a 25-year franchise to operate all campus hospitality services. Two PDA board members provide oversight to the new organization. The LLC will provide an initial management support fee to the PDA, followed by a Franchise Fee after year two. All liabilities held by the PDA for Hospitality Services will be transferred to the new LLC.

#### **Note 7 – Other Disclosures**

##### **COVID-19**

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included restricting or halting the operation of certain businesses and limiting public and private gatherings. Subsequent phased re-opening measures extended into 2021, along with uncertainty brought about by new COVID-19 variants.

The FWPDA's operating revenue is generated primarily through hospitality services – events, lodging and restaurants. TAPS, the popular park pub was not able to reopen due to staff shortages. Housekeeping staff shortages also limited the number of houses available for rent in 2021. The PDA manages 72 buildings and the costs of utilities and general maintenance are ongoing.

The Makers Square construction project due for completion in 2020 was delayed due to Covid-19. Construction activity was complete September 30, 2021, with unplanned costs incurred for interest and work stoppages.

## **Note 8 – Risk Management**

Fort Worden Public Development Auth is a member of the Enduris Washington (Pool). Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. The Pool was formed July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. For the Pool's fiscal year ending August 31, 2021, there were 539 Enduris members representing a broad array of special purpose districts throughout the state.

The Enduris' program provides for various forms of joint self-insurance and reinsurance coverage for its members: Liability coverage, which includes: General Liability, Automobile Liability, Public Officials' Errors and Omissions liability, Terrorism liability and Employment Practices liability; Property coverage, which includes: Building and Contents, Mobile Equipment, Boiler and Machinery, and Business Interruption/Extra Expense; Automobile Physical Damage coverage; Cyber coverage; Crime blanket coverage; Named Position coverage; and an Identity Fraud reimbursement program. Pollution coverage is provided on a "claims made" coverage form. All other coverage is provided on an "occurrence" coverage form.

Members are responsible for a coverage deductible or co-pay on each covered loss. Each policy year members receive a Memorandum of Coverage (MOC) outlining the specific coverage, limits, and deductibles/co-pays that are applicable to them. In certain cases the Pool may allow members to elect to participate in the programs at limits, coverage, deductibles, and co-pays that are specific to their needs. Enduris is responsible for payment of all covered losses above the member retention, up to the Pool self-insured retention (SIR). Enduris acquires excess/reinsurance from unrelated insurance companies to cover losses above the Pool's SIR up to the coverage maximum limit of liability. The tables below reflect the Pool's SIR, reinsurance limits and member deductibles/co-pays by coverage type.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays <sup>(1)</sup>
<b>Liability:</b>				
Comprehensive General Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Automobile Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Public Officials Errors and Omissions Liability	Each Wrongful Act Member Aggregate	\$1 million	\$20 million \$20 million	\$1,000 - \$100,000
Terrorism Liability <sup>(2)</sup>	Per Occurrence Pool Aggregate	\$500,000 \$1 million	\$0 Fully funded by Pool	\$1,000 - \$100,000
Employment Practices Liability	Per Occurrence Member Aggregate	\$1 million	\$20 million \$20 million	20% Copay <sup>(3)</sup>



Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays <sup>(1)</sup>
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- (1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible
- (2) Terrorism liability is fully funded by the Pool i.e. no excess/reinsurance is procured.
- (3) Members pay a 20% co-pay of costs up to a maximum of \$100,000. By meeting established guidelines, the co-pay may be waived.

**Property <sup>(2)</sup>:**

Buildings and Contents	Per Occurrence	\$250,000	\$800 million	\$1,000 - \$250,000
Mobile Equipment	Per Occurrence	\$250,000	\$800 million	\$1,000 - \$250,000
Boiler and Machinery <sup>(3)</sup>	Per Occurrence	Varies	\$100 million	Varies
Business Interruption (BI)/ Extra Expense (EE) <sup>(4)</sup>	Per Occurrence	\$250,000	\$100 million (BI)/ \$50 million (EE)	\$1,000 - \$250,000
<b>Sublimit <sup>(5)</sup>:</b>				
Flood	Per Occurrence	\$250,000	\$50 million (shared by Pool members)	\$1,000 - \$250,000
Earthquake	Per Occurrence	5%; \$500,000 maximum	\$10 million (shared by Pool members)	\$1,000 - \$250,000
Terrorism Primary	Per Occurrence Pool Aggregate	\$250,000	\$100 million/ Pool member \$200 million	\$1,000 - \$250,000
Terrorism Excess	Per Occurrence APIP Per Occurrence APIP Aggregate	\$500,000	\$600 million/Pool member \$1.2 billion/APIP \$1.4 billion/APIP	\$0
<b>Automobile Physical Damage <sup>(6)</sup></b>	Per Occurrence	\$25,000; \$100,000 for Emergency Vehicles	\$800 million	\$250 - \$1,000
<b>Crime Blanket <sup>(7)</sup></b>	Per Occurrence	\$50,000	\$1 million	\$1,000
<b>Named Position <sup>(8)</sup></b>	Per Occurrence	\$50,000	\$1 million	\$1,000
<b>Cyber <sup>(9)</sup></b>	Each Claim APIP Aggregate	\$100,000	\$2 million \$25 million	20% Copay
<b>Identity Fraud Expense Reimbursement <sup>(10)</sup></b>	Member Aggregate	\$0	\$25,000	\$0

- (1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible.
- (2) Property coverage for each member is based on detailed property schedule. Scheduled items are covered to the extent of the cost of repair or replacement pursuant to the excess/reinsurance policy terms. Under the Alliant Property Insurance Program (APIP) Reinsurance carriers cover insured losses over \$250,000 to the limit of \$800 million except for certain types of sub-limited property losses such as flood, earthquake, and terrorism.
- (3) Boiler and Machinery self-insured retention for the Pool varies depending on motor horsepower.
- (4) Business Interruption/ Extra expense coverage is based on scheduled revenue generating locations/operations. A limited number of members schedule and the rest are limited to \$500,000 of coverage with a \$2.5 million Pool maximum for undeclared exposure. The waiting period (deductible) is typically 24 hours but there are exceptions specific to the type of exposure covered.
- (5) This sublimit list is simplified and is not all-inclusive. In addition, sub-limits are often shared or aggregated by all pool members and, in a few cases, are shared by all APIP members. Deductibles often vary by coverage sub-limit.
- (6) Auto Physical Damage coverage includes comprehensive, named perils and collision. Coverage for each member is based on a detail vehicle schedule.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays <sup>(1)</sup>
(7)	Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance" of \$2,500 is provided to each member. Member's may elect to "buy-up" the level of coverage from \$5,000 to \$1 million.			
(8)	Named Position coverage is optional. Members may elect to schedule various employees, directors, and commissioners, with individual limits of between \$5,000 and \$1 million.			
(9)	Cyber coverage is included under the Pool's Property program. Members are subject to a 20% co-pay per loss and the Pool's SIR is tiered between \$50,000 and \$100,000 depending on the insured/members property TIV with an 8 hour waiting period. By meeting established guidelines, the co-pay may be waived. The reinsurance maximum limit of liability is \$2 million, with various declared sub-limits.			
(10)	Identity Fraud Expense Reimbursement coverage is purchased by Enduris. Member claims do not have a deductible. There is a \$25,000 limit per member.			

Members make an annual contribution to fund the Pool. Since Enduris is a cooperative program, there is joint liability among the participating members. There were no claim settlements in excess of the insurance coverage in any of the last three policy years.

Upon joining the Pool, members are contractually obligated to remain in the Pool for a minimum of one year and must give notice 60 days before renewal in order to terminate participation. The Interlocal Governmental Agreement (formerly known as the Master Agreement) is automatically renewed each year unless provisions for withdrawal or termination are applied. Even after termination, a member is still responsible for contribution to Enduris for any unresolved, unreported and in process claims for the period they were a signatory to the Interlocal Governmental Agreement.

Enduris is fully funded by its member participants. Claims are filed by members with the Pool who determines coverage and administers the claims.

The Pool is governed by a Board of Directors which is comprised of seven board members. The Pool's members elect the Board, and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for overseeing the business affairs of Enduris and providing policy direction to the Pool's Executive Director.

The PDA is exposed to various risks of loss related to theft of, damage to, and destruction of assets; torts; errors and omissions; injuries to employees; and natural disasters.

The PDA purchases commercial insurance for such risks of loss through Enduris. Coverage includes general, auto, public officials' errors and omissions, and employment liability with a limit of \$20 million per occurrence and a \$1,000 deductible. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Fort Worden Public Development Authority**

Schedule 01

For the year ended December 31, 2021

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
3074	401	Operations	3083100	Restricted Cash and Investments - Beginning	\$52,494
3074	401	Operations	3085100	Assigned Cash and Investments - Beginning	\$117,908
3074	401	Operations	3473000	Activity Fees	\$2,735,027
3074	401	Operations	3670000	Contributions and Donations from Nongovernmental Sources	\$80,651
3074	401	Operations	3370000	Local Grants, Entitlements and Other Payments	\$383,458
3074	601	Foundation	3083100	Restricted Cash and Investments - Beginning	\$196,809
3074	401	Operations	5755010	Multipurpose and Community Centers	\$1,358,057
3074	401	Operations	5755020	Multipurpose and Community Centers	\$287,835
3074	401	Operations	5755030	Multipurpose and Community Centers	\$157,554
3074	401	Operations	5755040	Multipurpose and Community Centers	\$1,961,392
3074	401	Operations	5083100	Restricted Cash and Investments - Ending	\$427,016
3074	401	Operations	5085100	Assigned Cash and Investments - Ending	\$119,409
3074	601	Foundation	5083100	Restricted Cash and Investments - Ending	\$148,734
3074	401	Operations	3952000	Compensation for Loss/Impairment of Capital Assets (Cash Basis Only)	\$25,407
3074	401	Operations	3829000	Immaterial Fiduciary Collections	\$6,510
3074	401	Operations	3829000	Immaterial Fiduciary Collections	\$287,850
3074	401	Operations	3912000	Revenue Bonds Issued	\$231,000
3074	401	Operations	3930000	Refunding Long-Term Debt Issued	\$3,806,140
3074	401	Operations	3881000	Prior Period Adjustment (s)	\$1,754,222
3074	601	Foundation	3893000	Custodial Type Collections	\$2,596,871
3074	401	Operations	5917570	Debt Repayment - Cultural and Recreational Facilities	\$564,000
3074	401	Operations	5997570	Payments for Refunded Debt - Cultural and Recreational Facilities	\$3,550,000
3074	401	Operations	5927580	Interest and Other Debt Service Cost - Cultural and Recreational Facilities	\$218,871
3074	401	Operations	5822000	Refund of Retainage Deposits	\$428,880

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
3074	401	Operations	5829000	Immaterial Fiduciary Remittance	\$6,270
3074	401	Operations	5829000	Immaterial Fiduciary Remittance	\$283,285
3074	401	Operations	5829000	Immaterial Fiduciary Remittance	\$3,503
3074	401	Operations	5947560	Capital Expenditures/Expenses - Cultural and Recreational Facilities	\$114,595
3074	601	Foundation	5893000	Custodial Type Remittances	\$2,644,946

Fort Worden Public Development Authority  
Schedule of Liabilities  
For the Year Ended December 31, 2021

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
Revenue and Other (non G.O.) Debt/Liabilities						
252.11	Revenue Bond, 2018	4/1/2040	1,600,000	-	1,600,000	-
252.11	Revenue Bond, 2019	6/28/2028	1,950,000	-	1,950,000	-
263.92	Fort Worden Foundation Loan	1/15/2021	350,000	-	350,000	-
252.11	Grant Anticipation Note	1/31/2022	214,000	-	214,000	-
252.11	Refunding Bond 2021A	9/10/2046	-	1,698,277	-	1,698,277
252.11	Refunding Bond 2021B	9/10/2046	-	2,107,863	-	2,107,863
252.11	Revenue Bond 2021C	11/17/2046	-	231,000	-	231,000
252.11	Revenue Bond 2019A	6/28/2021	1,500,000	-	-	1,500,000
259.12	Compensated Absences	12/31/2022	64,610	-	24,934	39,676
Total Revenue and Other (non G.O.) Debt/Liabilities:			5,678,610	4,037,140	4,138,934	5,576,816
Total Liabilities:			5,678,610	4,037,140	4,138,934	5,576,816

**Fort Worden Public Development Authority**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE (unaudited)**  
**For Fiscal Year ended December 31, 2021**

Grantor	Program Title	Identificaton Number	Amount
State Grant from Department of Commerce			
	Local Community Projects	21-96633-048	543,200
Sub-total:			543,200
State Grant from Other State Agencies			
	Heritage Capital Projects	19-11	347,077
Sub-total:			347,077
Grand total:			890,277

**Labor Relations Consultant(s)**  
**For the Year Ended December 31, 20\_\_**

Has your government engaged labor relations consultants? \_\_\_ Yes X No

If yes, please provide the following information for each consultant:

Name of firm:
Name of consultant:
Business address:
Amount paid to consultant during fiscal year:
Terms and conditions, as applicable, including:  Rates (e.g., hourly, etc.):  Maximum compensation allowed:  Duration of services:  Services provided:

**LOCAL GOVERNMENT RISK-ASSUMPTION**  
**For the Year Ended December 31, 20\_\_**

1. no Does the entity self-insure for any class of risk, including liability, property, health and welfare, unemployment compensation, workers' compensation? (yes/no)

**If NO, STOP, you do not need to complete the rest of this Schedule.**

**If YES, continue below.**

- a. Which class of risk does the entity self-insure? Check all that apply.
- i.        Liability
  - ii.        Property
  - iii.        Health and Welfare (medical, vision, dental, prescription)
  - iv.        Unemployment Compensation
  - v.        Workers' Compensation
  - vi.        Other - please describe: \_\_\_\_\_
- b.        Does the entity self-insure as an individual program? (yes/no)
- i.        If answered YES, does the entity allow another separate legal entity into its self-insurance program(s)? (yes/no) For example, employees of a different organization participate in a health and welfare program of a city.
- If so, list the entity or entities: \_\_\_\_\_
- c.        Does the entity self-insure as a joint program? (yes/no)
- If answered YES, list the other member(s): \_\_\_\_\_



2. \_\_\_\_\_ Does the entity administer its own claims? (yes/no)
3. \_\_\_\_\_ Does the entity contract with a third party administrator for claims administration? (yes/no)
4. \_\_\_\_\_ Did the entity receive a claims audit in the last three years, regardless of who administered the claims? (yes/no)
5. \_\_\_\_\_ Were the program's revenues sufficient to cover the program's expenses? (yes/no)
6. \_\_\_\_\_ Did the program use an actuary to determine its liabilities? (yes/no)

**EXAMPLE**

Description of Risk Type	Number of claims received during the period	Number of claims paid during the period	Total amount of claims paid during the period
Liability (automobile)	354	279	\$104,366

Description of Risk Type	Number of claims received during the period	Number of claims paid during the period	Total amount of claims paid during the period



## **DRAFT Meeting Minutes**

### **Board Meeting Agenda**

**Fort Worden Lifelong Learning Center Public Development Authority (FWPDA)**

**Tuesday, May 24, 2022 | 5:30 p.m.**

**Via Zoom (Remote Meeting Per Governor Inslee's Proclamation 20-28.15)**

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#### **Public Meeting Access:**

##### **Via internet:**

<https://us06web.zoom.us/j/82722023911?pwd=Zk5FTHNpZUNDSFkwWmVFdGw1SzV6QT09>

##### **Via phone:**

+1 253 215 8782

Webinar ID: 827 2202 3911

Passcode: 917700

\*9 to raise hand to speak

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#### **Action Summary**

- ❖ Motion to approve the consent agenda. **Unanimously approved.**
- ❖ Motion to rescind Resolution 22-12\* (authorizing the Executive Director to make a finding of the existence of an emergency, which the PDA faces with regard to immediate completion of the glamping project.) and direct the Executive Director to assess options and make a recommendation on a course of action at the June regular meeting. **Unanimously approved.**
- ❖ Motion to authorize the Executive Director to enter into a professional services agreement with Dave Peterson, PE for capital project support on an hourly rate not to exceed \$125/hour with a cap of \$30,000. **Unanimously approved.**
- ❖ Motion to direct the Chair to begin implementation of the process to conduct an evaluation of the Executive Director's performance. **Unanimously approved.**

#### **Meeting Agenda**

##### **I. Call to order**

The meeting was called to order at 5:34 p.m.

##### **II. Roll Call**

PDA Board Members: Brad Mace, Celeste Tell, David King, Eva Weber, Rodger Schmitt, Torie Brazitis

Liaisons: Heron Scott, Libby Wennstrom

PDA Staff: David Timmons, Becky Wagner, Meriden Vitale, Brian Augenthaler (attorney)

##### **III. Reports**

#### **A. Finance Reports**

- a. Treasurer's Report
- b. Profit & Loss YTD\*

Because the Treasurer was out of the country, the Finance & Audit Committee did not meet in May. David Timmons provided a short financial update. Becky Wagner reviewed P&L. They also discussed the ongoing audit of 2019 to 2020.

David Timmons mentioned looking ahead at energy efficiency improvements, mentioning that with the rising cost of oil, fuel for officer's row was \$27,000 last month. He has been talking with the PUD to meter all the buildings in order to have a better system for determining utility usage and costs for partners.

#### **B. Executive Director's Reports**

- a. Lobbying Memo and Report\*
- b. Justice Capital status update\*
- c. Renewable Nations status update\*

Timmons reviewed the lobbying report. They successfully registered with the state as a lobbyist, completing the switch from the Foundation.

Justice Capital is part of the White House Infrastructure package and the PDA remains one of thirteen finalists, out of two hundred nominations. Still waiting to hear about next steps. Timmons has been in communication with them about "shovel ready" projects, as well as "investment ready" projects.

The Renewable Nations meeting in New York with the ambassador of Japan was successful. The concept of the proposal to create a joint institute at Fort Worden was well received. Timmons said the Justice Capital goals fit well with Renewable Nations, focused on serving minorities and underrepresented communities, and encouraged people to look at the Okinawa Institute of Science and Technology website, which is involved in the concept proposal.

#### **IV. Public Comment**

No public comment at this time.

#### **V. Action Items (6:30 p.m. estimate)**

##### **1. Consent Agenda**

- a. Review the April 12, 2022\* and April 26, 2022 meeting minutes. \*

**Proposed action:** Approve the consent agenda.

Rodger Schmitt made a motion to approve. Eva Weber seconded. **Unanimously approved.**

##### **2. Motion to Rescind Glamping Resolution**

- A. Staff presentation
- B. Board clarifying questions
- C. Board discussion
- D. Board liaison comments

**Proposed action:** Motion to rescind Resolution 22-12\* (authorizing the Executive Director to make a finding of the existence of an emergency, which the PDA faces with regard to immediate completion of the glamping project.) and direct the Executive Director to assess

options and make a recommendation on a course of action at the June regular meeting.

Timmons explained that due to several factors he recommends rescinding the emergency order and pausing new developments in the glamping project. Hospitality is not ready to take over the project this summer and the cost of completing the accommodations exceeds the \$600,000 the PDA has to spend. Timmons gave a brief recap of the project history and said there was a miscalculation in terms of expected profits based on the original project plan. The PDA will review the project history and accompanying documents in more depth at the June meeting. Board members and liaisons asked questions about the decision-making time frame, hospitality's readiness and involvement, and the impact to the PDA's debt payments.

David King stated that providing accommodations is part of the PDA's master lease and is not solely a fundraising endeavor. Board members expressed interest in hearing directly from Hospitality on this topic moving forward. Heron Scott encouraged transparency with partners and public as decisions are made.

Eva Weber made a motion to approve. Celeste Tell seconded. **Unanimously approved.**

**3. Authorize contract with Dave Peterson\***

- A. Staff presentation
- B. Board clarifying questions
- C. Board discussion
- D. Board liaison comments

**Proposed Action:** Motion to authorize the Executive Director to enter into a professional services agreement with Dave Peterson, PE for capital project support not to exceed \$30,000.

David Timmons explained that this motion would allow him to get some help managing the minor projects that need to be completed, including the Makers Square courtyard, a capital projects list for the preservation funds (\$750,000 awarded by the legislature), and the glamping project. Peterson understands the public procurement process very well and has a history of successful working relationships.

Board members asked about the time frame for the contract as well as the hourly rate. Timmons said it would be 5-10 hours of work/week. Peterson would report to Timmons and they are currently discussing his hourly rate.

Celeste Tell made a motion to approve with the following amendment: "an hourly rate not to exceed \$125/hour with a cap of \$30,000." Eva Weber seconded. **Unanimously approved.**

**4. Fort Worden Hospitality MOU\***

- A. Staff presentation
- B. Board clarifying questions
- C. Board discussion
- D. Board liaison comments

**Proposed Action:** Motion to accept the modified terms of the MOU with Fort Worden Hospitality addressing assignment of liabilities and assets in relationship to the Concession Services Agreement transferring hospitality services from the FWPDA to Fort Worden

Hospitality.

David Timmons said the PDA met with Hospitality recently to discuss the final reconciliation and transfer of the liabilities on advanced deposits. Hospitality is still evaluating and had not returned documents in time for the meeting. David King mentioned having a representative from hospitality present for this future discussion.

**5. Executive Director Evaluation Process\***

- A. Staff presentation
- B. Board clarifying questions
- C. Board discussion
- D. Board liaison comments

**Proposed Action:** Motion to direct the Chair to begin implementation of the process to conduct an evaluation of the Executive Director's performance.

David Timmons said he had discussed with the Chair and Vice Chair developing a process for evaluating the Executive Director. He outlined the following process: the Board Chair sends evaluations to board members, they fill out and return to the Chair, the Chair compiles them into a single document that is shared in an Executive Session, with board consensus ED is invited to Executive Session to hear feedback, then full report is shared in a public meeting, with the completed evaluation a public record. Heron Scott asked about incorporating public and stakeholder feedback of the ED. David King and David Timmons said board members should be reaching out to people to gather opinions and feedback that they will then incorporate into their evals.

Eva Weber made a motion to approve. Torie Brazitis seconded. **Unanimously approved.**

**VI. Public Comment**

No public comment at this time.

**VII. Next Board Meeting**

Tuesday, June 28, 2022 at 5:30 p.m.

**VIII. Executive Session—Potential litigation**

No action will be taken.

The board went into executive session at 7:00 p.m.

**IX. Adjourn (8:00 p.m. estimate)**

The meeting was officially adjourned at 7:45 p.m.

*\*Topic involves documents in agenda packet*

	Current	1-30	31 - 60	61 - 90
Allied Fire & Security, Inc.	\$ -	\$ 18,664.17	\$ -	\$ -
Canon Financial Services, Inc	\$ -	\$ 281.05	\$ -	\$ -
City of Port Townsend - Water & Sewer	\$ 10,184.59	\$ 9,509.80	\$ -	\$ -
Cooper Fuel	\$ 13,300.76	\$ 9,695.98	\$ 4,506.43	\$ 745.31
DM Disposal Co, Inc.	\$ -	\$ 159.22	\$ 141.36	\$ -
Dziedzic Public Affairs	\$ 3,000.00	\$ 3,000.00	\$ -	\$ -
Ferrellgas	\$ 9,233.80	\$ 3,867.01	\$ -	\$ -
KBM Inc P.S.	\$ 3,678.40	\$ 3,648.00	\$ -	\$ -
NoaNet, Inc.	\$ 7,135.70	\$ 7,135.70	\$ -	\$ -
Office Depot - Intalere	\$ -	\$ 96.78	\$ -	\$ -
Peninsula Fire Inc	\$ -	\$ -	\$ 72.01	\$ -
PUD #1 of Jefferson County	\$ -	\$ -	\$ 22,721.23	\$ -
Raymond Handling Concepts Corp	\$ -	\$ 137,500.00	\$ -	\$ -
State Auditor's Office	\$ 1,509.30	\$ -	\$ -	\$ -
Swift Plumbing, Inc	\$ -	\$ 511.49	\$ -	\$ -
Tara Dunford CPA	\$ 866.25	\$ -	\$ -	\$ -
TCF/Huntington Bank	\$ 852.00	\$ 852.00	\$ -	\$ -
TK Elevator Corp. formerly Thyssenkrup	\$ 1,771.16	\$ 1,352.25	\$ -	\$ -
VSP	\$ 38.64	\$ -	\$ -	\$ -
WA State Dept of L&I	\$ -	\$ 424.90	\$ -	\$ -
TOTAL	\$ 51,570.60	\$ 196,698.35	\$ 27,441.03	\$ 745.31

> 90	TOTAL
\$ -	\$ 18,664.17
\$ -	\$ 281.05
\$ -	\$ 19,694.39
\$ 1,002.95	\$ 29,251.43
\$ -	\$ 300.58
\$ -	\$ 3,000.00
\$ -	\$ 13,100.81
\$ -	\$ 7,326.40
\$ -	\$ 14,271.40
\$ (52.86)	\$ 43.92
\$ -	\$ 72.01
\$ -	\$ 22,721.23
\$ -	\$ 137,500.00
\$ -	\$ 1,509.30
\$ -	\$ 511.49
\$ -	\$ 866.25
\$ -	\$ 1,704.00
\$ -	\$ 3,123.41
\$ -	\$ 38.64
\$ -	\$ 424.90
\$ 950.09	\$ 274,405.38

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*Fort Worden*  
— PORT TOWNSEND —  
A HISTORIC GATHERING PLACE

---

To: FWPDA Board of Directors

From: David Timmons, Fort Worden Lifelong Learning Center Public Development Authority (FWPDA) Executive Director

Date: June 24, 2022

Subject: Agenda Item – VIII a. MOU Regarding Amendments of terms with FWH

---

Attached is a proposed MOU that has been developed to address a positive relationship between the parties as we develop the new concession services agreement.

The current concession contract envisioned a first-year review and adjustment period to reflect changes from our shared experiences with starting the new services efforts. The proposed MOU proposes an amendment to the Concession Contract to adjust the Concession Fee from 3.5% to 3.0% for the initial first five years of the contract.

The intent behind this adjustment is to ensure a more financially secured startup of the new business model. The good news behind this is this will not represent a loss of projected income by the PDA since the expected income is actually running above the original projections. The original plan, which remains, was for FWH to fulfill several accounts in order: Concession Fee, Operating Reserves, Debt Reserves, Capital Reserves and finally “Share Distribution Reserves”.

During the discussions and resolution of the transfer of assets and liabilities between the PDA and FWH, FWH agreed to assume a greater liability than previously estimated. Given this condition, and the current business on the books, it was felt that the attached MOU and its terms would be beneficial to both parties to provide a more secure financial transition period of 5 years.

In addition, it was felt there are obvious reasons to prioritize certain deferred maintenance needs of hospitality services to ensure continuity of services to the Fort and its Partners. The MOU also addresses this need as well.

It is recommend that the Board move to authorize the execution of the MOU with FWH as prepared and presented.



## **Addendum to Memorandum of Understanding**

This Addendum to Memorandum of Understanding (hereinafter "Addendum") is a binding agreement by and between the Fort Worden Lifelong Learning Public Development Authority, 200 Battery Way, Port Townsend, WA 98368 (the "FWPDA"), and Fort Worden Hospitality, 210 Battery Way, Port Townsend, WA 98368 ("FWH"). The FWPDA and FWH may herein be referred to jointly as the "Parties," or individually, as a "Party." This Addendum references the Memorandum of Understanding (MOU) in place between the Parties at the time of their administrative split of February 14, 2022.

### **PREAMBLE:**

**WHEREAS**, the Parties met June 6, 2022, and agreed to revisions of the Concession Agreement that will enhance and support the success of Fort Worden Hospitality during the first five years of startup.

**WHEREAS**, the Parties understand that the current Concession Fee of 3.5% assessed against the gross earnings of the business is generating more than originally projected.

WHEREAS, the parties understand the unique challenges to the start up of this new organization and challenges the existing conditions of assets will bring to maintain continuity of services in the short term

WHEREAS, the parties accept its in everyone's best interest to amend the current agreement to reflect changes brought about within the first year of operations;

WHEREAS, the parties agree that the current concession fee of 3.5% annually be adjusted to 3.0% for period 2022 to 2027

WHEREAS, the parties agree to develop a capital improvement plan that prioritizes capital preservation investments in operating system that will benefit the operational costs of Fort Worden Hospitality that is supportive of critical partner programing

**NOW THEREFORE**, in consideration of the mutual promises set forth, it is agreed as follows:

### **Section 1. Consideration of Successful Business Operating Proforma**

The Purpose of this MOU Addendum is for the Parties to articulate terms for an amendment to the Concession Contract to implement the above measures to improve performance and success of Fort Worden Hospitality during the first five-years of operations.

**THE UNDERSIGNED REPRESENTATIVES OF PARTIES TO THIS ADDENDUM HEREBY WARRANT THAT THEY ARE DULY AUTHORIZED BY THEIR RESPECTIVE BOARD OF DIRECTORS TO ASSERT THE CONCLUSION OF THIS MOU.**

For: The Fort Worden Lifelong  
Learning Public Development  
Authority

For: Fort Worden Hospitality

David Timmons, Executive Director  
200 Battery Way  
Port Townsend, WA 98368

Matt Gurney, Board President  
210 Battery Way  
Port Townsend, WA 98368

Effective Date:

Effective Date:

## **Memorandum of Understanding #2 – June 2022**

This Memorandum of Understanding (hereinafter "MOU #2") is a binding agreement by and between the Fort Worden Lifelong Learning Public Development Authority, 200 Battery Way, Port Townsend, WA 98368 (the "FWPDA"), and Fort Worden Hospitality, 210 Battery Way, Port Townsend, WA 98368 ("FWH"), which supersedes the previous MOU effective February 14, 2022. The FWPDA and FWH may herein be referred to jointly as the "Parties," or individually, as a "Party."

### **PREAMBLE:**

**WHEREAS**, the FWPDA is a public authority chartered by the City of Port Townsend Municipal Code (the "City") Chapter 2.84 Ordinance No. 3018, adopted 8 September 2009, in compliance with the State of Washington (the "State") Revised Code of Washington (RCW 35.21.730 (5).

**WHEREAS**, Fort Worden Hospitality is a Washington-based, not-for-profit corporation (State of Washington UBI #604688139) (Federal EIN #86-1919930), incorporated December 22, 2020, with a mission "to welcome visitors to a treasured state asset – Fort Worden State Park and Lifelong Learning Center. We connect people to the park's resources: the lifelong learning center campus; the cultural, educational, artistic, environmental, and recreational programs offered by the park's partner organizations; and the trails, beaches, and historic batteries. We also provide hospitality packages; meeting and event spaces; food services; and lifelong learning programming."

**WHEREAS**, the FWPDA and FWH are parties to a concession agreement ("Concession Agreement"), executed August 10, 2021, and amended with an commencement date of February 14, 2022, to operate hospitality and related services within the Fort Worden State Park ("Fort Worden") consistent with a master lease agreement ("Master Lease") between FWPDA and Washington State Parks, effective 8 August 2013, and as amended to develop, operate, and maintain the Fort Worden State Park ("Fort Worden") as a Lifelong Learning Center ("Center") in collaboration with resident partners ("Partners") consistent with the approved plan adopted by the WA Parks Commission in 2008.

**WHEREAS**, the FWPDA is in the midst of a board-approved restructuring plan that included the transfer of hospitality operations to FWH to fulfill future hospitality business (as set forth in the Concession Agreement) commencing February 14, 2022 for the duration of the Concession Agreement.

**WHEREAS**, the Parties agree that the terms of the initial MOU have been satisfied and the exchange of assets and liabilities established fair consideration between the parties as required by the Washington Constitution to comply with the requirement that forbids the FWPDA to surplus assets to FWH absence a finding that FWPDA has received fair consideration in return.

**WHEREAS**, the Parties will continue to work together to fulfill the terms of the Concession Agreement, which is still within a 12-month modification period, and the Parties would mutually benefit from operating through agreement(s) outside the Concession Agreement pending future modification.

**WHEREAS**, within the first few months of operation there have been multiple capital needs identified in contracted buildings that threaten the use of said buildings for carrying out the Lifelong Learning Center mission of the campus.

**WHEREAS**, it would be to the mutual benefit of both parties to remedy these capital needs as quickly as possible both for business and mission purposes.

**WHEREAS**, the Parties are developing a Service-Level Agreement to temporarily govern during the initial transition of the one-year modification period.

**NOW THEREFORE**, in consideration of the mutual promises set forth, it is agreed as follows:

### Section 1. Purpose of the MOU

The Purpose of this MOU #2 is for the Parties to set forth an agreement governing a concession fee discount and a prioritization of capital work that affects the Parties' mutual interests in mission fulfillment and business operations. This MOU #2 is meant to be a bridge pending further agreements, including a Service-Level Agreement regarding on-site maintenance, and pending the closure of the modification window of the Concession Agreement.

- 1.1. Concession Fee Discount:** The FWPDA will discount its concession fee from the 3.5% set by the Concession Agreement to 3%. Based on current pro forma data, this discount comes out to approximately \$360,000 over the five-year period of 2022-2027. (Dollar figure provided for reference only, will vary based on actual revenues during period.)

**Projected Outcome:** Monies not remitted to the FWPDA due to the concession fee discount will be used for the highest and best business uses, which include mission impact.

- 1.2. Prioritization of Capital Projects:** FWH has identified a short list of projects that have significant negative impacts on delivery of contracted business, and FWPDA agrees to prioritize resolving the following issues:

Project	Building(s) Affected	Mission Impact	Notes
Hot Water Heater Replacement, Commons	210	If the last operable hot water heater fails, all catering including all Partner events will be canceled for an indeterminate time while an emergency repair is completed. It would also close Reville and the public restrooms, which are the primary public restrooms for the whole upper campus.	Have received a bid to replace all three hot water heaters for approximately \$47K, thus providing required redundancy to maintain contracted service levels.
ADA Ramps	11W, 353	ADA access to the building is a required element of public benefit and access; guests will have to cancel their visits and be refunded if this is not resolved ASAP. Already causing interruption to service.	
Certificate of Occupancy for 203	203	Centrum programs regularly require use of this building, 30-year guest Camp Bharat and THING Festival heavily affected if building not reopened by July 2022.	Some aspects of reopening this building require simple fixes while some require complex interagency cooperation that FWPDA is uniquely able to spearhead. Conversations around

			expedited options need to happen prior to June 20, 2022.
Electrification of Officers Row	4, 5, 6, 7, 9, 10, 11, 15, 16	Include some of the most historically significant buildings on campus. In addition to threaten the building integrity, the continued maintenance causes a strain on shared resources and available access for their use.	Oil boilers and connecting systems are failing and causing safety issues, as well as being very energy inefficient and contributing significantly to CO2 emissions on campus. Rising energy costs a huge business factor. Some houses will have to be closed by this winter if they cannot be electrified before then.
Electric Furnaces in Buildings with 3-Phase Power	225	Dorms integral part of most Lifelong Learning Center programs. Dorms are key for providing accessibility to a variety of long time Fort Worden groups and programs.	Current electric furnaces are outdated and parts cannot be sourced for repair. New furnaces will save on energy costs and be easier to maintain.
Air Handling System in Commons	210	Many impacts if this system is not operating properly, from food service for program participant meals, to use of the meeting spaces and the lobby and restrooms as a central campus asset open year-round for use to the public.	This affects energy costs, maintenance time, guest and employee comfort, and guest and employee health in adverse weather and with ventilation to mitigate spread of airborne disease.

**Projected Outcome:** Priority projects will receive top attention until completed and no longer a threat to mission delivery and business operations.

## Section 2. Scope of Work of the MOU

The Parties to this MOU shall perform the required work to adjust inter-entity billing related to the concession fee and will work closely together to see the proper completion of the capital projects described. The parties will begin drafting a Service-Level Agreement based upon mutual understanding, and anticipate that agreement being in affect by June 30, 2022.

**2.1 Deadlines:** Some capital projects will have significantly higher adverse impacts if they are not completed by the following dates:

- a. ADA Ramps must be completed (or have a temporary solution installed) by June 24, 2022
- b. Ground Floor of 203 must be available for occupancy by July 3, 2022, and the second floor by August 5, 2022.
- c. Houses 6 and 7 must be electrified by October 1, 2022

## Section 3. General Terms

The General Terms of this MOU are as follows:

**3.1 Term and Termination:** The term of this Agreement shall be from the ratification date until another agreement is made that supersedes portions of this one or modifications are made to the Concession Agreement. The agreement may not be terminated except in the event of termination of the Concession Agreement.

**3.2 Assignment:** Neither this MOU nor any of the rights, interests, or obligations hereunder shall be assigned (whether by operation of law or otherwise) to any third party without the prior written consent of the non-assigning Party.

**3.3 Notification:** Any notification required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery, including by a nationally recognized express delivery service providing proof of receipt and delivery, or by electronic mail with receipt acknowledged (provided that an automated or system generated message, including a read receipt or out of office reply, shall not constitute such written confirmation). Notices shall be addressed to the Party to be notified at its principal executive office, directed to the name and address provided, as follows:

Fort Worden Lifelong Learning Public Development Authority

C/O: David Timmons, Executive Director, 200 Battery Way, Port Townsend, WA 98368. Electronic mail: [dtimmons@fortworden.org](mailto:dtimmons@fortworden.org)

Fort Worden Hospitality

210 Battery Way, Port Townsend, WA 98368

Electronic mail: [adiamanti@fortworden.org](mailto:adiamanti@fortworden.org)

**3.4 Indemnity:** Each Party to the Agreement agrees to indemnify and hold harmless the other Party, its officers and directors, employees and its affiliates and their respective successors and assigns and each other person, if any, against any loss, liability, claim, damage, and expense whatsoever (including, but not limited to, any and all expenses reasonably incurred in investigating, preparing, and/ or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty or breach or failure by the undersigned to comply with any covenant or agreement made by the undersigned herein or in any other document furnished by the undersigned to any of the foregoing in connection with this MOU.

**3.5 Dispute Resolution:** The Parties hereto will use their reasonable best efforts to resolve any dispute hereunder through good faith negotiations. A Party hereto must submit a written notice to the Party to whom such dispute pertains, and any such dispute that cannot be resolved within ten (10) calendar days of receipt of such notice (or such other period to which the Parties may agree) may cause either Party to seek redress via the terms of the Concession Agreement.

**3.6 Governing Law and Jurisdiction:** This MOU and any claim or controversy hereunder shall be governed by and construed in accordance with the laws of the State of Washington without giving effect to the principles of conflict of laws thereof. If any term in this MOU is found by competent judicial authority to be unenforceable in any respect, the validity of the remainder of this MOU will be unaffected, provided that such unenforceability does not materially affect the Parties' rights under this MOU.

**3.7 Complete Agreement:** This MOU contains the complete and final agreement between the Parties to the MOU. No representation, promise or condition in connection with the MOU shall be binding upon either party unless expressed herein. This MOU supersedes and voids any prior or collateral understanding between the Parties.

**3.8 Amendments:** This MOU may only be amended in writing specifically referencing this MOU and signed by authorized representatives of the Parties. Any copy of this MOU, or Amendments to the MOU, made by reliable means, including photocopy or facsimile, is considered an original.

**3.9 Public Documents:** Any news releases, public announcements, or publicity of any type regarding this MOU, shall not be released without prior approval of the other Party. The Parties shall be authorized to use this MOU, or information regarding this MOU, only in the performance of this MOU, as necessary. The Parties recognize that the FWPDA is dedicated to upholding the principles and ethics detailed in the Washington State Open Public Meetings Act (OPMA) and Public Records Act (PRA).

**3.10 Force Majeure:** If the performance of this MOU or any obligations hereunder are prevented, restricted, or interfered with by reason of earthquake, fire, flood or other casualty or due to strikes, riot, storms, explosions, acts of God, war, terrorism, pandemic or a similar occurrence or condition beyond the reasonable control of the Parties, the Party so affected shall, upon giving prompt notice to the other Parties, be excused from such performance during such prevention, restriction, or interference, and any failure or delay resulting therefrom,

shall not be considered a breach of this MOU.

**3.11 Execution of Agreement:** The Parties acknowledge that administrative agreement can be reached via negotiating parties, but that full ratification of the agreement is dependent upon votes of each Party's Board of Directors and modifications to the agreement may be needed, which Parties agree to reach mutual understanding of within seven days of the next meetings of said boards.

**THE UNDERSIGNED REPRESENTATIVES OF PARTIES TO THIS MOU HEREBY WARRANT THAT THEY ARE DULY AUTHORIZED BY THEIR RESPECTIVE BOARD OF DIRECTORS TO ENTER INTO THIS MOU.**

For: The Fort Worden Lifelong Learning Public  
Development Authority

For: Fort Worden Hospitality

David Timmons, Executive Director  
200 Battery Way, Port Townsend, WA 98368

Aislinn Diamanti, Managing Director of Administration  
210 Battery Way, Port Townsend, WA 98368

Effective Date:

Effective Date:



*Fort Worden*  
— PORT TOWNSEND —  
A HISTORIC GATHERING PLACE

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To: FWPDA Board of Directors

From: David Timmons, Fort Worden Lifelong Learning Center Public Development Authority (FWPDA) Executive Director

Date: June 24, 2022

Subject: Agenda Item – VII b. Glamping Review and Motion

---

At the last meeting the Board concurred to rescind the emergency authorization to suspend the bidding rules to complete the tent structures. Also, it was requested that we go back and attempt to reconstruct the project's history. The later has been done to the best of our ability. However, this is over 80 pages of minutes, resolutions and documents and it will be sent separately to you.

This effort did not produce anything we didn't already know. To date the PDA has borrowed \$2,100,000. Of this amount, \$600,000 was diverted to cover operating losses of the PDA during the pandemic with the balance owing to interest on the borrowed funds. The total spent on the project was \$1,300,000. Over one half was development of the underground utilities to the site. The balance was for labor and materials which included placing foundations and platforms to support the tents. The tents were an investment of \$130,000. Other materials are in storage. The project was ultimately suspended and shutdown during the pandemic. It could not be restarted due to the remaining funds having been diverted to operations.

Unfortunately, we also cannot see any alternative path forward at this time. However, our investment to date will readily facilitate alternatives in the future. More importantly we need to assume that these investments will not be made by the PDA but by others. In time, it may be possible to receive proposal(s) to develop the site and incorporate some form of cost recovery for the prior investments made by the PDA.

In the meantime, it is recommended that the Executive Director suspend further investment in the Glamping Project, allocating no more than \$100,000 to secure the current investments to support future alternative proposals.





*Fort Worden*  
— PORT TOWNSEND —  
A HISTORIC GATHERING PLACE

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To: FWPDA Board of Directors

From: David Timmons, Fort Worden Lifelong Learning Center Public Development Authority (FWPDA) Executive Director

Date: June 24, 2022

Subject: Agenda Item – VII c. Debt Restructure Action

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During the course of reconciliation of the Makers Square finances we discovered expenses from 2015 had not been carried forward into the project reconciliation budget. The revenue to fund that work was included but over \$500,000 of early capitalized expenses had not. This resulted in the final numbers to fall short by \$600,000 to fully paid the loan to Kitsap Bank.

This outstanding obligation of debt is in addition to the three existing bonds relating to the PDA investments. All are held by Kitsap Bank. They are defined as follows:

Glamping Debt – Used for funding of the Glamping Project.

Energy Investments – Used to finance campus energy improvements.

Restoration Obligations – Used to finance restoration of funds diverted from capital projects used during the pandemic.

These three had been previously refinanced, however the original plan to service those debts are compromised by the final amount due on the Makers Square Bond.

Reviewing options with the bank, we came up with a new plan to consolidate all four bonds into a single bond with a structured payment schedule. The payment structure is based upon a secured funding stream that is available and predictable.

The original plan was to allocate the lease income from Makers Square to the restoration bond. The Glamping bond was to be funded by hospitality. The energy bond was to be funded by energy savings, now allocated to hospitality's energy bills.

These plans however no longer will be directly implemented in a form that will provide the level of security expected. To address this, we have constructed a new schedule that will allocate the Makers Square income and combined the concession income as security to the payments of a new single bond.

The concept also assumes the suspension of the Glamping and utilizing the \$600,000 to help in the restructuring and stabilization of the PDA capital finances.

Attached is a schedule and email from the bank that was presented to the Finance and Audit Committee. The Committee has recommended the restructuring as outlined in the email and schedules.

The recommendation for the board is to motion to direct the Executive Director to continue to develop the proposal to restructure the current debt obligations and bring forth a final plan at the Board meeting in July.

**From:** [David Timmons](#)  
**To:** [Meriden Vitale](#)  
**Subject:** FW: Proposed revisions  
**Date:** Monday, June 13, 2022 2:54:51 PM  
**Attachments:** [image001.png](#)  
[Proposed 2022 Bond.pdf](#)

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**From:** Alan Crain <ACrain@kitsapbank.com>  
**Sent:** Thursday, June 9, 2022 1:18 PM  
**To:** David Timmons <dtimmons@fortworden.org>  
**Cc:** Becky Wagner <bwagner@fortworden.org>; KB-Finance <KB-Finance@kitsapbank.com>  
**Subject:** Proposed revisions

This message was sent securely using Zix<sup>®</sup>

Hi David,

This will be easier to talk through, but attached is what I've come up with based on your revenue projections. Hopefully my summary at the top of page 1 makes sense, but I'm proposing we use remaining proceeds to pay interest current on the outstanding bonds, disburse remaining proceeds available under the 2021C bond to the PDA and then bundle and reissue as one new bond with revised shortened debt service (page 2). The first payment on 12/1/2023 is slightly larger than the 2023 projected revenue, hence the need to pay down the interest now rather than collecting the outstand \$137,339.68 (as of 6/30/2022) on the 12/1/2023 payment date.

My only other question is if we should run debt service this close to total revenue as I would expect the PDA would need some funds for operations and maintenance. I can revise this schedule but let me know if I'm in the ballpark of what you were thinking.

I ran numbers assuming we issue the new bond and payoff the existing ones by June 30. Once we have concurrence on debt service we can disburse the excess to the PDA, but since I'm about to leave on vacation until July 5<sup>th</sup> I'm not going to be able to review proposed resolutions in time to meet that schedule, so a July closing is more realistic.

Give me a call when you have a chance, preferably today. I start heading for Mount Rainier tomorrow and become generally unavailable. I have a small window of availability on the 14<sup>th</sup> if we can't connect today.

Thanks!



**Alan Crain**  
**EVP, Chief Financial Officer**

**p** 360.876.7887 **f** 360.876.7801  
619 Bay Street

**Kitsap Bank continues to monitor the rapidly evolving COVID-19 situation. Please be assured that we are committed to supporting you, our employees and our community through this situation. For up-to-date information, please refer to <https://www.kitsapbank.com/about-us/covid-19-update/> and follow us on social media.**

\*\*\* PLEASE CONSIDER THE ENVIRONMENT BEFORE PRINTING THIS EMAIL. \*\*\*

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To send me documents please visit our Secure File Transfer Site at: <https://www.kitsapbank.com/ftp>

	Principal					Maker's	Pay interest	Remaining	Fully Disbursed
	Balance 5/31	Rate	Acc'd Int 5/31	June Interest	Per Diem	Square Payoff	Current	Disbursement to FWPDA	Balances
2021A	\$ 1,698,277.30	4.00%	\$ 49,250.04	\$ 5,660.92	\$ 188.70				1,698,277.30
2021B	2,107,862.71	4.00%	61,128.02	7,026.21	234.21				2,107,862.71
2021C	755,000.00	4.00%	7,173.33	2,516.67	83.89	615,858.46	132,755.19	430,386.35	1,934,000.00
Maker's Square	611,273.97	3.75%	2,700.49	1,884.00	62.80	(615,858.46)			-
Total	<b>\$ 5,172,413.98</b>		<b>\$ 120,251.88</b>	<b>\$ 17,087.80</b>	<b>\$ 569.59</b>				<b>\$ 5,740,140.01</b>

#### Original Planned Amortization

	2021A	2021B	2021C	Total
6/30/2022				
12/01/23	(151,246.68)	(187,699.78)		(338,946.46)
06/01/24	(56,813.18)	(70,515.21)	(222,427.35)	(349,755.74)
12/01/24	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/25	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/25	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/26	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/26	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/27	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/27	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/28	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/28	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/29	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/29	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/30	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/30	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/31	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/31	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/32	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/32	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/33	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/33	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/34	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/34	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/35	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/35	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/36	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/36	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/37	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/37	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/38	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/38	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/39	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/39	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/40	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/40	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/41	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/41	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/42	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/42	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/43	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/43	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/44	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/44	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/45	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
12/01/45	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
06/01/46	(56,813.18)	(70,515.21)	(64,698.91)	(192,027.29)
09/10/46	(56,065.42)	(69,646.55)	(64,600.24)	(190,312.20)
				(9,328,215.21)

**Kitsap Bank**  
Fort Worden Public Development Authority  
Bond Amortization

**2022 Bond**

Settle 6/30/2022  
Bond Proceeds 5,740,140  
Interest Rate **4.00%**  
Amortization Term (years) **23.00**  
Payments per Year **2**  
Debt Service (192,027.29)  
Annual Debt Service (384,054.58)

Payment Period	Beginning	Principal	Interest	Ending	Cash flow	Annual DS
06/30/22				5,740,140.01	5,740,140.01	
12/01/23	5,740,140.01	(100.00)	(325,912.39)	5,740,040.01	(326,012.39)	(326,012)
06/01/24	5,740,040.01	(49,000.00)	(114,800.80)	5,691,040.01	(163,800.80)	
12/01/24	5,691,040.01	(49,000.00)	(113,820.80)	5,642,040.01	(162,820.80)	(326,622)
06/01/25	5,642,040.01	(55,000.00)	(112,840.80)	5,587,040.01	(167,840.80)	
12/01/25	5,587,040.01	(56,000.00)	(111,740.80)	5,531,040.01	(167,740.80)	(335,582)
06/01/26	5,531,040.01	(62,000.00)	(110,620.80)	5,469,040.01	(172,620.80)	
12/01/26	5,469,040.01	(62,000.00)	(109,380.80)	5,407,040.01	(171,380.80)	(344,002)
06/01/27	5,407,040.01	(68,000.00)	(108,140.80)	5,339,040.01	(176,140.80)	
12/01/27	5,339,040.01	(70,000.00)	(106,780.80)	5,269,040.01	(176,780.80)	(352,922)
06/01/28	5,269,040.01	(76,000.00)	(105,380.80)	5,193,040.01	(181,380.80)	
12/01/28	5,193,040.01	(77,000.00)	(103,860.80)	5,116,040.01	(180,860.80)	(362,242)
06/01/29	5,116,040.01	(82,000.00)	(102,320.80)	5,034,040.01	(184,320.80)	
12/01/29	5,034,040.01	(87,000.00)	(100,680.80)	4,947,040.01	(187,680.80)	(372,002)
06/01/30	4,947,040.01	(93,000.00)	(98,940.80)	4,854,040.01	(191,940.80)	
12/01/30	4,854,040.01	(96,000.00)	(97,080.80)	4,758,040.01	(193,080.80)	(385,022)
06/01/31	4,758,040.01	(107,000.00)	(95,160.80)	4,651,040.01	(202,160.80)	
12/01/31	4,651,040.01	(116,000.00)	(93,020.80)	4,535,040.01	(209,020.80)	(411,182)
06/01/32	4,535,040.01	(120,000.00)	(90,700.80)	4,415,040.01	(210,700.80)	
12/01/32	4,415,040.01	(123,000.00)	(88,300.80)	4,292,040.01	(211,300.80)	(422,002)
06/01/33	4,292,040.01	(131,000.00)	(85,840.80)	4,161,040.01	(216,840.80)	
12/01/33	4,161,040.01	(133,000.00)	(83,220.80)	4,028,040.01	(216,220.80)	(433,062)
06/01/34	4,028,040.01	(141,000.00)	(80,560.80)	3,887,040.01	(221,560.80)	
12/01/34	3,887,040.01	(145,000.00)	(77,740.80)	3,742,040.01	(222,740.80)	(444,302)
06/01/35	3,742,040.01	(152,000.00)	(74,840.80)	3,590,040.01	(226,840.80)	
12/01/35	3,590,040.01	(157,000.00)	(71,800.80)	3,433,040.01	(228,800.80)	(455,642)
06/01/36	3,433,040.01	(165,000.00)	(68,660.80)	3,268,040.01	(233,660.80)	
12/01/36	3,268,040.01	(169,000.00)	(65,360.80)	3,099,040.01	(234,360.80)	(468,022)
06/01/37	3,099,040.01	(179,000.00)	(61,980.80)	2,920,040.01	(240,980.80)	
12/01/37	2,920,040.01	(182,000.00)	(58,400.80)	2,738,040.01	(240,400.80)	(481,382)
06/01/38	2,738,040.01	(187,000.00)	(54,760.80)	2,551,040.01	(241,760.80)	
12/01/38	2,551,040.01	(192,000.00)	(51,020.80)	2,359,040.01	(243,020.80)	(484,782)
06/01/39	2,359,040.01	(206,000.00)	(47,180.80)	2,153,040.01	(253,180.80)	
12/01/39	2,153,040.01	(210,000.00)	(43,060.80)	1,943,040.01	(253,060.80)	(506,242)
06/01/40	1,943,040.01	(220,000.00)	(38,860.80)	1,723,040.01	(258,860.80)	
12/01/40	1,723,040.01	(226,000.00)	(34,460.80)	1,497,040.01	(260,460.80)	(519,322)
06/01/41	1,497,040.01	(236,000.00)	(29,940.80)	1,261,040.01	(265,940.80)	
12/01/41	1,261,040.01	(241,000.00)	(25,220.80)	1,020,040.01	(266,220.80)	(532,162)
06/01/42	1,020,040.01	(252,000.00)	(20,400.80)	768,040.01	(272,400.80)	
12/01/42	768,040.01	(258,000.00)	(15,360.80)	510,040.01	(273,360.80)	(545,762)
06/01/43	510,040.01	(258,000.00)	(10,200.80)	252,040.01	(268,200.80)	
12/01/43	252,040.01	(252,040.01)	(5,040.80)	(0.00)	(257,080.81)	(525,282)
06/01/44	-	-	-	-		
12/01/44	-	-	-	-		
06/01/45	-	-	-	-		
12/01/45	-	-	-	-		
06/01/46	-	-	-	-		
09/10/46	-	-	-	-		



*Fort Worden*  
— PORT TOWNSEND —  
A HISTORIC GATHERING PLACE

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To: FWPDA Board of Directors

From: David Timmons, Fort Worden Lifelong Learning Center Public Development Authority (FWPDA) Executive Director

Date: June 24, 2022

Subject: Agenda Item – VIII d. Lobbying Contract Renewal and Scope of Work

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Attached is a draft scope of work that articulates the renewal of the contract for Dziedzic Public Affairs lobbying services. Last year we saw a successful outcome with our initial scope of lobbying. It is anticipated that the next coming legislative biennium will be a very critical time for the continuation of gaining state support for the capital needs on campus.

The need for additional efforts on capital will focus on the \$32,000,000 of “shovel ready” projects including the funding of the completion of Building 203 that will provide limited employee housing options for the campus.

The scope of work and budget recognizes this more intense and focused effort and is recommended for approval by the Board.

## **Dziedzic Public Affairs**

### **Proposed Services for Fort Worden 2022-23 Contract**

**Duration:** The proposed duration of this work would be from July 1, 2022 through June 31, 2023.

**Compensation:** The fee for the proposed scope of work is \$48,000 total. There are two potential ways that could be used for how to structure the retainer:

- Monthly invoices in the amount of \$4,000 for the whole 12 months
- Monthly invoices in the amount of \$5,000 for the lead-up to and during session (November 2022-April 2023) and \$3,000 per month in the other interim months (July-October 2022 and May-June 2023)

### **Proposed DZPA Scope of Services for Fort Worden**

#### *Lobbying Services:*

- Report to the PDA's Executive Director (ED).
- Look into potential opportunities to advance organizational priorities including:
  - Capital funding for workforce housing in building 203
  - Capital funding for shovel ready projects for the State Parks list
  - Funding opportunities related to the new Climate Institute, which could include capital and/or operating dollars
  - Support the new joint operating agreement between the PDA and State Parks
- Keep the ED and appropriate staff informed of legislative process (key dates, revenue forecasts, special sessions) and potential changes to legislative and executive branches (resignations, elections, committee structure, etc).
- Advise on key targets and interim meetings, advocacy materials and messaging, and facilitate formal requests for future state funds or information from legislative/executive/agency staff.
- Review of bills that are introduced every day during session and flagging ones that are of potential interest for the PDA.
- Build legislative awareness of the PDA.
- Work with the PDA staff to host legislative visits.
- Conduct direct lobbying on behalf of the PDA and facilitate meetings with key decision makers in the legislative arena including elected officials, legislative staff, and agency leadership and staff.
- Coordinate any needed testimony or work sessions in committees related to organizational priorities.
- Schedule appointments with key legislators during session to advocate for organizational priorities.
- Facilitate connections if requested where DZPA has relationships with partners the PDA is pursuing.

#### *Communication Services:*

- Provide notes on relevant hearings, work sessions, and floor sessions.
- Review of communications – includes action alerts, letters to legislators, session



handouts.

- Upon passage of any funding requests, assist the PDA with a “thank you” plan that includes identifying legislators to thank and providing input on messaging.
- Provide key updates and, if reasonably requested, meet with the PDA leadership or board members to share updates.
- Provide monthly reports in the interim and weekly reports during session that provide updates on activities of the legislature and key issues.



*Fort Worden*  
— PORT TOWNSEND —  
A HISTORIC GATHERING PLACE

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To: FWPDA Board of Directors

From: David Timmons, Fort Worden Lifelong Learning Center Public Development Authority (FWPDA) Executive Director

Date: June 24, 2022

Subject: Agenda Item – New Business: Credit Card Application Approval

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All

In the rush to get our agenda out, I overlooked one item I would like to add for consideration tonight.

The PDA has closed all previous credit cards. We currently have a debit card that is used for electronic payments. Several vendors we routinely do business with, such as software licenses, business supplies, etc., require us to use electronic payments.

With the change to our bank accounts, our debit card approach is not an option offered by Kitsap Bank. They do however offer a credit card option. To apply I will need to have credit authorization by the Board to make the application.

This is a time savings method for us to operate in this day of electronic business transactions. I am recommending we also limit the credit to no more than \$5,000. This card would only be used for online payment(s) that occur on a routine basis. Finance and Audit will review the monthly statements in the course of its meeting to maintain better internal control over its use. If this is agreeable than the following motion would be required:

**Move to authorize the Executive Director to file for a Corporate Credit card request with Kitsap Bank for a credit amount of \$5,000.00.**

**COMPANY INFORMATION**

Legal Business Name				Requested Credit Limit
Preferred Name to be embossed on the card (limit 25 characters)				Tax ID
Physical Address (No P.O. Boxes)	City	State	Zip	Business Phone
Mailing Address (if different from above)	City	State	Zip	Years in Business
Type of Business <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Liability Partnership (LLP) <input type="checkbox"/> Corporation <input type="checkbox"/> Limited Liability Company (LLC) <input type="checkbox"/> Non-Profit Organization/Association				Number of Employees <input type="checkbox"/> 0-4 <input type="checkbox"/> 5 +

**ISSUE BUSINESS CREDIT CARDS TO FOLLOWING INDIVIDUALS:**
☐ Shared Credit Limit \$ \_\_\_\_\_ ☐ Individual Limit

**Cardholder #1**

Last Name	First Name	Middle	Credit Limit \$
Company Title	Department		Contact Phone Number

Signature \_\_\_\_\_

**Cardholder #2**

Last Name	First Name	Middle	Credit Limit \$
Company Title	Department		Contact Phone Number

Signature \_\_\_\_\_

**Cardholder #3**

Last Name	First Name	Middle	Credit Limit \$
Company Title	Department		Contact Phone Number

Signature \_\_\_\_\_

**PLEASE READ THE FOLLOWING CAREFULLY BEFORE SIGNING:** This statement is submitted to obtain credit and I/we certify that all information is true and complete. I/We agree that inquiries may be made to verify information and that credit references or verification may be given based on inquiries from other parties. This offer is subject to the credit policies of this institution. I/We agree to be bound by the terms and conditions of the bank card agreement.

Annual Percentage Rate (APR) for Purchases:		APR for Balance Transfers/Cash Advances:	
With Kitsap Bank Checking Account	<b>15.00%</b>	With Kitsap Bank Checking Account	<b>15.00%</b>
Without Kitsap Bank Checking Account	<b>19.00%</b>	Without Kitsap Bank Checking Account	<b>19.00%</b>
Annual Fee	<b>\$25.00</b>	Annual Fee	<b>\$25.00</b>

**Your due date is at least 25 days after the close of each billing cycle. Balance due in full each month. Cash advances accrue interest from the date of the transaction.**

Minimum Interest Charge	<b>None</b>
Late Payment Fee	<b>\$35.00</b>
Replacement Card Fee	<b>\$10.00</b>
Returned Payment Fee	<b>\$20.00</b>
Express Delivery	<b>\$10.00</b>
Balance Transfer	<b>4% of the amount advanced (\$4.00 minimum, \$25.00 maximum)</b>
VISA International Transaction/Service Assessment Fee	<b>.8%/1% (subject to change by VISA)</b>

**How We Will Calculate Your Balance:** We figure the interest charge on your account by applying the periodic rate to the "average daily balance" of your account. To get the "average daily balance" we take the beginning balance of your account each day, add new purchases, advances and fees, and subtract any payments or credits. This gives us the daily balance. Then, we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance".

Company Authorizing Officer Name \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Loan Officer Name \_\_\_\_\_

Loan Officer Signature \_\_\_\_\_ Date \_\_\_\_\_

**Bank Use**

- ☐ Full Pay Every Month or ☐ Revolving (Requires Personal Guaranty, non-profit not eligible)
- Requires Personal Guaranty for entities with the exception of non-profit.
- Business Resolutions Required on all accounts

<b>CERTIFICATION OF BENEFICIAL OWNERS OF LEGAL ENTITY CUSTOMERS</b>  <input type="checkbox"/> <b>NEW</b> <input type="checkbox"/> <b>REPLACEMENT</b> <b>Effective Date of Change:</b>	<b>FINANCIAL INSTITUTION - NAME AND ADDRESS</b>
<b>BENEFICIAL OWNER INFORMATION</b> <input type="checkbox"/> This account is exempt from the beneficial ownership requirements. <input type="checkbox"/> This entity is excluded from the definition of legal entity customer. <input type="checkbox"/> This is a non-profit entity. <i>(If yes, then the beneficial owner data in paragraph (c) below is not required.)</i>	

## I. GENERAL INSTRUCTIONS

### What is this form?

To help the government fight financial crime, Federal regulation requires certain financial institutions to obtain, verify, and record information about the beneficial owners of legal entity customers. Legal entities can be abused to disguise involvement in terrorist financing, money laundering, tax evasion, corruption, fraud, and other financial crimes. Requiring the disclosure of key individuals who own or control a legal entity (i.e., the beneficial owners) helps law enforcement investigate and prosecute these crimes.

### Who has to complete this form?

This form must be completed by the person opening a new account on behalf of a legal entity with any of the following U.S. financial institutions: (i) a bank or credit union; (ii) a broker or dealer in securities; (iii) a mutual fund; (iv) a futures commission merchant; or (v) an introducing broker in commodities.

For the purposes of this form, a **legal entity** includes a corporation, limited liability company, or other entity that is created by a filing of a public document with a Secretary of State or similar office, a general partnership, and any similar business entity formed in the United States or a foreign country. **Legal entity** does not include sole proprietorships, unincorporated associations, or natural persons opening accounts on their own behalf.

### What information do I have to provide?

This form requires you to provide the name, address, date of birth and Social Security number (or passport number or other similar information, in the case of Non-U.S. Persons) for the following individuals (i.e., the **beneficial owners**):

- (i) Each individual, if any, who owns, directly or indirectly, 25 percent or more of the equity interests of the legal entity customer (e.g., each natural person that owns 25 percent or more of the shares of a corporation); **and**
- (ii) An individual with significant responsibility for managing the legal entity customer (e.g., a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, or Treasurer).

The number of individuals that satisfy this definition of "beneficial owner" may vary. Under section (i), depending on the factual circumstances, up to four individuals (but as few as zero) may need to be identified. Regardless of the number of individuals identified under section (i), you must provide the identifying information of one individual under section (ii). It is possible that in some circumstances the same individual might be identified under both sections (e.g., the President of Acme, Inc. who also holds a 30% equity interest). Thus, a completed form will contain the identifying information of at least one individual (under section (ii)), and up to five individuals (i.e., one individual under section (ii) and four 25 percent equity holders under section (i)).

The financial institution may also ask to see a copy of a driver's license or other identifying document for each beneficial owner listed on this form.

## II. CERTIFICATION OF BENEFICIAL OWNER(S)

Persons opening an account on behalf of a legal entity must provide the following information:

a. Name and Title of Natural Person Opening Account:

b. Name, Type, and Address of Legal Entity for Which the Account is Being Opened:

c. The following information for each individual, if any, who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25 percent or more of the equity interests of the legal entity listed above:

☐ Not Applicable- no individual meets this definition.

Name	Date of Birth	Address (Residential or Business Street Address)	For U.S. Persons: Social Security Number	For Non-U.S. Persons: Social Security Number, Passport Number and Country of Issuance, or other similar identification number <sup>1</sup>

d. The following information for one individual with significant responsibility for managing the legal entity listed above, such as:

- An executive officer or senior manager (e.g., Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, Treasurer); or
- Any other individual who regularly performs similar functions.

Name/Title	Date of Birth	Address (Residential or Business Street Address)	For U.S. Persons: Social Security Number	For Non-U.S. Persons: Social Security Number, Passport Number and Country of Issuance, or other similar identification number <sup>1</sup>

I, \_\_\_\_\_, hereby certify, to the best of my knowledge, that the information provided above is complete and correct.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

<sup>1</sup> In lieu of a passport number, Non-U.S. Persons may also provide a Social Security Number, an alien identification card number, or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

Legal Entity Identifier \_\_\_\_\_



Fort Worden  
PORT TOWNSEND  
A HISTORIC GATHERING PLACE

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To: FWPDA Board of Directors

From: David Timmons, Fort Worden Lifelong Learning Center Public Development Authority (FWPDA) Executive Director

Date: June 24, 2022

Subject: Agenda Item – New Business: Authorizing Initial Scope of Work

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In our efforts to prepare for development of a new Business Plan submission to the state, we have been developing a scope of work with our consultants. Attached is a visual of the work plan and process.

To get us started, we are planning an initial scoping and planning phase effort that will involve work both before, during a two-day site visit, and afterwards. Unfortunately, with time being short, we anticipated getting this started sooner than later and we scheduling the work and board meetings. This is challenging us since our schedules are not easy to align. Hence, I need to request that this authorization be added to this evenings' agenda.

The team we have assembled reflects the complex nature of the challenge to build a sustainable business model. We have several layers to address as a part of this process. The first is developing the tools we will need to successful bring all stakeholders into the process. There is considerable history and past relationship challenges at all levels that will need to be addressed concurrently throughout our efforts in building the model for the future of the Fort.

To facilitate this task, we selected the services of Pomegranate Center to help us develop skills necessary to complete this task by being as inclusive as possible.

<https://www.milenkomatanovic.com/pom-years-about>

The second piece of this is to develop an updated facility plan drawing from the lessons learned from the past efforts at developing the capital resources at the Fort combining with the new opportunities that lie ahead. This effort will be led by Signal Architects that have had years for experience with the facilities here at the Fort. <https://signalarch.com/>

The baseline for this work will be foundational work completed in 2015. Rather than starting over again, our plan is to use previous work, like the 2015 plan and others, to develop an overall up to date facility plan. The goal of this plan is facilitating the demand for “space” with the emphasis fostering long term sustainability of the program offerings.

The final phase of this is the critical piece that will pull together all the goals and ambitions with the reality on the ground. This is the business model that we will need to produce for submission to the state by late spring of next year. To help in this we have selected EcoNorthwest.

<https://econw.com/>

As mentioned this will be the most challenging element to this project. How to find the right balance between the goals and ambitions and the reality on the ground. Here we also see the team pulling together all the different tasks into a unified path forward.

This request is for authorization to allocate an amount not to exceed \$50,000 to fund this initial startup phase. As mentioned this phase is critical to help us design the subsequent steps we will need to take. It will also help us identify funding sources beyond our current ability to support this work. The current source of funds to pay for this work will from the Restoration Bond proceeds that funded a starting cash reserve of \$600,000.

We will use the Master Architectural contract to consolidate these service contracts into a single scope of work.

I recommend this be added to our agenda this evening and the following motion be made:

**Motion to approve authorization of the Executive Director to execute a scope of work with Signal Architecture under our Master Services Contract for Phase One Work on FWPDA's new business plan.**

# DRAFT INTEGRATED DEVELOPMENT PLAN

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