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

<u>SPECIAL Board Meeting</u>: Wednesday, January 14, 2014 9:00 a.m. – 12 p.m.

I. Call to Order
   a. Vice Chair Scott Wilson called the meeting to order at 9:05 am.

II. Roll Call & Staff Introductions—Todd Gubler, General Manager
   a. Board: Bill James, Bill Brown, Anne Murphy, Scott Wilson, Lela Hilton, Jeff Jackson, Gee Heckscher, Norm Tonina (via teleconference), and Cindy Finnie (joined via teleconference at 9:37 am).
   b. Staff: Todd Gubler, Kristan McCary, Dave Robison, Megan Lehr, and Kris Nelson (food service consultant).
   c. Introduce Todd Gubler who comes to us from Lake Crescent. He has experience in the area and 20 years of hotel experience. Began in Las Vegas, then moved to Salt Lake, and has been on the Olympic Peninsula for 5 years.

IV. Changes to the Agenda
   a. Gee moved and Lela seconded a motion to hold the review of December 17, 2014 minutes until the next board meeting, which passed unanimously.

VI. Review of Food and Beverage Services at Fort Worden
   a. Draft 2015 Food Service Budget
      i. Projections for 2015 look back to Bon Appetit's actuals from 2013, as 2014 was a learning curve.
      ii. $70,000 Loan to Food Services
         1. Cindy Finnie: Do we have a loan repayment schedule?
            a. Dave: Perhaps better thought of as an "intercompany transfer" or a startup cost. We had the option to have Bon Appetit stay for three more months for a $20,000 subsidy a month. Instead we took those savings and moved those start-up costs to our own facilities as opposed to paying a subsidy to Bon Appetit.
   b. Future Food Service Facilities
      i. **Overview**: Focus for this year is building a strong team, providing better service, reducing food cost, having a better product that is more thought out, and having better communications between conferences, groups and food services.
         1. The Food Service Report (pg. 6): was prepared by Arran, Kristan and Kris. We have not come to a decisive recommendation about whether or not to allow outside catering at the Fort.
      ii. **The Pub**: want to be open by May or June for the summer season.
         1. Great location, great atmosphere, great bar—needs great products, great menu and great customer service.

2. Five focus markets: 1) people staying at the Fort. 2) day visitors 3) people living in a one mile area 4) people who like to visit pubs 5) people who work at the Fort.
3. Estimated $100,000 in start-up costs.
4. NO KITCHEN: to begin the food will come out of the server, but once it becomes more successful then consider putting in a kitchen.
    a. To cut down on transporting food, the solution would be to have an outdoor grill in the summer, Taco Tuesday, etc.
    b. Kitchen would go in the basement, but then need to look at running food out of the basement.
5. Should we lease it?
    a. Low risk in owning the pub ourselves because we have a captive audience, with few food options out here. Great location.
6. Should we put our efforts into the Canteen which exists already?
    a. Canteen is only good for the summer months, selling ice cream, burgers, fries—the Pub has much loftier financial goals than the Canteen.
    b. Canteen already has equipment, just needs to be cleaned and some updating.
    c. With the Pub, the Servery, and the Café, we will be very busy--so we may want to consider staying away from the Canteen for 2015.
    d. Do we put something in there low cost, but also low effort in the short term?
        i. Just needs paint and flooring- with minimal effort we could surpass what has been done in the past.
7. Should we have our own food truck?
    a. Moves around as needed.
8. What are the roles of Kris, Kristan, and Arran moving forward? Who will oversee the Pub?
    a. Need to hire staff, everyday oversight is needed, but having a “lead” bartender is a low cost way to have some supervision of the Pub. This would also provide the staff a place to grow so we don’t lose our best people.
    b. Who would the bartender report to?
        i. A chain of F&B command. Need to get a staffing plan and an executive chef in place.
9. Investment opportunities moving forward are vital to our survival and this could be a huge investment opportunity, and food might be the easiest one we have. We can’t survive on lease revenue alone. We didn’t plan this, but it’s a great opportunity.
10. Norm voiced the idea of having more community space around campus, and the Pub will be an important community space.
11. Need to know some firmer numbers before making a hard commitment.

12. Todd hopes to provide a staffing plan and organizational report, and feels this is key.
13. Do we have approval to move ahead to assess putting the Pub in this location? Will need to relocate the Friends.
14. Lela- Is there any way that we can make the Pub more family friendly? Due to its physical design and state liquor laws, probably not.
15. Action: *Motion to move ahead with the Pub, dependent upon securing startup costs through funding, and the provision of a financial report, and staff organizational report at the interim checkpoint in February.*
    a. *Jeff moved and Gee seconded this motion, which passed unanimously.*

iii. Culinary Institute: need to have a feasibility study—longer term project.

c. Review of December food service financials

i. We aren't losing as much as Bon Appetit during the slow season. We did function at a loss in December, but not nearly as much as Bon Appetit was projecting to lose.
ii. January expectation: looks good with lots of groups at the Servery. Kristan is estimating $3,000 to $4,000 in the positive.
iii. We've had a lot of positive reviews lately about food.
iv. We have $22,540.95 in Accounts Receivable- it is collectable, but it seems to be procedural. Not being transferred into the food service account. There seems to be a lag time.
v. Food Cost: still seems to be very high in December at 52%, ought to be around 30% with an accrual. Food Services believes that it is reporting funny. There will be seasonal fluctuations, but we need to manage our current account very hard. Need to figure out our process for food.

VII. Review and Discussion of Staff Finance Team Project

a. Progress to Date

i. Finally have a timeline in place for the end of this project. Have a place for review and discussion for Todd, which we need in order to get a budget for 2015.
ii. For the future, Todd wants to use existing talent. With the struggles of the past months, we've come up with financial processes and procedures and prepared us for the future.
iii. We will have January P&Ls for the February meeting.

VIII. Review of second amendment to the NoaNet Interlocal Agreement for Management of the Wi-Fi and Local Area Network.

a. At the present time, the installation of the network is 99% complete as they are making some repairs to fiber over by the Wheeler.

b. This resolution lays out everything that we have done in the past in getting our IT up and running, and our process of contracting with Best Services as a sole source for the auditor.
c. This amendment with NoaNet would allow them to coordinate and reconfigure our IT needs, from phones to computers- allowing them to sync and provide remote desktop support. This would give us much better service and the ability of our staff to get support for themselves.
d. Costs:
    i. $25 per month, per workstation. Totals $625 per month. The total costs for everything are $2825.
    ii. As we get more partners and we bring on a price for internet for the guests, our costs would go down.
    iii. This is a less cost to us than from what Parks was paying for just phone service.
    iv. We can terminate the agreement in 6 or 9 months if we don't feel it is meeting our needs.
    v. Partners can also get desktop support for $25/month/workstation at their own cost.
e. Action: *Approve resolution No. 15-01 confirming transitional services and authorize Executive Director to sign the second amendment to the NoaNet Interlocal Cooperation Agreement and initiate a scope of work for IT services.*
    i. Jeff moved and Cindy seconded this motion, which passed unanimously.

IX. Board Discussion of 2015 Initiatives

a. This agenda item was tabled until next meeting.

X. Staff Report

a. Jaime has gotten a lot done with housekeeping since taking it over January 1. Time clocks are in, working on job descriptions and getting them in line with the Fort, and inventory. The staff has been deep cleaning the units for summer. Todd and Jamie have been working on Carla's scope of work. We are working on an updated Customer Service Survey now that Todd is here.
    i. We need to have a paint team and a carpenter on staff for the future, as State Park's priorities and the PDA's aren't always in sync.
b. Todd believes that we have a great team, which needs more tools to do their jobs, clearer direction, accountability and success. We have great staff here now who don't want a repeat of last summer.
    i. We need some critical tools. Adequate IT support is a critical step.
    ii. ATRIO: has some serious problems, haven't heard back from ATRIO, but if we keep them then they need to come back and help us make it work for our property. It is somewhat intuitive, but we need a team of staff that really understands ATRIO and can become super-users.
        1. Do we have a warranty? Do we need to cover the expenses?
            a. ATRIO has been responsive at a management level; we aren't sure what it means for us or them.

XI. Board Member Committee Reports

a. Norm is holding a meeting with representatives of the Partners to try and forge an open dialogue about where we are and where we need to go to connect lifelong learning and hospitality. Just sent the invite January 13, deadline is January 15 so not sure about attendance yet.

b. The Governor's budget is 90 million and Fort Worden is ranked high on their capital priorities. State Parks was able to keep the litter tax ($10M), and this will likely mean increased operational support for 2015.

  i. Representative Derek Kilmer was named to the Appropriations Committee, who is a champion for the PDA.

  ii. Dave is also working with the Partners on 1/19/15 to extend their leases for a year, with a 3% increase with the understanding that they'll be paying for their own utilities.

c. Work is underway on Officers Row houses.

  i. Roofing- replacing with slate roofs is ten times the amount of a non-slate roof. Historical requirement.

  ii. 2 ways State Parks does projects: in house and outside consultants. Better relationships will allow us to help more.

XII. Public Comment

a. Lisa Werner: Centrum: good meeting yesterday with Todd. The beer and wine garden that we have is part of our agreement with State Parks.

b. Brian Hageman: Kitchen Shelter- the Kitchen Shelter is part of State Parks, the PDA just makes the reservations.

XIII. Adjourn

a. Scott Wilson adjourned the meeting at 12:08pm.