

**Fort Worden Public Development Authority
Board of Directors Meeting Minutes
Commons, Company B, Fort Worden
June 25, 2014**

Regular Board Meeting: Wednesday, June 25, 2014

- I. Called to order at 9:02 a.m.
- II. **Roll Call:** In attendance:
 - A. Cindy Finnie
 - B. Norm Tonina
 - C. Gee Heckscher
 - D. Anne Murphy
 - E. Bill Brown
 - F. Jeff Jackson
 - G. Bill James
 - H. Scott Wilson
 - I. Dave Robison

Staff:

Mike Deighton
Jill DeCianne
Colleen Jones
Brenda Tyner

Public:

Kevin Alexander
George Randel
David Goldman
Brian Hageman
Herb Cook

Mike Deighton introduced Brenda Tyner. Brenda gave a summary of her education and life priorities.

- III. **Public Comment:**

David Goldman asked regarding meeting notices, financials.
Dave R stated they would be located on the new website; financials would be available under the About PDA section, including contacts, board member information, board minutes, meeting agendas for 2014. The business plan and master plan would also be located in this section on the new website.
- IV. **Changes to the Agenda:**
 - A. None. Approved by Gee Heckscher and seconded by Anne Murphy
- V. **Consent Agenda:**
 - A. Approved - Bill and seconded by Norm Tonina
- VI. **Board Review and Discussion of Draft Strategic Marketing Plan:**

Dave – No action today. Marketing committee will review details. Staff has begun to implement some of the strategies. There are 13 overall strategies and include staff participants as leads, detailed tasks and funding priorities. The Plan also recommends hiring a Marketing contractor to help with implementation of the plan.

 - Bill James - Plan is inclusive. Is this in the budget?
 - Dave – This is a three year plan. Between May and the end of year we have budgeted \$25,000 for marketing services.
 - Dave – Frause will also launch Phase 2 of the website on July 15. This will be seen in detail at the next board meeting.

VII. **Update on Building 202:**

A. Dave – Bill, Gee and Dave will review bid documents.

There was a contractor walk through two weeks ago. Dave – The lead agency is Peninsula College but DES is providing overall project management and is working closely on the bid documents.

- The bids are due Thursday.
- We are working on a MOU with Peninsula College to assure that the PDA has adequate liability protection, a role on the project management team and protects our fiduciary responsibilities.
- Dave requested a conditional approval by the board pending final review by legal counsel.
- Norm – What points are in possible contention?
- Dave – Insurance provisions, funding and cost overruns.
- Bill James – Is there no impact on our budget?
- Dave – There could be a positive impact due to the sale of the historic tax credits. Board discussion followed.
Dave – The \$10,000 Historic Tax Credit Fee came from the mobilization fund. It is possible to receive this back. No staff expense was included in the figure.
- Scott – Moved to approve the MOU as amended

Review and Discussion of Monthly Financial Reports:

a. Jill D– Introduced financials

b. Jeff J- Board background has helped prepare management reports and board financial reports.

i. Observations are:

1. This is a brand new entity
2. There has been a transition to operating this entity.
3. There are financial processes now in place
 - a. The reporting is not the most complicated, but there are challenges.
 - b. Developing policies and rules.
4. July reports will be clearer and cleaner.

ii. Discussion ensued regarding the reports.

- Anne – Question regarding advanced billing.
- Jill – Advance revenues discussed; reservation fees low because the website was not live for over two weeks.; salaries and wages were lower than expected because we were not fully staffed until June 1; Contracts have some pass through money involved; rebate reimbursement from/to partners.
- Reviewed balance sheet for May; advance deposits are up to two years in advance; extra pay period in May
- Bill James – Would like actual balance sheet, not verbiage.
- Jeff – Will add additional slides in the future.
- Norm – Pay off line of credit?
Jeff – wait another month; pay off by end of summer.
- Scott – Let's zero it out at the end of the 12 month period.
- Gee – Lean months, can things be maintained and in balance?
- Jeff – It is difficult to address at this time. We are in learning lessons during the summer. It is early stages, the money needs to be prudently managed in these early months.

- Dave – Budget revenue is based on actual bookings, 2 new accommodations and on the conservative end, 3% growth for independent leisure.
- Mike – Chamber office contacted about day availability.
Band Master – 50% occupancy in May
Bliss – 70% - what a view!
Castle – 50%. Mostly marketed for couples only.
- Scott – Is any marketing done on Hotels.com?
- Mike – Not while there is 95.2% occupancy in July. It is not necessary. There are 54 dates where there are less than 10 units available until Labor Day. The third week in August is our most open timeframe and we are focusing on moving people into the holes of our schedule, or at least getting them to think about that timeframe.
- Jill – In June there has been lower attendance. There is an increase cost for transition of employees. Income is down during the transition because they campers could not book online.
- Scott – July should be more robust because the billing delay will be incorporated into the July financials.
- Cindy – Recommendation. June has been a challenging month. I question the overtime. Additional staff might help mitigate the problem, but overtime cannot stay at this level. Overtime must be approved and planned for. The executive committee needs to have a word in this. Everybody on this board can help.
- Mike – Transitioning of employees. Some did not work out and it required we hire new employees.
- Bill Brown – This board is doing a remarkable job in addressing these issues.
- Dave – Recommends scheduling for a month at a time. View the incoming groups and conferences and you will be able to see where overtime is necessary
- David G – Are the empty spaces offered at a discounted rate?
- Mike – Rate is not an issue. It is more an availability date issue for the customer. We get customer's e-mails, cell phone numbers. This is an ideal way to give a "blast" on social media to let customers know of the availability dates. There are programs that target customers specifically.
- David G – PDA is doing what Parks was unwilling to do. Priority is to put "Heads in Beds".
- Cindy – Marketing is critical.

VIII. **Hospitality General Manager Report:**

- a. Mike – Maureen is our Director of Sales and has an excellent background. She is looking at lost business – those organizations or groups that have booked in the past and have not made further reservations.
- b. Mike – 2015 off season business looking extremely good.
- c. Received a plaque from the Officers Candidate Training by National Guard.
- d. There were two major groups in last week.
 - i. Furniture Society, brought in by a Partner, with over 200 attendees and speakers;
 - ii. The Washington State Museum Association; rented 204 and occupied ORow.
 1. Gee – It was "Baptism by Fire".
 - a. Facilities were split by two groups.
 - b. Both groups were happy.

- c. The only complaint was the reservation system and the Wi-Fi.
 - d. There were compliments that it was the best conference ever in the 18 years of coming to Fort Worden. Staff was great, food fantastic and accommodations were complimented.
 - e. A survey has been sent to the organizers.
2. Dave – Important to recognize that Partners brought these groups in.
 3. Gee – The Furniture Society had one complete open day for the participants to spend in Port Townsend and the shopkeepers kept their business open longer than normal for these customers.

IX. **Director's Report:**

- a. Dave – The Front Desk Policy and Procedure Manual is continuously being refined. (passed around to show).
- b. Update on the Coordinating Committee – there will be a two hour meeting on June 30.
- c. There will be a meeting on Monday with the Environmental Committee; 6 legislators will be in the tour.
- d. Mobilization Budget
Transparency – Donations are public
 - 1 Corporate donation – \$25,000 came from First Federal.
 - Fixing Wi-Fi will be a tremendous selling point. We are totally funded to do this. Centrum stated they do not need high speed internet for their festival users. We hope to have wi-fi in place by the end of August.
 - We have not renovated the Park Ranger House as yet. It is going to be 2 – 3 months out. It is a Prime rental and will bring in good dollars. Recommendation is to begin the bid process. Gee expects the renovation to cost \$50K. The bid process should be authorized at the next meeting or at a special meeting. Mobilization budget was set up as a kick start, not to be used for operations.
 - Gee – This is a small public project, but must go through the bid process. There was a designed bid specifically for it. It is a two month process. Renovating will be a two month process. Expect to be completed in 3 – 5 months.
 - Dave – We prioritized so the wi-fi was addressed first and the ranger house thereafter.
 - Dave – Thank you to both Herb Cook and wife for donation and Patton for their donation. These dollars will go towards NoaNet for the Wi-Fi install costs.
 - A local patriarch wants a memorial bench installed, for which there is no policy. Board directs staff to go ahead with memorial bench.

X. **Mission and Core Values:**

- a. Norm recommends to defer to next meeting.

XI. **Public Comment:**

- David Goldman admires the expertise and contribution of the Board members. States the board is actively involved and engaged and hopes this remains in the future.
- Kevin – Kudos. It is impressive how far you have come. It's not perfect yet, but it works.
- Gee – Great leader, great leaders.
- Dave – Great team. The customer service is gelling; still resolving some issues.
- Kevin – Regarding the May 31 event. It would be nice to do it yearly.

- Dave – Maybe bigger and better after the Rhody weekend, with an open house and various activities and an open pavilion.

Adjourned at 11:33 a.m.