

Kitsap Public Facilities District

Minutes of the Board of Directors Regular Meeting

Monday, October 24, 2011

Eagle's Nest, Kitsap Fairgrounds and Event Center

Bremerton, WA

Attendance: Teresa Osinski, Chair; Jim Heins, Treasurer; Rick Smith, Anne Blair; Dee Coppola & Roy Runyon.

Staff: Mike Walton, Executive Director; Brian Lawler, Legal Counsel

Absent: Jan Harrison, Vice-Chair.

1. **Call to Order:** A quorum being present, Chair Teresa Osinski called the meeting to order at 6:35 PM.
2. **Meeting Minutes:**– Minutes from the Regular Meeting of the 26th of September were distributed electronically before the meeting and were submitted by the ED.
A motion was made by Roy Runyon to approve the Minutes of the August 22nd meeting. It was seconded by Dee Coppola and passed with one abstention by Anne Blair, who was not present at that meeting.
3. **Finance Reports:**
 - A. **September Reports** – Reflecting July retail sales, the revenue of \$89.4K was even with the previous year, but still lower than '09 and '08. With low expenses of only \$4.8K, the results were an increase in cash position of \$6K to arrive at \$812.1K.
 - B. **Sales Tax Rebate Revenue by Month Report** – The September revenue was reported, and the October figure was received the day of the meeting, new spread sheets were provided at the meeting. October was up about 1%, so we are still essentially even or slightly ahead of last year's revenue through 10 months of the year. It is anticipated to finish at approx. \$1.07 million for the year, about \$30K below original forecast (only a 2.7% difference in total revenue, but 23% of budgeted operating expenses.)
 - C. **Current Invoices** – Blanket Voucher request of \$6,449.03 was submitted by the Treasurer for review by the Board members - the largest items were \$2500 to Wrestling Supporting Wrestling for the Hammerhead Tournament, \$1500 to the VCB and \$1,020 to Socius Law.
Roy Runyon moved that the blanket voucher in the amount of \$6,449.03 be approved for payment. Dee Cuppola seconded and the motion was passed unanimously.
4. **Report on Regional Projects:**
 - A. **Kitsap Fairgrounds and Event Center** – Jim Dunwiddie was present to report.
 1. **County Fair** – Jim reported on results, went smoothly with contracted management; attendance and most statistics were down 1-7%, but expenses were also cut 11%.
 2. Commissioners have asked for Parks to look at privatizing fairgrounds or just the Fair & management, Jim will keep PFD apprised of progress. Fair is \$590K or 22% of Parks expense budget.
 3. ED raised question of seating at Gordon Field, got answer that perhaps 700 could be seated with currently available portable stands, but with more stands, could be as much as 1300. For larger events or for Pumas game, might be worth investing. (Pumas also would want a scoreboard and a press box...)
 - B. **NKREC** – Steering committee met in August and had created a draft addendum to strengthen language regarding the “turf replacement fund” for consideration by the Board. PFD attorney has prepared “legal” version of language to go back to steering committee for next draft.

5. **Administrative Items:**

- A. **Annual Conflict of Interest forms** – filled out, signed and returned by all present. (Jan Harrison submitted hers electronically prior to meeting.)
- B. **Answers to Board Questions** – several questions raised by Roy Runyon after last month's meeting, were submitted by counsel in writing before this meeting at the request of the Chair.
1. Some had been asked by prior Board members, but not adequately documented; some were new questions arising from questions about the legislation to extend the tax rebate, proposed by several of the WA PFDs;
 2. Others were related to independence of Board members from appointing bodies or elected officials; and who was responsible for removing Directors from the Board.
 1. Once appointed by the elected official and approved by the respective council, the Board Member is a "free agent," able to make independent decisions according to his conscience and for the good of the organization;
 2. The appointing elected officials may replace a Board member at end of term, but the Board may request the approving council to remove a non-performing member, if the Chair has been unable to resolve any attendance issue.
 3. A significant issue relating to adding new projects after a January 1, 2004 date in RCW 82.14.390 was discussed, confirming that it prevented new projects unless changed. Additional funding from voter approved taxes, lodging tax, fees and/or donations would allow other projects to be initiated with that funding.
After discussion of those items and other clarifications by Brian, the Board was satisfied with the answers provided.
- C. **2012 Schedule of Meetings** – Resolution 05-2012.
1. It was brought up by Roy Runyon that the schedule has only one meeting scheduled in Nov and Dec, but Section 5-1 of the Bylaws states that the Board meetings "...shall be held at least monthly...". In fact, the current schedule from Resolution 04-2010 for a combined Nov/Dec meeting also is in violation of that clause.
 2. A special meeting of the board was requested to be held on Nov 7th to meet the bylaws conditions for 2011, and a motion was proposed to amend the Bylaws to rectify the problem in the future.
A motion was made by Dee Coppola to direct the ED to draft an amendment to the bylaws to make the clause read "...to meet at least ten times per year...". It was seconded by Roy Runyon and passed unanimously.

6. **Executive Director's Report:** (A written report was submitted to the Board.)

- A. The ED reported on the PFD conference, especially as it related to the long term maintenance requirements of the facilities we've financed and how do we get the Conference center and the KFEC come up to these performance and quality standards. This also relates to the NKSD School Board's attempt to "reassign" the turf replacement funds from the NKREC to their general fund, which was contested by the PFD.
- B. The proposed Tax Rebate Extension legislation was discussed at some length and the Resolution supporting the legislation that was passed by the assembled PFD representatives (item 8A on the agenda) was discussed.
A motion was made by Roy Runyon to approve Resolution 03-2011, supporting proposed legislation to extend the tax rebate for an additional 15 years. It was seconded by Dee Coppola and passed unanimously.

7. **Ongoing Business:** -

- A. **Promotional hosting policy – Resolution 04-2011.** Legal counsel was directed to prepare the wording for a Resolution to satisfy the request from the state to have one in place.
A motion was made by Anne Blair to approve Resolution 04-2011 establishing a Promotional Hosting Policy for the Kitsap PFD. The motion was seconded by Roy Runyon and passed unanimously.

- B. **NKREC ILA Addendum** – at the request of the ED, the attorney prepared a draft of new language for ILA addendum for the Board and the Steering Committee. The Board approved it to be sent to the steering Committee for review.
 - C. **2012 Budget discussion** – no agreement had been reached on the final numbers in the 2012 budget, so there was additional discussion about where cuts should be made to “balance” a budget. Since the re-fi is “out of our control”, some want to ignore it; others feel the bond re-fi and the \$7K/mo revenue increase projected to happen in Feb or Mar of next year should be taken into account. It was discussed that any budget approved should be subject to review after the first quarter to readjust, if the bond re-fi proceeds as planned.
 - 1. The cuts discussed ranged from no EventFund or only \$5k for Babe Ruth World Series; a cut to VCB agreement to \$12K, or \$6K, or \$0K; no reduction in ED salary, or to cutting some portion of salary, or to replacing the ED with an administrative person.
 - 2. A reduction in the \$500K reserve was discussed; Jim H spoke with Meredith Green and she is investigating the requirements for establishing such a reserve and if it can be reduced.
 - 3. No final decisions were arrived at in the meeting, the Chair and the Treasurer will meet in the next week to arrive at a budget proposal to be made at the Nov 7th meeting.
8. **New Business:**
- A. Tax Rebate Extension legislation support – Resolution 03-2011 (addressed as part of 6B, where Resolution was passed by the Board.)
9. **Public Comment:** None
10. **Announcements:** The ED was commended for providing a loaf of “the county’s best bread” accompanied by his wife’s excellent apricot jam.

A Special Meeting of the Board, requiring public notice to be given, will be held on November 7th, 2011 at 5:30 pm. The meeting place will be the Eagles Nest, unless notified otherwise.

The next Regular Meeting of the Board will be at 6:30 pm on December 5th in the Eagles Nest. NOTE: This is the final meeting date of 2010 set by Resolution 04-2010.

Meeting adjourned at 8:40 pm