

Kitsap Public Facilities District
Minutes of the Board of Directors – Special Meeting
Warren VanZee’s home: 601 Dwight Street, Port Orchard, WA
Sunday, October 7, 2007 1:30 – 5:30 PM

***Rationale for Special Meeting:** The Board of Directors requires more time than available during the regularly scheduled evening meeting hours to discuss and plan the direction and program priorities for 2008 and beyond. In the spirit of efficient use of volunteer board members’ time and because both current issues/decisions and future plans are intertwined, they will incorporate the regularly scheduled meeting agenda items and decisions into this extended meeting.*

Attendance: Linda Berry-Maraist, Chair; Warren VanZee, Vice-chair; Walter S. Draper IV, Treasurer; Trent England; Jim Heins; Emily Parsons; Rick Smith. Staff: Anne Blair, Administrator.

Call to Order: A quorum being established, Linda called the meeting to order at 1:45 PM. She thanked Joanne and Warren VanZee for their hospitality and welcomed members of the public to observe the meeting. There is time for public comment near the conclusion of the Agenda.

Linda noted that there was one additional item on the agenda. Consideration of an EventFund Round II application will be considered at the beginning of the meeting.

Special Action

Anne explained that through her oversight the Olympic Wrestling Duo application for a \$2,000 seed money allocation from EventFund Round II was not considered at the time other allocations were made in June 2007. Board members received copies of the application in the meeting packet. There was discussion about the persistent need for additional funds for small tournaments and recognition that this tournament, held at the Fairgrounds and Event Center had grown during the three years of KPFDD support for the marketing efforts.

It was moved by Warren VanZee, seconded by Walt Draper and voted unanimously to allocate \$1,500 as part of the 2007 EventFund Round II to the Olympic Duals Wrestling Tournament 2007 in support of marketing efforts for the tournament to be held at the Fairgrounds and Event Center in December 2007.

Reports

WA State PFD/WSSEFOA Conference. Emily and Trent discussed recent legislative actions impacting PFDs around the state; their amazement at and interest in how differently the PFDs operate around the state; the impact of PFD funded projects on local community economic development; the great food and hospitality afforded the conference as management companies worked to impress the PFD board members with their fare and competencies; and the very real value they derived from participating and networking at this statewide conference. There were a number of legal and operational issues that seemed relevant to the Fairgrounds/Event Center; Anne will forward those to Chip Faver and Nancy Bunnano Grennan.

They reviewed some of the information about financing options; the importance of consulting with independent financial advisors before decisions are made about bond financing; and, while acknowledging that they were not relevant to Kitsap PFD business, some current trivia regarding new liquor control policies.

County Parks Sustainability Task Force. Anne reported that the Task Force is comprised of ten knowledgeable and articulate community volunteers with a variety of relevant backgrounds in parks oversight, finance, business and government. While the Task Force charge was to recommend actions that

would lead to long-term sustainability of the County parks system, it has become clear that the Parks and Recreation Department has numerous immediate internal management problems that must be addressed before long-term issues can be effectively considered. These include lack of fundamental personnel and finance management systems. The Task Force recommendations are being drafted as “Observations” and “Recommendations.” It appears there will be fewer than ten areas discussed in the final report. It is scheduled for presentation to the commissioners in mid-October.

North Kitsap Regional Event Center. Linda updated the progress with plans for Phase I construction at the NK Stadium and Strawberry Fields. She described problems arising from disagreement between the NKSD and other Steering Committee members regarding the summer 2008 construction window for the Stadium. Steering Committee members believe that the school district’s preferred 9 – 12 week window will result in higher bids that include liquidated damages for a project that contractors undertake recognizing it cannot be completed within the contracted time. She reiterated her concerns that the PFD fund allocation for the more publicly used facilities at Strawberry Fields not be drawn upon to “bail out” an over-budget Stadium project simply because the construction window was too narrowly drawn. Jim Heins and Walt Draper offered their professional perspective that in the rainy northwest climate and the vagaries of construction projects such as this one reasonably need a minimum of 12 weeks, preferably 15 weeks for completion.

It was moved by Emily Parsons, seconded by Warren VanZee and voted unanimously to approve allocation of \$650,000 from the original \$900,000 allocation to the North Kitsap Stadium Phase I project for use in the 2008 construction at NK REC and, conditional upon release of the Debt Stabilization Fund by Kitsap County, allocate a portion of that money to Strawberry Fields to ensure a total contribution by the KPFD of \$800,000 to the Strawberry Fields Phase I project.

It was moved by Jim Heins, seconded by Rick Smith and voted unanimously to approve notifying the NK REC project partners that the KPFD is not interested in diverting any KPFD-allocated funds from the Strawberry Fields Phase I project to the NK Stadium Phase I project because of a shorter-than-12-week construction window. Further, that the KPFD is similarly uninterested in paying any liquidated damages resulting from a shorter-than-12-week construction window for the NK Stadium Phase I project.

RCW 82.14.390 and additional Regional Centers. Anne reviewed an email from KPFD Legal Counsel Blair Burroughs outlining the current status of the law regarding creating a new regional center after the December 31, 2003 deadline set forth in RCW 82.14.390. Blair wrote that based on AGO 2005 Opinion No. 12 and Opinion No. 14, as well as the AG letter to Betti Sheldon dated May 28, 2003, the auditor could well make an adverse finding as to the PFD’s legal authority to create an additional regional center commencing after that date. After consulting with bond counsel and other lawyers representing PFDs in the state, it appears that a legislative solution is probably the best option should the KPFD wish to initiate a new regional center.

Cultural Improvement District. Anne reported on her recent participation in a meeting sponsored by the Puget Sound Regional Coordinating Council Economic Development section about work being done across the four counties (King, Snohomish, Pierce and Kitsap) to establish through the legislature a seven-year, voter-approved funding stream to expand cultural opportunities and organizations in the participating counties. Should this funding plan become a reality, the KPFD seems to be a likely and, possibly, only current agency with authority to manage such funds. The KRCC is aware of this possibility and will work with Anne to keep both boards informed as plans develop.

Finance Report

August 2007 report. The board reviewed the report as distributed. Revenue is in-line with the budget; there were no unusual expenditures and no questions.

Consideration of current invoices. Treasurer Walt Draper reviewed the invoices and support materials presented as background for the blanket voucher and reported all appeared to be in order. He recommended payment of the invoices as presented on the blanket voucher.

It was moved by Warren VanZee, seconded by Emily Parsons and approved unanimously to approve payment of the invoices totalling \$6,687.51 as presented on the blanket voucher.

2008 Budget Assumptions. Walt summarized the budget assumptions distributed in the board meeting packet. There was agreement that the projected state sales tax rebate at 4% above the 2007 level was appropriately conservative given the small monthly declines this year and the generally weak national economic forecasts balanced by the continuing growth in Kitsap County. The expense budget assumed the level, but larger monthly debt service payments; it also will show a 5% increase in most operating expenses, except that the personnel costs will maintain the 2007 level as a new administrator is hired and the training line item will increase 15% as there will be new staff, as well as new board members to benefit from attendance at statewide conferences and local training opportunities. In addition, there is a recommendation to purchase a new computer as the current one is 5-years old and is quickly becoming out-of-date.

By consensus, the board agreed to the 2008 budget assumptions as presented.

Resolution 11-2007. Walt reviewed the rationale for this resolution and summarized the meetings with the County Commissioners and budget staff that resulted in the decision to eliminate the debt stabilization fund initially required in the 2002 LTGO bond documents. There is no objection or concern among the county staff and board about this proposal. A similar resolution is working its way through the county and will be considered by the Board of County Commissioners later this month.

It was moved by Walt Draper, seconded by Warren VanZee and approved unanimously to approve Resolution 11-2007 eliminating the debt stabilization fund for LTGO 2002 bonds.

Future Directions and Priorities

- 1. 2008 and beyond.** The board discussed the implications of not being able to use sales tax rebate funds except to enhance the existing regional projects. They agreed, in principle, that county voters were not in the mood to approve additional tax levies for PFD-qualified projects and that, were this attitude to change in the next two years, the KPFDF would undertake a county-wide education process to establish local spending priorities as a basis for presenting a tax proposition to the voters. With this scenario, the board agreed that current priorities (funding partnerships to build and improve the three qualified regional projects, efficient and effective management of the state sales tax dollars and support of the economic development benefits derived from regional, as well as local sports tournaments and special events) should be maintained.
- 2. Staffing implications of these directions.** By consensus, the board agreed that the KPFDF staffing needs would not be changing during the coming year or two. A multi-skilled administrator/executive director with discretion to contract with specialists for particular professional tasks seems a prudent approach to conducting KPFDF business in a cost-effective way.
- 3. Administrator search.** Following discussion and suggested adjustments to extend the application timeframe, the board agreed with the timeline for the search process as presented.

Job description.

It was moved by Emily Parsons, seconded by Trent England and voted unanimously to change the title of the lead staff person to Executive Director to more accurately reflect the scope of work being done by this person.

There was discussion about the need to be clear that the job was part-time (.5 FTE) and to state the part-time salary in exact terms rather than in full-time terms. Board members also agreed that knowledge of Kitsap County geography and communities is important and was an appropriate qualification to consider in hiring for this position.

It was moved by Warren VanZee, seconded by Jim Heins and voted unanimously to approve the draft job description as amended by discussion. *(A copy is attached to the original of these Minutes.)*

It was moved by Walt Draper, seconded by Emily Parsons and approved unanimously to approve the starting salary and in-lieu of benefits for the new Executive Director at the same level currently paid the KPFD Administrator.

Public Comment.

1. Helen Miller noted that finding a new Executive Director with the range of skills she sees in the current Administrator would be a challenge. She expressed her appreciation for Anne's organizational skills and general competencies.

Announcements and other informational items – none other than those presented on the published Agenda.

The Special Meeting adjourned at 5:15 PM.