

Kitsap Public Facilities District

Minutes of the Virtual Board of Directors Meeting

Monday, October 26th, 2020

Attending: Daron Jagodzinske, Chair; Patrick Hatchel, Vice-Chair; Walt Draper, Treasurer; Erin Leedham; Phil Havers, Tom Bullock and John Morrissey.

Staff: Mike Walton, Executive Director; Brian Lawler, Attorney

Absent:

1. **Call to Order:** The Chair called the meeting to order at 5:31 PM. The Chair asked the question of the Board – “Tell us about your reaction to the election and respecting other’s opinions?”
2. **Meeting Minutes:** The ED presented the Minutes of the September 21st meeting,
Erin Leedham moved to approve the Minutes as submitted. Pat Hatchel seconded the motion and it passed with one abstention from Tom Bullock.
3. **Public Comment:** (Limited to 3 minutes, otherwise not on Agenda)
4. **New Business – Regional Project Status Reports:**
 - A. **PGHP, Eric Baker, Kitsap county** - (provided PowerPoint for presentation)
Eric Baker gave a detailed overview of the project for the two new Directors and the current status of the Pt. Gamble Heritage Park (PGHP) project. The current Phase 2, including the Ride Park, STO trail planning and Master Plan are experiencing some schedule adjustments due to CV-19 and will continue out into 2022 to completion.
 - B. **SKCEC, Mayor Putaansuu of Port Orchard and Steve Rice** - The Mayor gave a brief overview and Steve Rice presented a PowerPoint of the early stages of Phase 2 – community feedback, feasibility study and preliminary design. They are conducting a site selection process as the early recommended site was no longer available. They are preparing the first invoice, for \$200,000, to be presented at the Dec meeting.
 - C. **PERC, Karla Boughton and Mary McClusky of Poulsbo**
Karla Boughton and Mary McCluskey each presented a portion of their PowerPoint status presentation, and later Peter Battuello added some additional comments. They are on schedule with the Poulsbo Event and Recreation Center (PERC) first phase – community feedback, feasibility, and planning. They anticipate coming back to the PFD for Phase 2 in mid-2021.
5. **Financial Reports:**
 - A. **Monthly Financials & Tax Rebate Summary** – the ED reported on results from September data. The KPFDD received \$170.9K in tax rebate revenue, up 2.8% from 2019, and the highest ever received in the month of August. The amount of <\$70 K> was transferred to 286 for Debt Service; and there were <\$12.4K> in Expenses. The result was a Net to Cash of \$88.5K. The balance of the 96977 Fund grew to slightly over \$3.3 million,
A question was raised by Erin Leedham about where the debt service payment was shown. It was not shown clearly on the pages supplied by the ED. The ED acknowledged that not all of the reports generated by the accountant were sent to the Board Members said he would now send them all out to the Board. He clarified that two payments were made each year – interest only in June (\$89,940.63) and Principal and interest in Dec (\$749,940.63) for a total of \$839,881.26 for 2020. (The total is within +/- \$2K of \$840K each year)
The ED apologized for the mix up on the appearance of the Financial Advisors and stated that they would be present in Dec and submit a report on their assessment of the economy and the bond market, along with some estimates of bonding and repayment of allocated funding scenarios at the next meeting. Per a Board request, that report will be sent out in advance of the next meeting.

- B. **Blanket Voucher** – The ED submitted a Blanket Voucher of \$5,291.86 for various expenses from August to be paid. He commented about the expenditure of \$2500 for state-of-the-art PC for PFD future requirements and The Chair also commented about his approval for that expense.

Walt Draper moved to approve the Blanket Voucher in the amount of \$5,291.86. It was seconded by Tom Bullock and passed unanimously.

- C. **Project Blanket Voucher** – The ED submitted a Project Blanket Voucher for \$5,156.25, for the fourth invoice from the Poulsbo PERC project, the invoices are for the community response collection process and the feasibility study. The ED pointed out where these expenditures from last month were now showing up on the 96977 account pages
Tom Bullock made a motion to approve the Project Blanket Voucher in the amount of \$5,156.25. It was seconded by Erin Leedham and passed unanimously.

6. Ongoing Business:

- A. **Approval of the Revised KPFD Bylaws** – Brian Lawler
Brian Lawler presented the revised Bylaws for approval and asked if there were any more questions. at the Oct meeting. With no questions the motion was called.
John Morrissey moved to approve the revised KPFD Bylaws as submitted. It was seconded by Walt Draper and passed unanimously.
- B. **ED Activity Report** – ED gave a verbal report to the Board on various activities, interaction with the various project leads and actions recommended by the Board.
- C. **Regional Facility Reports** – Not much activity at both current Regional Centers, Chair directed them to read them at their leisure.

7. New Business:

- A. **2021 Budget Review and Discussion:** The ED presented the first draft of the 2021 Budget for the Board's review and comment. There was some brief discussion about the EventFund, and the likelihood of new events being proposed. There were two events from 2020 that will be rescheduled in 2021 and the amounts approved would be carried over. The full line item of \$25K would be included in this budget. There is a new item in the construction Consultant's costs and an increase in salary for the ED and rent for the office space as well as a few other items
- B. **2021 Meeting Schedule:** The ED presented the first draft of the 2021 Meeting Schedule Resolution for the Board's review and comment. It is based on "real" meetings after January, but subject to virtual substitutions as required.

8:38 pm. The meeting was paused for an Executive Session, under RCW 42.30.110 (1) (i) – potential litigation.

8. **Executive Session:**

The Executive Session was completed after 45 minutes, but a technical problem had closed the previous webinar and the meeting was unable to resume. The Board wanted to conclude the final item on the agenda and so arranged to resume the meeting on Oct 28th at 8 pm in the evening.

October 28th, 8:08 pm, the Chair called the continuation of the KPFD Board Meeting to order.

9. **Tabled POB/CNW discussion** – The Chair noted that the Board was now at full strength and the POB/CNW project had been tabled twice in the last two months and should be discussed now. The ED had sent out information on the available cash and projected revenue over the next 12-18 months. And also provided an estimate of the cash consumption by the ILA projects. That info has changed somewhat from the presentations on Monday.

Erin L began the discussion with questions about what was needed to explore if there was some things needed to be done from ILA and if the KPPFD had sufficient funding to provide some to the POB/CNW project. Phil Havers spoke in support of exploring what could be done to move forward. Walt spoke about the releases of the \$500K from the Parks Dept and about the items in the ILA that “needed to be finished up”.

The ED pointed out that Brian had pointed out clause 6 in the ILA that defined 7 conditions to be met in order to proceed any further beyond Phase 2, not that they needed to happen to “finish up” the ILA. (ED shared clause 6 on the screen for all to see)

6. Conditions & Contingencies for Port and District Further Participation Beyond Phase II.

The participation of the Port and the District beyond Phase II is contingent on the following:

- a. The mutual adoption of a funding protocol for any further District funding contributions beyond the Phase II contributions.
- b. Verification that the total project costs exceeds ten million dollars (\$10,000,000.00).
- c. The review and approval of a funding plan from CNW for the non-public portion of the CNW Project.
- d. The successful completion of the statutory independent feasibility review process by the Washington Department of Commerce under RCW 36.100.025.
- e. The availability of funding from the non-voted sales tax of RCW 82.14.390.
- f. Satisfying the provisions of RCW 39.34.030(3).
- g. Approval by the respective governing bodies of the District and the Port.

Walt asked about 6d, if the DOC feasibility review still needed to be done, the ED replied that the DOC, after some consideration and the advent of CV-19, said no review on POB/CNW at this time. At this time Daron requested that the POB attendees be allowed to speak – ED admitted Jim Rothlin, CEO and Axel Strakeljahn, Commissioner, and they joined the discussion.

There was discussion about what the “funding protocol” would be and Brian L explained; there was some discussion about what came first, the approval of funding or the ILA; The Port attorney, Ann Montgomery, was admitted to speak and she stated that she felt the statements made at the July meeting indicated that most or all of the clause 6 items were satisfied.

Axel summarized to say that the Port was asking for \$1.4 million for final construction drawings and specification preparations, that they would pay or bond for this and arrange with the PFD to repay the debt service on their terms.

Daron summarized that the Port seemed prepared and the Board consensus was to go forward. Erin asked if a motion was called for and Daron said not at this time, to get the details arranged and then make a motion. Erin and John also asked for more financial info and the ED said Alan would be at Dec meeting to provide the financial information to the Board.

Meeting was adjourned at 8:44 pm on Oct 28th.

Next Regular Meeting of the Board, December 7th, 2020 at 5:30 pm

NOTE: It will be another Zoom webinar.

Topics: General Business; Financial information & discussion; POB ILA or Motion

NOTE: This is a location change from previous meeting location. There will be location changes at each of the regular meeting dates in 2020. Please check the website for updates.