

Kitsap Public Facilities District

Minutes of the Board of Directors Meeting

Monday, October 28, 2019

Norm Dicks Government Center, 345 6th St, Bremerton, WA

Attending: Daron Jagodzinske, Chair; Bill Mahan, Vice-Chair; Walt Draper, Treasurer; Erin Leedham; Rick Smith, and Tom Bullock.

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

Absent: Patrick Hatchel

1. **Call to Order:** The Chair called the meeting to order at 5:35 PM. He also asked a question of the board – “What was your favorite Halloween costume?”
2. **Meeting Minutes:** The ED presented the Minutes of the September 23rd meeting,
Walt Draper moved to approve the Minutes as submitted. Erin Leedham seconded the motion and it passed unanimously.
3. **Public Comment:** (Limited to 3 minutes, otherwise not on Agenda)
 - A. **Gary Anderson** – a candidate for POB Commissioner, spoke in support of the Port Orchard project.
 - B. **Jay Rosapepe** – a Port Orchard City Councilman, spoke in support of the Pt Orchard project, saying that it met all of the PFD mission goals and the \$12M investment brings approx. \$100 million in additional investment to benefit the community.
 - C. **Kathleen Wilson, KRL** – she spoke in support of the Pt Orchard project as a partner in the project.
 - D. **Peter Batuello & Karla Boughton** - will speak in 5B.
 - E. **Jerry McDonald** – spoke in support of the POB/CNW project and the non-profits that use the existing facility. He is concerned that the public use component may not get transferred to the other site if the PFD does not provide funding.
4. **Financial Reports**
 - A. **Monthly Financials & Tax Rebate Summary** – the ED reported that the PFD received \$159.2K in tax rebate revenue in September, 5.1% more than 2018; <\$70 K> was transferred to 286 for Debt Service; and <\$17K> in Expenses. The result was a Net to Cash of \$70.2K. The 96977 General Fund balance rose to \$2.83 million at the end of September.
 - B. **Blanket Voucher** – The ED submitted a Blanket Voucher of \$7,711.04 for various expenses to be paid.
Bill Mahan moved to approve the Blanket Voucher in the amount of \$7,711.04. It was seconded by Erin Leedham and passed unanimously.
 - C. **POB Blanket Voucher** – The ED submitted a blanket voucher for a POB invoice for services performed for Phase 2 expenses of the CNW project in the amount of \$33,945.
Bill Mahan moved to approve the POB invoice for \$33,945. It was seconded by Walt Draper and approved unanimously.

Point of Order - Director Mahan requested an item added to the Agenda

Bill Mahan moved to add Discussion of Financing to the agenda. It was seconded by Tom Bullock and passed unanimously. Section 4.5 was added to the Agenda.

4.5 Financing Discussion –

A. Director Mahan – began discussion about the ranked projects that had been designated for ILAs. Funding could be provided by a) selling bonds by PFD; b) selling bonds w/County or c) allocating money over time. Since the County did not seem to be interested in option b), then

option a) will not yield as much money for funding projects. Director Mahan presented a plan for option c) using the future revenue stream for the KPFD.

- He distributed a several page plan to the Directors for discussion. The plan essentially asked each public partner to sell bonds or arrange financing for their project, and would allot an amount (typically \$5 million) to six of the projects and identified a payback plan over 15 to 21 years to pay for a portion of their debt service as a repayment plan.

- Several Directors were concerned about the ability of the public partners to bond or finance the larger amounts of the total amount of the projects.

- Others wanted to verify if the numbers would pencil out by checking with the Financial Advisor. Others stated that the revenue numbers came from the Financial Advisor.

B. The Chair introduced his own financing plan, but only for the top three projects, plus the BI Aquatic Center project. He also said that Mahan's plan was "going backwards" from the Board's ranking process by including six projects in his plan.

C. Motions for financing plan(s)

Director Mahan moved to approve the attached spending plan as a guideline for allocating funds and for the financial analyst to complete a financial review of the assumptions and a timetable for implementation have staff report back by the next meeting. Motion was seconded by Walt Draper but was defeated 1-5.

Director Mahan made a second motion to just have the FA and ED do financial review of the plan and report back at next meeting. Seconded by Erin Leedham. Because of a 3-3 vote, the motion did not pass.

5. Ongoing Business - Discussion of ILAs

A. **Port Orchard ILA** – Brian Lawler acknowledged that he sent the 3rd draft of the ILA on Friday, but it was not in the Director's packets. A few copies were produced, and the discussion continued. The Chair asked the Mayor to explain the various steps and costs of each. Attorney Lawler and Mayor Putaansuu acknowledged that the main points had been resolved and there were only minor details to resolve. The Chair asked Brian if the checkpoints for various stages in the ILA were in the 3rd draft and Attorney Lawler indicated where the checkpoints were, in Section 6 of the text of the ILA. Walt Draper asked if the blanks had been filled in and the wording had been completed. Attorney Lawler confirmed that they had. Rick Smith asked if the funding mechanism had been successfully negotiated. Mayor responded that it could be 2-3 years before that has to be determined.

Bill Mahan moved to approve the Port Orchard Community and Event Center (POCEC) ILA as to form, with the Chair involved in finalizing the wording, including the \$12 million possible funding requirement, providing that all the checkpoints were passed successfully. Erin Leedham seconded, and the motion was approved unanimously. (The audience applauded at urging of the Chair.)

B. **Poulsbo ILA** – Karla Boughton and Peter Batuello came to the podium to speak for the City of Port Orchard and stated that the discussions with the PFD had gone very smoothly and any issues were resolved in the Final Draft presented to the Board at the meeting. Attorney Lawler and the ED confirmed that assessment. This ILA was the first step in process to complete the project and there would be other ILAs for additional steps to complete in the future as well as a Steering Committee to coordinate through the process.

Walt Draper moved to approve the Final Draft of the Poulsbo Events and Recreation Center (PERC) ILA, including the \$244K expense for the First Phase Feasibility and Master Plan. Daron Jagodzinske seconded the motion and it passed unanimously.

C. **Review/Discuss ILA & Feasibility – Heritage Park, Kol Medina & Eric Baker**

The discussions of the ILA with the County have gone smoothly and positively. Kol and Eric emphasized this project is scalable and can be done in several smaller digestible pieces, such as the Ride Park for only \$775K, which is already in the permitting process. Walt Draper asked about bonding capacity if KPFD chooses to pursue a self-financing process. Next iteration planned to be available for approval at the Dec 2nd meeting.

6. New Business:

- A. **Draft 2020 Budget Review** - The draft budget was presented to the Board for review and discussion. The ED noted that it had been increased by approximately \$30K for the increased salary and additional consultant expenses.
- B. **Resolution 05-2019 re: Meeting Schedule for 2020** – ED submitted the Resolution, with only one meeting per month, now that the project evaluations were finished.
A motion to approve Resolution 05-2019 was made by Erin Leedham. The motion was seconded by Rick Smith and passed, with one abstention from Walt Draper.
- C. **BI Parks and Rec PRA request** – Two submissions of documents and emails have been made to the BI Parks Board. There remains only the Redaction list and Exclusion list to submit, which should be done by the end of the week.
- D. **Regional Facility Reports** – The reports from the KCC and KFEC were both positive, reporting results better than plan or budget. The KFEC had record attendance to the Fair in August and the KCC exceeded budgeted bookings and profits.

7. Announcements: The AWSPFD Conference will be held in Yakima beginning Oct 29.

8. KPF D Executive Session

- A. At 7:30 PM. Daron Jagodzinske, Chair of the Kitsap PFD Board, stated that the Board would now meet in executive session for a period of 15 minutes to discuss the performance of a public employee under RCW 42.30.110(1)(g).
- B. At 7:45 PM, the Chair emerged from the meeting room and stated the Board was extending the executive session 10 minutes until 7:55 PM.
- C. At 7:55 PM, the Chair emerged from the meeting room and stated the Board was extending the executive session 5 minutes until 8 PM.
- D. At 8 PM, the Executive Session ended.

9. Meeting Resumed at 8:03 pm

- A. ED was informed that the Executive Committee would meet within a week and provide feedback to him following that meeting.

10. Meeting adjourned at 8:05 pm.

**Next Regular Meeting of the Board, December 2nd, 2019 at 5:30 pm
Council Chambers, Poulsbo City Hall, 200 Moe St NE, Poulsbo**

Topics: General Business; Budget Discussion; Bonding & Funding discussion.

NOTE: This is a location change from our normal meeting location. There will be location changes at each of the following regular meeting dates. Check the website for updates.