

Kitsap Public Facilities District

Minutes of the Board of Directors Meeting

Monday, December 3, 2018

BWP/Silverdale Beach Hotel, Ballroom, 3073 NW Bucklin Hill Rd, Silverdale, WA

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

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

Absent:

1. **Call to Order:** The Chair called the meeting to order at 5:34 PM,
2. **Meeting Minutes:** Minutes from the Special Meeting on the 5th of November
Tom Bullock moved to approve the Minutes as submitted. Erin Leedham seconded the motion and it passed unanimously.
3. **Public Comment:**
 - A. Pete Crane spoke in support of the CNW project, pointing out the significant Economic benefit of the construction and ongoing operations of the facility.
 - B. No other Public Comment at this time.
4. **Financial Reports:**
 - A. **Monthly Financial Reports** – The ED summarized from the October financial reports. **October** tax revenue was \$151.3K up 13.8% over 2017. Debt service transfer to 286 was <\$70K>. Expenses were <\$8.4K> and net to cash was \$72.9K.
 - B. **Sales Tax Rebate Revenue by Month Report** – The November results were available, and the tax revenue was \$149.6K, up only 7% over last year. Of note is this was the first increase not double digits in nine straight months – not sure if this is an anomaly or the beginning of a trend. The total received over the first eleven months now at over \$1.55 Million, indicating we should receive almost \$1.6 million this year, an increase of approx. \$200k over 2017.
 - C. **Current Invoices** –
A Blanket Voucher of invoices in the amount of \$8,132.57 for Nov was submitted by the ED for approval. It included \$6,723.75 for the legal work by Brian Lawler on the ILA.
Erin Leedham moved to approve the Blanket Voucher of \$8,132.57 as presented. It was seconded by Bill Mahan and approved unanimously.
5. **Project Proposals –**
 - A. **Pendergast Park – City of Bremerton Parks Dept, Jeff Elevado, Parks Director**
Jeff presented information about the Master Plan for Pendergast Park, that was only partially completed. They want to complete it with turf on the soccer fields, another baseball/softball field, restrooms, concessions and add other features that would bring the project over \$10 million. Their plan is to make it a regional sports tournament facility.
 - B. **Bainbridge Pool complex – BI Parks District, Mark Benishek, Recreation Division**
BI Parks has a nice recreational pool but needs to replace the old lap pool. They are proposing a large 50 m by 50 ft competition pool addition that would be capable of hosting regional, state and national events. They would also sell bonds and secure grants for their portion of the cost of the project.
 - C. **Poulsbo Event Center – City of Poulsbo, Mary McClure and Mayor Becky Erickson**
Mary McClure of Parks and Mayor Erickson presented a plan for a regional event center that would also serve as a Community Center for Poulsbo. They also implied it would serve as an “extension” of the NKREC that already exists.
 - D. **Central Kitsap Event center – CK School District, Doug Newell**

Doug summarized all the construction already nearly or completed at CK – new theater, new tennis courts, new stadium with stands, new ball fields. He also described plans for redoing the 900 building for a joint KRL branch, CKSD offices and meeting/performance spaces. Plans could include an outdoor performance/meeting space in the area adjacent to 900. His plan is to include all these assets in a new Central Kitsap Regional Events Center, along the lines of the NKREC.

E. **Port Orchard Community Center – Sound West Group, Steve Sego**

Steve and the SWG are planning a massive renovation of the Port Orchard downtown and waterfront. Their first phase would be a new Port Orchard Community and Event Center on the waterfront adjacent to and perhaps including some Port of Bremerton property. It would provide flexible meeting space from small, to medium and larger space if all used at once. It would also include a KRL branch and possibly some commercial space. He still needs to establish a public partner for the project.

F. **Port Gamble Heritage Park – KC Parks Foundation, Kol Medina and Connie Reckord**

Kol and Connie presented a proposal for a development in the Port Gamble Heritage Park of a trail system, bike park and tourist facilities. The first phase would be a bike park, which is fairly well along in concept and design. There are several major bike races already held on the park's trails and this would provide for public "racing" as well as major events.

6. Regional Facilities:

- A. **Kitsap Conference Center** – October report, sent electronically, showed they now are caught up for the year and are above forecasted numbers, several multi-day events are now booked for later in the year.
- B. **Kitsap Fairgrounds and Event Center** – the reports for September & October were included in the packets. It showed a continuing trend of slightly better results than forecast.
- C. **NKREC** – no activity or discussions.

7. Ongoing Business:

A. **CNW Project Status – Brian Nilsen**

Brian presented some additional information about the project and the various organizations that use the existing runaway track for their training and exercises. Sheriff Sergeant Merrill also spoke of the activities with the dozen or more organizations and the importance of having that or a similar facility available in Kitsap County.

B. **2019 Budget Approval**

The ED and Treasurer presented the draft operating budget for 2019 in November, some updates were made and the Final Operating Budget of \$179,000, an increase of almost 15% due mainly to additional cost related to evaluation of new projects, was submitted.

Walt Draper moved to adopt the 2019 Operating Budget of \$179,000. Bill Mahan seconded the motion and it passed unanimously.

C. **Port of Bremerton ILA Approval/Next Steps**

The ED sent the Final Interlocal Agreement with the Port of Bremerton to the Board Members for review. There was some discussion and Walt Draper pointed out that paragraph 2 on page 2 stated that:

"The District's Obligations The District shall fund (through payment to the Port) the tasks set forth and highlighted in exhibit B...in an amount not to exceed Five Hundred and Two Thousand Three Hundred Dollars (\$502,300.)"

This clause meant that if the ILA was approved, that the amount was approved as well. This apparently was not fully understood by some members of the Board, despite this having been sent out twice for review, and this resulted in more discussion about whether this should be done in separate steps or all-inclusive as it was written. After this further discussion, a motion was made by Bill Mahan to approve the ILA as it was submitted, including approving the funding for Phase #2 deliverables list.

Bill Mahan moved that the ILA with the Port of Bremerton be approved. Erin Leedham seconded, and the motion was passed, 4 votes yea (Bill Mahan, Walt Draper, Erin Leedham and Tom Bullock) and three votes nay (Daron Jagodzinske, Pat Hatchel and Rick Smith). (there was substantial applause from the audience.)

8. New Business/Executive Director's Report:

A. Resolution 03-2018 – Meeting schedule approval

This Resolution proposed that the schedule for 2019 include the provision for two meetings a month for January through June, in order to properly provide enough time to evaluate the 6 projects properly. Daron suggested that the first meeting in January, the 14th, be devoted to finalizing the evaluation and rating process, then two projects evaluated at each meeting beginning at the 2nd meeting in January through the end of February. After selection of the finalists at the first meeting in March, there would be final evaluation at the meetings in April & May, with the final selection in June. Any unneeded meetings could be canceled, with the appropriate notice.

Bill Mahan moved to approve Resolution 03-2018 – 2019 Meeting Schedule with the suggested plan to evaluate projects. A second was made by Tom Bullock and it was approved unanimously.

- B. State Audit Report** - The ED reported that the Audit by the WA State Auditor's office had been completed and the KPDF had received a "clean" report with no adverse findings. This is the fourth "clean" report on Accountability Audits during the ED's tenure at the KPDF.
- C. The ED Activity Report** was in the Director's packets but was not reported on.

9. Public Comment/Announcements:

- A. Jim Rothlin** – spoke about the process the Port will follow since the PFD had approved the new ILA. They will review it at their next meeting on Tuesday and bring it up for approval at their first meeting in January.
- B. Richard Huddy** – spoke in support of the decision by the KPDF Board to move forward with the CNW project and funding for the Phase #2 deliverables.

Meeting was adjourned at 9:05 pm

The next Regular Meeting of the Board will be on January 14th, 2019 at 5:30 pm in the East & West Bay Rooms at the Best Western Plus/Silverdale Beach Hotel.