

Kitsap Public Facilities District

Minutes of the Board of Directors Meeting

Monday, September 26, 2016

Silverdale Beach Hotel Cove Room, 3073 NW Bucklin Hill Rd, Silverdale, WA

Attending: Patrick Hatchel, Vice-Chair; Walt Draper, Treasurer; Teresa Osinski; Tom Bullock, Rick Smith and new Director, Adrienne Breznau.

Staff: Mike Walton, Executive Director and Brian Lawler, Corporate Attorney.

Absent: Daron Jagodzinske, Chair.

1. **Call to Order:** A quorum being present, the Vice-Chair called the meeting to order at 5:33 PM.
2. **Meeting Minutes:** Minutes from the Meeting on the 27th of June were distributed electronically before the meeting.
A motion was made to approve the Minutes as submitted by Tom Bullock. The motion was seconded by Walt Draper and approved unanimously.
3. **Presentations/Proposals:**
 - A. **VKP Budget Proposal:** Patti Graf-Hoke (not present)
VKP is requesting the same amount as last year's budgeted amount - \$18,000. VKP has received additional money from the County this year; funding from Bremerton for the first time in three years; and funding from both Port Orchard and Poulsbo. Bainbridge is the only holdout. She hopes to hire at least a part-time staff person this year.
4. **Financial Reports:**
 - A. **Monthly Financial Reports** – The ED summarized from the June, July & August financial reports which are now stated in QuickBooks format.
 1. June tax revenue was \$114.6K, up 10% over 2015 and highest June in KPF history. Debt service transfer to 286 was <\$69.9K> and for the 2006 bonds was <\$13.7K>. Expenses were <\$7.6K> and net to cash was \$21.1K.
 2. July tax revenue was \$114.4K, up 4.9% over 2015 and continued the trend of the highest in KPF history for the month of July. <\$69.9K> was transferred to 286 fund and the expenses were <\$7.7K>. Net to cash was \$36.8K.
 3. August tax revenue was \$128.8K, up 5.3% over 2015 and the highest ever in August. Expenses were <\$7.9K> and the net to cash was \$51K. For these three months, a total of \$108.9K was added to the KPF resources. A transfer of \$20K was made to the 968 Operations Fund in September.
 - B. **Sales Tax Rebate Revenue by Month Report** – The report through August was sent electronically and showed the total tax revenue received in the first eight months at \$920K. The ED estimates that KPF should exceed \$1.4 million in total revenue in 2016.
 - C. **Current Invoices** – A Blanket Voucher of invoices in the amount of \$9,477.36 for September was submitted for approval. The largest invoices were for Josephine's Redeemed Revival EventFund award at \$4000 and the Enduris insurance invoice for \$2895.
A motion was made by Teresa Osinski to approve the Blanket Voucher for \$9,477.36. The motion was seconded by Tom Bullock and passed unanimously.
5. **New Business:**
 - A. **PFD Legislation** – Brian Lawler, PFD Attorney
Brian summarized the past discussions about judicial decisions and AG opinions that seem to indicate the it might be possible to initiate new projects by existing PFDs with existing revenue, but nobody's been willing to test the possible rejection by the AG's office. The ED summarized the position of the WASPFD to pass legislation extending the lifetime of the PFDs (HB2296 in 2015-6 session) and not "confuse" the legislators with other PFD bills

trying to remove the Jan 1 2004 restriction, such as those attempted by PT Orchard, the County lobbyist (Charlotte Garrido) and Sherry Appleton. Further discussion covered some other more complicated legal alternatives (seeking a declaratory judgement and others) led to a motion to try and get the AWSPFD to recognize the efforts of Kitsap-PFD by including some language favorable to our position.

Teresa Osinski moved to have a letter drafted by Brian and the ED to the AWSPFD requesting that they include language provided by KPFD to allow existing PFDs use existing tax revenue for new or additional projects in their jurisdictions. It was seconded by Adrienne Breznau and passed unanimously.

6. Regional Facilities:

- A. **Kitsap Conference Center** – report was submitted electronically, results continue favorable.
- B. **Kitsap Fairgrounds and Event Center** – June & July reports submitted electronically. The ED gave some updates on the Gordon Field #2 status and continuing discussions about a possible siting of a covered BMX track on the wooded area west of Thunderbird Stadium
- C. **NKREC update -**
Becky Erickson has not reported on the status of the water treatment project. Board directed the ED to give notice to NKSD and Poulsbo that if no firm project plan is not provided by the end of the year, the funds will be redirected back into the General Fund again.

7. Ongoing Business:

- A. **Executive Director’s Report:** Sent electronically, no highlights presented.
- B. **2017 Meeting Schedule Discussion** – ED proposed a revision to the schedule for the 2017 Fiscal Year: Meetings to be held in Jan & Feb, June and July – to accommodate not only the EventFund presentations, but the funding invoices that follow. Additional meetings in April, September and the combined Nov/Dec meeting in early December. No meetings in March, May, August and October. The consensus of the Board was favorable, so a Resolution for that schedule will be available in Dec.

8. New Business:

- A. **Project Cost Overruns** – Patrick Hatchel
Patrick was concerned that there was not a formal policy or procedure for addressing projects that have unexpected cost overruns, specifically the Lobe Field Phase 1 project. Billie from Parks came back with a request for an additional \$36,500 for both extra work to correct an error in the design and for extra work that was done. Patrick and others felt that they were under pressure to approve the overrun because there was no procedure to address when that happens.
- B. **Budget Discussions** – a copy of the proposed budget was sent prior to the meeting, with very little change from last year. The ED will meet with Daron and Walt to go over the proposed budget before the Dec meeting.

9. Public Comment/Announcements:None

Meeting was adjourned at 7:45 pm

NOTE: Meeting in October was cancelled

The next Regular Meeting of the Board will be on December 5th at 5:30 pm in the Cove Room at the Silverdale Beach Hotel.