

Kitsap Public Facilities District

Minutes of the Virtual Board of Directors Meeting

Monday, July 27, 2020

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

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

Absent: Bainbridge Island representative

1. **Call to Order:** The Chair called the meeting to order at 5:30 PM. The Chair asked the question of the Board – “Can you identify anything positive to come from Covid 19 and its restrictions?”
2. **New Directors & Elections:**
 - A. The Chair recognized the two new Directors attending this meeting, John Morrissey from Port Orchard and Phil Havers from Silverdale/District 3, and they spoke briefly.
 - B. **Election of Officers** – The ED shared a document with the existing Officers – Daron Jagodzinske as Chair and Walt Draper as Treasurer – and noted that the Vice-Chair position was currently vacant. He then invited nominations from the Board for the three positions:
 1. **Chair** – there were no other nomination, Daron was only candidate.
 2. **Vice-Chair** – Erin was nominated but declined; Pat Hatchel volunteered to serve as Vice-chair, as he had done it previously;
 3. **Treasurer** – Walt Draper offered to remain as Treasurer.The ED offered the slate of Officers for ratification – Daron Jagodzinske as Chair; Pat Hatchel as Vice-Chair and Walt Draper as Treasurer.
Erin Leedham moved to adopt the slate of officers as presented. The motion was seconded by Pat Hatchel and passed unanimously.
3. **Meeting Minutes:** The ED presented the Minutes of the June 22nd meeting,
Erin Leedham moved to approve the Minutes as submitted. Walt Draper seconded the motion and it passed unanimously.
4. **New Business – Special Presentations:**
 - A. **Port Orchard Project – ILA Update**

Mayor Putaansuu and Nick Bond spoke about a few updates and changes to the ILA for the Community & Events Center (CEC) after selecting Rice Fergus Miller as the contractor for the Tasks 3 & 4 of Attachment B. These changes had been vetted through the attorneys of both parties as well as Nick Bond of the City and Mike Walton, the ED of the KPF. The Chair asked Brian if he agreed that it had been checked and approved. Brian verified that and the Chair asked for a motion to approve.
Erin Leedham moved to approve the updated ILA for the Community & Event Center (CEC). Walt Draper seconded the motion and it was passed unanimously.
 - B. **Port of Bremerton – Public Facilities Proposal**

Commissioner Axel Strakeljahn and CEO Jim Rothlin from the Port of Bremerton presented updated information about the public activities that occur on the abandoned runway currently and their desire to move the many activities and public agencies over to the Port property being leased to the Circuit of the Northwest on the other side of highway 3. This would require the construction of 1) a Community Event area; 2) a Regional Sport/Event Center; 3) Parking Areas; and 4) Access Roads and Pedestrian Bridges. The cost of this final design and construction would cost a total of \$11.6 million. The Port offered to bond for this amount so the transition could occur smoothly and without delays before they begin using the space

vacated by the current public uses, pending approval by the KPFD to reimburse them over time.

Commissioner Strakeljahn then asked Brian Nilsen of the CNW group to add some comments. Brian outlined at some length, with the help of Andy Gerdom of the Joel Cohen Group, the plans of the CNW group and the substantial estimated economic benefit of \$87 million in the first year of operation. He also expressed the need for the project to keep moving forward, with at least a commitment of \$1.78 million to cover the final design and construction fees for both the public and racetrack facilities, because they are co-mingled. An attempt was made to formulate a possible motion, but additional discussion about whether funds from the KPFD surplus of \$3.1 million were available for such a commitment – they were determined to not be available – the motion was not put forward and the discussion was ended.

5. Financial Reports:

A. **Monthly Financials & Tax Rebate Summary** – the ED reported on results from June data. The PFD received \$126.1K in tax rebate revenue, down <13.8%> from 2019, but less than the estimated <20%> loss by the ED. The amount of <\$70 K> was transferred to 286 for Debt Service; and there were <\$15K> in Expenses. The result was a Net to Cash of \$41K. The balance of the 96977 Fund remained slightly less than of \$3.2 million,

B. **Blanket Voucher** – The ED submitted a Blanket Voucher of \$4,118.01 for various expenses from June to be paid.

Pat Hatchel moved to approve the Blanket Voucher in the amount of \$4,118.01. It was seconded by John Morrissey and passed unanimously.

6. New Business:

A. **VKP Marketing Services Contract** –

The ED said this had been prepared by Brian and the new marketing plan had been updated. This is back dated to the beginning of 2020.

A motion to approve the new contract for VKP was made by Erin Leedham. Pat Hatchel seconded the motion and it passed unanimously.

B. **Revision of the KPFD Bylaws** – Brian Lawler

This discussion was tabled until the next meeting.

7. Ongoing Business:

A. **Construction Consultant** – the ED reported the review committee was currently in the process of evaluating the four candidates this week and would propose the final two candidates to the Board at the next meeting for final selection.

B. **ED Activity Report** - Chair directed them to read at their leisure.

C. **Regional Facility Reports** - Chair directed them to read at their leisure.

D. **New ILA Project Progress** – Tabled until next meeting

8. Public Comment: (Limited to 3 minutes, otherwise not on Agenda)

A. **Hank Anderson:** Hank expressed his support for the Board in its decision to not add more commitments to projects and to stay the course on the existing three projects.

Meeting adjourned at 7:32 pm.

Next Regular Meeting of the Board, July 27th, 2020 at 5:30 pm

NOTE: It is likely to be another Zoom webinar.

Topics: General Business

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.