

Kitsap Public Facilities District

Minutes of the Board of Directors Regular Meeting

Monday, October 28, 2013

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

Attendance: Teresa Osinski, Chair; Roy Runyon, Vice-Chair, Anne Blair, Treasurer, Russ Shippet, Rick Smith & Jeff Braden.

Staff: Mike Walton, Executive Director; Brian Lawler, PFD attorney; Bror Elmquist, Development Coordinator; Sandy O'Hare, Accountant.

Absent: Patrick Hatchel

1. **Call to Order:** The ED pointed out that it was the first time in his tenure that all four Staff members or contractors were present at the same meeting. A quorum being present, the Chair called the meeting to order at 5:33 PM.
2. **Meeting Minutes:**– Minutes from the Meeting on the 23rd of September were distributed electronically before the meeting and submitted by the ED,
A motion was made by Roy Runyon to approve the Minutes of the August 26th Meeting as submitted. The motion was seconded by Anne Blair and passed unanimously.
3. **Finance Reports:**
 - A. **Monthly Financial Reports - September**
The ED summarized from the September report. Reflecting July retail sales, the revenue of \$99.3K was up 5% over the previous year. In fact, it was the highest September revenue since 2008. September expenses were higher at \$13.6K, because of the early meeting, expenses normally in the following month were paid in September, and so provided an increase in cash position of approx. \$15K. The ED also reported that \$20K was transferred to the 968 fund for operations and reserve accumulation and that there was in excess of \$1.5 million invested between the 286 and 977 funds. There would be a debt service payment from 286 at the beginning of December of approx. \$841K.
Anne Blair moved to accept the Financial Reports as submitted. Roy Runyon seconded and the motion passed unanimously.
 - B. **Sales Tax Rebate Revenue by Month Report** – The report showed a 5% increase in September over last year's amount. Revenue remains on track to exceed the forecast of \$1.1 Million.
 - C. **Current Invoices** –The Treasurer submitted a Blanket Voucher request of \$7,281.44 to the Chair for approval by the Board members. After some discussion about the
Anne Blair moved to approve the Blanket Voucher for payment of \$7,281.44 as submitted. Roy Runyon seconded and the motion passed unanimously.
 - D. **2014 Budget** – The ED and Treasurer submitted the proposed 2014 budget for the Board's review and discussion. It was agreed that the final version will be submitted for approval at the December meeting.
4. **New Business:**
 - A. **Bremerton KCC expansion funding ILA** – attorney Brian Lawler explained in about the remaining wording that needs to be approved by the City, relating to the funds transfer to the KCC Projects Fund and reimbursement to the City for progress invoices submittals.
Anne Blair made a motion to approve the Funding ILA as to principal and form. The motion was seconded by Russ Shippet, but defeated 2 votes for and 3 against. The Board wishes to see the full and final version before approving.
 - B. **Bremerton KCC expansion funding request** – Chal Martin, Dir Public Works

Chal explained how the City, Kitsap Transit, and Columbia Hospitality all made concessions to reduce the expense of the project, but still remained approximately \$20K short of the final project cost, including all the alternatives and a minimum contingency of 3%. They were asking an increase of the PFD award to the project be increased by \$20K to \$420K. The ED suggested that the amount be increased to \$40K, to provide a larger contingency allowance. The Chair expressed disappointment that the contract could not be awarded to a local contractor.

Jeff Braden moved that the additional \$20K in funding be awarded to the City of Bremerton for this project. It was seconded by Russ Shiplet and passed unanimously.

C. **Resolution 8-2013 re: KFEC Facility ~~Capital~~ Projects Fund**

ED explained the need to discontinue use of the 386 fund, as it was created for use with the 2002 LTGO bonds to finance the original KFEC improvements and they are all expended. This Resolution creates a new KFEC Facility ~~Capital~~ Projects Fund to replace this Fund.

Roy Runyon moved to approve Resolution 8-2013. Jeff Braden seconded it, but discussion led to an amendment. After the amendment passed, the amended motion passed unanimously.

Anne Blair moved to amend the motion, to remove the word “Capital” from the name of the Fund to allow other types of projects to be funded. It was seconded by Rick Smith and passed unanimously.

D. **Resolution 9-2013 re: 2014 meeting dates**

The ED explained that this is for information and discussion at this point, the final location is still TBD. He explained to the Board about not meeting in May, due to the Memorial Day Holiday. The Chair poled the Board about confining meeting locations to PFD financed facilities, or allowing other venues to be considered. The consensus was a preference for PFD facilities but not to the exclusion of other facilities that may be more convenient or more cost effective. The Resolution shall be voted on at the December meeting.

E. **Resolution 11-2013 - re: Elimination of the 386 Fund**

After a minimum of discussion, the Board moved to approve.

Anne Blair moved to approve Resolution 11-2013, to split the remaining funds with Kitsap County Parks Dept and close the 386 Fund. Roy Runyon seconded and the motion passed unanimously.

5. **Regional Project Reports:**

- A. **Conference Center Report** – ED submitted the report from the Manager, Arne Bakker. There was a brief discussion of the results shown and the ED was instructed to have the GM be present at the next meeting to answer some questions from the board.
- B. **NKREC** – Included in the NKREC ILA discussion in item 6A.
- C. **Kitsap Fairgrounds and Event Center – Billie Schmidt was unable to attend & report**
There was a short discussion of the Parks report on comparison of month to month and year to year performance, the ED was requested to have Billie or Jim Dunwiddie present at the next meeting to explain falling revenue.

6. **Ongoing Business:**

- A. **NKREC ILA Modification** – Further lengthy discussion of the status of the ILA changes and the issues presented by the NKSD resistance to not only the suggested changes but some parts of the existing ILA. Further consultation with the PFD attorney about the claims of the NKSD that certain portions of the existing ILA were “not binding” on the current school Board led to further discussions. It was concluded that perhaps giving the Superintendent and School Board more time to recognize the value of the partnership and being able to compromise on some of the issues would further the continuation of the Partnership.
Roy Runyon moved “Move to suspend further negotiations on the NKREC Funding ILA for the storm water improvement project, pending approval of the revised Operations ILA by all Partners.” The motion was seconded by Jeff Braden and passed unanimously.

The ED was requested to draft a message for Chair Osinski to Superintendent Page regarding the PFD Board's motion to suspend further negotiations on ILAs and funds for new projects until resolving issues in the existing ILA modification.

7. **Executive Director's Report:** submitted electronically by the ED prior to the meeting. The ED covered some of his activities and explained the resumption of services from Bror Elmquist, of Elmquist & Assoc., as Development Coordinator. Bror gave a short report on his activities with the Conference Center Expansion Project.
8. **Public Comment:** None
9. **Announcements:**
 - Russ gave an update from his trip to the AWSPFD Executive Board meeting. The PFD Conference residual "donation" to the Assoc is a voluntary or "traditional" thing, it is not stipulated in the ILA or Bylaws. The Spokane PFD stated that they are willing to provide "seed money" to any PFD that wants to host a Conference. There is an update of the Membership ILA and the Board wants to wait for that to sign the document.
 - The ED noted that the "farewell" to Commissioner Josh Brown, who will head up the PSRC in Jan 2014, was to be held in the Commissioners' Chambers on December 10th at 2 pm.

The next Regular Meeting of the Board will be on December 9th at 5:30 pm in the Cove Room at the Silverdale Beach Hotel. Note the location change from earlier meetings.

Meeting was adjourned at 8:26 pm