

Kitsap Public Facilities District

Minutes of the Board of Directors Regular Meeting

Monday, September 23, 2013

PFD Conference Room, 9481 Silverdale Way NW, Suite 265, Silverdale, WA

Attendance: Teresa Osinski, Chair; Roy Runyon, Vice-Chair, Anne Blair, Treasurer, Russ Shiplet, Patrick Hatchel & Jeff Braden.

Staff: Mike Walton, Executive Director; Brian Lawler, PFD attorney.

Absent: Rick Smith,

1. **Call to Order:** A quorum being present, the Vice-Chair called the meeting to order at 5:29 PM. Shortly thereafter, the Chair arrived and assumed leadership of the meeting.
2. **Meeting Minutes:**– Minutes from the Meeting on the 26th of August were distributed electronically before the meeting and submitted by the ED,
A motion was made by Patrick Hatchel to approve the Minutes of the August 26th Meeting as submitted. The motion was seconded by Roy Runyon and passed, with one abstention by Anne Blair, who was not present at that meeting.
3. **Finance Reports:**
 - A. **Monthly Financial Reports - August**
The ED summarized from the August report. Reflecting June retail sales, the revenue of \$100.2K was up 4% over the previous year. In fact, it was the highest August revenue since 2008. August expenses were significantly lower at \$4.6K, because of the early meeting, expenses normally in the following month were paid in July, and so provided an increase in cash position of approx. \$25K. The ED also reported that \$20K was transferred to the 968 fund for operations and reserve accumulation.
 - B. **Sales Tax Rebate Revenue by Month Report** – The report showed a 4% increase in August 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 \$2,056.71 to the Chair for approval by the Board members. After some discussion about the invoice from the AWSPFD for the net proceeds from the PFD Conference in May of \$256.83, and the ILA submitted for approval (item 6D), the Treasurer recommended removing the AWSPFD line item until the Board concerns were addressed and the Board concurred. This also included tabling approval of the AWSPFD ILA (item 6D).
Roy Runyon moved to approve the Blanket Voucher for payment as amended, removing the AWSPFD line item, bringing the new total to \$1,804.88. Jeff Braden seconded and the motion passed unanimously.
4. **Ongoing Business:**
 - A. **NKREC ILA Modification** – Arrive at a consensus before the Oct 1st partner meeting. The ED and attorney briefed the background of the issues to the Board for a lengthy discussion about the need for arriving at a consensus of the Board prior to the meeting. The main points of the consensus to be presented to the Partners are:
 1. **Replacement fund** – mandatory to exist, but allow some flexibility about timing; if borrowed by NKSD, must include interest when repaid.
 2. **Maintaining public use commitment** – public use time to be restored to original time commitments in User ILA, avoid domination by KSD usage.
 3. **Use of User Fees** – Scheduler salary/benefits scaled back by 25% per year over three years to a maximum of 25% of user fees collected, freeing up more funds to go to replacement fund.

The ED was also directed to respond to Mayor Erickson's questions about restrictions on funds for new projects until resolving issues in existing ILA modification. ED also instructed to get some documentation from NKSD minutes about commitment to set aside the replacement fund.

5. **Regional Project Reports:**

- A. **Conference Center Report** – ED submitted the report from the new Manager, Arne Bakker. There was a brief discussion of the status of the City's efforts on the expansion project and the ED pointed out that an Open House was to be held on September 26th.
- B. **NKREC** – Included in the NKREC ILA discussion in item 4.
- C. **Kitsap Fairgrounds and Event Center – no one present to report**
There was no discussion of the Parks report on comparison of month to month and year to year performance.

6. **New Business:**

- A. **Resolution 6-2013** – new NKREC Facility Capital Projects Fund, was not needed for Phase I/II project, but will be needed for the two new projects, this requests that it be set up by Treasury and Audit Depts.
Roy Runyon moved to approve Resolution 6- 2013. It was seconded by Anne Blair and passed unanimously.
- B. **Bremerton operations ILA update and KCC expansion funding ILA** – attorney Brian Lawler explained in detail about each ILA and what they were designed to address. He also explained about some of the concerns or issues mentioned by Bremerton attorneys. The Board discussed at length what their position was and what needed to be conveyed back to Bremerton to help arrive at an agreement. City is moving rapidly toward start of project.
- C. **EventFund guideline changes** – tabled until the next meeting because of time.
- D. **AWSPFD ILA** – Required as part of membership, overlooked when submitted in 2011. Recommended to hold action until issues are resolved – document now not current, issue of claiming proceeds from Conferences - to be brought up by Board representative Shiplet at next meeting in October.

7. **Executive Director's Report:** submitted electronically by the ED prior to the meeting.

8. **Public Comment:** None

9. **Announcements:**

The next Regular Meeting of the Board will be on October 28th at 5:30 pm in the PFD conference room.

Meeting was adjourned at 8:26 pm