

Kitsap Public Facilities District

Minutes of the Board of Directors Meeting

Monday, June 10, 2019

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

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

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

Absent: Walt Draper, Treasurer

1. **Call to Order:** The Chair called the meeting to order at 5:31 PM.
2. **Meeting Minutes:**
 - A. ED submitted minutes from the Regular Meeting on the 20th of May 2019.
Bill Mahan moved to approve the Minutes as submitted. Tom Bullock seconded the motion and it passed with two abstentions (Leedham & Jagodzinske were absent).
3. **Public Comment:** (Limited to 3 minutes, otherwise not on Agenda)
 - A. **Tracie Schmitt, The Ridge** – she spoke about The Ridge, another multi-venue motor sports park in Shelton. She mentioned the 2.47 mile track, skid pad, cart track and 400 events per year. She also said they were having their first National event in 2020. She also mentioned she was concerned about competition, as sanctioning groups don't always move their events around and competition is fierce.
 - B. **Jonathan Phelps, EMBA** – Jon spoke about their support of the Heritage Park bike park and project. Duthie Hill Ride Park has mammoth events – 30K people! – and hopes that Heritage Park could get similar numbers. He also mentioned that 500 riders are currently involved in maintaining trails in the park now.
 - C. **Linda Berry-Maraist, NKTA** – spoke about the NK Trails Assoc and its support for Heritage Park, the STO, Ride Park. They have been working for this project for 12 years, done several surveys, printed 100K trail maps to hand out and various levels of support.
 - D. **Matt Slaney, Pres of EMBA WestSound** – He spoke of the EMBA participation and commitment to the Ride Park when built. He said EMBA was the biggest bike club in the US (?). He also spoke of the need for parking at several spots in and around the park. He also referenced a \$40K match, (not sure what the commit level is?)
 - E. **Lynn Schara, Pt Gamble Park stewards** – she and her husband are part of the Stewards group of volunteers that clear trails and maintain them in the Park.
 - F. **Brian Nilsen for the Circuit of the NW Project** – presented additional letters from: the Navy about the training that they do at the existing facility now; from UTI, a tech training company and OEM Honda that are both interested in the STEM portion of the tech center proposed for the CNW facility. They (Brian & Joel Cohen) had the latest graphic for the layout of the track and facilities, as well as an update on their timeline.
4. **New Business:**
 - A. **Consider using BKAT to record meetings** – The ED submitted a quote from BKAT about recording at SBH – approx.\$750 per meeting - and recording at The Norm Dicks Center - \$400 per meeting - where they have recording equipment installed and can edit on the fly. After considerable discussion about the various locations where BKAT could be used cost effectively versus recording at SBH, a motion was proposed.
Pat Hatchel moved to utilize BKAT for recording all the meetings and to plan to move some meetings during the year to the locations where BKAT recording equipment could be used. The motion was seconded by Rick Smith and passed unanimously.

5. Ongoing Business:

A. **Bonding and Financing** - The Chair wanted to learn more about the roles and the process of selling bonds. The ED had provided a tutorial article about the various role players and the complexity of the process. This becomes more important as the initial response from Ed Wolfe, Chair of the County Commissioners, was to not cooperate with the PFD by selling bonds on behalf of the PFD.

1. **Bond Counsel** – Brian Lawler has screened and telephonically interviewed several potential Bond Counsel candidates. He has received one written proposal and expects two more. He will invite the candidates to attend Board meeting on June 24, 2019 to make short presentations and answer questions from the Board.
2. **Financial Advisor** – The ED was doing research on Financial or Municipal Advisors and has two that can present on the 24th - NW Municipal Advisors and Martin Nelson & Co. Of the two, NW Municipal Advisors has extensive experience with PFDs in WA.
3. The Chair asked the ED to provide answers to a couple of questions:
 - What kind of penalty or cost might there be for early payoff of the existing bonds? (Some portion of those bonds need to be refinanced through 2041 to continue to receive the tax rebate to fund the new bonds.)
 - What savings, or increase in bond amount, can be gained by having the County sell the bonds.

6. Evaluation of Projects:

Daron outlined his plan for taking the Projects in the order they presented to the Board and having the Directors give their opinions, and pros & cons about each project until all have been discussed, Then they will rank the projects in the order they think are most important or impactful and see what projects rise to the top of the list for potential funding.

A. **Port Gamble Heritage Park** –

1. **Pros** – Impressive size is a great community asset; 3 directors mentioned the Ride Park and the STO section; that it is useable 365 days a year; great use of volunteers for support & maintenance; generates Economic Development through tourism; it's innovative in its approach in several areas; provides community benefits in jobs & hotels (in phase three); good use of public & private funds, like Stanley Park in Vancouver, BC; Phase 2 is okay, but Phase 3 is too expensive.
2. **Cons** – Phase 2 asks \$15.5 Mil with small or no match; no indicated contribution from the County; what are plans for 2020 Grants?; other funding sources needed.

B. **Central Kitsap Events Center** –

1. **Pros** – Lots of community spirit behind the project; utilizing existing assets and repurposing; KRL is strong partner(\$4 Mil); innovation in design - will create an outdoor amphitheater from hillside; part of 60 acre school complex, including ball fields, theater, pool as part of agreement for Regional Center; promoting tourism via tournaments & events is a key feature; public and private partnership; three directors commented that ask is only \$2.8 Mill out of \$11 million project.
2. **Cons** – CK already has the KFEC; three directors mentioned this as a low priority for another CK project; one other said it was a small incremental change to the area.

C. **South Kitsap Community and Event Center** –

1. **Pros** – Lots of energy & public support behind this project mentioned by a couple of the directors; the location in SK was desirable; waterfront access for the facility; funding conditional on PFD commitment; will have significant private investment; significant jobs at \$29 mill; would keep Kitsap Bank HQ in PO; it was “a gem of a redevelopment project”; provided a great vision for PO and SK;
2. **Cons** – may be hampered by the KB timeline; needs a feasibility study; costs are only gross estimates; key piece of property is not owned (Vlist 7-11); more local/community focused, not enough ED; event space vs KRL space may not be

enough; there may be funding issues if KPFD not grant enough; PO redevelopment may not be ready.

- D. **Other projects** – The remaining four projects will get evaluated at the June 24th or July 15th meetings.

7. New Business

- A. **Resolution 02-2019 - Revised Meeting Schedule.** The ED submitted a revised Meeting Schedule, including additional dates in July, August and September to accommodate any additional dates required to evaluate projects, select finalists and award funding. After some discussion, a motion was made.

Erin Leedham moved to adopt Resolution 02-2019 as submitted. It was seconded by Bill Mahan and passed unanimously.

- B. **Proposed Budget Adjustment** – The ED submitted a 2019 Budget revision with increases in several items for the Board’s review. The increases were: ED’s salary due to the extra work required for additional meeting; higher meeting space cost due to more frequent and larger meetings; higher telephone cost because of a change to Comcast for faster upload & download speeds on the large video files; cost of recording meetings, not in the original budget. There were some offsetting reductions, in County admin services; Construction Consulting and EventFund awards. The Chair did not want to reduce the EventFund awards portion so the Budget will be adjusted and submitted for approval at the next meeting.

- C. **Note: As part of this discussion, the Board wanted information about the stipend they are eligible to receive, as well as any other compensation they may be eligible for. The ED will provide that information at the next meeting.**

8. **Announcements:** The ED gave a “heads up” about the PFD Conference in October in Yakima.

9. **Executive Session:** Daron Jagodzinske called for an Executive Session at 7:53 PM under RCW 42.30.110(1)(g) [Performance of a Public Employee] which was scheduled to end 8:13 PM.

10. The Board considered the adoption of the Performance Improvement Plan for the Executive Director. **Erin Leedham moved the adoption of a Performance Improvement Plan identified as Draft Version 2, subject to certain corrections. Bill Mahan seconded the motion which was then approved unanimously.**

Meeting was adjourned at 8:18 pm

The Evaluation of New Projects will resume at the next Regular Meeting of the Board, June 24th, 2019 at 5:30 pm in the Ball Room at the Best Western Plus/Silverdale Beach Hotel.