

# ***Kitsap Public Facilities District***

## **Minutes of the Virtual Board of Directors Meeting**

Monday, December 14th, 2020

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

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

**Absent:** None

1. **Call to Order:** The Chair called the meeting to order at 5:30 PM.
2. **Meeting Minutes:** The ED presented the Minutes of the October 26th meeting and the abbreviated December 7<sup>th</sup> meeting Minutes, which was closed early due to accessibility issues.  
**John Morrissey moved to approve the October 26th Minutes as submitted. Erin Leedham seconded the motion and it passed unanimously.**  
**Walt draper moved to approve the December 7<sup>th</sup> Minutes as submitted. Erin Leedham seconded, and the motion passed unanimously.**
3. **Public Comment:** (Limited to 3 minutes, otherwise not on Agenda) **None presented.**
4. **New Business – Regional Project Status Reports:**
  - A. **PERC, Mary McClusky from City of Poulso**  
Mary McCluskey presented information in support of their request to modify section 3.2 and 3.3 of the ILA and revise the timeline in Attachment C (was renamed from Exhibit C). Brian Lawler provided a review of the changes and advised the Board they were legal and acceptable.  
**Phil Havers moved to approve the revisions to the Poulso PERC ILA as presented. Pat Hatchel seconded the motion and it passed unanimously.**
5. **Financial Reports:**
  - A. **Monthly Financials & Tax Rebate Summary** – the ED reported on results from November data. The KPFD received \$184.2K in tax rebate revenue, up 13.8% over 2019, and the highest ever received in any month in KPFD history, as noted by Treasurer Walt Draper. The amount of <\$72 K> was transferred to 286 for Debt Service; and there were <\$14K> in Expenses. The result was a Net to Cash of \$98.2K.  
The ED also briefly reviewed the monthly financial reports and noted that the balance of the 96977 Fund grew to slightly over \$3.4 million,
  - B. **Expense Blanket Voucher** – The ED commented that he had processed a single-signature Blanket Voucher prior to the end of the month in the amount of \$981.18. The ED submitted a Blanket Voucher of \$4,830.00 for legal expenses from October to be paid.  
**Erin Leedham moved to approve the Blanket Voucher in the amount of \$5,291.86. It was seconded by John Morrissey and passed unanimously.**
  - C. **PERC Project Blanket Voucher** – The ED submitted a Project Blanket Voucher for \$6,693.75, for the fifth invoice from the Poulso PERC project, the invoices are for the community response collection process and the feasibility study.  
**Erin Leedham made a motion to approve the Project Blanket Voucher in the amount of \$6,693.75. It was seconded by Walt Draper and passed unanimously.**
  - D. **SKCEC Project Blanket Voucher** - The ED submitted a Project Blanket Voucher for \$60,095.90, for the first invoice from the Port Orchard SKCEC project, the invoices are for the community response collection process and the site selection process.  
**John Morrissey made a motion to approve the Project Blanket Voucher in the amount of \$60,095.90. It was seconded by Pat Hatchel and passed unanimously.**

**6. New Business:**

**A. Bonding & Financing Discussion - Scott Bauer & Ryan Neumeister, NWMA**

Scot & Ryan led the Board through a PowerPoint presentation covering current market & rate conditions, the refinancing or restructuring of the KPFD debt, and a couple of scenarios showing the impact of 1) leaving the existing debt in place and only moving \$5K out to 2041; and 2) refinancing the whole remaining debt out to 2041.

The Board had a lot of questions and the discussion went on for 30 minutes or more. The most important points were:

- 1) that the KPFD has to cooperate with the County on the refunding of the existing debt to include a component in 2041 and Daron would take the lead;
- 2) That it was desirable to arrange the refunding by Sept of 2021, to take place before the end of 2021.
- 3) A decision has to be made on whether “level out” the 2011 debt or just move \$5K to 2041;
- 4) The Board consensus was to continue to pursue an “allocated funding” model for the various projects, whenever it was feasible and manageable with the public partners;

**7. Ongoing Business:**

**A. Resolution 02-2020 – 2021 Meeting Dates**

ED presented the final version of the 2021 Meeting schedule for the Board’s approval. It is based on “real” meetings after January, but subject to virtual substitutions as required. Phil Havers pointed out that one option for the May meeting was on Memorial Day (May 31); it was agreed that it will be changed on the published version.

**John Morrissey moved to adopt the 2021 Meeting Schedule as modified. The motion was seconded by Erin Leedham and passed unanimously.**

**B. 2021 Budget Approval –**

The ED submitted the final version of the KPFD 2021 Budget in the amount of **\$236,550**.

**Walt Draper moved to approve the Budget as submitted. Phil Havers seconded the motion and it passed unanimously**

**C. POB Phase 3 discussion –**

The Chair prefaced the discussion with the precondition that there has been substantial discussion about the next Phase 3 portion of the POB/CNW project. This discussion would be to arrive at an “up or down” vote on this project moving to Phase 3 with KPFD with some level of KPFD support. The Port CEO, Jim Rothlin, Port Commissioner Axel Strakeljahn and the Port Attorney, Anne Montgomery were invited in to participate in the discussion.

After substantial additional discussion, reference to documents provided by the Port as well as documents from the KPFD, and a statement from the Chair that he felt this action was contrary to the ranking of the projects in 2019 and setting a precedent for other projects requesting to do similar requests, as well changing decisions made about funding priorities, a motion was made.

**Erin Leedham moved that the KPFD provide \$1,439 million of funding to the Port of Bremerton for Regional Center design fees and Construction Documents and the KPFD staff prepare the documents. The motion was approved 5-2, with the Chair and Pat Hatchel voting against the motion.**

**D. ED Activity Report – The Chair asked the Directors to review this report at their leisure.**

**E. Regional Facility Reports – Some activity at both current Regional Centers, Chair asked the Directors them to read them at their leisure.**

**Meeting was adjourned at 8:44 pm on Oct 28<sup>th</sup>.**

**Next Regular Meeting of the Board, December 7th, 2020 at 5:30 pm**

**NOTE: It will be another Zoom webinar.**

**Topics:           General Business; Financial information & discussion; POB ILA or Motion**

**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.**