

Kitsap Public Facilities District

Minutes of the Board of Directors Meeting (Including optional “in-person” element)

Monday, September 19, 2022

Attendance:

Board Members Present: Chairman Patrick Hatchel, Vice Chairman John Morrissey, Treasurer Walter Draper, Director Erin Leedham, Director Phil Havers, Director Tom Bullock

Board Members Absent: Director Daron Jagodzinske

Staff Present: Executive Director Russ Shiplet

Advisors, Counsel, & Consultants Present: Legal Counsel Mr. Brian Lawler, Bond Counsel Mr. Marc Greenough; Financial Advisors Mr. Ryan Neumeister & Mr. Scott Bauer; Construction Consultant Mr. Shannon Thompson

1. **Call to Order:** KPF D Chairman Hatchel called the meeting to order at 5:30 PM.
2. **Public Comment:** No public comment was given
3. **Approval of Consent Agenda:** A motion was made to approve the Consent Agenda items as presented by Vice Chairman Morrissey. The motion was seconded by Director Leedham and unanimously approved by the Board of Directors.
4. **Facilities Project Progress Report:** Port Gamble Forest Heritage Park Trails Project. Mr. Eric Baker of Kitsap County presented.
 - Project components were presented, which included:
 - Mountain Bike Ride Park (Phases 1 & 2) (Project completion delayed to July 2023)
 - Framework for the FKA Master Plan
 - Sound to Olympics Trails Design (completion projection delayed to July 2023).
 - Stottlemeyer Trailhead (completion projection delayed to July 2023).
 - Next steps include a Special Environmental Policy Act (SEPA) comment period and County Commissioner’s consideration in October/November 2022 timeframe.
 - Permits are under review by the County for the Stottlemeyer Trailhead.
 - Project cost overruns are piling up due to the increasing cost of construction.
 - A future request of \$350,000 may be asked of the Kitsap Public Facilities District before the project is complete.
 - The current project ILA is set to expire in 2022. Kitsap County is asking for an extension of the ILA to July 1, 2023. Treasurer Draper made a motion to extend the ILA to July 1, 2023. Director Leedham seconded the motion. There was discussion about the need for \$350,000 at this point. The motion was tabled for discussion until the Oct 24, 2022, KPF D Board of Directors meeting.

5. **Ongoing Business/Good of the Order:** Ongoing Business/Good of the Order agenda was moved up to allow the NW Municipal Advisory Team to speak to the following items:

A. KPFD & Kitsap County 2021B Bond Extension to 2041 Efforts – Mr. Bauer & Mr. Neumeister

- The NW Municipal Advisors presented the financing model for determining the defeasance of the 2022 or 2026 bond. The board was asked for their preference between the two. Treasurer Draper moved to defease the 2026 bond. Vice Chairman Morrissey seconded the motion. The motion passed unanimously.
- A schedule of events was presented with an anticipated loan closure of Nov 29, 2022.

B. POB/CNW Financial Report Update – Mr. Greenough, Mr. Bauer, & Mr. Neumeister

- The KPFD bond counsel and financial advisors have been working with Mr. Towne from Caldwell Sutter Capital on gathering information for a financial report in accordance with Dept. of Commerce requirements to present to the KPFD Board of Directors in the near future.
- Caldwell Sutter Capital asked the KPFD board for a nonbinding letter of financial support for the project. Bond counsel will be working with Mr. Towne in the coming weeks to produce a letter of support draft for board consideration.

6. **New Business:**

A. AWSPFD Conference Sep 21 & 22, 2022 – Executive Director Shiplet

- The Association of WA State Public Facilities Districts will hold its annual conference this year at the Great Tacoma Convention Center. Executive Director Shiplet & Director Leedham will be in attendance.

B. KPFD Re-Branding Efforts – Executive Director Shiplet

- Executive Director Shiplet is working with Ms. Kelle Kitchel on a new logo design that will be presented to the KPFD board at the Oct 24, 2022, meeting.

C. PERC Project Update – Executive Director Shiplet

- Executive Director Shiplet and the Executive Team will be meeting with the City of Poulsbo on Tuesday, Sep 23, 2022, to discuss the current ILA and changes for the KPFD board to consider.

7. **Financial Reports** – KPFD Executive Director Shiplet

- A.** The AUG 2022 financial reports were presented.
- B.** The Monthly Sales Tax Rebate Statement was presented.
- C.** The Project Funding Tracking Worksheet was presented.

8. **Meeting adjourned @ 7:01 PM.**

Next Meeting of the Board: October 24, 2022 – Port Orchard City Hall

Topics: Port Orchard Community Events Center Project Update, Consent Agenda, New Business, Ongoing Business & Financials