

RESOLUTION 073 -2013

**A RESOLUTION REDUCING THE REQUIRED MINIMUM
DEBT SERVICE RESERVE FROM \$500,000 TO \$250,000 FOR
THE KITSAP PUBLIC FACILITIES DISTRICT**

WHEREAS, the Kitsap County Board of Commissioners established the Kitsap Public Facilities District ("PFD") by Resolution 093-2000 pursuant to RCW 36.100, to perform any function or combination of functions authorized by that chapter; and

WHEREAS, RCW 82.14.390 authorized the PFD to impose a 0.033% sales and use tax ("sales tax"), which operates to shift a share of the State's sales and use tax revenues to public facilities districts at no additional cost to taxpayers; and

WHEREAS, the PFD has imposed this sales tax as authorized; and

WHEREAS, the original interlocal agreement (ILA) between the PFD and the County, as amended, required the County to issue bonds in an amount sufficient to make available to the PFD the sum of \$11.1 Million in order to facilitate the funding of various projects including the Kitsap Fairgrounds and Event Center; and

WHEREAS, this ILA also required the PFD to pay a portion of its sales tax revenue to the County to be used to repay the Bonds and to pay into a "Tax Stabilization Fund" until a "Balance Requirement", as defined in the ILA, was met; and

WHEREAS, this "Tax Stabilization Fund" was required only until April 2007, at which point the County in consultation with the PFD could determine to change or eliminate the requirement entirely; and

WHEREAS, through Resolution 192-2007, the County chose to eliminate the requirement for the "Tax Stabilization Fund" and instead establish a requirement for the PFD to maintain a debt service reserve in the amount of \$500,000 to protect against the potential for adverse fluctuations in revenue available for servicing the debt; and

WHEREAS, it has not been necessary to use any of the funds in the debt service reserve because the sales tax revenue collected by the PFD has consistently met or exceeded projections; and

WHEREAS, in light of the fact that reserves have never been needed, the PFD desires to utilize more of its sales tax revenue to fund additional capital improvements and has requested another County review of the reserve requirement; and

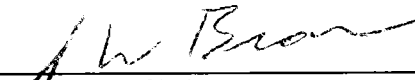
WHEREAS, the County's Finance Committee has reviewed the financial statements of the PFD and is recommending that the Board of County Commissioners further reduce the debt service reserve requirement to \$250,000.

NOW THEREFORE BE IT RESOLVED by the Board of County Commissioners for Kitsap County, Washington that the required debt service reserve to be maintained by the PFD is hereby reduced to \$250,000.


ADOPTED this 14th day of May 2013.



**BOARD OF COUNTY COMMISSIONERS
KITSAP COUNTY, WASHINGTON**



JOSH BROWN, Chair



ROBERT GELDER, Commissioner



CHARLOTTE GARRIDO, Commissioner

ATTEST:



Dana Daniels
Clerk of the Board