



Board of Directors Meeting
Monday, APR 28, 2025
Kitsap Public Facilities District Office
Meeting Location: City of Poulsbo Council Chambers
& via Zoom Webinar – <https://us02web.zoom.us/j/87113636589>

MEETING AGENDA

- 1. Call to Order / Comments from Board Chair Leedham**
- 2. Public Comment** –If you wish to ask a question of the panelists, you will have a maximum of 3 minutes. Use the “Raise Hand” option within Zoom to speak, or put a message in the Chat Box, and the host will ask the question on your behalf.
- 3. Approval of Consent Agenda**
Note: If a Board Member wishes to discuss any item, it may be pulled from the Consent Agenda for further dialogue and individual board vote for approval

CONSENT AGENDA

- A. FEB 24, 2025, KPFD BOD Meeting Minutes
 - B. Blanket Voucher #05-MAR 2025 96968 Operating Expenses
 - C. Blanket Voucher #06-MAR 2025 96977 PERC Project Invoices
 - D. Blanket Voucher #07-APR 2025 96968 Operating Expenses
 - E. Blanket Voucher #08-APR 2025 96977 PERC Project Invoices
 - F. Blanket Voucher #09-APR 2025 96977 PGFHP Project Invoices
 - G. FEB & MAR 2025 Sales Tax Rebate Summary Reports
 - H. APR 2025 KPFD Project Tracking Report
 - I. MAR & APR 2025 Executive Director Report
-

- 4. PERC Project Update** – Presented by City of Poulsbo
- 5. General Business/Good of the Order**
 - Update of WA State SAO 2021-2023 Audit
 - Update on House Bill 1109 – Extension of Sales & Use Tax Rebates
 - KPFD Policy Committee Update (*adoption of Part 1 of 3 KPFD BOD Handbook requires board approval*)
 - KPFD Finance Committee Report
 - Northwest Municipal Advisors Service Agreement (*requires board approval*)
- 6. Meeting Adjournment**

Next Meeting: Monday, June 30, 2025 @ 5:30 PM
Location: Norm Dicks Government Center
Topics: PGFHP Project Update & General Business

Building Communities, Enriching Lives



**KITSAP PUBLIC FACILITIES DISTRICT
CONSENT AGENDA
APR 28, 2025**

- A.** FEB 24, 2025, KPFD BOD Meeting Minutes
 - B.** Blanket Voucher #05-MAR 2025 96968 Operating Expenses
 - C.** Blanket Voucher #06-MAR 2025 96977 PERC Project Invoices
 - D.** Blanket Voucher #07-APR 2025 96968 Operating Expenses
 - E.** Blanket Voucher #08-APR 2025 96977 PERC Project Invoices
 - F.** Blanket Voucher#09-APR 2025 96977 PGFHP Project Invoices
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 - I.** MAR & APR 2025 Executive Director Report
-

Building Communities, Enriching Lives



Kitsap Public Facilities District

Minutes of the Board of Directors Meeting (Including optional "remote" element)

Monday, February 24, 2025

Attendance:

Board Members Present: Chairwoman Erin Leedham, Vice Chairman Patrick Hatchel, Director Shawn Cucciardi, Director Phil Havers, Director Anne Blair

Board Members Absent: Treasurer Walt Draper & Director Daron Jagodzinske

Staff Present: Executive Director (ED) Russ Shiplet, Legal Counsel Brian Lawler

1. **Call to Order:** KPFD Chairwoman Leedham called the meeting to order at 5:30 PM.
2. **Public Comment:** Public comment was provided in the form of clarification about the Port Orchard Community Events Center ILA extension and the security of PFD resource funding in light possible state cutbacks. Additional comments asked for clarification on the house bill being considered which would extend the collection of sales tax rebates through 2065.
3. **Approval of Consent Agenda:** Director Blair motioned to approve the Consent Agenda as presented. Director Hatchel seconded the motion. There was no discussion, and the Board of Directors passed the motion unanimously.
4. **Presentations:**
 - A. **2025 Financial Outlook** – presented by NW Municipal Advisors. The current state of the PFD finances was provided, along with current ILA funding commitments and financial forecasting through 2041. Alternative financial forecasts were also provided based on different bond issuance scenarios.
 - B. **Port Orchard Community Events Center (POCEC)** – presented by Port Orchard Mayor Putaansuu. An update was provided on the progress being made on the POCEC project and delays caused by the Bay Street re-construction project. The target date for the Bay Street project is slated for the Spring of 2026. The current POCEC ILA will need to be amended to extend the expiration date, which is set at December 31, 2025.
 - C. **Port of Bremerton/Circuit of the NW (POBCNW)** – presented by Port Commissioner Axel Strakeljahn. Updates were provided about recent private partnerships that have been established for the POBCNW project. The PFD board was asked to consider funding in the amount of \$10,250,690 to assist in construction of the Special Events & Festival Center. **MOTION:** Director Cucciardi made a motion to bring the PFD financial advisors together with the Port of Bremerton to look at



ways in which the PFD may be able to provide any amount of additional funds to the CNW project. There was not a second to the motion, and the motion failed.

5. General Business:

- ED Shiplet gave an update on the current state of the WA State 2021-2023 financial audit. All requested financial documentation has been provided to the WA State Auditor's Office, and the PFD is waiting to hear about the results. A formal meeting request will be sent to the ED and extended to the entire PFD board.
- House Bill 1109 – Extension of Sales & Use Tax Rebate collection through 2065 has passed through the WA State House Finance Committee and currently sits with the House Rules Committee. If the House Rules Committee pushes the bill to the House floor for a vote and passes, it will then move on to the Senate Ways & Means Committee. The bill would need to pass the Ways & Means Committee before it would go to the Senate Rules Committee and the Senate floor for a vote. If the bill is passed by both floors, it could be signed into law by the State Governor.
- The KPFD Policy Committee in early February 2025 to review the first draft of the Board of Directors Handbook. The handbook is to be divided into three major sections, with the Policy Committee bringing each section to the PFD board for review and approval.

6. Meeting Adjournment:

- The Board of Directors meeting adjourned at 7:03 PM.

Next Meetings of the Board:

➤ **Monday, April 28, 2025 – Poulsbo Council Chambers**

- **Poulsbo Events & Recreation Center (PERC) project update**

VENDOR		INVOICE #	AMOUNT
INVOICES:			
Kitsap Bank Visa CC (JAN 2025)		FEB2025	\$ 1,926.96
Moxie Support Services (FEB 2025)		1086	\$ 600.00
DRS PERS2 Employee Retirement Fund (MAR 2025)		4296P	\$ 1,792.57
JPC PLLC Legal Counsel (FEB 2025)		182038	\$ 1,722.50
Barker Creek Consulting (MAR 2025)		1581	\$ 1,310.00
Parker Mooers & Cena CPAs (FEB 2025)		47561	\$ 1,420.00
WA SAO Audit (MAR 2025)		L167354	\$ 347.75
PAGE TOTAL			\$ 9,119.78

[illegible]

VENDOR		INVOICE #	AMOUNT
INVOICES:			
PERC Reimbursement Invoice (JAN 2025)		33119820-3	\$ 10,364.90
PAGE TOTAL			\$ 10,364.90



City of Poulsbo
200 NE Moe St
Poulsbo WA 98370-7347
Phone: (360) 779-3901
Finance Phone: (360) 394-9881

INVOICE

Billed To:

Kitsap Public Facilities District
Executive Director
19980 10th Ave NE
Ste 204F
Poulsbo WA 98370-6431
Email: exedirector@kitsap-pfd.org

Date: March 15, 2025

Invoice #: 33119820-03

Due Date April 15, 2025

Total Due: \$ 10,364.90

Customer #: 0000002630

ITEM DESCRIPTION	UNITS	PRICE	AMOUNT
33119820 - PERC - Regional Multi-Use Athletic Fields Design - Services Through January 25, 2025	1.00	10,364.90 \$	10,364.90
TOTAL THIS INVOICE		\$	10,364.90

Remit To:

City of Poulsbo
Attn: Finance Department
200 NE Moe St
Poulsbo WA 98370-7347

To ensure timely processing, please attach a
copy of this invoice with your check. Thank you!


BLANKET VOUCHER APPROVAL
FUND: 96968.00968
BV# 07-APR 2025

We, thus undersigned of Kitsap Public Facilities District, Kitsap County, Washington, certify that the merchandise or services hereinafter specified have been received and that the following vouchers are approved for payment of **\$8,079.18** on this 14th day of APR 2025

Patrick Hatchel

Pat Hatchel, Chair

Erin Leedham

Erin Leedham, Vice-Chair

Walter S Draper IV

Walter Draper IV, Treasurer

Daron Jagodzinske

Daron Jagodzinske, Director

Phil Havers

Phil Havers, Director

Shawn Cucciardi

Shawn Cucciardi, Director

Anne Blair

Anne Blair, Director

VENDOR	INVOICE #	AMOUNT
INVOICES:		
Kitsap Bank Visa CC (MAR 2025)	MAR2025	\$ 2,387.85
Moxie Support Services (MAR 2025)	1087	\$ 1,125.00
DRS PERS2 Employee Retirement Fund (APR 2025)	4296P	\$ 1,792.57
Barker Creek Consulting (MAR 2025)	1592	\$ 832.50
JPC PLLC Legal Counsel (MAR 2025)	183296	\$ 110.00
WA State DRS Late Transmittal Invoice (APR 2025)	1666843	\$ 11.59
WA State Auditor's Office (MAR 2025)	L168005	\$ 904.15
Q1 2025 Board of Director Stipends		
Erin Leedham	Q12025	\$ 164.82
Patrick Hatchel	Q12025	\$ 250.00
Walter Draper IV	Q12025	\$50.00
Daron Jagodzinske	Q12025	\$ 150.00
Phil Havers	Q12025	\$ 200.00
Shawn Cucciardi	Q12025	\$ 50.00
Anne Blair	Q12025	\$ 50.70
PAGE TOTAL		\$ 8,079.18

[illegible]

VENDOR	INVOICE #	AMOUNT
INVOICES:		
PERC Reimbursement Invoice (FEB 2025)	33119820-04	\$ 27,612.32
PAGE TOTAL		\$ 27,612.32



City of Poulsbo
200 NE Moe St
Poulsbo WA 98370-7347
Phone: (360) 779-3901
Finance Phone: (360) 394-9881

INVOICE

Billed To:

Kitsap Public Facilities District
Executive Director
19980 10th Ave NE
Ste 204F
Poulsbo WA 98370-6431
Email: exedirector@kitsap-pfd.org

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Invoice #: 33119820-04

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Total Due: \$	27,612.32
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City of Poulsbo
Attn: Finance Department
200 NE Moe St
Poulsbo WA 98370-7347

To ensure timely processing, please attach a
copy of this invoice with your check. Thank you!

VENDOR	INVOICE #	AMOUNT
INVOICES:		
PGFHP Reimbursement Invoice (FEB 2025)	33119820-04	\$ 577,508.64
PAGE TOTAL		\$ 577,508.64



INVOICE

Kitsap County Parks Department

INVOICE # 24-0119

DATE: February 10, 2025

BILL TO:

Kitsap Public Facilities District

Attn: Russ Shplet

9230 Bay Shore Dr NW #101

Silverdale, WA 98383

FROM:

Alex Wisniewski

Parks Director

Kitsap County Parks Department

614 Division Street MS-1

Port Orchard, WA 98366

Phone: 360-337-5350 Fax: 360-337-5385

AWisniewski@kitsap.gov

DATE	DESCRIPTION			INVOICE #	AMOUNT DUE
1/11/2024	Parametrix - STO - Port Gamble Trail, Segments A, B, and D			52153	\$ 14,698.97
2/23/2024	Parametrix - STO - Port Gamble Trail, Segments A, B, and D			53422	\$ 4,392.56
3/27/2024	Marwood General Construction - Stottlemeyer Trailhead Parking Lot			1 Rev. 1	\$ 111,186.57
4/2/2024	Parametrix - STO - Port Gamble Trail, Segments A, B, and D			54539	\$ 16,687.22
4/15/2024	Marwood General Construction - Stottlemeyer Trailhead Parking Lot			2 Rev 01	\$ 88,023.07
4/24/2024	Parametrix - STO - Port Gamble Trail, Segments A, B, and D			55094	\$ 47,436.05
5/20/2024	Marwood General Construction - Stottlemeyer Trailhead Parking Lot			3 REV 2	\$ 35,021.37
5/30/2024	Parametrix - STO - Port Gamble Trail, Segments A, B, and D			56216	\$ 29,456.86
6/18/2024	Marwood General Construction - Stottlemeyer Trailhead Parking Lot			4 Rev 2	\$ 154,248.10
6/27/2024	Parametrix - STO - Port Gamble Trail, Segments A, B, and D			57153	\$ 28,785.89
	January-June Permits - Stottlemeyer Trailhead				\$ 44,345.85
	Permits - North Gateway Parking Lot				\$ 3,226.13
CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	AMOUNT DUE
\$ 577,508.64					\$ 577,508.64

REMITTANCE	
INVOICE #	24-0119
DATE	
AMOUNT DUE	\$ 577,508.64
AMOUNT ENCLOSED	



Kitsap Public Facilities District
Sales Tax Rebate Revenue Summary

	B	AF		AG	AH		AI	AJ		AK	AL		AM	AN		AO	AP		AQ	AR		AS	AT		AU	AV	AW
2		FY 2018	%		FY 2019	%		FY 2020	%		FY 2021	%		FY 2022	%		FY 2023	%		FY 2024	%		FY 2025	%		POS/NEG	
3	JAN	\$ 123,476.10	8.4%		\$ 144,263.78	16.8%		\$ 150,304.56	4.2%		\$ 158,789.57	5.6%		\$ 178,674.01	12.5%		\$ 187,086.78	4.7%		\$ 185,558.93	-0.8%		\$ 194,266.62	4.7%		↑	
4	FEB	\$ 159,064.82	8.0%		\$ 165,509.56	4.1%		\$ 173,706.66	5.0%		\$ 192,717.28	10.9%		\$ 197,557.85	2.5%		\$ 209,039.13	5.8%		\$ 213,924.96	2.3%		\$ 229,587.46	7.3%		↑	
5	MAR	\$ 123,918.31	17.0%		\$ 125,924.98	1.6%		\$ 132,155.73	4.9%		\$ 144,739.20	9.5%		\$ 162,359.33	12.2%		\$ 167,293.61	3.0%		\$ 174,240.58	4.2%		\$ 191,359.83	9.8%		↑	
6	APR	\$ 118,939.87	13.4%		\$ 116,815.21	-1.8%		\$ 115,731.99	-0.9%		\$ 141,495.24	22.3%		\$ 167,540.61	18.4%		\$ 167,784.23	0.1%		\$ 170,727.31	1.8%						
7	MAY	\$ 144,926.19	14.2%		\$ 150,430.71	3.8%		\$ 126,061.95	-16.2%		\$ 188,771.05	49.7%		\$ 201,423.66	6.7%		\$ 197,898.50	-1.8%		\$ 197,130.98	-0.4%						
8	JUN	\$ 133,121.83	17.5%		\$ 145,401.79	9.2%		\$ 126,133.58	-13.3%		\$ 177,293.20	40.6%		\$ 190,292.70	7.3%		\$ 186,576.31	-2.0%		\$ 193,884.02	3.9%						
9	JUL	\$ 146,892.10	16.0%		\$ 150,399.47	2.4%		\$ 165,292.17	9.9%		\$ 192,556.37	16.5%		\$ 193,483.26	0.5%		\$ 203,055.00	4.9%		\$ 204,152.01	0.5%						
10	AUG	\$ 158,152.03	11.3%		\$ 166,341.19	5.2%		\$ 170,988.07	2.8%		\$ 204,719.00	19.7%		\$ 207,417.76	1.3%		\$ 213,155.55	2.8%		\$ 209,083.96	-1.9%						
11	SEP	\$ 149,561.17	15.7%		\$ 157,155.89	5.1%		\$ 167,577.17	6.6%		\$ 186,898.42	11.5%		\$ 200,317.82	7.2%		\$ 202,596.57	1.1%		\$ 215,398.30	6.3%						
12	OCT	\$ 151,329.82	13.8%		\$ 158,503.52	4.7%		\$ 163,033.80	2.9%		\$ 182,058.47	11.7%		\$ 204,071.35	12.1%		\$ 198,061.74	-2.9%		\$ 207,683.24	4.9%						
13	NOV	\$ 149,568.79	7.0%		\$ 161,955.86	8.3%		\$ 184,238.07	13.8%		\$ 197,714.69	7.3%		\$ 208,743.30	5.6%		\$ 213,410.30	2.2%		\$ 210,522.08	-1.4%						
14	DEC	\$ 148,700.48	19.5%		\$ 148,546.73	-0.1%		\$ 164,199.11	10.5%		\$ 177,670.52	8.2%		\$ 192,632.39	8.4%		\$ 191,416.42	-0.6%		\$ 203,753.62	6.4%						
15																											
16	YTD TOTAL	\$ 1,707,651.51	13.3%		\$ 1,791,248.69	4.9%		\$ 1,839,422.86	2.7%		\$ 2,145,423.01	16.6%		\$ 2,304,514.04	7.4%		\$ 2,337,374.14	1.4%		\$ 2,386,059.99	2.1%		\$ 615,213.91	7.2%		↑	
17	MONTHLY AVG	\$ 142,304.29	13.3%		\$ 149,270.72	4.9%		\$ 153,285.24	2.7%		\$ 178,785.25	16.6%		\$ 192,042.84	7.4%		\$ 194,781.18	1.4%		\$ 198,838.33	2.1%		\$ 205,071.30	3.1%		↑	
18																											
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25																											
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MAR 2025	FUNDS	COMMENT
Sales Tax Rebate (977)	\$191,360.00	9.8% increase from MAR 2024
Interest Earned	\$8,545.97	
Debt Service (286)	(\$71,360.72)	
Net Income	\$128,545.25	

Note: Year-to-Date % based on current year annual average

Note: Monthly Average % based on comparison of previous year's monthly avg

**KITSAP PFD
PROJECT INVOICE TRACKING REPORT
APR 2025**

Year	Month	Port Orchard Community Events Center (POCEC)				Poulsbo Events & Recreation Center (PERC)				Port Gamble Forest Heritage Park (PGFHP)				Port of Bremerton (POB)				Total Commitment		
					ILA				ILA #2				ILA			Phase 1	ILA			
					\$ 12,000,000				\$ 11,778,288				\$ 2,047,556				\$ 1,439,000	\$ 27,264,844.00		
2018 Totals					\$ -				\$ -				\$ -	Ph1 Bal		\$ (60,000.00)	\$ (60,000.00)	\$ (60,000.00)	2018 Totals	
2019 Totals					\$ -				\$ -				\$ -	Ph2 Bal		\$ (258,411.00)	\$ (258,411.00)	\$ (258,411.00)	2019 Totals	
2020 Totals					\$ (60,095.60)				\$ (27,136.25)				\$ -	Ph2 Bal		\$ (243,889.00)	\$ (243,889.00)	\$ (331,120.85)	2020 Totals	
2021 Totals					\$ (1,326,290.00)				\$ (120,993.98)				\$ (172,181.54)	sub-total		\$ (438,257.65)	\$ -	\$ (2,057,723.17)	2021 Totals	
2022 Totals					\$ (521,109.38)				\$ (36,888.69)				\$ (632,512.03)			\$ (1,000,689.12)	\$ (143,900.00)	\$ (1,334,410.10)	2022 Totals	
2023 Totals					\$ (287,652.18)				\$ (12,153.50)				\$ (25,299.60)				\$ (143,900.00)	\$ (469,005.28)	2023 Totals	
2024 Totals					\$ (5,162.00)				\$ -				\$ (449,821.89)				\$ (143,900.00)	\$ (598,883.89)	2024 Totals	
2025		Invoices	Board Approval	Date Paid	Amount Paid	ILA Task #	Invoices	Board Approval	Date Paid	Amount Paid	Invoices	Board Approval	Date Paid	Amount Paid	Invoice	Board Approval	Date Paid	Amount Paid		
	January																		\$ -	
	February						33119820-01/02	2/24/2025	2/25/2025	\$ (127,340.32)					2024	2/24/2025	2/25/2025	\$ (143,900.00)	\$ (271,240.32)	
	March						33119820-03	4/28/2025		\$ (10,364.90)									\$ (10,364.90)	
	April						33119820-04	4/28/2025		\$ (27,612.32)	24-0119	4/28/2025		\$ (577,508.64)					\$ (615,485.86)	
	May																			
	June																			
	July																			
	August																			
	September																			
	October																			
	November																			
	December																			
																			\$ (897,091.08)	2025 Totals
Total Paid to Date					\$ (2,200,309.16)					\$ (165,317.54)				\$ (1,857,323.70)				\$ (575,600.00)	\$ (6,006,645.37)	Total Paid to Date
Remaining Balance					\$ 9,799,690.84					\$ 11,943,606				\$ 190,232.30				\$ 863,400.00	\$ 21,258,198.63	Remaining Balances

\$ 4,521,901.00 APR 1, 2025 Capital Fund Balance
 \$ (615,485.86) APR 28, 2025 Project Invoices
 \$ 3,906,415.14 APR 28, 2025 Remaining Capital Fund



APR 28, 2025

**EXECUTIVE DIRECTOR REPORT
MAR & APR 2025**

- **WA State Audit Update:** The WA State Audit for 2021-2023 is complete, and the district received a “Clean Report.” There were no adverse findings or corrective actions required. The next state audit will occur in 2026. This will be a 2-year financial audit covering FY 2024-2025.
- **KPFD Policy Committee Update:** The KPFD Board of Directors Handbook has been divided into three major sections: Board Essentials, Roles & Responsibilities, and Policies & Procedures. The Policy Committee met in mid-March to review the second half of Board Essentials, as well as the appendices. The plan is to take its recommendations to the Board in April BOD meeting.
- **KPFD Finance Committee Update:** The Finance Committee met in mid-April to discuss Q1 2025 operating expenses and capital fund financials. The findings will be presented to the entire board during the April 28, 2025, board meeting.
- **House Bill 1109 Update:** House Bill 1009 - Extension of Sales and Use Tax Rebates passed the House floor 95 to 1. The bill was presented to the Senate Ways and Means Committee and passed onto to the Senate Rules Committee and Senate floor for vote with one amendment – reducing the length of the extension from 25 years to 15 years. With the amendment the Senate voted 43 to 6 in favor of the bill. The bill now needs to go back to the House floor for concurrence of the amendment, then on to the Governor for signature.
- **PERC Project Update:** The City of Poulsbo will be providing a progress report on the PERC project during April 28, 2025, BOD meeting. Two project invoices have been submitted since the previous board meeting and will be presented to the board for approval during the BOD meeting.
- **POCEC Project Update:** The City of Port Orchard is working to garner funding needed for the improvements on Bay St. Construction of the new Kitsap Bank headquarters is delayed until the Bay St. improvements are complete. Estimates for



construction of the POCEC project may not begin until late 2026 or early 2027. The current ILA is set to expire on December 31, 2025 and will need to be amended to adjust for the new timeline of construction.

- **PGFHP Project Update:** The citizen-requested appeal to the SEPA for the The Port Gamble Forest Heritage Park project has been dropped, and the County is clear to proceed with the north end parking lot in Port Gamble. An amendment to the current ILA may need to extend the deadline date of June 30, 2025, to December 31, 2025.
- **Kitsap County Commissioners' Update:** The annual KPFD update will be presented to the Kitsap County Commissioners on Monday, May 12, 2025. All board members are invited to attend in person or via Zoom.

Poulsbo Event and Recreation Center (PERC)

Kitsap Public Facilities District Update

April 28, 2025



**KITSAP
PUBLIC
FACILITIES
DISTRICT**



AHBL



Olympic College

College Owned

Site

6 Acres

Privately
Owned

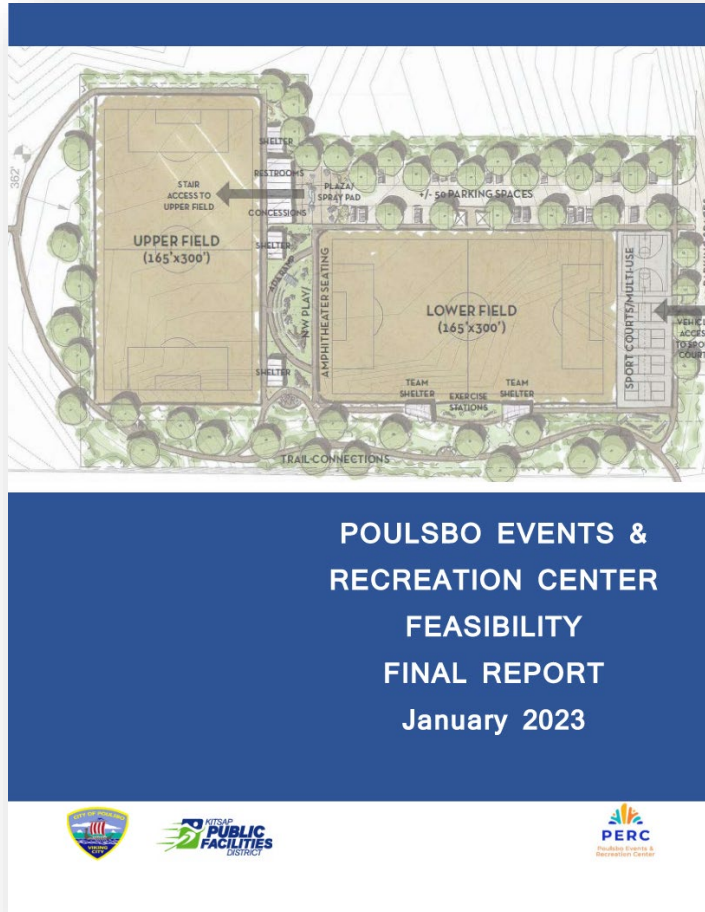
2.4
Acres

Hotel

Residential

Business Park

Office Max



2: Phase 1 Fields First Site Concept w/Recreation Amenities Details

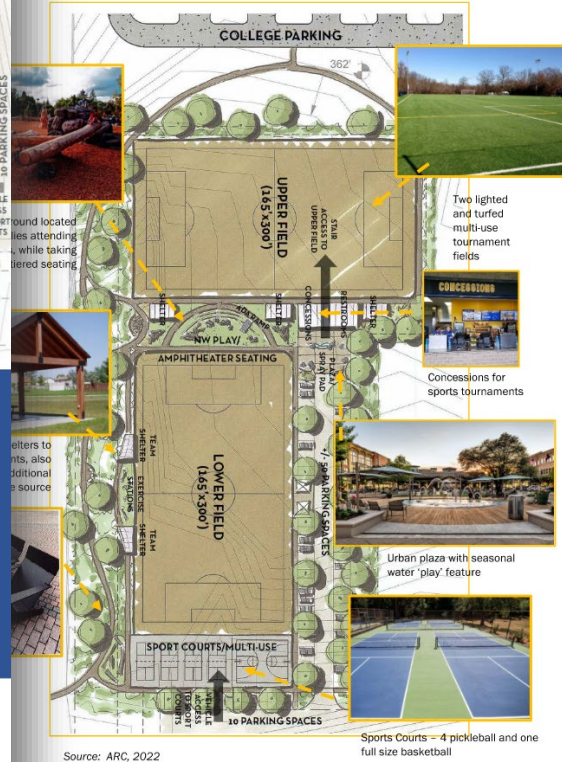


Exhibit 6.2.2: Phase 1 Fields First Site Concept



Feasibility Study – Completed 2023

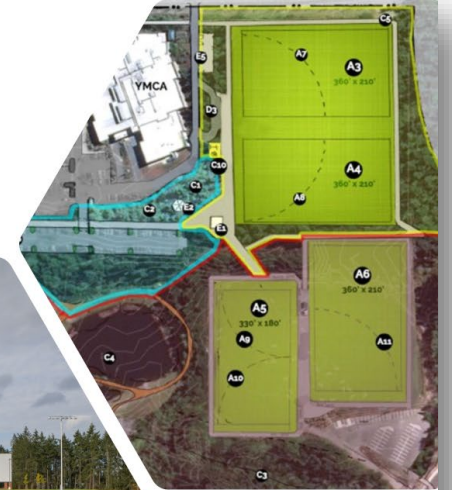
2024 Major Events

- Interlocal Agreement with PFD
 - Phase 1 Design Authorized
 - Phase 1 Design Team Selected
 - AHBL under contract
- City Capital Budget Approved with City funds reserved
 - Applied for 2 RCO Grants

Hello!

We are excited to work with you!

- Passionate About Parks
- Local Knowledge
- Communication Focused



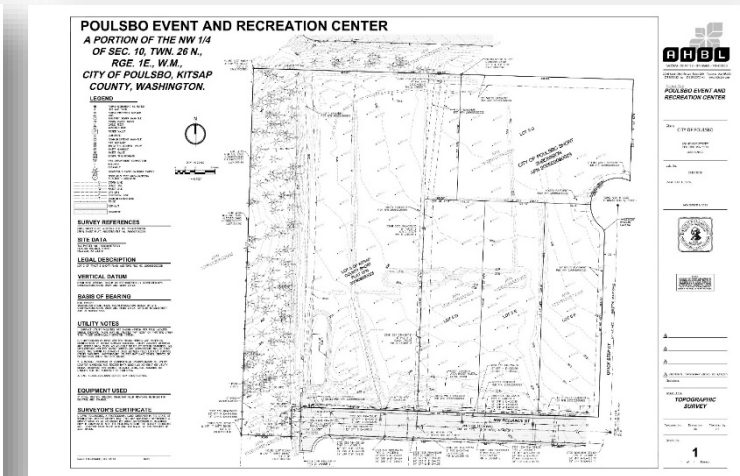
Above: YMCA Gig Harbor Sports Complex

Left: Central Kitsap Middle School and High School

AHBL

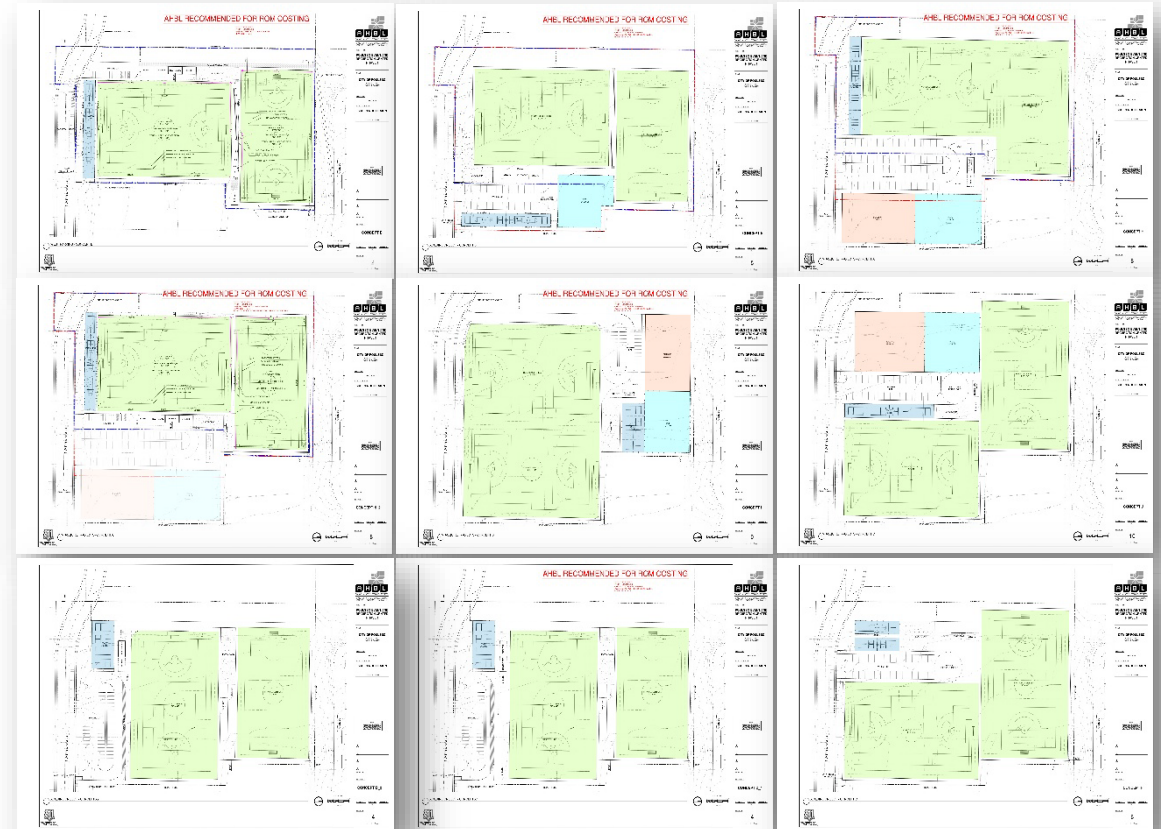
Phase 1 Design Completed Tasks

- Site Survey
- Geotechnical Analysis
- Pre-application Conference with City of Poulsbo
- Site Validation Studies



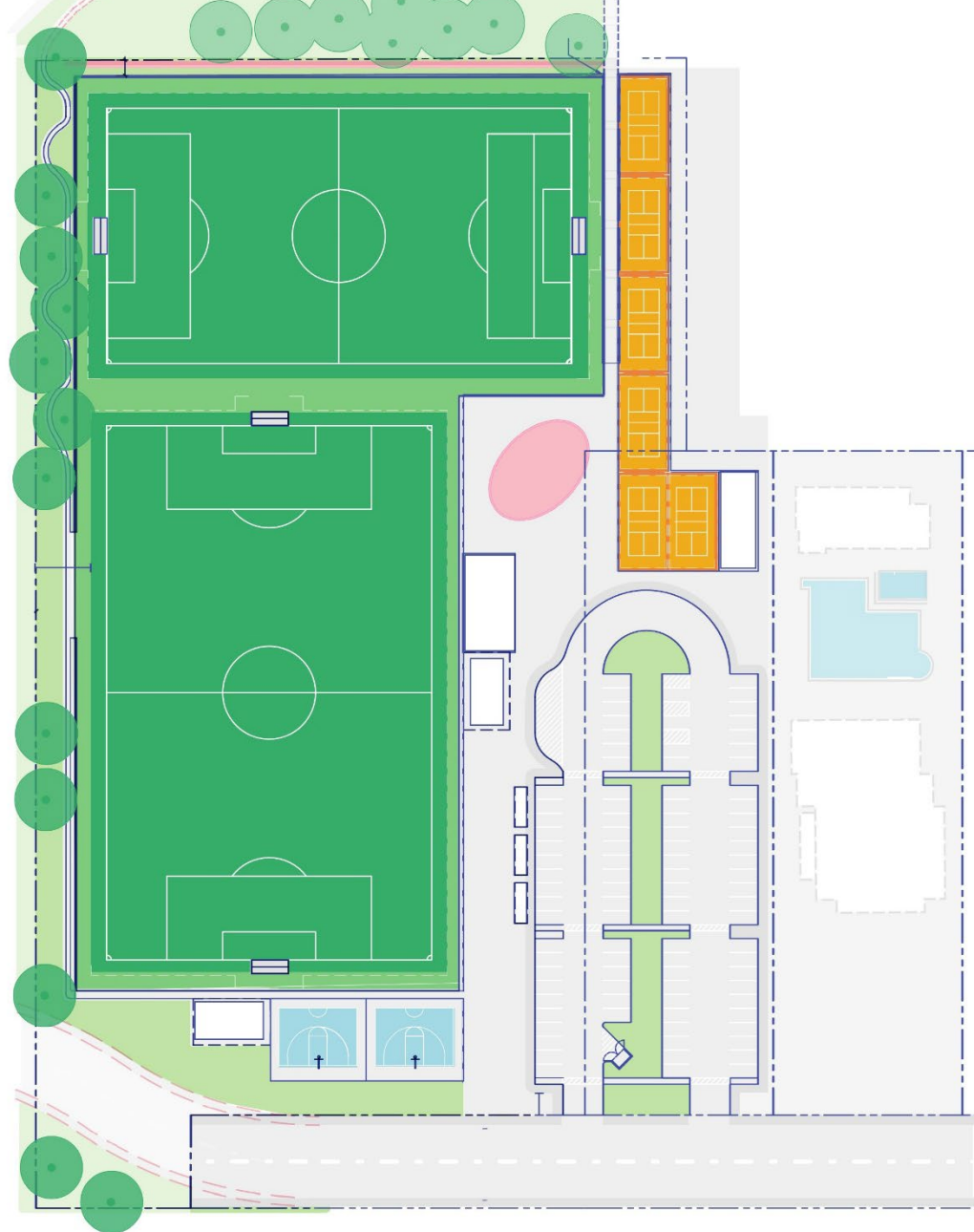
Phase 1 Design Site Validation Studies

- Reviewed site constraints
- Testing layout options
- Programming review



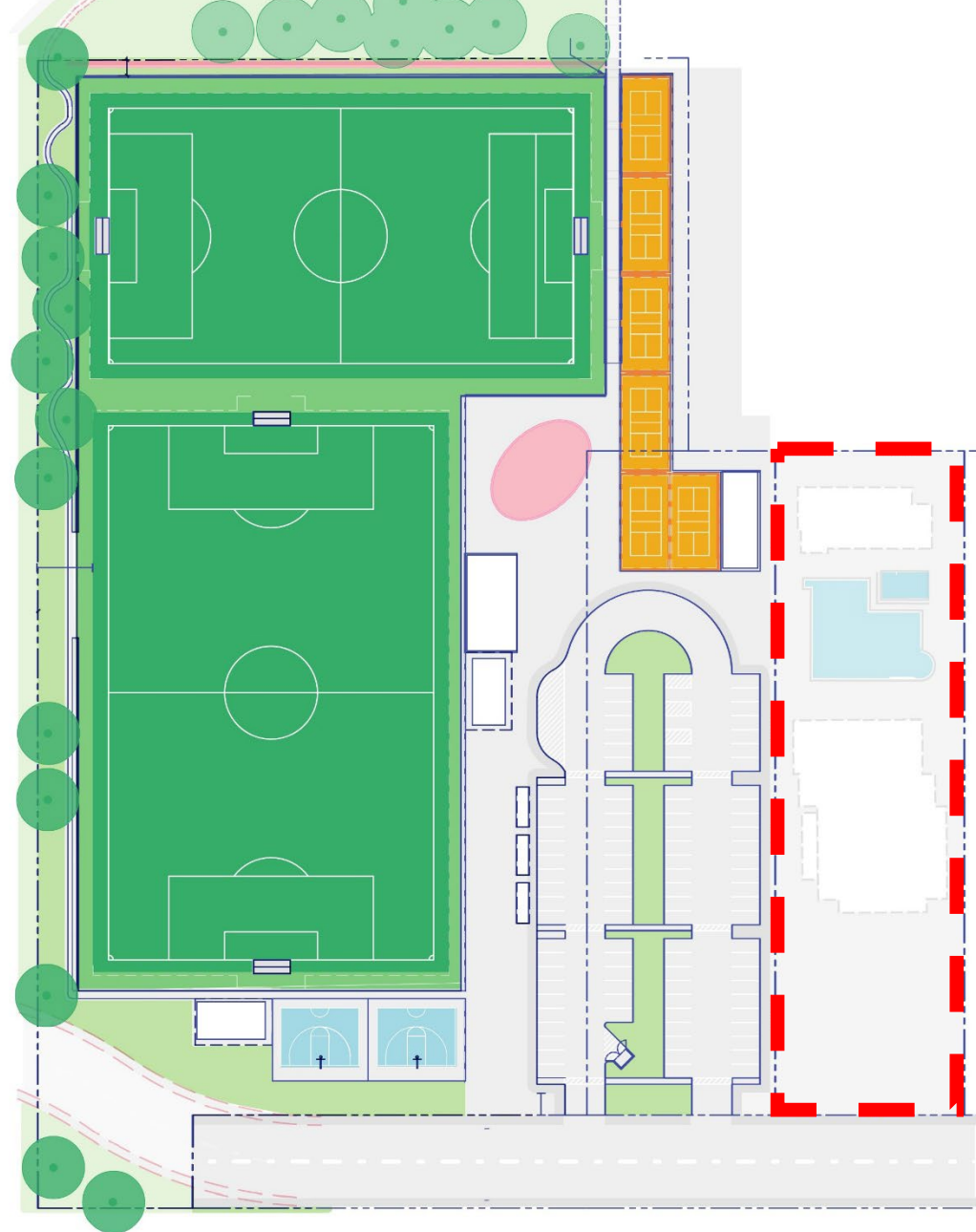
Phase 1 Design

- Six Pickleball Courts
- Two Multipurpose Courts
 - Parking
 - Restrooms
 - Storage



Phase 1 Design

- 2 Regional Multi-Use Fields
 - Circuit Walking Path, Playground, Plaza, and Amenities
 - Six Pickleball Courts
 - Two Multipurpose Courts
 - Parking
- **Future Phase 2 Expansion Area**





Olympic College

College Owned

Site

Privately
Owned

Hotel

FUTURE ROAD EXPANSION

Residential

Business Park

Office Max

Phase 1 Design Schedule

- 30% Design Complete
 - Finalized PSA
 - Permit Submittal
- On-going Coordination

April - June	60% Design
June - September	100% Design / Permitting
October - November	Advertise for Bid
December	Contract Award

Funding Phase 1

Project Capital Cost Estimate:

- \$13 M to \$16 M
- Construction Cost Update
Scheduled at 60% Design

Project is on Schedule

- Next Update – Sept. 2025

PFD = \$8.7 M

- \$1.6M - Design, Permitting & Finance related
- \$7.11 M – Construction (Bond)

City of Poulsbo = \$4.29 M

- \$4.29 M + property acquisition
- Bond Issue early 2026
- RCO Grant applications
pending (+\$2.5 M)



Poulsbo Events & Recreation Center

QUESTIONS?





BOARD OF DIRECTORS
ESSENTIALS
HANDBOOK

April 2025

Created: January 2025
Reviewed & Revised:



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GENERAL ESSENTIALS

WELCOME

Dear Board Member,

Congratulations on your appointment to serve on the Board of the Kitsap Public Facilities District, hereinafter referred to as "KPFDD". You are a member of a service-minded group. KPFDD is pleased that you are willing to serve in this important capacity and have confidence in your ability to study all sides of the issues and make recommendations using your insight and experience as a concerned member of our community.

You are about to begin a challenging and rewarding experience and KPFDD would like to thank you for all the time, thought, and effort you undoubtedly will devote to this position. KPFDD is an independent municipal corporation managing Kitsap County sales tax rebate funds allocated from the state, which relies on the Board of Directors to decide on a wide range of projects that support the community of Kitsap. We all share a common bond as citizens who support the success of our County, with a role to play in shaping its future.

Membership on the Board of Directors of KPFDD is a satisfying and challenging experience that comes with a high level of responsibility. Members are responsible for regularly attending meetings, understanding the duties of their positions, following the Open Government Requirements and consistently working with fellow Board Members and KPFDD's Executive Director (ED) in a collaborative and productive manner that will contribute to the betterment of the community as a whole.

As a Board member, you are part of a team. The Board of Directors has the ultimate authority and responsibility for final project decisions. Third-party Resources and Committees serve as a vital link in providing input toward decisions. Thank you for taking on this responsibility.

This handbook has been prepared to make your new assignment easier and KPFDD hopes you will find it helpful.

INTRODUCTION

KPFDD is committed to building communities and enriching lives through the support of new facilities for the enjoyment of county and city residents, as well as sites for regional events that will contribute to the economic development, growth, and prosperity of Kitsap County.

The Board of Directors of KPFDD has the fundamental responsibility of providing oversight for the organization's fulfillment of its mission to the community. To this end, the Board guides direction for KPFDD, provides financial oversight, establishes policy, and decides on projects to fund to fulfill its requirements.

KPFDD is governed by a comprehensive set of Bylaws, which were amended and adopted on October 26, 2020. The Board of Directors Handbook serves as a guide for the implementation of the Bylaws, as well as a manual for Board practice and function. The handbook outlines the necessary governmental policies, standards and protocols, and best practices for continuity among the Board and Executive Committee and serves as a guide for new Board member orientation.

On an as needed basis, the Policy Committee of the Board may review this Handbook and may recommend revisions as appropriate to reflect changes in applicable legal and regulatory requirements; changes in board governance; and to maintain standards of best practices. Any such recommended revisions will be reviewed

and approved by the Board. All such changes will be communicated to members of the Board within a reasonable time after they are made. In the event of any conflict or inconsistency between the Bylaws and the Handbook, the provisions of Bylaws supersede the Handbook.

NEW BOARD MEMBERS

A welcoming orientation process encourages new Board members to become informed and engaged quickly, and consists of four components:

1. Orientation Meeting

In the first (1st) month following their ratification by the County Commissioner, new Board members are invited to an Orientation Session, usually conducted by the Executive Director and/or Board Chair and members of the Executive Committee. At this session, new Board members are introduced to their "Board Packet," which contains the Board of Director's Handbook, planning documents, Board rosters and biographies, the Bylaws, financial reports, and other written materials. The orientation session also covers an overview of KPFD's strategy and programs, as well as an introduction to Board culture, and committee structure and participation. New members have the opportunity to meet their peers on the Board and learn about the Board partner and orientation process.

2. Programs Overview and Updates

The Orientation Session is followed by invitations to visit KPFD funded facilities. These visits, accompanied by KPFD ED, enable new Board members to see KPFD programs in action, followed by discussion with the ED and other Board members.

3. Board Partners

New Board members are assigned a Board Partner by the ED for the first few months of their service to help with orientation. The Board Partner, an experienced Board member, meets with the new member soon after their appointment to provide guidance and support during the transition, ensuring that new Board members have a knowledgeable peer resource as they acclimate to their role.

4. New Board Member Feedback

The ED and Executive Committee invites new Board members to a feedback session during the first (1st) year of their first (1st) term, in which new Board members provide feedback on their experience on the Board and on the effectiveness of the orientation process. Suggestions from these sessions have refined new Board member orientation as well as other Board practices.

1.0 ABOUT | MISSION | GUIDING PRINCIPLES

1.1 About

The Kitsap Public Facilities District (KPFD) is an independent municipal corporation managing Kitsap County sales tax rebate funds allocated from the state, in accordance with [RCW 36.100](#). Kitsap County Commissioners, Mayors, and Managers appoint the seven-member Board of Directors to four-year terms, in accordance with [Kitsap County Resolution 093-2000](#).

The KPFD acts as a catalyst for creating livable and active communities in Kitsap County and uses the following guiding principles:

- 1) Create economic development;
- 2) Ensure efficient use of public and private monies;
- 3) Innovation and creative design;
- 4) Multiple-use facilities that are open to the public.

1.2 Our Mission

KPFD is committed to supporting new facilities for the enjoyment of county and city residents, as well as sites for regional events that will contribute to the economic development, growth, and prosperity of Kitsap County.

1.3 Our Guiding Principles

The KPFD acts as a catalyst for creating livable and active communities in Kitsap County and uses the following guiding principles:

Promote Economic Development

Facilities and projects funded by the KPFD must be proven to promote economic development within Kitsap County and surrounding communities.

Ensure Efficient Use of Public Funds

KPFD prioritizes the efficient use of public funds by leveraging Washington State sales tax and capital investment funding from bond sales to support community projects such as the Kitsap Conference Center, Kitsap Fairgrounds & Event Center improvements, the North Kitsap Regional Events Center turf fields, the Port Orchard Community Event Center, the Poulsbo Event & Rec Center, and the Port Gamble Forest Heritage Park.

Be Innovative and Meet the Needs of The Community

KPFD strives to be innovative and responsive to the needs of our community. Utilizing cutting-edge technologies such as water recycling in parking lot construction and implementing enhanced safety features like rebar and tension-framing in our underground parking structures, KPFD aims to support innovative projects within Kitsap.

Allow for Multi-Use Options and Make Available for Public Use

This principle is demonstrated throughout KPFD's funded projects. From the Kitsap Conference Center's versatile meeting spaces accommodating conferences, weddings, and cultural exhibits to the Kitsap Fairgrounds & Event Center's adaptable baseball and soccer fields sharing amenities, KPFD prioritizes accessibility and diverse recreational opportunities for our community.

BOARD ESSENTIALS

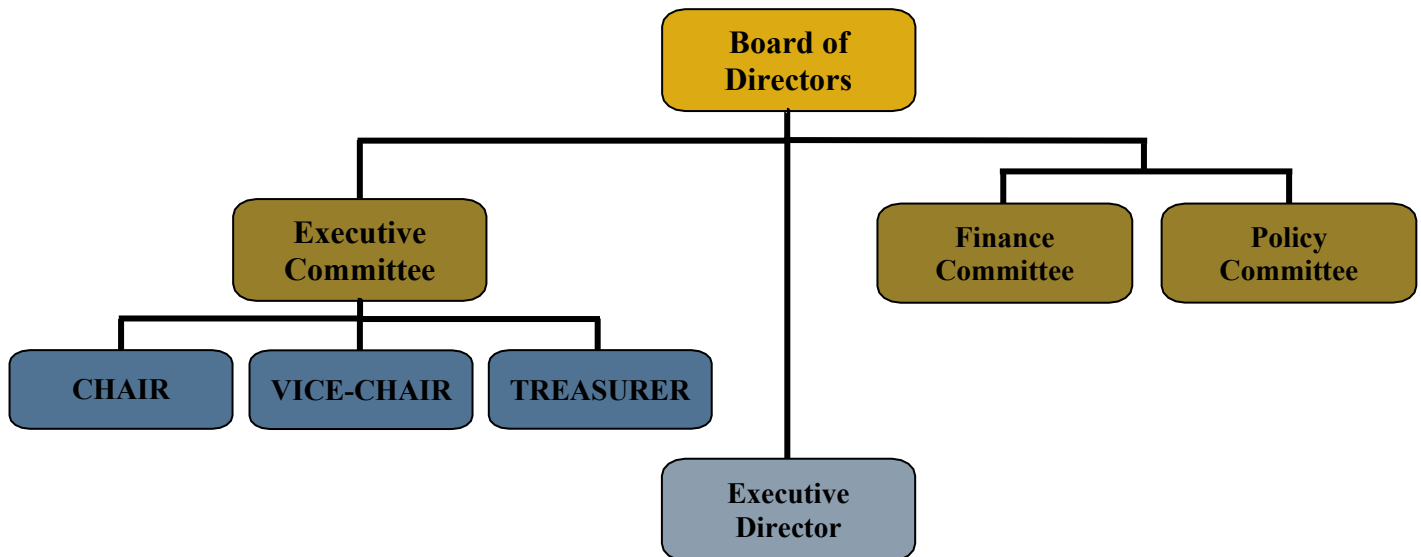
2.0 ROLE AND FUNCTION

- The Board of Directors of KPFD leads it in fulfilling its mission of supporting new facilities for the enjoyment of county and city residents, as well as sites for regional events that will contribute to the economic development, growth, and prosperity of Kitsap County.
- Composed of leaders appointed by the legislative authorities of the cities of Kitsap County, KPFD Board Members bring their unique perspectives on economic, business, and policy to drive KPFD's mission and growth of Kitsap County.
- Board members also contribute their unique professional skills in providing technical assistance to KPFD; Board members advise staff on legal and compliance issues, business development, policy

development, and work directly with KPFD's ED to navigate community project funding.

- The Board of KPFD works in close partnership with the management of KPFD. Corporate powers are either exercised by the Board or the ED as dictated in the Bylaws.
- In all cases the Committees of the Board are subject to the ultimate direction of the Board. Such Committees make recommendations to the Board directly or through the ED, and otherwise assist the Board in carrying out its responsibilities.

Board of Directors Organization Chart



2.1 Board Member Essentials

2.1.1 Number and Terms of Board Members

Resolution No. 093-2000, resolved and adopted by the Kitsap County Board of Commissioners, on May 15, 2000, established the Kitsap County Public Facilities District (KPFD) consisting of seven (7) members comprised of one (1) member from each of the four (4) cities located within Kitsap County and one (1) member from each of the three commissioner districts.

- In accordance with [RCW 36.100.020](#), KPFD shall be governed by a Board of Directors that the County Legislative Authority shall appoint the members of the Board of Directors, to reflect the interests of cities and towns in the county, as well as the unincorporated area of the county.

[Resolution No. 139-2000](#), resolved and adopted by the Kitsap County Board of Commissioners, on July 24, 2000, established the terms and duties of the KPFD Board of Directors.

- In accordance with [RCW 36.100.020](#) and [Resolution No. 139-2000](#), the terms of the Directors shall be staggered and shall consist of four (4) year terms, with no term limit. In accordance with KPFD's Bylaws, new four (4) year terms shall begin on July 1 of each year.

2.1.2 Board Member Expectations

- Take seriously the Board's role as a steward of public funds.

- Read and become familiar with the relevant statutes and legal provisions that apply to the Board's work, in particular, the OPMA and PRA, and fulfill the statutory requirements for training.
- Consider the long-term needs of the County, the options available, and the short and long-term impacts of each option.
- Conscientiously and consistently attend all regular meetings.
 - If in the judgment of the Chair, any Board member has an irregular pattern of attendance, the Chair and the member will meet to discuss and resolve the issue.
- Prepare for meetings in advance, reviewing the agenda, meeting minutes, and other documents that will be discussed.
- Ask questions, when necessary, to ensure an understanding of an issue before making a decision.
- Actively participate in committees and councils.
- Recognize that the KPFD must operate in an open and public manner.
- Willingness to work with others on the Board, committees, and/or third-party resources.
- Offer proposals and recommend changes in policies, as needed.
- Scrupulously avoid any conflicts of interest or the appearance of unfairness, maintaining the highest ethical standards.
- Agree not to use Board membership as a means to publicly disseminate personal opinions or philosophies.
- Provide technical assistance to KPFD staff in areas of professional expertise.

2.1.3 Core Functions of The Board of Directors

FISCAL OVERSIGHT

- The seven-member KPFD Board has fiduciary responsibility for the appropriate use of sales tax revenue it collects and distributes.
- The Board approves the annual budget, sets financial and personnel policies, reviews financial performance, engages auditors, and facilitates the submission of an annual report under RCW 43.09.230.
- The Board delegates administration of the financial policies to the ED, but reviews operations and activities regularly.

STRATEGIC PLANNING AND PERFORMANCE EVALUATION

- The Board of KPFD may engage in a strategic planning process in which it analyzes economic, demographic and policy trends and develops strategies to sharpen and deepen KPFD's impact.
- The Board works with the ED to evaluate program performance and continuously improve program quality and impact.

SELECTION AND SUPPORT OF EXECUTIVE DIRECTOR

- The Board selects the Executive Director and evaluates them with continuous informal feedback and formal annual evaluations.
- The Board supports a strong Executive Director to ensure KPFD's operational success and plans for executive transition through long-range and emergency succession planning.

2.2 Officer Essentials

In accordance with KPFD's Bylaws, a Chair, Vice-Chair, and Treasurer shall be elected from the members of the Board and constitute the Executive Committee. Other officers and assistant officers, as deemed necessary by the Board, may be elected or appointed by the Board. In addition to the powers and duties specified below, the officers shall have such powers and perform such duties as the Board may prescribe.

ELECTION | QUALIFICATION | TERM

The officers shall be elected by the Board at the first regular meeting after the term of new or reappointed Directors commences, for a two (2) year term, and each officer shall hold office during said two (2) year term and until their successor is elected.

2.2.1 Powers and Duties

The **Board Resolution 01-2006** passed by the Board of Directors on February 27, 2006, authorizes the Chair, Vice-Chair, or the Treasurer to approve claims prior to the regular board meeting and individually authorize payment of any bills and employee reimbursement expenses less than \$2,500 that are properly documented and the total batch is less than \$25,000.

In addition to the specific responsibilities of each office as described below, all officers are members of the Executive Committee and have the following responsibilities in connection with their Executive Committee roles:

- Attend all Executive Committee meetings.
- Perform tasks associated with achievement of the Executive Committee's goals, including:
 - Oversee KPFD board performance of its oversight and fiduciary responsibilities.
 - Oversee committee(s) progress and achievement of goals.
 - Provide mentorship and leadership development of KPFD Board members.
 - Advise and evaluate performance of the ED.
 - Oversee and advise ED on succession planning.
 - Chair Board committee(s) as applicable.
 - Serve as ambassador and advocate for KPFD in multiple communities and settings.
 - Provide technical assistance to KPFD staff in areas of individual expertise.

CHAIR

In accordance with KPFD's Bylaws, the Chair is responsible for the following:

- Subject to the control of the Board, shall have general supervision, direction, and oversight of the business and affairs of the KPFD;
- Preside over all regular and special meetings, and act as a non-voting member of all committees;
- In partnership with the Executive Committee and the ED, lead the planning of KPFD's committee(s) structure; and assist with committee planning and activities as appropriate; and
- Initiates preliminary annual evaluation of ED, requesting input from the remaining Board members, and thereafter conducting the evaluation with the ED.

VICE-CHAIR

In accordance with KPFD's Bylaws, the Vice-Chair is responsible for the following:

In accordance with KPFD's Bylaws, the Vice-Chair is responsible for the following:

- Preside over meetings in the absence of the Chair;
- Chair the Policy Committee, which oversees KPFD's standards, policies, and procedures;
- Oversee the maintenance of the public record;
- Maintain, or delegate the responsibility to maintain, thorough and accurate records of Board and committee meetings, documenting actions taken on behalf of the Board;
- Ensure comprehensive Minutes are kept for meetings of Officers, separate from those of the Board and committees, to the extent necessary;
- Oversee use of the seal of the KPFD and its application to such papers and such instruments as may be required in the regular course of business;
- Oversee service of notices, as necessary;
- Discharge such other duties as prescribed by the Board.

TREASURER

In accordance with KPFD's Bylaws, the Treasurer is responsible for the following:

- Oversee all funds of the KPFD and deposit funds with the Kitsap County Treasurer in such bank or banks as may be designated by the County Treasurer;
- Chair the Finance Committee, which oversees KPFD's budget; and
- Supervise the maintenance of financial records, ledgers, and other pertinent documents that encompass the operations and objectives of KPFD; and
- Discharge other duties as prescribed by the Board.

2.3 Committees and Third-Party Resources

The KPFD Board of Directors conducts much of its business and fulfills much of its responsibility through committees which report directly to the Board. Committees may have explicit authority delegated by the Board or may be advisory in nature. The broad and robust committee structure fosters deep and focused work on specific tasks and issues and enables the Board as a whole to devote more of its meeting time to strategic and generative discussion rather than operational business.

In accordance with KPFD's Bylaws, **Article IV, Section 4.7**, the Board may from time to time designate among its members one or more standing or ad hoc committees, each consisting of at least two (2) members, to advise or perform other duties on behalf of the Board, provided any final decisions or actions shall require Board approval. The formation of standing committees shall be by Board resolution.

The Bylaws establish rules for the meetings and actions of Committees of the Board and require that each Committee of the Board report to the full Board any actions taken by said Committee

2.3.1 Current Standing Committees

1. Executive Committee

The Executive Committee of KPFD's Board of Directors, comprised of the Chair, Vice-Chair, and Treasurer, convenes periodically to facilitate the Board's work. While the Executive Committee plays an essential role in Board operations, it lacks the authority to bind KPFD and does not make final decisions. Instead, it provides recommendations to the full Board for review and approval, ensuring that all major decisions align with KPFD's mission and governance structure.

to maintain leadership continuity in emergencies or planned leaves of the ED.

2. Finance Committee

The Finance Committee oversees KPFD's financial management and collaborates with the ED in recommending the annual budget for Board approval. Chaired by the Board Treasurer, the committee convenes periodically to facilitate financial oversight. Additionally, the Finance Committee reviews financial reports, policies, and procedures, ensuring transparency and accountability. It is responsible for producing annual reports on income, expenditures, and pending income, which are made publicly available, ensuring all KPFD's financial records are accessible to the Board and the public.

3. Policy Committee

The establishment of a Policy Committee by the Board signifies a proactive approach towards supporting the mission of KPFD through the development and documentation of comprehensive policies and procedures. Chaired by the Board Vice-Chair and comprising selected Directors from the Board alongside contracted Third-Party Resources, the Policy Committee serves as a dedicated body tasked with formulating, refining, and maintaining the framework of guidelines that govern KPFD's operations. By leveraging the expertise of both internal leadership and external specialists, the Policy Committee aims to ensure alignment with best practices, legal compliance, and strategic objectives in pursuit of KPFD's overarching mission.

2.3.2 Third-Party Resources

KPFD recognizes the value of leveraging Third-Party Resources to enhance its capabilities and fulfill its mission effectively. These resources encompass consultants and experts with specialized knowledge and skills essential to supporting KPFD's initiatives and projects. The Board acknowledges that engaging Third-Party Resources can provide valuable insights, guidance, and assistance in various areas critical to the success of KPFD's endeavors. Therefore, the Executive Director is empowered to contract these resources as needed, with the approval of the Board, to complement the expertise of KPFD's internal team and maximize KPFD's impact.

Consistent with best practices, the Board reviews KPFD's Third-Party Resources at the end of the fiscal year in December, after the Board has evaluated progress on the KPFD strategic plan and adopted annual priorities. This review is intended to align the scope of the Third-Parties' responsibilities so that they support KPFD in fulfilling its annual goals and priorities.

For more information about roles, duties, and responsibilities, see [APPENDIX C: STANDING COMMITTEES OF THE BOARD](#) for details.

2.4 Responsibilities

2.4.1 Executive Leadership

The KPFD Board of Directors works in close partnership with the ED. The shared commitment to the KPFD mission drives this partnership, as well as deep respect for the skills, perspectives, and contributions of each partner. The KPFD ED participates in Executive Committee meetings as well as Board of Directors meetings.

- Board members focus their efforts on strategic issues and delegate the operational management of KPFD to the ED.

- The Board of Directors hires the ED and evaluates the ED's performance on an annual basis. This evaluation is conducted by the Board Chair in the first quarter of the fiscal year and encompasses an evaluation of performance in the last fiscal year compared to goals, an evaluation of professional performance and growth compared to goals, and feedback from the Board of Directors.
- Executive compensation is proposed by the Finance Committee, to be voted on and approved by the Board of Directors. The philosophy of executive compensation is based on intent to recruit and retain high quality and experienced staff leaders who will direct KPFD in fulfilling its mission to the community. Executive compensation is determined by three factors:
 1. Market review and benchmarking
 2. Performance and results
 3. District budget and financial conditions

Executive compensation of the ED is proposed annually by the Finance Committee, based on the factors described above, and confirmed in writing. This determination takes place in the last meeting of the fiscal year, with any changes to salary effective January 1 of the following fiscal year.

The Finance Committee can recommend to the Board commissioning a compensation study with an outside consultant for market review and benchmarking.

2.4.2 Risk Management

EXECUTIVE COMMITTEE

- Sets risk management goals, adopts annual operating objectives, and budget with risk management included.
- Reviews annual budget with risk management in mind.
- Reviews operational reports to determine compliance and future priorities.
- Reviews the organization's insurance program periodically.
- Reviews policies and standards presented by the Policy Committee with risk management in mind.
- Performs additional duties as assigned or deemed necessary to support risk management objectives.

POLICY COMMITTEE

- Ensures compliance with policies and standards imposed by any local and state laws and regulations, as well as accrediting/auditing organizations.
- Documents and establishes standards, policies, and procedures with risk management in mind.
- Performs additional duties as assigned or deemed necessary to support risk management objectives.

FINANCE COMMITTEE

- Sets risk management goals and creates and proposes annual operating financial objectives with risk management included.
- Creates an annual budget with risk management in mind.
- Ensures compliance with policies and standards imposed by any accrediting/auditing organizations.
- Adopts and establishes financial policies and standards.
- Performs additional duties as assigned or deemed necessary to support risk management

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APPENDIX A: BOARD MEMBER JOB DESCRIPTION

INTRODUCTION

The Board Member's job description outlines the terms and duties of the KPFD Board of Directors, in accordance with [RCW 36.100](#) and [Resolution No. 139-2000](#), resolved and adopted by the Kitsap County Board of Commissioners on July 24, 2000.

JOB SUMMARY

Serve as member of Board of Directors of the Kitsap Public Facilities District (KPFD) a Washington State municipal corporation, an independent taxing “authority” and a “taxing district” as described in **RCW 36.100**. As such, KPFD is responsible for building, improving and operating sports, recreation, entertainment, and conference facilities in Kitsap County.

Board Members are appointed by the Kitsap County Board of Commissioners to serve renewable four (4) year terms and receive a stipend, adhering to the allowable compensation outlined in [RCW 43.03.220](#).

BOARD MEMBER DUTIES AND RESPONSIBILITIES

Each Board Member of KPFD is expected to fulfill the following duties and responsibilities in support of the organization’s mission and governance:

1. Understand, support, and promote the mission of KPFD, serving as an informed advocate for the organization and its accomplishments.
2. Contribute personal and professional expertise to advance KPFD’s goals.
3. Ensure compliance with all applicable local and state laws, maintaining legal and ethical integrity and accountability.
4. Review and remain familiar with KPFD’s Bylaws, policies, Open Government Requirements, and applicable RCWs.
5. Be prepared for, attend, and actively participate in publicly held meetings, to ensure effective governance and achieve quorum.
6. Record and preserve accurate minutes of all meetings held by the Board and its committees.
7. Govern and provide general oversight of KPFD operations and strategic organizational planning, as well as review and selection of public facilities projects to be funded by KPFD.
8. Provide proper financial oversight, including reviewing financial controls and formally adopting KPFD’s annual budget.
9. Delegate day-to-day operations to the Executive Director while maintaining oversight of organizational performance.
10. Participate in the hiring, compensation decisions, and annual evaluation of the Executive Director.

BOARD APPOINTMENT AND TERMS

1. Seven (7) members are appointed to serve on the Board of Directors, comprising of one (1) member from each of the four (4) cities, and one (1) member from each of the three (3) commissioner districts.
2. Board members are appointed by County Commissioners to a four (4) year term, with no term limit.
3. According to KPFD’s Bylaws, new four (4) year terms shall begin on July 1 of each year.

BOARD MEETINGS AND TIME COMMITMENT

The KPFD Board will meet as frequently as necessary to effectively and efficiently serve its purposes, but the board shall meet at least six (6) times per year. The Board Calendar is created by the ED and adopted through resolution by the Board at the final meeting of the fiscal year, for the following fiscal year.

1. Board meetings occur every other month, typically held on the 3rd, 4th, or 5th Monday, depending

- upon the month and location availability of the corresponding month.
2. Board meetings start promptly at 5:30pm and typically runs until 7:00pm.
 3. Special Meetings may be scheduled between Regular Meetings, as necessary.
 4. Board Committees determine their own meeting schedules in accordance with the needs of the Committees.
 5. Board members must inform the Board Chair and ED of planned Board meeting absences.
 6. Board members are encouraged to miss no more than two (2) meetings within a bi-monthly meeting schedule, or no more than three (3) monthly meetings annually, unless the Board Chair has been informed and approved of the absence.
 7. Typical time commitment for a Board member averages 2-4 hours per month; however, additional hours may be required during periods of public project submission, review, and selection.

BOARD MEMBER AGREEMENT

As a Board Member of KPFD, I am fully committed to the mission and have pledged to help carry it out. I understand that my duties and responsibilities, in accordance with best practices, include the following:

1. I will be fiscally responsible, with other Board Members, for KPFD, knowing what our budget is and taking an active part in reviewing, approving, and monitoring the budget.
2. I know my legal responsibilities for KPFD as a member of the Board and will take an active part in establishing and overseeing KPFD's policies and procedures.
3. I will read, understand, and act in accordance with the Bylaws and operating principles outlined in the entirety of Board of Director's Handbooks and understand that I am ethically responsible, as a member of the Board, for the health and wellbeing of KPFD.
4. I will actively promote KPFD in the community and will encourage and support its staff.
5. I understand that the Board meets every other month, or more, as required, and I will prepare for and attend Board meetings in accordance with the Time Commitment written above.
6. If I am not able to meet my obligations as a Board Member, I will confer with the Board Chair and Executive Director.

DIRECTOR'S AND OFFICER'S INSURANCE

KPFD has General and Professional Liability coverage of \$20 million each occurrence, with a \$1,000 deductible, as well as Public Officials Errors and Omissions Liability coverage of \$20 million member aggregate, with a \$1,000 deductible, and a Crime Blanket Coverage with Faithful Performance of Duty of \$2,500 per occurrence, with a \$1,000 deductible. See plan for additional coverages. Coverage is with Enduris Washington, a risk sharing pool for special purpose districts in Washington.

APPENDIX B: BOARD OF DIRECTORS' CODE OF ETHICS

It is understood that all KPF Board Members are governed by the Kitsap County Code of Ethics, located in [Chapter 3.25](#) of the Kitsap County Code. The following Code of Ethics reflect the expectations outlined in the Kitsap County Code of Ethics and are intended to further promote the integrity and effectiveness of KPF:

1. I will uphold the mission and integrity of KPF, ensuring that my actions reflect the trust and confidence placed in the organization by the public.
2. I will act with professionalism and respect toward fellow Board Members, staff, community partners, and the public.
3. I will support and promote transparency, fairness, and accountability in all Board decisions and operations.
4. I will comply with all applicable laws, regulations, and policies governing KPF, including the requirements outlined in the Kitsap County Code of Ethics.
5. I will avoid any actual or perceived Conflicts of Interest by following KPF's Conflict of Interest Policy, disclosing personal, financial, or professional relationships that could influence my judgment and recusing myself when appropriate.
6. I will not misuse my public position to gain personal advantage or to benefit family members, associates, or private interests.
7. I will not accept gifts, favors, or gratuities that could influence or appear to influence my decisions or actions as a Board Member.
8. I will protect and properly use KPF resources, funds, and property, and will ensure they are only used for official purposes.
9. I will maintain confidentiality of all sensitive or privileged information acquired through my role and will not use such information for personal gain.
10. I will ensure that any outside employment or business activity I engage in does not conflict with my responsibilities as a Board Member or create the appearance of impropriety.
11. I will avoid unwarranted interference in the operational responsibilities of the Executive Director and staff while providing appropriate oversight.
12. I will support Whistleblower protections and report suspected ethical violations through appropriate channels, encouraging a culture of accountability and integrity.
13. I will seek guidance when unsure whether an action may violate ethical standards.

APPENDIX C: STANDING COMMITTEES OF THE BOARD OF DIRECTORS

The Committees guide and execute various organizational functions, driven by specific responsibilities noted in this section.

EXECUTIVE COMMITTEE

While lacking authority to bind KPFD, the Executive Committee operates with the full power and oversight responsibility of the Board within the limits set by the Bylaws.

ROLES, DUTIES, AND RESPONSIBILITIES:

- ❖ The Executive Committee of KPFD's Board of Directors shall consist of the Chair, Vice-chair, and the Treasurer, which shall meet from time to time to facilitate the work of the Board.
- ❖ The Executive Committee has no authority to take any action which binds KPFD.
- ❖ The Executive Committee has full power and authority of the full Board in the oversight of the business and affairs of KPFD, as limited by the Bylaws, and supports the successful accomplishment of KPFD's strategic and annual goals.
- ❖ The Board Chair serves as chair of the Executive Committee, which meets at least six (6) times each year, usually in the months of full Board meetings.
- ❖ The Executive Committee reviews the committee structure, monitors committee work, and evaluates committee progress, on an annual basis and may establish committees to support KPFD in its efforts to fulfill its strategic and annual goals.
- ❖ The Executive Committee works in close partnership with the KPFD's ED, which is invited to participate in all Board and Executive Committee meetings. Through this collaborative work, KPFD's Board and ED form an effective team to identify and anticipate challenges and opportunities and work together to respond to them.
- ❖ The Executive Committee addresses succession planning, and may update the KPFD succession plan as needed, to enable continuity of leadership in the event of an emergency or planned short-term or long-term leave of the ED.

FINANCE COMMITTEE

The Finance Committee oversees KPFD's financial management and collaborates with the ED in recommending the annual budget for Board approval.

ROLES, DUTIES, AND RESPONSIBILITIES:

- ❖ The Finance Committee is responsible for overseeing the financial management of KPFD and, along with the ED, recommends the annual budget to the Board for approval.
- ❖ The Treasurer of the Board serves as chair of the Finance Committee, which shall meet from time to time to facilitate the work of the Board.
- ❖ The Finance Committee meets in October of the current fiscal year to set the budget for the next fiscal year and presents the budget to the Board at the December meeting for approval.
- ❖ The Finance Committee, during the budget planning process, evaluates the ED's compensation, and adjusts accordingly, to be presented and approved by the Board.
- ❖ The Finance Committee reviews and monitors financial reports, policies and procedures, and reports to the Board on the financial health of the organization.
- ❖ The budget presented by the ED, in conjunction with the Finance Committee, must be approved by the Board of Directors.

- ❖ The Finance Committee is responsible for the annual reports, which are required to be submitted to the Board showing income, expenditures, and pending income.
- ❖ The financial records of the organization are public information and shall be made available to the organization, Board of Directors, and the public, provided by the Finance Committee.
- ❖ The composition of the Finance Committee must have no more than three (3) Board members.

POLICY COMMITTEE

The Policy Committee, established by the Board, is dedicated to developing and maintaining KPFD's policies and procedures to support its mission.

ROLES, DUTIES, AND RESPONSIBILITIES:

- ❖ The Vice-Chair of the Board serves as chair of the Policy Committee, which shall meet from time to time to facilitate the work of the Board.
- ❖ The composition of the Policy Committee must have no more than three (3) Board members.
- ❖ *Policy Development:* The Policy Committee is responsible for drafting, reviewing, and updating policies and procedures that guide KPFD's activities, ensuring clarity, consistency, and relevance to the organization's mission and values.
- ❖ *Compliance Oversight:* The Policy Committee monitors regulatory requirements, industry standards, and legal obligations relevant to KPFD, ensuring that policies and procedures align with applicable laws and regulations.
- ❖ *Risk Management:* The Policy Committee assesses potential risks and vulnerabilities within KPFD's operations and develops policies and procedures to mitigate these risks effectively, safeguarding the KPFD's interests.
- ❖ *Strategic Alignment:* Members of the Policy Committee work collaboratively to ensure that KPFD's policies and procedures are aligned with its strategic goals, vision, and long-term objectives, fostering organizational coherence and effectiveness.
- ❖ *Stakeholder Engagement:* The Policy Committee engages with stakeholders, including Board members, staff, community partners, and external experts, to gather input, solicit feedback, and incorporate diverse perspectives into policy development processes.
- ❖ *Training and Implementation Support:* The Policy Committee provides guidance, resources, and training to KPFD's staff and stakeholders to facilitate the effective implementation of policies and procedures, promoting consistency and adherence across the organization.
- ❖ *Monitoring and Evaluation:* Policy Committee members regularly monitor the implementation and effectiveness of KPFD's policies and procedures, conducting periodic reviews, assessments, and evaluations to identify areas for improvement and refinement.
- ❖ *Documentation and Communication:* The Policy Committee ensures that KPFD's policies and procedures are clearly documented, accessible, and communicated to relevant stakeholders, promoting transparency, accountability, and understanding throughout the organization.

APPENDIX D: REFERENCE GUIDE – RCWs & RESOLUTIONS

This RCWs and Resolutions Reference Guide provides essential information on the relevant RCWs, and Resolutions passed by the Board of Directors that regulate KPFD's operations.

NOTE: This section will be updated in the first quarter of every year, to ensure the accuracy of Resolutions passed by the Board of Directors the previous year.

KITSAP COUNTY CODE

3.25 – Code of Ethics for Kitsap County Officials and Employees

RCWs

4.96 – Actions Against Political Subdivisions, Municipal, and Quasi-Municipal Corporations

- **4.96.020**: Tortious conduct of Local Governmental Entities and their Agents

36.100 – Public Facilities Districts

- **36.100.020**: Governance – Board of Directors

39.34 – Interlocal Cooperation Act

- **39.34.010**: Declaration of Purpose
- **39.34.020**: Definitions

42.23 – Code of Ethics for Municipal Officers – Contract Interests

- **42.23.010**: Declaration of Purpose
- **42.23.020**: Definitions

42.30 – Open Public Meetings Act (OPMA)

- **42.30.010**: Legislative Declaration
- **42.30.020**: Definitions
- **42.30.030**: Meeting declared Open and Public
- **42.30.035**: Minutes
- **42.30.080**: Special Meetings

42.52 – Ethics in Public Service

- **42.52.130**: Honoraria
- **42.52.140**: Gifts
- **42.52.150**: Limitations on Gifts
- **42.52.170**: Giving, Paying, Loaning, etc., any thing of Economic Value to State Employees

42.56 – Public Records Act (PRA)

- **42.56.010**: Definitions
- **42.56.070**: Documents and Indexes to be made Public – Statement of Costs
- **42.56.120**: Charges of Copying
- **42.56.150**: Training – Local Elected and Statewide Elected Officials
- **42.56.152**: Training – Public Records Officers

- [42.56.520](#): Prompt Responses Required
- [42.56.580](#): Public Records Officers

43.03 – Salaries and Expenses

- [43.03.220](#): Compensation of Members of Part-Time Boards and Commissions – Class One Groups

43.09 – State Auditor

- [43.09.2855](#): Local Governments – Use of Credit Cards

BOARD RESOLUTIONS

The following KPFD Board of Director’s Resolutions are specific to what is referenced in this Handbook.

For the full list of Resolutions, see KPFD’s website, under [KPFD Supporting Documentation](#) – KPFD Resolutions.

- [Kitsap County Resolution 093-2000](#): Creating a Public Facilities District and Providing for Appointment of Members to the District
- [Kitsap County Resolution 139-2000](#): Establishing the Terms and Duties of the Kitsap County Public Facilities District Board of Directors
- [06-2003](#): Appoint KPFD Treasurer as Auditing Officer
- [01-2004](#): Endorsement & Co-Sponsorship Policies for the KPFD
- [01-2006](#): Authorizing Board Chair, Vice-Chair, or Treasurer to Approve Invoices Prior to Regular Board Meeting
- [05-2006](#): Payment of Expenses of Food & Beverages for Public Meetings
- [03-2010](#): Establish Conflict of Interest Policy
- [02-2017](#): Establish a Public Records Act Policy
- [02-2018](#): Agent of Service
- [03-2021](#): Appointment of KPFD Investment Officer
- [04-2021](#): Executive Director Voucher Approval Level
- [02-2022](#): Appointment of KPFD Public Records Officer
- [04-2022](#): Establish KPFD Business Credit Card Policy

Kitsap Public Facilities District		
Projected vs. Actuals PFD Regional Center Capital		
January - March 2025		

[illegible]

<p align="center">Kitsap Public Facilities District Budget vs. Actuals PFD Operations Fund January - March 2025</p>											
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Kitsap Public Facilities Distict																	
Budget vs. Actuals PFD Operations Fund																	
January - March 2025																	
	Jan-25				Feb-25				Mar-25				YTD-Total				
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget	2025 Annual
Expenditures																	
COMMUNICATIONS	4,299.33	1,083.33	3,216.00	397%	994.49	1,083.33	-88.84	92%	453.11	1,343.33	-890.22	34%	5,746.93	3,509.99	2,236.94	164%	15,146.00
CONSULTING	22,559.55	6,783.33	15,776.22	333%	4,422.60	6,058.33	-1,635.73	73%	5,999.75	7,158.33	-1,158.58	84%	32,981.90	19,999.99	12,981.91	165%	71,500.00
MEMBERSHIP DUES	1,100.00	1,100.00	0.00	100%	5,000.00	2,550.00	2,450.00	196%	0.00	0.00	0.00		6,100.00	3,650.00	2,450.00	167%	4,050.00
OFFICE	1,535.10	1,416.67	118.43	108%	3,326.23	2,916.67	409.56	114%	1,169.61	1,541.67	-372.06	76%	6,030.94	5,875.01	155.93	103%	30,500.00
PAYROLL	13,801.43	14,016.14	-214.71	98%	13,802.54	13,597.51	205.03	102%	14,106.78	13,597.51	509.27	104%	41,710.75	41,211.16	499.59	101%	164,847.00
PROMO HOSTING/ MRKTG	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		5,000.00
TRAVEL	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		3,500.00
Total Expenditures	\$43,295.41	\$24,399.47	\$18,895.94	177%	\$27,545.86	\$26,205.84	\$1,340.02	105%	\$21,729.25	\$23,640.84	(\$1,911.59)	92%	\$92,570.52	\$74,246.15	\$18,324.37	125%	\$294,543.00
NOTE 1	COMMUNICATIONS OVER BUDGET 64% DUE TO OFFICE TECH REFRESH																
NOTE 2	CONSULTING OVER BUDGET BY 65% DUE TO PRECE DOC FEASIBILITY REVIEW & WA STATE AUDIT																
NOTE 3	MEMBERSHIP DUES OVER BUDGET BY 67% DUE TO KEDA ANNUAL DUES INCREASE																

Kitsap Public Facilities District

Statement of Financial Position

As of March 31, 2025

	968	977	TOTAL
ASSETS			
Current Assets			
Bank Accounts			
KPFD Operations Fund			\$0.00
968 Cash	1,717.51		\$1,717.51
Total KPFD Operations Fund	1,717.51		\$1,717.51
KPFD Reg. Ctr. Capital			\$0.00
977 Cash		1,699,418.07	\$1,699,418.07
Investment Beginning		2,454,720.07	\$2,454,720.07
Investments Purchased		117,095.14	\$117,095.14
Total KPFD Reg. Ctr. Capital		4,271,233.28	\$4,271,233.28
Total Bank Accounts	\$1,717.51	\$4,271,233.28	\$4,272,950.79
Total Current Assets	\$1,717.51	\$4,271,233.28	\$4,272,950.79
Other Assets			
Receivable- Advances (from 286)		250,000.00	\$250,000.00
Total Other Assets	\$0.00	\$250,000.00	\$250,000.00
TOTAL ASSETS	\$1,717.51	\$4,521,233.28	\$4,522,950.79
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Other Current Liabilities			
Employee Benefits Payable	-2,143.75		\$ -2,143.75
Payroll Related Payable	1,401.23		\$1,401.23
Salaries Payable	-0.07		\$ -0.07
USE Tax Payable	29.50		\$29.50
Vouchers Payable	0.00		\$0.00
Total Other Current Liabilities	\$ -713.09	\$0.00	\$ -713.09
Total Current Liabilities	\$ -713.09	\$0.00	\$ -713.09
Long-Term Liabilities			
2636 Regional Ctr Notes Payable		1,494,780.00	\$1,494,780.00
Total Long-Term Liabilities	\$0.00	\$1,494,780.00	\$1,494,780.00
Total Liabilities	\$ -713.09	\$1,494,780.00	\$1,494,066.91
Equity	\$2,430.60	\$3,026,453.28	\$3,028,883.88
TOTAL LIABILITIES AND EQUITY	\$1,717.51	\$4,521,233.28	\$4,522,950.79

Kitsap Public Facilities District

Statement of Activity by Class

March 2025

	968	977	TOTAL
Revenue			
Interest Earnings		8,545.97	\$8,545.97
Regional Centers Sales & Use		191,359.83	\$191,359.83
Total Revenue	\$0.00	\$199,905.80	\$199,905.80
GROSS PROFIT	\$0.00	\$199,905.80	\$199,905.80
Expenditures			
COMMUNICATIONS			\$0.00
Technology Email	267.48		\$267.48
Technology- Zoom	104.93		\$104.93
Telephone/ Internet	80.70		\$80.70
Total COMMUNICATIONS	453.11		\$453.11
CONSULTING			\$0.00
Accounting	1,420.00		\$1,420.00
Construction Consulting	1,310.00		\$1,310.00
Legal Services	1,722.50		\$1,722.50
Professional Services	600.00		\$600.00
Recording	599.50		\$599.50
WA State Audit	347.75		\$347.75
Total CONSULTING	5,999.75		\$5,999.75
LTGO Bond Payment		71,360.72	\$71,360.72
Misc Intergovernmental Service		0.00	\$0.00
OFFICE			\$0.00
Rental-Office Space	921.45		\$921.45
Software & Subscriptions	82.50		\$82.50
Storage	133.00		\$133.00
Supplies	32.66		\$32.66
Total OFFICE	1,169.61		\$1,169.61
PAYROLL			\$0.00
Payroll Wages	11,587.29		\$11,587.29
PERS ER- Retirement Contrib.	1,360.89		\$1,360.89
Social Security/ Medicare	177.44		\$177.44
Stipend- Health	600.00		\$600.00
Stipend- Telephone	50.00		\$50.00
WA- ESD/PMFLA/Cares	185.61		\$185.61
WA- L&I	145.55		\$145.55
Total PAYROLL	14,106.78		\$14,106.78
Total Expenditures	\$21,729.25	\$71,360.72	\$93,089.97
NET OPERATING REVENUE	\$ -21,729.25	\$128,545.08	\$106,815.83
NET REVENUE	\$ -21,729.25	\$128,545.08	\$106,815.83

April 21, 2025

Mr. Russ Shiplet
Executive Director
Kitsap Public Facilities District
19880 10th Ave NE, Suite 204F
Poulsbo, Washington 98370

**Re: Agreement to Serve as Municipal Advisor
Kitsap Public Facilities District, Washington**

Dear Mr. Shiplet:

Northwest Municipal Advisors (“NWMA”) is pleased to have the opportunity to serve as municipal advisor to Kitsap Public Facilities District (the “District”). We have had the honor of serving as the District’s municipal advisor for the past several years. This agreement continues from the point of expiration of the last contract at the end of 2024.

This letter provides a scope of services, contains a pricing proposal, and, if satisfactory to the District, will constitute an agreement between NWMA and the District for municipal advisory services.

This agreement is only for tasks related to the Scope of Services, listed herein. If the District undertakes a financing, we will provide an amended or separate agreement.

Introduction to Northwest Municipal Advisors

NWMA is a municipal advisory firm that specializes in assisting public entities finance projects. We have experience in capital project financing for general governments, special purpose districts, and public utilities.

As a firm, we do not sell or underwrite securities or bonds but only serve in an advisory role. This allows us to avoid a potential conflict of interest in providing advice to a bond issuer.

NWMA is a registered municipal advisor with the Securities and Exchange Commission (“SEC”) and the Municipal Securities Rulemaking Board (“MSRB”). As such, NWMA has a fiduciary duty to our clients and shall act and provide advice in a manner it believes to be in the best interest of its clients.

As municipal advisor, one of our responsibilities is to provide sound advice to our clients, and our preference is to be involved in broad aspects of a financing, ranging from up-front planning and identification of financing options to the actual sale, pricing and closing of a bond issue or other financing. We work with many of the bond counsel and underwriter firms in the Northwest, with national underwriting firms and with regional and national banking institutions; and with the bond rating agencies.

Our firm will assign three professionals and support staff to the District. Scott Bauer and Ryan Neumeister will be the primary contacts, with back-up from Malinda Okerlund.

Scope of Services

NWMA will serve as municipal advisor for the District’s financing needs and provide the following services (“Services”):

- Provide financial modeling services, to include:



- Creation and updating of a financial model in Excel
- Assumptions on the District's sales tax revenue stream and the District's expenses
- Payments on outstanding debts
- Funding of projects as identified by the District
 - Lump sum or pay-as-you-go cash funding
 - The issuance of debt by the District or by the recipients of project funding
- Review the District's outstanding debt and update the District, as appropriate, on refunding opportunities.
- Meet with the District's Board of Directors, management and staff as requested.
- If acting in the capacity of an Independent Registered Municipal Advisor ("IRMA") with regard to the IRMA exemption of the SEC Rule, NWMA will review all third-party recommendations submitted to NWMA in writing by the District.
- Provide such other related services as requested by the District.

Compensation

Compensation for Services shall be on an hourly basis, charged at a rate of \$300 per hour for principals in the firm and \$200 per hour for associates. In the case of meetings or phone calls where more than one NWMA team member attends, the District will only be charged for one NWMA team member for that event. Scott Bauer is a principal and Ryan Neumeister and Malinda Okerlund are municipal advisors.

NWMA shall submit monthly invoices for Services performed in a previous calendar month in a format acceptable to the District. NWMA agrees to include in billing statements a detailed description of the services of NWMA for which the District is being charged and a specific identification of all other fees, charges, and expenses for which NWMA seeks reimbursement. NWMA shall keep cost records and accounts pertaining to this Agreement available for inspection by District representatives for three years after final payment. If the Services rendered do not meet the requirements of this Agreement, NWMA shall correct or modify the work to comply with this Agreement. The District may withhold payment for such work until it meets the requirements of this Agreement.

Billing statements submitted by NWMA on or before the first business day of the month will be submitted for approval at the next regularly scheduled Board of Directors meeting. If approved, statements will be promptly submitted to Kitsap County for payment.

In addition to the fees above, NWMA will be reimbursed for direct out of pocket expenses. These expenses may include, but are not limited to, mileage, travel expenses, printing, photocopying, and conference call expenses.

We will provide a separate proposal to the District if debt is to be issued by the District or if a review of debt issued by a project funding recipient is warranted.

Fiduciary Duty

NWMA is registered as a Municipal Advisor with the SEC. As such, NWMA has a fiduciary duty to the District and must provide both a Duty of Care and a Duty of Loyalty that entails the following.

Duty of Care

- a) Exercise due care in performing its municipal advisory activities.



- b) Possess the degree of knowledge and expertise needed to provide the District with informed advice.
- c) Make a reasonable inquiry as to the facts that are relevant to the District's determination as to whether to proceed with a course of action or that form the basis for any advice provided to the District.
- d) Undertake a reasonable investigation to determine that NWMA is not forming any recommendation on materially inaccurate or incomplete information; NWMA must have a reasonable basis for:
 - i. Any advice provided to or on behalf of the District;
 - ii. Any representations made in a certificate that NWMA signs that will be reasonably foreseeably relied upon by the District, any other party involved in the municipal securities transaction or municipal financial product, or investors in the District securities; and
 - iii. Any information provided to the District or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

Duty of Loyalty

NWMA must deal honestly and with the utmost good faith with the District and act in the District's best interests without regard to the financial or other interests of NWMA. NWMA will eliminate or provide full and fair disclosure (included herein) to the District about each material conflict of interest (as applicable). NWMA will not engage in municipal advisory activities with the District as a municipal entity if it cannot manage or mitigate its conflicts in a manner that will permit it to act in the District's best interests.

Municipal Securities Rulemaking Board Rule G-10 Disclosure

Pursuant to Municipal Securities Rulemaking Board Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

- NWMA is currently registered as a Municipal Advisor with the SEC and the MSRB.
- Within the MSRB website at www.msrb.org, the District may obtain the Municipal Advisory client brochure. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

Conflicts of Interest and Other Matters Requiring Disclosure

1. As of the date of the Agreement, except as disclosed below, NWMA is not aware of actual or potential conflicts of interest that NWMA that might impair its ability to render unbiased and competent advice or to fulfill its fiduciary duty, except as discussed. If NWMA becomes aware of any other material potential conflict of interest that arise after this disclosure, NWMA will disclose the detailed information in writing to the District in a timely manner. NWMA serves as municipal advisor to other cities and public entities in the Northwest. In the local area, we serve as municipal advisor to the City of Poulsbo (contract pending) and Public Utility District No. 1 of Kitsap County. In the event a potential conflict arises as a result of these or future relationships, we will so inform the District.
- NWMA represents that in connection with the issuance of municipal securities, NWMA may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the



size of a transaction. Consistent with the requirements of MSRB Rule G-42, NWMA hereby discloses, that such contingent and/or transactional compensation may present a potential conflict of interest regarding NWMA's ability to provide unbiased advice to enter into such transaction. The contingent fee arrangement may create an incentive for NWMA to recommend unnecessary financings or financings that are disadvantageous to the District, or to advise the District to increase the size of the issue. This potential conflict of interest will not impair NWMA's ability to render unbiased and competent advice or to fulfill its Fiduciary Duty to the District.

- NWMA fees under this agreement are also based on hourly fees of NWMA's personnel, with the aggregate amount equaling the number of hours worked by such personnel multiplied by an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest because it could create an incentive for NWMA to recommend alternatives that would result in more hours worked. This conflict of interest will not impair NWMA's ability to render unbiased and competent advice or to fulfill its Fiduciary Duty to the District.
- The fee paid to NWMA increases the cost of investment to the District. The increased cost occurs from compensating NWMA for municipal advisory services provided.
- NWMA serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of another NWMA client. For example, NWMA serves as municipal advisor to other municipal advisory clients and, in such cases, owes a fiduciary duty to such other clients just as it does to the District. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, NWMA could potentially face a conflict of interest arising from these competing client interests. NWMA fulfills its fiduciary duty and mitigates such conflicts through dealing honestly and with the utmost good faith with District.
- It should be noted that NWMA's intention is to keep its work for each of its clients separate, and to maintain confidentiality relative to each client, except for information which is clearly public information.
- NWMA does not act as principal in any of the transactions related to this Agreement.
- NWMA does not have any affiliate that provides any advice, service, or product to or on behalf of the client that is directly or indirectly related to the municipal advisory activities to be performed by NWMA.
- NWMA has not made any payments directly or indirectly to obtain or retain the District's municipal advisory business.
- NWMA has not received any payments from third parties to enlist NWMA recommendation to the District of its services, any municipal securities transaction or any municipal finance product.
- NWMA has not engaged in any fee-splitting arrangements involving NWMA and any provider of investments or services to the District.
- NWMA does not have any legal or disciplinary event that is material to the District's evaluation of the municipal advisory or the integrity of its management or advisory personnel.
- NWMA is not involved in the underwriting of bonds and is not associated with any underwriting firm which eliminates any conflicts of interest related to underwriter selection or underwriter compensation.



- During the term of the municipal advisory relationship, this Agreement will be promptly amended or supplemented to reflect any material changes in or additions to the terms or information within this Agreement and the revised writing will be promptly delivered to the District.

Legal Events and Disciplinary History

NWMA does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The District may electronically access NWMA's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: www.sec.gov/edgar/searchedgar/companysearch.html.

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.

Recommendations

If NWMA makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by the District and is within the scope of the engagement, NWMA will determine, based on the information obtained through reasonable diligence of NWMA whether a municipal securities transaction or municipal financial product is suitable for the District. In addition, NWMA will inform the District of:

- the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- the basis upon which NWMA reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the District; and
- whether NWMA has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the District's objectives.

If the District elects a course of action that is independent of or contrary to the advice provided by NWMA, NWMA is not required on that basis to disengage from the District.

Record Retention

Effective July 1, 2014, pursuant to the SEC record retention regulations, NWMA is required to maintain in writing, all communication and created documents between NWMA and the District for 5 years.

Term of Agreement

This agreement shall remain in effect until December 31, 2027.

Termination of Agreement

This Agreement may be terminated by either party, with or without cause, upon thirty (30) days' written notice, in which event all finished or unfinished documents, reports, or other material or work of NWMA pursuant to this Agreement shall be submitted to District. Consultant shall be entitled to just and equitable compensation at the rate set forth in the Compensation paragraph above for any satisfactory work completed prior to the date of termination.

Upon termination of this Agreement for any reason, by either the District or NWMA, NWMA agrees to cooperate with any successor Consultant to accommodate a smooth transition of the representation.



Other Provisions

Assignment

Neither District nor NWMA shall assign or transfer any rights, duties, or interest accruing from this Agreement without the express prior written consent of the other.

Independent Contractor Status

NWMA is and shall be at all times during the term of this Agreement an independent consultant.

Authorization and Decision-Making

NWMA has no authority to make decisions for the District or indicate to any third party that NWMA has speaking authority for the District, except as expressly authorized from time to time.

Ownership

All data, materials, reports, memoranda, and other documents developed under this Agreement, whether finished or not, shall become the property of District, shall be forwarded to the District in hard copy format, digital format, or both and may be used by the District as it sees fit. The District agrees that if it uses products prepared by NWMA for purposes other than those intended in this Agreement, it does so at its sole risk and it agrees to hold NWMA harmless therefor.

Compliance with Laws

NWMA shall comply with all federal, state, and local laws and ordinances applicable to the work to be done under this Agreement. NWMA further agrees not to discriminate against any employee or applicant for employment or any other person in the performance of this Agreement because of race, creed, color, national origin, marital status, sex, age, disability, or other circumstance prohibited by federal, state, or local law or ordinance, except for a bona fide occupational qualification.

Indemnification

NWMA shall indemnify, defend, and hold harmless the District, its officers, employees, and agents from any and all costs, claims, judgments or awards of damages, arising out of or in any way resulting from the negligent acts or omissions of NWMA, its officers, employees, and agents in performing this Agreement. The District shall defend, indemnify, and hold harmless NWMA, its officers, employees, and agents from any and all costs, claims, judgments or awards of damages, arising out of or in any way resulting from the negligent acts or omissions of District, its officers, employees, or agents in performing this Agreement.

Insurance

NWMA shall carry the following insurance coverages:

- Automobile Liability Insurance with limits no less than \$300,000.00 combined single limit per accident for bodily injury and property damage.
- Commercial General Liability Insurance written on an occurrence basis with limits no less than \$1,000,000.00 combined single limit per occurrence and \$2,000,000.00 aggregate for personal injury, bodily injury, and property damage. Coverage shall include, but not be limited to, blanket contractual; products/completed operations; broad form property damage; explosion, collapse, and underground (XCU) if applicable; and employer's liability. Any payment of deductible or self-insured retention shall be the sole responsibility of NWMA. The District shall be named as an additional insured on the Commercial General Liability Insurance Policy, with regard to work and services performed by or on behalf of NWMA, and



a copy of the endorsement naming the District as an additional insured shall be attached to the Certificate of Insurance.

- Professional Liability Insurance with limits no less than \$1,000,000.00 per occurrence.

Upon request, Consultant shall provide to the Executive Director written proof of evidence of the required insurance.

Dispute Resolution

Venue for the resolution of any dispute shall be Kitsap County. The prevailing party in any adjudicated dispute (litigation or arbitration) shall be entitled to an award of reasonable attorneys' fees and expert witness fees. At the request of either party, any disputes regarding whether the District or NWMA has breached this Agreement, or as to the amount of fees owed, will be submitted to arbitration in accordance with RCW Chapter 7.04A, the result of which shall be binding on both parties.

This Agreement represents the complete agreement between the parties. Additional services and compensation may be added to this Agreement by a written supplement, with the mutual written consent of both parties. All amendments or supplements shall be signed by both parties and attached to this Agreement.

NWMA agrees that it will not provide financial services to any other individual or public entity on the same transaction for which it is providing financial services to the District under the terms of this Agreement without prior notice to and approval by the District.



Approval of Agreement

If this Agreement and scope of work are satisfactory, please have this letter signed by an authorized person and returned to NWMA.

If you have any questions or comments on this agreement, please call me at (425) 452-9551.

Sincerely,

Scott J. Bauer

Accepted and approved by Kitsap Public Facilities District

this _____ day of _____, 2025

By: _____
(Signature)

(Print)