Kitsap Public Facilities District

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

MONDAY, OCTOBER 26, 2026

Attendance:

Board Members Present: Chair Erin Leedham, Vice-Chair Patrick Hatchel, Treasurer Walter Draper IV (remote), Director Daron Jagodzinske, Director Anne Blair, Director Phil Havers (remote)

Absent: All Board Members In Attendance

Staff/Consultants Present: Executive Director Russ Shiplet, Accountant Sandy O'Hare, Construction Consultant Shannon Thompson

1. **Call to Order:** Chair Leedham called the meeting to order at 5:30 PM.

2. **Public Comment:** Public comment was provided in support of the Port of Bremerton/Circuit of the Northwest project

3. **Approval of Consent Agenda:** Director Jagodzinske moved to approve the Consent Agenda as presented. Director Havers seconded the motion. There was no discussion. The motion passed unanimously.

4. **Project Update:** Representatives from the Port of Bremerton and Circuit of the Northwest provided the Board with an update on project partnerships and funding progress, including a request for $10.5 million in matching funds from the District to support construction of the outdoor amphitheater and public events center. The Board did not raise any questions or engage in discussion regarding the funding request and concluded the presentation by thanking the representatives for their update, without taking any formal action.

5. **General Business:**

   - **Finance Committee Report:**
     Q3 2026 Report
     - Currently within the District operating expenses budget at 76% as of Sep 30, 2026.
     - Capital Funds Availability - $4,973, 236 as of Sep 30, 2026.
     - Year-to-date 2.2% increase in Sales Tax Revenue over Sep 2025.
     - 2026 year-to-date capital funds project reimbursement payments of $953,497.

2027 Budget

- The District is currently trending to be under budget in 2026.
- With the Executive Director retiring at the end of 2027, payroll budget adjustments will need to be made to include a separate salary line item in the 4th Quarter to allow for an efficient turnover to his replacement.
- A few 2026 budget line items will not need to be included in the 2027 budget, including funding for the AWSPFD Conference and WA State Audit.
- The 2027 Budget will be presented to the District Board for approval during the December 14th meeting.

- **Port Orchard Community Events Center (POCEC) Construction ILA** – The Board reviewed the initial draft of the POCEC Construction ILA, with significant discussion focused on District funding caps and the proposed 20-year City-issued bond amortization schedule beginning in 2028. Director Cucciardi moved to approve the ILA framework as presented, seconded by Director Draper. Director Jagodzinske expressed concerns regarding escalating construction costs and outstanding questions for the City, and moved to postpone further action until the December 14, 2026 Board meeting to allow additional review by the District's construction consultant. The motion, seconded by Director Havers, failed 3–4. The original motion to approve the ILA framework passed 6–1. The Executive Director and Barker Creek Consulting will work with the City to address outstanding concerns and finalize the ILA's financial provisions. The Port Orchard City Council is scheduled to consider the ILA on November 10, 2026, with final KPFD Board approval anticipated on December 14, 2026.

- **2026 AWSPFD Conference Update:** Executive Director Shiplet reported on the successful September 9–11, 2026 AWSPFD Conference, which attracted 35 participants representing 13 public facilities districts statewide. Total conference expenses were $18,091, offset by $10,400 in sponsorships and registration fees. The District's net cost was $7,691, coming in $2,309 under the approved $10,000 budget. The conference was considered a success, providing valuable opportunities for collaboration and information sharing among participating districts while remaining under budget.

6. **Meeting Adjournment:**

- The Board of Directors meeting adjourned at 7:14 PM.

Next Meeting of the Board:

- **Monday, December 14, 2026 – City of Poulsbo Council Chambers**