

Kitsap Public Facilities District

Minutes of the Board of Directors Meeting

Monday, August 12, 2019

Bainbridge Island City Hall, 280 Madison Ave., Bainbridge Island, WA

Attending: Daron Jagodzinske, Chair; Bill Mahan, Vice-Chair; Walt Draper, Treasurer; Rick Smith; Erin Leedham; and Patrick Hatchel.

Staff: Mike Walton, Executive Director; Brian Lawler, Attorney; Alan Dashen, NWMA

Absent: Tom Bullock

1. **Call to Order:** The Chair called the meeting to order at 5:30 PM.
He posed a question to the board Members – “What is your favorite memory about Bainbridge Island?”
2. **Meeting Minutes:** The ED presented the Minutes of the July 29 meeting.
Erin Leedham moved to approve the Minutes as submitted. Bill Mahan seconded the motion and it passed unanimously. .
3. **Public Comment:** (Limited to 3 minutes, otherwise not on Agenda)
 - A. **Tom Goodlin** – spoke in support of the BI Parks District Aquatic Complex, saying it is just as “needy” as the Port Orchard project; will have \$7.5 million in economic impact; major community impact in the “shoulder season” of the Island; satisfies all the PFD principles and only requires 35% of the project cost to come from the PFD.
 - B. **Charlie King** – spoke of personal experience as a parent of an athletic teen, traveling to other sites, you spend a lot of money while on the road; shops gear up for major events, will be large local benefit.
 - C. **Alwyn Chikamoto** – owner of the Best Western on High School Rd; makes money in summer, struggles in winter, this project will fix that with meets and activities; he strongly recommends this project be completed.
 - D. **Jane Lindley** – as mom of teen swimmer, she understands that all swimmers eat lots and spend money; she supports this project for the local economy.
 - E. **Mark Benishek, Project Lead** – summarized from their presentation, large local & regional benefits, current demand exceeds capacity; project would yield \$3.4 Mil in first year and as much as \$7 mil after; only \$500K for Phase 1.
 - F. **Paul Bang-Knudson, veteran** – used pool for therapy after injury; other veterans use it too; a company uses the pool for product testing.
 - G. **Ken DeWitt, BI Metro commissioner** – Ray pool is 50+ years old and deteriorating; new 50-meter pool will be a boost for community and economy.
 - H. **Jim Stretch, BAM member** – BI has national coach of the year, state diving champ, lots of training of first responders and others; two aging pools, if one fails, no rescue...
 - I. **Kol Medina, Mayor of BI** – great community support, he is confident that the residents will support the pool levy – “BI will get it done”
 - J. **Jerry McDonald** – two Board members don’t understand the importance of the Public part of CNW; the project will benefit the whole County – loss of EVOC training will force units to go to WSP in Shelton – farther, costly, few dates avail.; STEM training supported by 3 Kitsap school districts – will be lost.
 - K. **Andy Maron, former PFD Director** – now BI Parks Foundation, supports pool project for all community benefit to be derived.
 - L. **Linda Berry-Maraist, NK Trails** – supporting Heritage Park and possible connection with Rail-to-Trail project linking Washington (DC) to Washington (St) – “destination dirt” for unusual dirt on bike trails in Heritage Park.
 - M. **Barb Trafton, ED of BI Parks Foundation** – emphasized that pool use is not just BI, they come from all over the region. This would just increase if this pool is built.

- N. **Morton Kondracke, Parks Foundation Board** – summer brings lots of visitors to BI, this facility will bring lots of tournaments and visitors/dollars in the fall and winter.
- O. **Joy Archer, BAM member** – she said she was troubled by the lack of knowledge about BI and the community; BI pool not just local, will be Kitsap pool, she urged support.
- P. **Bill Galvani, BAM member** – agrees with all the others, urges support.
- Q. **Leslie Schneider, COBI council member** – longtime swimmer at various stages of her life; this project will help many families on BI.
- R. **Phyllis McNere, Pres. of BI swim club boosters** - Ray pool, only six lanes, turning people away, 10-12 people per lane when busy; 50 m pool – 10x the use, can also rent to others.
- S. **RJ Rossart, Winston Block & Cole Beckman** – 3 water polo team members who told about the early morning & late-night workouts because of high usage; can't have meets here because of pool bottom slope – not evenly deep.
- T. **Kate Carruthers, BAM member** - she supports project, Nakata pool is recreation pool, smaller Ray pool is lap pool, more than 50 years old – will fail...

4. Ongoing Business

- A. **Report on the Meeting with the Commissioners** – First Daron and then Bill Mahan described the meeting with the County Commissioners as a good first step, but no commitment to cooperate on bonding. However, both described the outcome as encouraging, as the Commissioners agreed to pass the information on to the Treasurer and the Finance team for review and consideration. Rick Smith added that the Commissioners were initially resistant in 2000, but after working with the PFD team, they agreed to help the fledgling PFD.
- B. **Bonding Information** – Alan Dashen, NW Municipal Advisors
Alan presented several scenarios of projected bonds sales, first showing the maximum possible with no restrictions or coverage limits - \$30 million+. Then two each scenarios with the County selling bonds – 1) 2% growth rate and 1.25x coverage - \$19.8 Mil; and 2) 3% growth rate and 1.4x coverage - \$20.2 Mil; then without the County's participation 3) PFD sells bonds under worst conditions, 0% growth and 1.5x coverage - \$10.5 Mil; and then more reasonable conditions 2% growth rate and 1.5x coverage - \$19.9 Mil. The Chair asked for totals on the amount available in the next 24 years and Alan estimated at around \$45-46 Million. (A calculation after the meeting revealed that it could be between \$52 M at 2% growth to \$58 M at 3% growth.)
- C. **Bond Counsel Professional Services Agreement** – Brian Lawler
Brian reported that the Agreement is not ready to process as there were two significant issues to resolve. 1) payment as % of bond sales or by hourly rate – need to pick one and agree; 2) potential Conflict of Interest (COI) as Foster Pepper has worked with both Poulsbo and Port Orchard in the past. Need to research possible areas where this could affect any relationship with KPFD before finalizing agreement. Alternate Bond counsel is very good alternative if required.

5. Selection of Projects:

- A. **Review/Discuss ILAs:** Brian Lawler
Daron inquired as to the status of the Board's request to begin preparing ILAs with the three top projects. A sample ILA was distributed to the Directors and Brian briefed them on the status: 1) the ILA was in "general" form – not specific to any project; 2) he and the ED had begun contacting the lead for the project public partner or attorney of the entity to start discussions on the ILAs. Daron asked about the time to complete any of the ILAs and the response was that it is likely to take weeks to months to negotiate an agreement that could facilitate any transfer of funds, even for feasibility studies.
- B. **Discussion of Projects to Fund** – The Chair, recognizing that without the ILAs there was no funding decision or discussion that could take place, tabled the discussion with the concurrence of the Board.

6. **Announcements:** The next meeting will be in Poulsbo City Hall, 200 Moe St NW, Poulsbo.

Meeting was put into Executive Session at 7:15 pm, and extended twice until 7:45 pm

7. Meeting back in Session and adjourned at 7:45 pm.

Next Regular Meeting of the Board, August 26th, 2019 at 5:30 pm
Council Chambers, Poulsbo City Hall, 200 Moe St NW, Poulsbo

Topics: Discussion of Agreements with New Project Finalists

NOTE: This is a location change from our normal meeting location. There will be location changes at each of the following four regular meeting dates. Check the website for updates.