

Kitsap Public Facilities District

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

Monday, May 23, 2022

Attendance:

Board Members Present: Chairman Daron Jagodzinske, Vice-Chairman Patrick Hatchel, Treasurer Walter Draper, Director John Morrissey, Director Phil Havers, Director Erin Leedham

Board Members Absent: Director Tom Bullock

Staff Present: Executive Director Russ Shiple

Advisors, Counsel, & Consultants Present: Construction Consultants Mr. Shannon Thompson, Accountant Ms. Susan Veach, Legal Counsel Mr. Brian Lawler, Financial Advisor Mr. Ryan Neumeister

- **Call to Order:** KPFD Chairman Jagodzinske called the meeting to order at 5:30 PM.
- **Public Comment:** Public comment was given regarding the new location of the office space for the KPFD. It was suggested that the office should remain in Silverdale, WA due to its central location.
- **Approval of Consent Agenda:** A motion was made to approve the Consent Agenda as presented. The motion was seconded and approved.
- **Facilities Project Progress Report:** Port of Bremerton/Circuit of the Northwest (POB/CNW), Port of Bremerton CEO Mr. Jim Rothlin, Port of Bremerton Commissioner Axel Strakeljahn, Mr. Joel Cohen of The Joel Cohen Group, and Supporting Presenters
 - The Port’s mission is to promote economic development, job creation, and tourism.
 - The Port is investing \$15-20M in land assets to support the public portions of the CNW project, which includes the parking lot, large and small music events centers, STEM Center, CSTOCK, and other spaces within 232 acres of port land.
 - Phases I, II, & III were discussed regarding completion.
 - ASM Global spoke to the management of the music events centers, and the potential economic development and job creation that these venues can offer.
 - Private facilities cost estimates were presented, as well as the STEM Center costs.
 - The Port is asking the district to provide \$20M to construct the large and small music events centers, as well as the concession stands and supporting infrastructure.
 - RCWs addressing the district’s ability to assess a tax on admissions were discussed. The estimated revenue generated because of the tax was also presented as a means to pay off the \$20M bond.

- KPFD Directors asked clarification questions on the economic impact and the district's authority to assess a tax on admissions,
- KPFD Legal Counsel spoke about the difference between City and County PFDs. There was discussion on whether a County PFD has the ability to assess a tax without voter approval. Counsel will reach out to the district's Bond Counsel and provide a report back to the district Board at a future date.
- **New Business:**
 - A. KPFD Board of Directors Retreat Update** – Chairman Jagodzinske
 - The board held a special meeting, which was open to the public, on May 11, 2022, with a focus on:
 - Looking back at the PFD from its inception to what the future holds.
 - What it will take to extend PFD's current bonds out to 2041.
 - B. KPFD Office Relocation Options** –Executive Director Shiplet
 - The current office sublease with Visit Kitsap Peninsula comes due the last day of August 2022. The current owner of the building wishes to take over the space, therefore it must be vacated.
 - Three options were presented to the board as potential office space for the KPFD office:
 - Kitsap Mall – 611 SF, 5-year lease, \$1,119 per month, annual 3% increase
 - Silverdale Dental Center – 425 SF, 3-year lease, \$1,148 per month, annual CPI
 - Central Plaza in Poulsbo – 368 SF, 3-year lease, \$830 per month, CPI increase
 - Hanson Signs has been contacted to obtain an estimate for an outdoor sign
 - The board supports the decision of the Executive Director on what office space works best for the PFD.
 - The Executive Director will gather and report out to the board on the cost to re-locate.
 - C. KPFD Credit Card Policy & Resolution** – Executive Director & KPFD Legal Counsel
 - Research was conducted on similar special districts to determine if they had a credit card policy in place, and what that policy might look like.
 - Examples were reviewed by the Executive Director and Legal Counsel to determine what a similar policy could be put together for the PFD.
 - Legal Counsel provided a draft of the KPFD Credit Card Policy to the Executive Director for review.
 - The Executive Director and Legal Counsel will present the draft policy and support a resolution to the Board of Directors for consideration and vote of implementation at the June 27, 2022, meeting.

- **Financial Reports** – Executive Director
 - There was a brief discussion on the amount of available capital funds for projects, with clarification on the exact amount.
 - The April 2022 Statement of Financial Revenue & Expense by Fund, and Profit & Loss by Class reports were presented.
 - The Monthly Sales Tax Rebate Statement was presented.
 - The Project Funding Tracking Worksheet was presented.

- **Ongoing Business** – Executive Director

Port Orchard Community Events Center (POCEC) revised ILA

- The revised ILA for the Port Orchard Community Events Center (POCEC) has been approved by the Port Orchard City Council, signed by all parties, and recorded.
- **Good of the Order** – Director Leedham
 - Articles were recently written in the Seattle Times discussing food in Bainbridge Island, how to have a great time in Bremerton via the ferry, and mountain biking in Western Washington - specifically speaking to the Port Gamble trails and Bellingham.

Meeting adjourned @ 7:35 PM.

Next Meeting of the Board: June 27, 2022 – Poulsbo City Hall & via Zoom Webinar

Topics: General Business, Port Gamble Forest Heritage Park (PGFHP) Trails Project Update, New Business, Financials & Ongoing Business.

NOTE:

1. **Recordings of this meeting and meetings past can be found on the KPFD YouTube channel:**
<https://www.youtube.com/channel/UCX9s374H7UNnsaRjsBPgyBw>