

**BAINBRIDGE ISLAND METROPOLITAN PARK & RECREATION DISTRICT  
REGULAR BOARD MEETING JULY 1, 2021  
ZOOM VIRTUAL MEETING**

**CALL TO ORDER:** A quorum being present, the meeting was called to order at 6:00 pm by Chair Janow.

**BOARD MEMBERS PRESENT:** Ken DeWitt, Dawn Janow, Jay Kinney, Tom Swolgaard.

**ADJUSTMENTS TO AGENDA:** Move item 50.1.b, Potential Purchase of Bainbridge Athletic Club: Title Report, to the top of the agenda. Add a motion to approve a financing proposal as the action item for agenda item 50.1.a, Potential Purchase of Bainbridge Athletic Club: Review and Discuss Financing Proposals. Remove item 50.2, the 2021 General Fund and Capital Improvement Fund Budget Amendment.

**MISSION STATEMENT:** Commissioner Janow read the Park District's mission statement: The mission of the Bainbridge Island Metropolitan Park & Recreation District is to build a healthy community through effective, sustainable stewardship of the District's parks and open space, and through the development and delivery of innovative cultural and recreation opportunities.

**PUBLIC COMMENTS ON AGENDA ITEMS**

Gary Cooper said he would like to know if the Park District has done an environmental impact report to assess any significant impact to the Meadowmeer community from the Park District taking over the Bainbridge Athletic Club. At a minimum, he thinks there should be an operational plan that shows how operations are going to change staffing, parking, and facilities. Changes to facilities could include requirements for increased restrooms, showers, and any other facility modifications; he also asked what these modifications would cost. Since BAC is outside of downtown, everyone that comes to it is going to have to have a car. The schools will not be able to use it, people will not be able to walk to it, and public transportation will not be great. He is wondering why Sakai Park would not be a better location. With the need for modifications to BAC it is hard to believe the Park District would take on this large investment without an analysis that says that BAC will meet the Park District's requirements and not significantly impact the rest of the community.

Markos Scheer lives in the Meadowmeer community, is a Bainbridge Athletic Club member, and a member of and on the board of directors for the Meadowmeer Golf & Country Club. He said this seems like a highly expedited process and he is deeply concerned that the process is not going in accordance with the relevant law about analysis and public comment. It does not appear to him what the funding options are going to be. He does not know if the plan is to close BAC in August without doing the relevant analysis concerning additional usage, parking, and traffic. There are kids who ride their bikes in the neighborhood and his nine-year-old son is commonly walking around by BAC, he is very concerned about this and has not seen any analysis. He thinks that is a miscarriage and that it is inappropriate. The public has not seen a business plan for how the Park District would structure BAC and taking over BAC is not additional for the community. When the public approved the 38-million-dollar bond for Sakai Park it was because of the need for additional space. He said there is a need for additional space, not for repurposing existing space. It is not clear to him whether those bond funds are going to be used for BAC and if so if that is permissive. There is a vacuum of information and the public needs and opportunity to see it, understand it, review it, and respond to it. He would encourage the Park District to slow this process down, so it does not get slowed down by judicial action or something like that.

Tim Ferguson has lived in the Meadowmeer community since 1977 and has been on the board of the Meadowmeer Golf & Country Club and thinks at minimum more due diligence is necessary. The water system is a private shareholder corporation and currently the Bainbridge Athletic Club is an over user. The water system is limited by their state license and engineering capacity. He asked if BAC becomes part of the Park District and is open to the community for minimal cost, who is going to pay for the expansion of the water system which is currently at capacity. In fact, because of the share-based system, BAC

has two shares but consumes ten shares worth of water. The 325 homes that have water shares have a right to water. The water system cannot provide unlimited resources due to limitations by the state and system design. It would cost millions of dollars to upgrade the system and he asked why the homeowners would need to pay for that, and why it would not be a Park District issue if BAC expands. He thinks the timeline for the BAC acquisition is too rapid. There are kids who play in the streets in the Meadowmeer community, and they already see increased traffic sometimes from BAC. Increased traffic is a problem and routing traffic through the development would be a real problem without a good traffic study and a whole bunch of other work.

Lee Parker requested the agenda be amended so that public comment follows item 50.1. Commissioner Janow declined to make further adjustments to the agenda. Lee Parker said one of the commissioners mentioned at the last meeting that he has a potential conflict of interest and that he would not vote, but he did participate in discussion. He said as he understands it, you cannot have it both ways. Under normal circumstances if you have a conflict of interest, you must leave the room as you cannot be present during discussion, let alone comment. He asked that that procedure be followed and said he respects that since it was not followed in the past that it might have been an oversight. He would like to know if the Park District has reviewed and reconsidered its course regarding the use of a non-disclosure agreement. He sent a letter to Executive Director Terry Lande pointing out that the Park District cannot keep anything secret about the public purchase of a property other than things like personnel records, patents, secret formulas, and the names of members. He asked if the Park District has reviewed its policy or actions on that since up until now, he has been told that anything he asks for is subject to a non-disclosure agreement and that is malarkey. The Park District is violating the law the way it is handling non-disclosure agreements presently and he has put Terry Lande on notice. He does not want to see the Park District hiding behind a non-disclosure agreement which is totally inappropriate and against the law and the Park District will disclose everything about this transaction.

Park District Attorney Hayes Gori said that regarding the conflict-of-interest comments, the Park District is going to comply strictly with the law. Commissioner DeWitt is not going to participate tonight in any of the discussions or any of the votes. It is not technically legally required for him to absence himself from the meeting, but he will not be participating. Regarding the non-disclosure agreement and the Public Records Act interplay, there is a non-disclosure agreement which is a contractual obligation entered into with the seller as a requirement for the transaction and there is no prohibition on that. However, there is the PRA and to the extent that there is information covered by the non-disclosure agreement that is requested and is not exempt under the PRA the Park District will absolutely produce it. The non-disclosure agreement does not trump the PRA and there is no intent on the Park District's behalf to shield any producible documents under the PRA by way of the non-disclosure agreement. That is not the intent, but the reality is the Park District had to enter into the non-disclosure agreement and it must be complied with to the extent possible. When the PRA requires disclosure of documents the Park District will absolutely comply. The Park District has received a couple of PRA requests which are in process and will be responded to in accordance with the PRA as is the Park District's obligation. He respectfully disagrees with the notion that there has been illegality or noncompliance to date, as the Park District is trying to scrupulously comply with the law in all respects.

Commissioner Janow said it is in the Park District's best interest to always do everything properly with respect to all parties involved and that is the way the Park District is undertaking this process.

## **BOARD CONSENT**

### **APPROVAL OF MINUTES:**

Upon hearing there were no corrections to the minutes of the June 17, 2021 regular board meeting, Chair Janow stated the minutes stand approved as submitted.

**APPROVAL OF PAYMENTS: MSC: DeWitt/Kinney: I have reviewed the following vouchers, warrants and electronic payments and move that they be approved for payment.**

Batch Date	Fund Number & Name	Warrant Numbers	Total Batch Amt	Pre-Approved
06/22/21	001 General Fund 300 Capital Improvement Fund	21460-21494	36,000.05	06/22/21
06/29/21	001 General Fund 300 Capital Improvement Fund 310 Land Acquisition Fund	21496-21514	14,140.24	06/29/21
	001 General Fund (June Payroll)	EFT & 2828-2835	389,902.52	

**MSC: Kinney/Swolgaard: Move to approve the change of the promissory note into cash in the amount of \$100,000. Commissioner DeWitt abstained from the vote.**

Batch Date	Fund Number & Name	Warrant Numbers	Total Batch Amt	Pre-Approved
07/01/21	310 Land Acquisition Fund	Pre-approval	100,000.00	

**GENERAL BUSINESS**

**POTENTIAL PURCHASE OF BAINBRIDGE ATHLETIC CLUB: TITLE REPORT:** Park District Attorney Hayes Gori said under the Real Estate Purchase and Sale Agreement there is a title contingency. In the title report there are a handful of easements and road maintenance agreements, CC&Rs and the water service association agreement. Commissioner DeWitt said for the record the title report was not sent to him and he has not seen it. Commissioner Swolgaard said the title report references three parcels and yet the exhibit only shows two. Hayes Gori said he will clarify that with the title company. Under the Real Estate Purchase and Sale Agreement the title report is the one contingency where the Park District must give notice of approval or disapproval. **MSC: Kinney/Swolgaard: Motion to authorize the Executive Director to approve the title report and convert the earnest money promissory note to cash. Commissioner DeWitt abstained from the vote.**

**POTENTIAL PURCHASE OF BAINBRIDGE ATHLETIC CLUB: REVIEW AND DISCUSS FINANCING PROPOSALS:** Administrative Division Director Amy Swenson said the Park District put out a request for proposals for financing options and received four responses. The request for proposals asked for 5-, 10-, 15- and 20-year options with flexible repayment options and a 5-year interest only option. In reviewing the proposals staff looked for flexible repayment options, desirable rates, desirable fees, and the ability to refinance in five years, as the Park District may qualify for grants. Commerce Bank offered a 20-year note with five years of interest only payments, a 1.91% interest rate until 2035 after which there will be annual resets, and it is callable with 30 days' notice. The recommendation after reviewing the proposals is to move forward with Commerce Bank which will give the Park District until 2026 to make interest only payments and give staff time to thoroughly understand operations and explore grant and other funding opportunities. Alice Ost diek with Stradling Law Firm, who is the Park District's bond counsel, said Commerce Bank provided a formula in their proposal for the annual resets starting in 2035 that would be calculable as they are based on the 1-year federal home loan bank rate process spread. The entire loan would be callable at any time therefore it could be refinanced at any time. **MSC: Kinney/Swolgaard: Move to direct the Executive Director to pursue the financing with Commerce Bank on the 20-year note with five years interest only, callable with 30-days' notice with a rate of 1.91% until 2035 and annual resets for the remaining five years. Commissioner DeWitt abstained from the vote.**

Commissioner Janow said she is excited about this proposal. What it allows the Park District to do is have time to make the best use of the property and figure out the best way for it to work for the community. She is thankful that this opportunity

is well within the Park District's means. Alice Ostdiek said tonight's motion will allow for negotiation of documentation to proceed with Commerce Bank, which will come back to the board as a resolution that will need to be approved.

**POTENTIAL PURCHASE OF BAINBRIDGE ATHLETIC CLUB: UPDATE ON DUE DILIGENCE:** Park District Attorney Hayes Gori said there were several contingencies under the purchase and sale agreements. One contingency was the title contingency, another is the 30-day due diligence contingency that expires July 19, and then there is the financing contingency which expires August 2. Dependent on the due diligence, the closing date is scheduled for August 31. An appraiser is working on the business asset side of the transaction, and a separate appraiser is working on the real estate, land, and improvements. An inspector went to the property on Tuesday and is currently working on his report. The seller has produced several documents in accordance with the due diligence requirements of the purchase and sale agreements which are being reviewed. There have been meetings between Bainbridge Athletic Club and Park District staff to discuss operations, what retention of BAC employees might look like, and which contracts the Park District will want to assume. Both the Real Estate Purchase and Sale Agreement and the Asset Purchase and Sale Agreement were signed only two weeks ago, and the Park District is in the beginning of the due diligence process. The Park District is getting familiar with BAC operations and employees to determine the best way to use the facility. Commissioner Janow said the Park District is only 14 days into this process and there is a lot of concern and worry as well as hope, joy, and excitement; she asked the community to trust that the commissioners are hearing that. She asked for a little grace, trust, and common courtesy with respect to staff and the professionals that are working with the Park District. The board will make the best decision they can and values everyone's input and time and she thanked everyone for their courtesy.

**DETERMINATION OF FINALISTS FOR BOARD VACANCY:** Commissioner Janow said the community continues to amaze her in terms of its engagement with the Park District. There were ten applicants from all walks of life for this interim position and every applicant brought something wonderful to the table. Commissioner Swolgaard and Commissioner Janow, who sit on the Personnel Committee, narrowed down the field of applicants and would like to recommend two finalists. Commissioner Swolgaard said while the applicants were all good, the two finalists the Personnel Committee proposes moving forward with are JP Werlin and Asaph Glosser. Commissioner Janow asked if there is anything that the board wants to let the finalists know in advance regarding what they will be asked at the July 8 special board meeting. Commissioner DeWitt asked that the finalists let the board know what, if any, experience they have with public finance. Commissioner Janow said it has been recognized that the two finalists have both been regularly attending recent board meetings. **MSC: Swolgaard/DeWitt: Motion to invite JP Werlin and Asaph Glosser to come to the July 8 special board meeting to interview for the open commissioner position.**

#### **DIRECTOR'S REPORT**

**Recreation Division:** Recreation Division Director Mark Benishek said the recreation division has launched into summer programming in addition to increasing a lot of class enrollment levels in accordance with the Washington State Department of Health and Governor Inslee's adjusted guidelines. He gave kudos to the staff for all the work they have done adjusting programs and dealing with the extremely warm weather earlier this week. Active Adult Program Manager Sue Barrington's Story Walk program has moved from Sakai Park to Grand Forest East. The Grand Discovery program has generated a lot of interest due to the opportunity for multigenerational connection. Aquatic Program Administrator Megan Pleli has begun the search for a new Aquatic Program Coordinator. Interviews for the Bainbridge Island Swim Club Head Coach position will conclude next week. Summer swim lessons have been going well and a lifeguard training was held today. Marketing Coordinator Allie Smith is finishing up the fall catalog and kicking off the Park District's Farmers' Market booth. Community Outreach Coordinator Emily Swift launched the marketing campaign for the Sounds of Summer concert series today. Many positive comments and emails have been received in response to the Passport to Parks & Trails program offered this spring. Recreation Superintendent Bryan Garoutte said that Intern Parker Goss has been busy working sports camps and classes as

well as researching grants for the recreation division. Sports Program Manager Julie Miller's softball teams are grateful to be playing again. Many positive comments have been received from the parents of participants enrolled in the Ultimate Frisbee camp. A new pickleball instructor has been hired to teach classes for both kids and adults. Outdoor Program Manager Nick Prevo administered eight full camps this week. Next weekend will be a family backpacking trip to Lake Ozette. Gymnastics camps are going well, and classes are full. Youth & Teen Program Manager Shannon Buxton's All-Day Explorer Camp is full every week of the summer and even has waitlists. Red Cedar Café has offered a space for mural camp to paint this summer.

**Administrative Division:** Administrative Division Director Amy Swenson said the administration office in Strawberry Hill Park opened back up to the public today.

**Park Services Division:** Park Services Division Director Dan Hamlin said that a consultant has been selected from the request for qualifications process for the sail float replacement in Eagle Harbor. The National Park Service has added the Bainbridge Island Japanese American Exclusion Memorial to their system, they will budget for replacement of assets while the Park District will perform ongoing maintenance. A memorandum of understanding being developed will include NPS categorizing the assets in their inventory for cyclical replacement. In accordance with the Integrated Pest Management policy, staff is taking this opportunity to alert the board that an herbicide treatment is being used in the pea patches at Battle Point Park. After conferring with Kitsap County's Noxious Weed Coordinator Dana Coggen, staff has scheduled a treatment for July 8 to address the poison hemlock that was found. Pea patch users and neighbors have been notified and signs posted. There has been an educational campaign with the community to make everyone aware that fireworks are illegal on Bainbridge Island as of this year. The police are prepared to respond and will have extra patrols out to monitor parks. The KidsUp! Playground renovation is moving forward with the installation of the poured in place surfacing scheduled for August 18. The playground will probably open at the end of August or in early September. Work on the tennis courts resurfacing project should be finished tomorrow. Staff is aware that the tennis community is still eager to build tennis courts at Sakai Park. Five seasonal summer employees have been hired.

#### **UPCOMING MEETINGS & EVENTS:**

There is a special board meeting on July 8. After some discussion, the commissioners recommended that board meetings be a hybrid of Zoom and in person meetings starting with the July 8 special board meeting, pending the agreement of staff and the Executive Director.

#### **BOARD MEMBER ITEMS:**

- Commissioner Janow said that little league all-star games are currently happening at Rotary Park.
- Commissioner Janow said she is thankful for the parking spaces the City of Bainbridge Island put in on the side of Miller Road next to the Grand Forest. Park Services Division Director Dan Hamlin thanked City Public Works Director Chris Wierzbicki and his staff for going out of their way to work on this project.

**MEETING ADJOURNED** at 7:32 pm.


Helen M. Stone  
Terry M. Lande  
BAINBRIDGE ISLAND METROPOLITAN  
PARK & RECREATION DISTRICT

BY:   
Dawn Janow

BY: \_\_\_\_\_  
Board Vacancy

BY:   
Kenneth R. DeWitt

BY:   
John Thomas Swolgaard

ATTEST:   
Jay C. Kinney