

Craig McLaughlin

April 14, 2022

Amanda Babich, President
Steve Nixon, Commissioner
Maryellen Hill, Commissioner
Kurt Grimmer, Commissioner
Laurel Kingsbury, Commissioner
Ally Bujacich, Executive Director
Peninsula Metropolitan Park District
5717 Wollochet Drive NW #3
Gig Harbor, WA 98335

Dear Sir or Madam:

Thank you for Ms. Bujacich's letter dated March 25, 2022, in response to our second letter dated March 15, 2022. Our response is set forth below.

First Paragraph

Let us first clarify what our concerns are. In the first paragraph you state that you understand our "...concern seems to be based on the dollar amount spent by PenMet Parks at the Fox Island Fishing Pier and DeMolay Sandspit for maintenance and how the terms 'capital improvements' and 'maintenance' are defined." This is not an accurate statement.

Concern About A Dollar Amount

At no time have we expressed a concern regarding the amount of money being spent on PenMet's Fox Island properties. What we expressed in our second letter was "(f)unds should be allocated based on need and available resources." We stand by that statement and you'll notice that statement does not refer to PenMet's Fox Island properties, but to all PenMet properties. Our concern is not the dollar amount that has been spent on PenMet's properties, but the undeniable fact that all Fox Island properties (and several others as well) have substantial amounts of, as your 2022 Budget admits, deferred maintenance. In your first response dated March 10, 2022, you stated that you believed we were asking "...that PenMet direct a greater amount of its revenues to the Fox Island parks..." In this response, you are, again, insinuating that we are asking for more money. A far more accurate statement would be that we are asking that proper maintenance be conducted on all PenMet properties including those not on Fox Island to the extent resources allow. We are not expressing a desire, as you have now tried twice to characterize, that PenMet spend more money on its Fox Island properties or treat those properties with any kind of preference over any other PenMet property. What we are asking for is that proper maintenance be done. Deferred maintenance arises from either a lack of attention or a lack of resources in manpower, funds, or supplies. Which is the culprit for PenMet in its years long neglect of not only its Fox Island parks, but also some others as well?

Definition of Terms

You indicate that we have a concern about the definition of "capital improvements" and "maintenance." Again, our concern is not over the definition of these terms, but of the apparent lack of any capital improvements having been

made on PenMet's Fox Island properties (and several others as well). A simple definition of "capital improvements," for purposes of our discussion would be: Any expenditure beyond ordinary ongoing maintenance designed to improve upon existing facilities or to substantially extend the useful life of existing facilities. Craig, in response to a public record request he filed, obtained detailed information on what PenMet has shown as Capital Expenditures in its financial statements. A careful analysis of that information clearly shows that almost no significant capital improvements have been made on any of the Fox Island parks. In fact, it shows a \$350,000 transfer in 2016 to the Capital Project Fund for the DeMolay property which was to go to building a new caretaker's house and that money has yet to be spent—six years later. What continues at the Sandspit site are deteriorating structures as a safety concern, a blight on the park, and from a legal perspective, an attractive nuisance. As it stands now, it is readily apparent to any objective observer from a visit to the Fishing Pier or the DeMolay Sandspit that little to nothing has been spent on either property that fits the definition just given above. This is true despite years of ownership. This is also true despite the fact that PenMet's total levies on Fox Island homes have more than doubled since 2016 for a variety of reasons (increase in value, new construction, and notably the levy lid lift). Even with dramatically increased revenues, PenMet has not spent any material amount of capital improvements on Fox Island (and other parks as well).

Second Paragraph

In your second paragraph, you indicate that the numbers we included in our previous letter "...do not include any of PenMet Parks' staff time and expenses relating to maintaining and operating those parks." That may be a true statement insofar as it relates to staff time. Based on multiple personal observations, it is typical that your staff spends a few minutes at best opening the park gates and a few minutes closing them. Adding those few minutes each day would admittedly raise the numbers, but not materially so, and opening and closing the gates is not time spent on maintaining the properties. I'm not sure what you're referring to when you say "...and expenses?" What expenses of your staff would that phrase typically include? In looking at the detail contained in PenMet's accounting records, it is obvious that the vast majority of those expenses are not actual maintenance, but utilities like electricity, water, and septic systems. You mention that you haven't tracked the staff time nor the cost of materials used at each park. That statement, insofar as it relates to materials, is also put into question when looking at your Job Cost Detail Report for 2021 you recently provided to Peggy and Glenn where all of the entries are coded to particular properties. The numbers we gave you come from general ledger information PenMet provided that clearly shows Maintenance Transaction Detail by Account. That report shows expenses segregated by park, and we drew our number from what was allocated in your accounting system for the Fishing Pier and the DeMolay Sandspit. There is an account entitled "157 Field/Maint Shop" that has a \$105,075.00 balance for 2020. If you want to tell us what in that account applies to the Fishing Pier or the DeMolay property we would be happy to adjust our figure. As a final comment, we find it stunning that PenMet, which has been in existence since 2004, has yet to implement an accounting system that, according to your letter, does not track expenses by property. This system you are now contemplating is designed to "...enhance maintenance tracking and planning..." so is it fair to say you're not pleased with the current system either?

Third Paragraph

We basically agree with your third paragraph, but would like to note that, despite years of ownership of PenMet's Fox Island properties, none of the items mentioned have been done. Yes, some are in the 2022 Budget, but why has it taken years of ownership to put that info in your 2022 budget? The circumstances giving rise to your 2022 budget allocation have existed on the properties from the date of acquisition—and have only gotten worse over time. And why has the \$350,000 that was transferred into the Capital Projects fund never actually been spent?

Fourth Paragraph

We will respond one more time about the school district levy because this discussion is completely irrelevant to the discussion relating to PenMet's poor maintenance and non-investment in its Fox Island properties (and others as well). As we stated in our first response, with regard to the school district levy, we believe all Fox Islanders would agree that we are getting value for the money we pay for that levy. That is not the case with the money we pay to PenMet.

Fifth Paragraph

We never expected PenMet to support our request directed to the Boundary Review Board. When you did not offer to pass a resolution to the same effect that pretty well answered the question about any PenMet support.

Sixth Paragraph

You seem to have missed the point of our comments regarding fire service on Fox Island, and if that was due to poor drafting on our part, we apologize. If you were to cooperate and allow Fox Island to be de-annexed from the existing PenMet Park District, there's little doubt most Fox Islanders, if not all, would appreciate the opportunity both to improve the Fox Island Parks and to refocus some of the money now going to PenMet to the fire district. We weren't asking for PenMet to fund anything with regard to the fire district. We also weren't asking PenMet to advise anyone.

In closing, you say that "(w)e welcome feedback from all members of the public and hope you will participate in one of the community engagement opportunities..." We have an issue with this statement. We have asked multiple times to have a meeting with the full Board only to have those offers totally ignored. We've also invited the Board to a meeting on Fox Island where we can walk the properties together and have a discussion about their current condition. That offer was also totally ignored. We are all "members of the public" and we are seriously attempting to have an "engagement" with the Board, but it is clear that the Board is not going to meet with us. Attending an official Board meeting with a three minute limitation and virtually no Board feedback would be a useless exercise as we all know.

Going Public

As you may know, to gain jurisdiction of the Boundary Review Board, we need to deliver a petition signed by at least five percent of the registered voters on Fox Island. In order to do that, we have to bring the issues we've raised multiple times with the Board in our letters to the Board, in emails, and in face to face meetings to all of those living on Fox Island. We have developed a flyer that is now ready to be mailed to every postal address on Fox Island and that will be mailed very shortly. Once that flyer goes out, we will then actively seek the signatures we need. Given that more than 500 Fox Islanders signed a petition protesting the termination of the Park Host Program and given that we only need approximately 200 signatures to meet the Boundary Review Board requirements, we are confident we will meet the five percent threshold. Once the flyer goes out, we will not be able to control the narrative in the public arena.

Summary

Still again, we remain fully committed to our goal of meeting with the full PenMet Board to discuss the matters set forth above. And yet again, we'd like the Board to meet with us at the Nichols Community Center and to visit each Fox Island property together. That has been our goal from day one and remains our goal today.

Concerned PenMet Park District Residents (signatures applied electronically with consent)



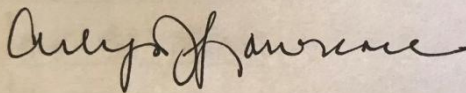
Craig McLaughlin



Allen Paul Templett



James Braden



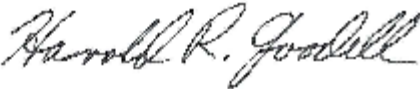
Arlyn J. Lawrence



Peggy Power



Glenn Hansen



Hal Goodell



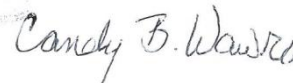
Lisa Stapleton



Howard Stapleton



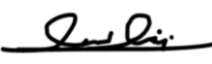
Rob Moore



Candy Wawro



Weston King



Miguel Martinez

(By email consent to include her name)

Gina Olson