

**BAINBRIDGE ISLAND METROPOLITAN PARK & RECREATION DISTRICT
WORK SESSION OCTOBER 1, 2015
STRAWBERRY HILL CENTER**

WORK SESSION TOPIC: 2016 BUDGETS

CALL TO ORDER: A quorum being present, the work session was called to order at 7:16 pm by Secretary Tom Swolgaard.

BOARD MEMBERS PRESENT: Ken DeWitt, Jay Kinney, Tom Swolgaard. Absent: Lee Cross, Kirk Robinson.

2016 General Fund Budget: Finance Officer Amy Swenson began by reviewing Park District revenues. Tax revenues are expected to increase in 2016 by approximately \$94,000 for operational needs, and for the first time since 2011, lid lift funds in the amount of approximately \$245,000 will be available for the development and acquisition of parks. (These tax revenue figures reflect the latest County projections superseding earlier estimates by park staff). Program revenues have increased by 71%, almost \$1 million, over the past ten years. Amy Swenson noted that despite the increase in operational tax revenues, the District will still need to draw from the reserve fund in order to maintain a status quo budget in 2016. Approximately \$65,000 will be needed from reserves in 2016 which is significantly less than the last few years and points towards the District's goal to end deficit spending. Amy Swenson presented tables showing a ten year history of tax and program revenues, surplus/deficit status, and District reserves. Amy Swenson said the District's reserve balance is still healthy and well above the amount required by policy. She reviewed the addition of several new cost centers in 2016, changes in revenue and expenses, and changes related to personnel costs. Some of the changes include a 1% COLA increase in 2016, a 6.75% increase for health insurance (negotiated down from 15.97%) and an estimated 10% PERS retirement benefit increase. Also included is a savings of \$150,000 that was set aside over past years to pay disputed COBI storm water management fees; these fees have since been dropped after a determination made this past year that the City's ordinance on SWM fees did not pertain to the Park District. SWM fees have been budgeted for 2016 since the City is rewriting its ordinance and the Park District will now be included. Amy Swenson presented computer and vehicle replacement plans, and updated the board on the status of two loans the District made to itself out of the reserve fund. The first loan of \$35,725 was for installing solar panels at the Aquatics Center. This has since been paid back out of energy cost savings resulting from this effort. The second loan was for mowing equipment that broke down in 2010. Instead of paying interest to an outside lender to replace the equipment, the Board agreed (in Resolution 2010-17) to fund a new mower by borrowing against the District's reserve fund and reimbursing it with annual \$11,200 payments out of the District's Vehicle Replacement Plan. Currently two payments have been made with last year's payment waived by the Board. This payment plan has been found to be burdensome since the Vehicle Replacement Plan has only \$40,000 in it, and with an \$11,200 payment each year there are not enough funds to address other vehicle needs. Executive Director Terry Lande asked the board to consider dropping the loan and requiring no further payments to reimburse the reserve fund. The board indicated general agreement with this; a resolution will be prepared for board action at a future board meeting. The board also indicated general agreement with the 6.75% health insurance increase. Amy Swenson then presented possible uses for the projected \$245,000 lid lift funds as discussed with the board at the 9/10/15 board meeting. Some of these include: annual payment to purchase/acquire Aquatic Center space previously used by the Boys and Girls Club; trail easement acquisition, funds towards the District's match for Hidden Cove Dock; electrical hookups for Fay Bainbridge Park campsites; drinking fountain at Rotary Park; Hilltop bathroom; operations related to taking on increased properties. It was noted that some lid lift funds (up to 25%) are permitted for operations since there are increased operational costs resulting from the acquisition and development of new parks. Following this, Amy Swenson presented a number of

grants that are being pursued by staff members for recreational programs and park amenities. Commissioner Kinney asked how the 1% COLA increase was determined. Amy Swenson said that while the District is still behind on cost of living increases, it is catching up, and maintaining the District's current level of health insurance was placed as a priority over a higher cost of living increase. In addition, she noted the District's priority to stop drawing on reserves for operational costs.

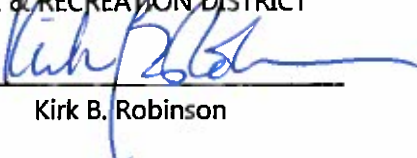
2016 Capital Improvement Fund Budget: Smaller capital improvement projects are funded in the CIF budget with \$168,500 from the General Fund and \$96,500 from lid funds (transferred from GF into CIF). Finance Officer Amy Swenson and staff presented proposed uses for these funds some of which include: re-paving the entry to Battle Point Park, assessing Fort Ward barrack erosion issues; Aquatics Center chemical control and fire system, Rotary Park renovation or shelter; removing the house at Williams-Olson Park as discussed in the 9/10/15 board meeting. The CIF budget also includes projects that are typically larger and funded through outside sources such as donations, grants, or bond funds. Some of these include: Owen's Playground at Rotary Park; Blakely jetty bridge, Sakai small property improvements, Hidden Cove dock.

2016 Land Acquisition Fund Budget: Lid lift funds designated for trail easement acquisition and the Boys & Girls Club payment are transferred from the General Fund into the Land Acquisition Fund and are included in the 2016 LAF budget.


2016 Bond Redemption Fund Budget: Finance Officer Amy Swenson said the budget before the board this evening is still a work in progress since the final documents have not yet been received that will indicate what the Sakai bond payments will be each year. She did say an interest only payment will be made in 2016 with the first actual payment on the Sakai bonds scheduled for 2017. The interest payment in 2016 will be made out of funds currently in the Bond Redemption Fund. Actual tax collection on the bonds will not begin until the following year in 2017.

WORK SESSION ADJOURNED at 7:56 pm.

Elizabeth R. Shepherd
Terry M. Lande
BAINBRIDGE ISLAND METROPOLITAN
PARK & RECREATION DISTRICT

BY: 
Kirk B. Robinson

BY: _____
Lee Cross

BY: 
Kenneth R. DeWitt

BY: _____
Jay C. Kinney

ATTEST: 
John Thomas Swolgaard