

BAINBRIDGE ISLAND METROPOLITAN PARK & RECREATION DISTRICT

WORK SESSION OCTOBER 2, 2014

STRAWBERRY HILL CENTER

WORK SESSION TOPIC: 2015 BUDGETS

CALL TO ORDER: A quorum being present, the work session was called to order at 7:33 pm by Chair Kinney.

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

Finance Officer Amy Swenson provided a review of the general assumptions used to prepare the preliminary 2015 budgets that are before the board this evening. While overall revenues are projected to be up this year by about \$492,669.00, expenses are also increasing. Payroll and benefit costs alone are going up by \$132,165 and this does not include the increase in health insurance that is anticipated. To meet basic operating costs, it is estimated that \$247,231.00 will need to come out of reserves. Because reserve funds are declining, Executive Director Lande made several recommendations to lower operational costs. He recommended that the cost of living increase in 2015 be 2% instead of the 3% discussed as a possibility at the last board meeting. He also suggested the board cap at 8% the total amount health insurance costs can be increased even if this results in employees having higher co-pays or deductibles. Another factor related to health insurance benefits is related to the District's current provider no longer including Harrison Hospital in its network of preferred providers. Following a staff meeting to gage the importance of this to employees, it was learned that staff has mixed feelings about this. Other efforts to cut costs include closing the Teen Center which is one of the District's more highly subsidized programs. Following discussion, the Board directed staff to include a 3% cost of living increase in the budget since District employees are still behind the CPI average as a result of having received no or minimal cost of living increases during a number of past years. The Board questioned whether an 8% cap in health insurance cost increases was realistic and directed staff to include a cap of 12% in the budget with the understanding efforts will be made to bring the price in lower. Discussion was also held about closing the Teen Center. The Board questioned what impact this would have on the kids who use this facility. Program Manger Shannon Buxton said the Teen Center is used by kids who don't feel there is a lot out there for them somewhere else, and it means a lot to them. While the participation numbers have declined over the past 10-15 years, there is still a core group of teens who use it. At the same time, she understands budgetary constraints and if the Board determines closing the facility to be necessary, she will work to see if there is another way to reach these kids. It was noted that the cost of running the facility is what is jeopardizing the program. With the building zoned for commercial use, the sewer fee alone is \$450 per month. Executive Director Terry Lande said this is an emotional topic. He said bringing this to the table is not a reflection of Shannon Buxton or the work that is being done. It is a question of whether the District can afford to operate such a highly subsidized program. Following discussion, the Board directed staff to keep the Teen Center in the budget saying these kids are important and need a place to go. They encouraged staff to involve the kids and Teen Center alumni to explore how the program can be run more efficiently. Amy Swenson also presented a number of other items that have come up that are not included in this evening's preliminary budget. Direction from the Board was needed to determine whether or not they should be added. These would affect how much would be needed from the reserve fund in 2015 and would be above the \$247,231.00 currently budgeted for operations. The following summarizes what the Board directed staff to include in the 2015 budget:

- Cost of living increase: 3%
- Cap on health insurance benefit increase: 12%
- Teen Center: do not cut this program/facility; include the approximately \$50,000 in the budget

- Hidden Cove Park dock: work to obtain \$290,000 funding match through alternative funding sources and aim to do the project in 2016 versus 2015 so more time is available to raise funds.
- Dog park: replace the \$3000 in the CIP Budget with \$20,000 and encourage fundraising efforts by the dog committee for the other \$20,000 (It was noted the committee's emphasis at this time is on education and that prior to opening another dog park, the committee wants to focus on resolving issues that come up at the SH Dog Park).
- Election costs: add \$50,000 to budget
- Intern stipend: add \$10,000 to budget
- Stormwater management fee: add \$50,000 to budget as placeholder until this issue is resolved
- Boiler: add \$50,000 to budget since it is questionable whether the District will be reimbursed under warranty or through the insurance company for the new boiler that defected this year and had to be replaced.

Finance Officer Amy Swenson then reviewed each of the specific budgets for 2015, the General Fund, Capital Improvement Fund, Land Acquisition Fund, and Bond Redemption Fund Budgets. She pointed out that the last payment will be made this year in 2014 for the Grand Forest/Gazzam bond.


In regards to next steps, the 2015 budget will be prepared for the first reading in accordance with the Board direction given tonight. The first reading will be held at October 23 board meeting at which time the Board will have the opportunity to make revisions. The second reading and adoption is slated for the November 6 board meeting at which time no further revisions shall be made.

BOARD WORK SESSION CONVENED TO REGULAR SESSION at 8:50 for an executive session on real estate.

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

BY: 
 Jay C. Kinney

BY: 
 Lee Cross

BY: 
 Kirk B. Robinson

BY: 
 John Thomas Swolgaard

ATTEST: _____
 Kenneth R. DeWitt