

BAINBRIDGE ISLAND METROPOLITAN PARK & RECREATION DISTRICT
WORK SESSION OCTOBER 11, 2011-2012
STRAWBERRY HILL CENTER

JUL



DeWitt

WORK SESSION TOPIC: 2013 BUDGETS

CALL TO ORDER: A quorum being present, the work session was called to order at 6:38 pm by Chair Robinson.

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

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Finance Manager Amy Swenson presented the preliminary 2013 budgets and began by outlining the assumptions they are based on. Some of these include: An estimated reserve balance of \$2,350,000 at the end of 2012; an estimated decrease in overall tax revenue of \$119,000; no lid lift tax revenue in 2013; an increase in program and park revenue; a CPI + 2.7 in Seattle/Bremerton area through August 2012; a 1% cost of living increase for employees; reclassification of four positions; a surplus of \$100,000 to carry forward from 2012 to 2013.

General Fund: Chair DeWitt said he is very impressed with how the budget has evolved over the years and appreciates staff's efforts to keep costs down. Finance Manager Amy Swenson reviewed the draft 2013 General Fund Budget saying it includes a 10% increase in medical health care insurance, but no or little increase in dental and life insurance/long term disability. An increase in PERS retirement funds is estimated at 2%; WA State Labor & Industry premiums are up; one fulltime position is not being replaced; a regular part-time position is moving to fulltime; a 1% COLA increase is projected at \$18,000. An increase in overall revenues and expenses is projected with expenditures exceeding revenues by just over \$100,000. In response to a board question, it was mentioned that District employees have not had a cost of living increase in the past two years since 2010, and that a staff recommendation for re-classifying several positions in 2010 following an assessment of District salaries was never approved by the Board. An employee study had been done in 2004-2006 to assess whether like positions in the District were being paid in a comparable manner, and again in 2008-2010 to compare District salaries to those of outside agencies. This second study showed that District salaries overall tend to be lower than comparable agencies. The City of Bainbridge Island is looking at a 2.7% cost of living increase in 2013. Commissioner Kinney proposed a 3% cost of living increase for District employees in 2013, saying this would amount to a 1% increase per year for 2011, 2012, and 2013. He said staff has made sacrifices the last few years and this would allow them to catch up with rising costs. It would cost the District \$18,000 per year per COL percentage. A 1% cost of living increase is included in the draft budget. To give a 3% COL increase would require another \$36,000 to be added. Board discussion followed during which it was noted that despite decreasing tax revenues over the past few years, the District's reserve balance has increased to over \$2,300,000 million, and that much of this is due to staff, and their willingness to cut costs and work harder despite the increasing workload that has resulted from taking on more parks with no additional resources. Some concern was expressed over the way any cost of living increase given this year would be compounded in future years. Other comments pointed out that the District's reserve fund is well over the amount the District had initially set out to build, and that the amount required to give District staff a 3% COL increase would have little impact on the overall fund balance. It was noted that the reserve fund must maintain an amount in it that is equivalent to three months of District expenses so that the District does not need to borrow as it once did to pay expenses during the first three months of the year before tax revenues come in. The Board also wanted to maintain an adequate amount in reserves to deal with additional years of possible tax revenue decreases, possible deferred maintenance plans, a contingency for major emergencies, and projects/opportunities that might come up that require a large outlay of capital. The Board was open to a 3% cost of living increase, but wanted to see 1) the impact this would have on the overall budget; and 2) a breakdown of the reserve fund identifying possible ways the reserve funds might need to be used.


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Capital Improvement Fund: This budget lists projects for 2013 that: 1) Maintain, upgrade or improve District parks and facilities with the \$200,000 designated for this purpose from the General Fund; 2) Are tied to alternate sources of funding such as grants or donations for larger projects; 3) Identify small development projects to be paid from lid lift funds which in 2013 will be zero. It was noted that the \$13,000 in expenses budgeted for the Kids-Up play structure will be paid out of the \$13,000 that was given to the Park District for this purpose when the Kids-Up organization disbanded several months ago.

Land Acquisition Fund: This fund has been designated for lid lift revenues and expenses related to the acquisition and/or development of park land. The amount remaining in this fund at the beginning of 2013 is projected at \$40,000 and is allocated for trail easements.

Bond Redemption Fund: This budget relates to voter approved bonds. Funds for this budget are collected and paid by the County with all payments mandated. One payment is due this year. The District is paying off two bonds; one will be paid off in 2014 and the other in 2018.

WORK SESSION ADJOURNED at 7:50 pm.

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

BY: 
Kirk B. Robinson

BY: _____
Kenneth R. DeWitt

BY: 
John Thomas Swolgaard

BY: 
Jay Kinney

ATTEST: _____
Lee Cross

