

BAINBRIDGE ISLAND METROPOLITAN PARK & RECREATION DISTRICT
BOARD WORK SESSION October 19, 2023
BAINBRIDGE ISLAND RECREATION CENTER

WORK SESSION TOPIC: 2024 Budgets

CALL TO ORDER: A quorum being present, the meeting was called to order at 6:21 pm by Chair Kinney.

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

General Fund Budget Summary: Administrative Division Director Amy Swenson said the General Fund is estimated to have a beginning cash balance of about 7 million dollars in 2024. The entirety of the interfund transfers budgeted for in 2024 are for the Capital Improvement Fund. If everything budgeted for is spent in 2024, reserves will be reduced by about \$262,000.

General Fund Budget Substantial Changes: Due to the last levy lid lift that was passed by voters in 2021, property taxes will increase with the June number for the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for Seattle-Tacoma-Bellevue through 2027. For 2024 that means a 4.5% increase. Even though a 4.5% increase can be asked for, the collection of 75 cents per \$1,000 of assessed value maximum is still in place. The projected increase in property tax revenue for 2024 is \$442,000 which includes new construction. Program fees for Bainbridge Island Recreation Center are projected to increase by \$299,000. All other recreation budgets are projected to increase by a total of \$153,000. The cost-of-living adjustment is proposed to be 4.5%, which is based on the CPI-W. The Washington State minimum wage will increase to \$16.28 per hour in 2024, however all Park District positions start above the minimum wage. Changes in expenses include an additional \$122,000 subsidy for the new adaptive recreation department, with the objective of making recreation accessible and inclusive for all. Recreation Division Director Madison Collins said adaptive recreation opportunities are important for the wellness of not only individuals but families and communities. The new full-time staff person will focus on new and current programs for people with limitations as well as looking at facilities and trails with attention to accessibility. General personnel costs for 2024 include the proposed 4.5% COLA for full-time and regular part-time staff equaling about \$211,000. Health insurance was negotiated down to a 4.5% increase equaling about a \$49,000 increase. Other payroll changes will have a minimal effect on the budget. Changes in the 2024 budget expenses include an increase in legal fees and property and liability insurance fees.

Capital Improvement Fund Budget: Park Services Division Director Dan Hamlin read through the proposed Capital Improvement Fund projects for 2024. The other funding category for the Capital Improvement Fund includes grants and donations. Executive Director Terry Lande said he heard from Bainbridge Community Tennis Association that they have raised a considerable amount towards the new tennis courts at Sakai Park. Under grants and donations is a line item for renovating the tennis courts at Battle Point Park into pickleball courts with money raised by the pickleball community. There are several electric vehicle charging station grant opportunities that staff will be pursuing. The Strawberry Hill Park batting cage project will make softball more equitable with baseball as softball currently does not have a batting cage.

Land Acquisition Fund Budget: Amy Swenson said the money in this fund is from the levy lid lift in 2008 when the Park District was required to set aside a certain amount of money for development or acquisition. She proposed that instead of transferring money into the Land Acquisition Fund in 2024 let the balance get spent out that is restricted. That way future boards could move money out of this fund without restriction. Commissioner Janow said that was a good idea.

Departments: Amy Swenson said that the administration department includes accounting, human resources, planning, executive services, IT, and vehicles. There are no major changes other than an increase for both legal fees and insurance. Commissioner DeWitt asked if given the vast increase in public records requests that the Park District is having that are requiring attorneys if it is a realistic increase for legal fees. Terry Lande said that part of legal fees needs to be monitored closer next year so that staff has better data to work from. The budgets for all-day camp, the Teen Center, and adult art programs are now being overseen by one staff member. The aquatic department subsidy has come down, but time is

needed to build the program up. Madison Collins said the staff at the Aquatic Center is incredible, but one cannot put a number on risk management, so investments are being made in staff, training, and equipment. Amy Swenson mentioned that swim lessons did well in 2023. Commissioner Janow said she understands there were no waitlists for swimming lessons this year. Madison Collins said there were some, but they are trying to hire more staff to keep up with the demand. Bainbridge Island Recreation Center staff are thinking creatively, examining systems, and setting realistic goals. Membership levels are good, and staff are looking to increase them. Amy Swenson said staff are investigating a bubble for the BIRC pool for when the Ray Williamson pool is shut down for renovations and to be able to offer year-round swimming opportunities at BIRC. Commissioner Janow asked how the monthly memberships are thought about as opposed to day passes. Madison Collins said in 2023 they were lumped together in the budget, but staff are trying to do a better job on the back end to track that. Commissioner Kinney asked how the 2023 budget actuals compare to what was projected a year ago. Amy Swenson said that staff planned for a larger increase in revenue than was actualized. For the first five years of the bond repayment, the Park District is paying \$250,000 for interest only. After five years, the Park District must start to make the million-dollar principal payment. In 2024 staff are projecting a \$631,000 surplus plus the \$250,000 interest payment. In 2024 BIRC will be about \$150,000 short of making enough money to cover the principal payment two years before it must be done. Also, the Capital Improvement Fund budget has been designed so that big BIRC projects will be done in case money has to be pulled out for the principal payment. Commissioner Janow asked if the surplus from 2024 would be set aside. Terry Lande said it will go into reserves, which could also go towards any amount that has to be made up in the future on the principal payment. Commissioner Kinney asked when BIRC will be paid off. Amy Swenson said 2040 is the year BIRC will be paid off. Commissioner Goodlin asked if the surplus is going into reserves in addition to the three-month operating reserves and Terry Lande said yes. Commissioner Kinney said that when BIRC was purchased there was criticism that the Park District would lose money. When you buy a business, you must pay something for it. Even if the Park District runs a deficit on the BIRC for a period, once the loan is paid off the Park District will be making a lot of money. He appreciates that the staff is trying to make this work, but he does not think that staff should have anxiety about pulling money out of reserves to make the principal payment if that ever needs to happen. Commissioner Swolgaard said the Park District is not in this for profit, the Aquatic Center is subsidized. Terry Lande said the staff's job is to make sure the board is comfortable with the plan staff wants to execute. Once the bond is paid off the Park District will be able to take the BIRC profit and use it for other things like purchasing land or whatever is needed at the time. The BIRC is a great business model and purchasing it was a brilliant idea. Commissioner Kinney said also, the public loves it. Terry Lande said BIRC is serving every demographic on the island. Commissioner Janow said she understands that the price point is high to put a bubble over the BIRC pool but asked about the potential revenue generation. Terry Lande said staff are researching that. Commissioner DeWitt said what he sees for the bubble is lessons in the fall and winter particularly for younger kids. Terry Lande said the Silver Sneakers insurance program may be transferred to Peerfit which will increase revenue without having to add clientele. Commissioner Janow asked about the deferred maintenance repairs and equipment costs for BIRC. Dan Hamlin said deferred maintenance is being budgeted for and Madison Collins said money is set aside for equipment. Commissioner Swolgaard said that the Park District is not in the business of losing money either and commended staff for their hard work on the budget. The creative services department is planning for minimal increases mainly to cover COLAs. Terry Lande said that staff are looking into putting out an electronic recreation program guide. For the gymnastics department the difference in revenue projected is due to plans to reinstate birthday parties, implement more open play time, and teach more classes now that there are more staff available. Commissioner Goodlin asked where the main gym is for gymnastics. Recreation Superintendent Bryan Garoutte said there is one at the high school and the Transmitter Building. Commissioner DeWitt said all the equipment at the high school gymnastics room belongs to the Park District. Commissioner Swolgaard asked if the high school facility is too small. Bryan Garoutte said the program could expand with a bigger facility. The outdoor department budget is standard, and staff are looking to increase class offerings. Park Services has an increase in subsidies,

mostly for utility costs, gasoline, vehicle budget, and maintenance supplies. The recreation administration budget is basically the overhead for recreation division management, customer service, and the new adaptive recreation position. Commissioner Goodlin asked if there is a way to cut down on credit card fees. Madison Collins said it is on the list to talk about. Commissioner Swolgaard asked if the Park District spends the amount put aside for Helpline House vouchers every year and Amy Swenson said typically, but not during the COVID-19 pandemic. The sports department is projecting an increase in revenue due to more outdoor tennis and pickleball programs. Most of the changes in the youth and adult enrichment budget reflect pulling out all-day camp and the adult arts programs.

Commissioner Janow asked if staff has looked at on island resident vs off island resident fees so that the taxpayers can be rewarded. Madison Collins said she will be looking into it in the next year.

Commissioner Kinney said that the budget does not include 50-100 million dollars for a bond to build a field house and a pool. He asked for verification that it is the intention of the board to not go out for a bond for capital improvement projects in 2024. The board established that both of those items are intentionally not in the budget. Commissioner Kinney said that the board tabled the idea of doing a public opinion poll to see if there is support for a bond measure to fund one or two large capital improvement projects and asked if anyone wanted to bring that up again at this time to put it in the 2024 budget. No commissioners indicated support for that. Commissioner Goodlin said that if the dynamic changes it could be brought up again at a later point, and the budget modified. *He @ JCL Det*

Commissioner Swolgaard asked if staff are trying to get grant funds for the Student Conservation Corps. Dan Hamlin said SCoCo was expanded to three sessions this past summer which is the maximum that can be handled by current staff. The staff is looking into expanding at other times of the year. Commissioner Swolgaard said his concern is that this last year there were kids that were not able to participate. Terry Lande said that although there were waitlists, all the kids that were hired got to participate for at least one session. Commissioner Swolgaard said it is such a great program and more kids need to be working and be outdoors to learn about the environment and he does not want to leave anyone out. Commissioner Janow said along those lines she was excited to see the Park District had a few interns this past summer and she would support any additional ways to incorporate interns. Madison Collins said she is excited to be taking on the Park District intern program in 2024.


MEETING ADJOURNED at 7:43 pm.

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

BY: 
Jay C. Kinney

BY: 
John Thomas Swolgaard

BY: 
Dawn Janow

BY: 
Kenneth R. DeWitt

ATTEST: 
Tom Goodlin