

2018 Budget Notes – 2nd Draft

Levy Revenue

1) Total levy receipts = \$1,330,025, up @ \$78k over last year.

Per Financial Management Policy #2760:

- a. 2015 = \$1,123,638
- b. 2016 = \$1,226,996
- c. 2017 = \$1,252,180

Average = \$1,200,938 for levy revenue distribution

Reserves are fully funded per Policy 2760 – 3a:

Permanent Reserve = (\$166,000 + \$129,087 (Excess Funds) x 75% + \$88,847). Operating reserves from 2017 decreased from \$175k to \$166k with Fern Cove bid result in November.

Capital Reserve = (\$166,000 + \$129,087 (Excess Funds) x 25% \$29,616). Operating reserves from 2017 decreased from \$175k to \$166k with Fern Cove bid result in November.

Operating Reserve = Total Gross Cash – Total Allocated – Permanent Reserve – Capital Reserve. Operating Reserve of \$30,828 covers \$13,720 for the contingent “Dome” Pool-Winter Budget and \$17,108 toward programming. Remember, Kelly is working the pool during the winter season. I do not have the staff or the software to fully bring on recreation programming above the pool, ski school, sailing camp, BARC programs (if we get the grant), the existing Ober renters, and the 2 new recreation guide mailers to go to all of Vashon twice next year. We must ease gently into rec programming while we work out the kinks of the year-round pool.

Fee Revenue

No user fee increase per January, 2016 – Motion to increase user fees 5% rounded up to the next \$.25 effective January 1, 2016. After December 31, 2016, user fees will be increased by 5%, rounded up to the next \$.25, when the cumulative CPI for the Puget Sound region reaches 5%, or every three years, whichever occurs first. At no time will user fees exceed the median amount of the fees paid for similar services in Park Districts in King and Pierce Counties.

CPI 2016 = 2.3; CPI 2017 = 2.5

Increased user fees by 5% in P&F, Commons, Pool, Lodging.

Administration

- 1) Other Income = levy interest, misc income
- 2) Wages = all staff wages up 2.5% relative to Seattle CPI per policy. https://www.bls.gov/regions/west/news-release/ConsumerPriceIndex_Seattle.htm
Sue is the only exception. She was hired as a front desk assistant at \$16/hour. She now is our full-charge bookkeeper, managing payroll, payables and receivables, King County reports. Industry average = \$24.74; recommend \$21/hour for Sue.
- 3) Kelly’s salary is apportioned to the Pool – Winter budget as a percent of the \$22,000 management salary allotted to the Pool – Winter budget.
- 4) Payroll Taxes = All down 6.2% due to taking out Social Security in favor of PERS.
- 5) Health and Retirement Benefits =
 - a. Health insurance up from \$888 to \$913 per month per person.
 - b. Eliminate 3% IRA contribution; add 12.7% PERS contribution. Net increase to VPD (from removing Social Security and IRA contributions = 3.5% of total wages).
- 6) Education/Training – WRPA conference
- 7) Contingency/Election = 2016 Accountability audit.
- 8) Insurance = increase of \$.75 per hour per person for increased volunteerism and recreation programming.
- 9) Telephone = gets billed to the individual cost centers now.

Maintenance

- 1) Revenue = down \$5k in 2017.
- 2) Extraordinary Maintenance = changed from \$4k to \$1k, since capital fixes should fall under the capital reserve. Was only \$200 in 2017.
- 3) Equipment Rental = Add \$3k - in Interlocal negotiations, we agreed to take over paying for the porta potties at VISD at McMurray and the Stadium.
- 4) Equipment Repairs = Up \$2k - despite only spending \$3k in 2017 (budgeted \$6k), Jason is concerned about the condition of the mowers and a likely increase in breakdowns. The largest mower is in very bad shape and needs a professional look-over.
- 5) Telephone = Up \$3200 - phones charges are now allocated to each department/facility rather than all being charged to Admin. Too, switch to Comcast has resulted in far superior service but at a higher cost.
- 6) Outside Services = Up \$6k
 - a. Storm drain clean-outs at BARC, Jensen Point, and VES. This is a more high-pressure inspection requirement of King County (\$3k).
 - b. Septic system pump at Jensen (\$1k).
 - c. 4th of July Security (\$2k).
- 7) Utilities = Up \$2k due to high summer water bills for Ober due to the new irrigation system.

No new equipment, deferred maintenance, or capital projects accounted for in this budget.

Commons

- 1) Outside Service – down \$50k due to Interlocal agreement.

Programs

- 1) Only Concerts in the Park represented here, as Ski School and any new Ober program will be cost neutral.
- 2) Tools and Equipment = \$1500 grant match for the new stage and canopy.
- 3) Advertising/Marketing = \$10k Recreation Guide for mailing to all Vashon mailboxes twice a year.
- 4) BARC program assumed to be covered by a grant in 2018. Grant request is for \$36,000.

Pool – Summer

- 1) Budget set as expected for the 2017 summer season.
- 2) Scott's salary is apportioned to the Pool – Winter budget as a percent of the \$22,000 management salary allotted to the Pool – Winter budget.
- 3) Defined "Summer" as May – Sept based on Dome permitting change allowing Dome up for only 6 months, not 9. Will have to swim outdoors in September. Increased part-time labor to accommodate a longer "Summer" season. Wages/taxes up \$5800.
- 4) Over-estimated General Supply needs at \$11,100, as supplies will be spread throughout the year rather than just summer. Average summer for 2017 was \$1671/month, anyway. Decreased budget by \$2745.

Pool – Winter

- 1) As defined by the Board in 2017. Note that evaluation of the Dome budget will consider October – December of 2017 and January – June 2018 in the context of a full season and \$54,280 of the budget total. October – December 2018 is the start of the second Dome season.

Point Robinson

- 1) Revenue = average of last three years was \$92,000; added \$1k for incentive growth.
- 2) Caretaker rent = considered an increase, but this renter has only been there since April and is excellent – does so much more for security and cleanliness above standards.

- 3) Extraordinary maintenance = moved \$6k fence project to Capital Reserve to replace Quarters' fence – rotting and falling apart.

No deferred maintenance or capital projects accounted for in this budget.

Fern Cove = Assuming the septic fix will be completed by end of December, 2017.

Other/RFA = RFA donations carried over from 2017.

Debt Service

- 1) Lodging Bond – last payment is June, 2018.
- 2) VES Restroom Loan – last payment is June, 2018.
- 3) No TAN.