

VASHON PARK DISTRICT BOARD OF COMMISSIONERS

MEETING MINUTES

Ober Park, Performance Room, 7:00 pm

DATE: Wednesday, November 5, 2014

Commissioners attending: Bill Ameling, Scott Harvey, Doug Ostrom. Lu-Ann Branch and Joe Wald were absent.

Staff attending: Elaine Ott, Robin Miller-Thomas, Kit Malone.

ISSUE	DISCUSSION AND OUTCOME	FOLLOW UP
Call to order & agenda review	The meeting was called to order at 7:03 PM by Scott Harvey.	
	<i>(The recording secretary apologizes for any misspelled names.)</i>	
Brief History	<p>Scott: This meeting is about user fees and a reserve that would be tied to user fees. There will be no discussions tonight about Fern Cove or Pt. Robinson. Those items will be on the agenda next week.</p> <p>Bill: Fern Cove and Pt. Robinson are nowhere in the current fee policy. I requested last week that the reserve be a separate topic from the user fees.</p> <p>Scott: That was not my intent.</p> <p>March Twisdale: There is a line that exists between publically and privately funded services. First priority is those who are on the edge. VPD must remain for the common people. Struggling families need to have access without much cost. Those with little should have something. We are paying for this without tax dollars</p> <p>Elizabeth Ripley: Parks are supported by my taxes. Poorer residents have to have access. Raising the cost of services will put many people out and they would be overly impacted. I speak from the theater/arts programs. It will price people out of existence.</p> <p>Scott: <u>Brief History</u>: In 2013, the State Auditor came in and questioned the financial strength of the Park District. In 2014, they came to another conclusion that we had financial problems. We needed to wean ourselves from TAN's. Also we needed a financial plan. A finance committee was convened and came up with a two-year plan. The need for a reserve: 1) why not business as usual? Two people/banks who would have granted us a TAN didn't. Elaine got a TAN. It's harder to get financing. Credit has changed significantly. 2) The economy has changed drastically. Next year will be better. Economists are saying that 5</p>	

years after the recession, not much has been accomplished. We cannot count on borrowing our way out. We have many expenses. VES fields have a 5 year life. Maybe we can get 20 years out of it. Agren needs something soon. There is a dispute about Tramp Harbor. These are things that happen on a regular basis. VES would love to have lights. We shouldn't have to borrow here and there. Fundraising has been a total bust. It's nice if it happens. The best way is to build a substantial reserve to meet our needs.

User Fees: If you truly need higher fees, make sure that your costs are defensible. We have different venues that raise as little as 7%. I want 1) time to adjust fees to also get us to an ultimate goal of reserve. 2) We need it to be equal in dollars to what the TANS have been. Look at my user percentages in my handout. I got my numbers from Elaine and Jason.

Performing Arts: Even with allowing for staffing, Ober park is making a substantial profit. If we are to be equitable, the users of Ober Park should pay less. Year after year, it has been the pool that collects 72% of what it costs to operate. I believe that user fees should be increased. We are talking about being inclusive and I want to make sure that everybody is included. There is no way someone should pay 7% and others 82%. No group should subsidize another group. Everybody has to pay their fair share. The VPD should not price anyone out of being a user. Any fee schedule should provide for access for those who can't afford it. I think the users should decide what will happen. You figure out how to make the fees work. I won't micromanage each sport.

Bill: According to Board Policy, no one person speaks for the Park District. Scott's presentation was one man's opinion. I totally disagree with 75% of what he said. The budget will not be settled off the backs of users. In 2016 there will be lots of money. There is nothing in our mission statement about having a reserve. Business as usual got us what we have now. We do not have to raise user fees to balance the budget.

Doug: I am one of the Board members. Scott made repeated mention of a TAN. It is a pay day loan. TANs are not typical for Park Districts. We get the money ahead of when we need it. It is like getting money on the first day of work. The Park District has routinely used TANs to finance itself. I think that we should get away from it and establish a reserve. It seems prudent. Nobody runs on a zero balance. I want some kind of user fee to cover that difference. The typical situation is that users are getting a subsidy from taxes. We are expecting to make a tiny dent, not cover all costs. The levy is what we need. All these things were relevant before the VES fields improvement began.

Scott: This has been a terrible recovery. The model that we have operated on has changed. If we don't change, we will suffer in the future.

Bill: When Doug says we are subsidizing programs, you would have to determine the property values of the tax payers involved. The fact that someone has a big piece of property, the big guy subsidizes the little guy. Be careful. The reserve has nothing to do with access fees. It will take votes from three Board members to pass anything. What should be on the agenda are access fees only. We do not use access fees to finance the Park District. Access fees are for what is over and beyond 50 cents per \$1000 per person.

Donna Baxter: You said that VPD has a 2-year plan. Does that include using user fees?

Scott: They were increased slightly. We want not just a balanced budget, but a reserve. A TAN is a matter of timing. Because of the way we collect our funds, we need a TAN to fill the gaps. If we have a reserve then we don't need a TAN. I think 300K would be a good reserve in 3-4 years' time, 25-30K per year tops. User fees would account for no more than 25%. User fees alone would not make up for this. I'm not suggesting that user fees should account for all of the reserve. I am not suggesting that we would raise anything nearly that substantial. It is not fair for Paradise Ridge to pay a certain percentage and others to pay differently. If all were at 20-25% that would be fair.

Donna: On the surface that looks fair. Different parks have different percentages of incidental use. Some of the parks have a ton of incidental use. Their percentages will never look the same as others. It is not equitable in reality. Some have a small user group; some a lot.

Scott: That's what this meeting is all about. You have raised valid points.

Donna: It is not easy to stick user percentages in a box.

Tom Kropple: I am involved with the youth baseball program. Thank you for your public service. My question regards the expenses of the pool and Ober Park. Does that expense include depreciation? Some do not have much depreciation.

Bill: This is a government agency. We don't pay taxes, so there is no depreciation.

Tom: What would the deficit per user be? Some have a gigantic number of users and some do not. I agree with the idea of a reserve. My complaint would be to put it mostly on the backs of users. That will fall disproportionately on those on the bottom.

Scott: Income is just one way of doing it. We also have rentals. I agree that some groups are huge and some are small. The VES fields are used by 800-1,000 people. If each paid an additional \$2, that would help. BARC has less than 50 users. I think we will work all that

in.

Tom: It is curious that you started out saying that user fees are tied to the reserve.

Scott: I took it upon myself that we would do nothing about user fees until we held this meeting. The user fees need to be raised to bring in more income. This is just one part of our income.

Sam Van Fleet: I am a fitness instructor. I have to say we utilized a reserve with the water association that Scott and I were on. Parks needs some peace of mind. We care. I trust Scott. The nuts and bolts, I am not sure. Don't charge more for those who are the faithful.

Julia Montenay: I will say that I have a couple of decades of experience in non-profits. In non-profits, we always have a reserve. I support that. Parks are so important. You have to follow the mission statement. Parks are for the people. An extra \$2-\$4 per week is a lot of money. If this were a non-profit, we would not put user fees in the reserve. I would like to see this run like a non-profit.

Candy McCullough: I used to be the president of the Swing and Dance Club. I also represent the Social Dance Club. I'm not opposed to paying something. What is the overall budget?

Scott: A million dollars.

Candy McCullough: 108K in user fees is 10%. That makes sense on one level, but my thought is that we have to find a way to make it affordable for all. There has to be a way to allow for people who do lacrosse or baseball. There has to be a way to cover it. I think that one of the things we can do is get more users at Ober Park. I would be happy to contribute to the fields where we are losing money. There has to be an opportunity for us as a community. We can't expect all to pay their "fair share". Reserves will be many years in the making. If you raise fees for a family of three and they have to pay \$15 per kid and now you want to raise it to \$17 or \$18. You will decrease your users by increasing your fees. Scholarships are a good idea. This meeting is a great service. It sets the path for some good will in the future. The fire district used to be the bastard child, and then you came along. You may end up dropping your income

Don Burke: I am a volunteer that takes care of Burton Acres. I take it that Jensen and Burton are lumped together. One of the missing columns is the capitol investitures that each has. Jensen was built at some expense.

Scott: Trash, water electricity.

Don: The large building is not being used for anything. Somebody is being favored.

Bill: At the Rowing Center the people who use it pay for all of the maintenance in lieu of sending money to VPD. Those boats are very expensive. So the use of the boats is used in lieu of rent.

Don: The Youth Program is a small part of the program.

Colby Atwood: I am the president of the Rowing Club. Youth accounts for 60% of the usage.

Don: The Park District has not contributed any money to the Center for a long time.

Doug: Don is one of the reasons the expenses are so low. Many parks have an absence of expenses due to the volunteers. At Burton it is close to 100%.

Bill: How many users pay a fee?

Don: None

Bill: So are you subsidizing walkers in Burton Park? There is nothing here on Lisabeula. So, the point is this, you pay 50 cents to walk on the beach.

Amaka Vokel: I think that the Parks Department should be accessible for everyone. For the people who run the classes here, the profit margin is tight. I teach Shakespeare. We do it for the love of what we are doing. I am concerned that the thing that you can grab hold of is user fees. Be careful with that because it is on the edge.

Rich Wiley: I represent Drama Dock with my wife, Sue. You affect our bottom line significantly. We rehearse here. Boy, are we a non-profit! No grants or contributions. Other than that we rely on your facility to produce our plays. Keep the user fees as they are now. We hope that our productions give Island people some diversion.

Hans: I teach youth soccer and our primary concern that any increase in user fees will edge out users. It is a regressive fee. It hits low income harder. Keep it affordable.

Robin McGonnigle. I have 4 kids and we total 20 user fees. I also coach soccer. I put in a lot of hours coaching. I can't afford to have the user fees raised.

Unidentified Woman: Has there ever been a reserve?

Bill: Before 2008, we had a reserve. In 2008 and 2009, we needed to use the reserve. Our revenues were down 25%. I could show everyone here that in 2016 we can put money in the reserve and have no user fees. Now, we need 100K in capitol to finish the project. In 2016, there will be no more in capitol. Last year we got 50K more than the previous years. We can put plenty of money in the reserve. We are sound financially. We pay TAN's back. Say I take 300K and I put it in a reserve, I am going to get 1% on it. Mr. Hackett said that the purpose of the Board is to do what is best for the people of Vashon, not for the Park District. We have to concentrate on our mission and improve the lives of the people on Vashon.

Unidentified Woman: the impact of raising fees is tremendous. A lot of user fees are paid by non-profits. We also pay property taxes. We take that hit and have to come up with more money for user fees.

Scott: Who should pay more? The people from my perspective that use Ober Park pay significantly more than their share.

Unidentified Woman: User groups are different in size. Also, there are many corporations that generate larger amounts of business than other parts. There is a fixed cost to run a park district.

Kim Davis: Volunteerism is key. There are countless volunteers at Paradise.

David Hackett: I have had way too much involvement with user fees. I had a concern that some groups were paying and some weren't. My goal was to bring equality to the District. I was told why some paid some fee and others something else. I put out an actual proposal. Bill said, "Let's get rid of user fees," and that led to equality. We tried an experiment with donations. We determined that \$15 per sport per season was fair. It's a lot of money. It was what youth sports said that they could afford. It was to be imposed on all groups. But, not all user groups paid. Think about equality. You can go back to zero or collect fees on an equal level. I would commend you if you can do it. The system just isn't broke. We have a reasonable level of staffing. It is working pretty well. Why are you trying to stir up this hornets' nest again? Stop trying to stick it to certain groups, especially the kids.

Janet Quimby: I use Paradise, Ober Park, and Burton. I am speaking for myself. I want to offer some suggestions more focused on how to build this reserve. It's a lot more expensive when the Park District tries to do a capital project than if volunteers do it. It is never too early to have that discussion with kids. Lots of people are stretched. We have a lot of talent

on the Island. Can some maintenance be accomplished by volunteers? Nothing in our insurance says that volunteers can't use the equipment. Where is Jason comfortable? Second, by contract, you are talking about prevailing wages. An in-kind contribution. Another thing: take a hard look at what it costs to impose user fees. It costs \$24 to cash a check in another district. I suspect that we spend a lot of money in processing fees. Let's be cost effective. I would suggest that you return to the successful projects where volunteers are used. It will benefit the whole community. You have a written agreement with the Horse Association. You have to keep faith with your users and not blow off agreements to build funds. We had a very vibrant program here before the recession.

Mary O'Brian: I use Paradise where there is equality by the Hackett System. \$15 per child per season. The same fee is assessed to the children at Paradise. That is not equality.

David Chomper: I represent the people who have lived here less than a month. What is the interest on a TAN, 3%?

Scott: We are in pretty good shape this year regarding the TAN.

Cici Stone: This is what a public meeting should be. I would love it if there were no fees. Is it equitable? It costs more to operate some of these parks. Users should invest in the parks. The amount of time it takes to do some of these things and there is competition among them. What you are left with is what you have to spend—new lawn mowers, etc. Elaine is trying to look ahead and anticipate the cost, so are the Commissioners. Let them make adjustments that are reasonable. We'll be fine if we don't have to take down the Tramp Harbor Dock.

Scott: I agree with Bill for a 150K rainy day fund. We should pay as we go. With the restrooms and new trucks, we shouldn't have to worry. I like David's idea about equitable user fees. If we have enough money sometime, I can see no user fees.

Susan Jones: I would like to say that a reserve fund is a good idea. I think that we should stay together as a community and not pit one group against each other.

John: I am with the School District. The reserve was allowed to get too low, so the superintendent left.

Bill: Money is almost free in this day and age. If we have excess funds, we invest it with the County. In the School District, Oct and May are on the levy. Otherwise they get money from the State.

Gay Judson: Is there a consensus on the reserve vs. the TAN.

Scott: The majority here want a reserve. How many people want their user fees increased? If user fees are changed then it will be a small increase. I can see us raising no money at all. Some still will pay more than less.

Unidentified Woman: That is based on your perception of fair.

Another Unidentified Woman: I think that most people would live with the fees that we have. The question is: are fees being collected from everyone? Some are not and that's not fair. We have to make sure that the Park District collects the proper fees. There has to be some accountability.

Unidentified Woman: It is so arbitrary as to what is fair. The soccer team will have a different use from the pool. I go to Paradise and I use this beautiful covered arena. Some go to Burton to walk their dogs. There are so many factors involved in "equality". It is arbitrary.

Candy: We don't charge for incidental users.

Unidentified Woman: I have not been to Jensen Park. My point is: what is the user fee for at Jensen?

Elaine: For major events.

Unidentified Woman: How could we expect that Jensen Park equals VES?

Scott: The wear and tear on fields differs from groups to individuals. The teams like the grass cut. My dogs don't.

John: Every one of us is a dog person at Burton.

Unidentified Woman: Dog people pick up after their pets. Horse people don't.

Capt. Joe: There is no kiosk for you to come to at Pt. Robinson. We don't charge for tours. I was the one non-Board member on the Finance Committee. If there is some unfairness and inequity in the fee schedule, we needed to examine it in public. This meeting is exactly what I hoped we would have. What do you want out of your Park District? The VPD is only as good as the rate payers who pass the levy and the next election is where three seats come up. The quality in what we get in the way of the Park District is only as good as the people we elect. Thanks for coming.

	<p>Unidentified Woman: We don't charge more for the field than others. It is a per player fee at all the fields.</p> <p>Candy: Fair is a relative term. Fair is providing the services and facilities for the people who have the need for the use. We need to make it so that all people have access. If you have 4 kids, you should pay a maximum of \$30.</p> <p>Bill: How would you go about constructing a user fee?</p> <p>Candy: Leave them as they are and reduce it for people having problems. You can't fund needs by dollars and statistics.</p> <p>Unidentified Woman: Decrease user fees and go for the levy. Make it \$.52 cents and lose user fees.</p> <p>Scott: It is 9:00 and we are adjourned. Our next Board meeting is next Tuesday.</p>	

Respectfully Submitted by:
Mary Reeves