

VPD Budget 2017 Assumptions

Levy Revenue

1) Total levy receipts = \$1,252,792

Per Financial Management Policy #2760:

a. 2014 = \$1,050,520

b. 2015 = \$1,123,638

c. 2016 = \$1,226,996

Average = \$1,133,718 for levy revenue distribution

Reserves - Policy 2760 – 3a:

Permanent Reserve – [$\$25,000 + (\$100,000 \text{ 2016 carry-over} \times 75\%)$] = $\$25,000 + \$75,000 = \$100,000$

Capital Reserve = [$\$25,000 + (\$100,000 \text{ 2016 carry-over} \times 25\%)$] = $\$25,000 + \$25,000 = \$50,000$

General Comments

- 1) Fee Revenue – no percent increase. Per 1/12/16 motion, fees will be increased 5% when the cumulative CPI reaches 5% or every 3 years. 2016 CPI was 2.1%.
- 2) Regular Employee Staff Wages - budgeted to Board approved ED 5% increase; Maintenance Director 2% plus ED discretion from 4% bucket; all others at ED discretion from 4% bucket. Note: 4% bucket is on 2016 regular employee total wages less ED.
- 3) Did not budget for TAN renewal in July, but note that September cash is uncomfortably tight relative to meeting financial obligations.

Admin

1) Personnel - 2 FTE + Full benefits

NEW: .75 Office Assistant = \$13.56/hour at 30 hours per week + .75 benefits (individual + 50% family per policy). Will start in January – needs to be rock solid comfortable with deposit system, RecPro, and Quickbooks to be fully competent by the time the pool opens. Add \$21,153 wages; \$13,655 benefits.

2) Health Insurance – 12% increase 2017, add \$1080.

3) Education/Training – Board education, add \$1000.

4) Advertising/Marketing – 2016 Budget for Community Survey, save \$30,000 2017.

5) Computer/Technology – Upgrade wiring for IT, add \$2,000.

6) Contingency/Reserve/Election – November Commissioner election for 2 seats, add \$13,000.

7) Insurance – Enduris rate increase 1.9%

8) Professional Fees – more Marie time (board meeting attendance and best practice development), add \$1,000.

9) Printing & Copies – lease expires June, 2017. Will purchase new printer and not renew lease due to poor service – add \$6k.

10) Telephone and DSL – spreading to maintenance, pool, commons, and lodging.

Maintenance

1) Personnel - 5 FTE + Full benefits; ½ of Robin

a. Jason = job title change to Maintenance Director

b. Shawn = Lead Maintenance

c. Seasonal worker May - August

2) Health Insurance – 12% rate increase + 3 employees added dependents. Add \$13,500.

- 3) Materials - Fertilizer, grass seed, field paint, infield mix, infield condition, gravel, sand for topdressing, lumber.
- 4) Tools and Equipment – sod cutter \$5k
- 5) Equipment Rental – add \$1,000 due to:
 - a. ADA units at all parks
 - b. New units at Ober, Lisabeula, Agren
- 6) Equipment Repairs – we keep this relatively high, as we never know what will happen with the old equipment: mowers, weed eaters, attachments for the tractors.
- 7) Telephone – add \$4800 (assigning to individual parks and cell phones previously budgeted to Admin).
- 8) Outside services: Top dressing June and October, add \$5k; Terminex; Backflow prevention; fire extinguisher testing.
- 9) Vehicle Maintenance – we keep this high due to the old trucks still in use.

Commons

- 1) Personnel - 3 Employees, .75 + very part time. ½ of Robin charged to Commons, ½ to Maintenance
- 2) Telephone – Add \$1009 (formerly budgeted to Admin).
- 3) \$100k payment to School District pushed off to October in full rather than breaking it up June and December. VISD agreed to this as a gesture to help with our cash flow and not renew the TAN.

Programs – (Concerts in the Park)

- 1) Professional Fees
 - a. Carry-over \$500 from 2016 for Portage Fill concert that was cancelled due to weather. Will start season with Portage Fill.
 - b. Increase budget extra \$500. Has not seen an increase in 4 years – getting harder to attract good talent.

Pool – Operating

- 1) Personnel – .75 + seasonal.
- 2) Revenue – implementing “non-Vashon resident” rate. Scott felt this would not be appropriate for the general admission rate, as it would be too unwieldy for the cashiers to ask everyone for ID to establish residency. Traditionally, he has seen non-resident rates applied to season passes and punch cards and feels it would be quite appropriate to tack on a 25% increase here for non-residents. His experience is that non-residents using a pool are typically doing so as a preferred form of exercise and often buy punch cards for use during their stay.
- 3) Wage increases – 4%, add \$2903.
 - a. Low wages contribute to difficulty in attracting and retaining staff. Kids can get better jobs elsewhere. Too, the new culture for college entrance is not demonstrated industriousness; tendency toward “worldly experience” – seeing the world, volunteerism, etc.
 - b. New model: smaller staff with more hours. Makes for a more attractive “summer job.”
 - c. Will start hiring practices earlier. If we do not receive applications by March, will return to the prior structure. We anticipate experienced returnees this season.
 - d. Staff will sign employment agreements to avoid flake-outs in August.
- 4) L&I – budgeted at the higher rate but may come down with establishment of a separate UBI.
- 5) Benefits – healthcare costs up 24.6% due to age level. Add \$1682.
- 6) General Supplies – need to replace chemicals and diatomaceous earth (done every 2 - 3 years), add \$4,000.
- 7) Additions to 2017 Pool budget (over 2016)

- a. Mileage - \$300.
- b. Education and Training – NRPA Aquatics Conference, add \$1500.
- c. Advertising - \$500 (employment ads; Transfer from Admin budget).
- d. Computer/IT Services - \$500 (Transfer from Admin budget).
- e. Telephone - \$1200 (Transfer from Admin budget).

Point Robinson

- 1) Revenue same as 2016 actual
- 2) Personnel – add summer help for maintenance - \$2500
- 3) General small increases in education, materials, extraordinary maintenance, tools and equipment.
- 4) Furnishings
 - a. Oven – existing oven is in poor shape - \$500
 - b. Loveseat – existing is stained and looks terrible - \$500
 - c. Queen bed – existing in Quarters B is a full size, not a queen. We have mattress – need box spring and frame - \$700
- 5) Outside Services
 - a. Carpet Cleaning - \$600 (has not been done in over 3 years)
 - b. Dry Cleaning Curtains - \$150
 - c. Clean vents – \$1,000 (in 2016 we cleaned out dead mice, causing us to refund guests for the foul odor emitting from the vents)
- 6) Telephone – add \$2400 (transfer from Admin)
- 7) Utilities – this keeps rising as is variable cost (more rentals means more furnace time, etc).

Fern Cove

- 1) Revenue – same as 2016 actual
- 2) Personnel – add summer help for maintenance - \$1500
- 3) Telephone – transfer from Admin.
- 4) Outside Services – Clean vents \$1,000

Pool CIP

- 1) King County Youth Sport Facility Grant match requirement - \$28,391.

RFA/Other

- 1) Extraordinary Maintenance - \$10,000 to VIRC (semi-committed to them in 2015 for fundraising for the Jensen boathouse remodel)
- 2) Printing – reprint Walking Trail book - \$3k
- 3) Carry over \$500 from 2016

Debt Service (Bonds/Loans)

- 1) No Musco Lighting!
- 2) Truck Lease thru 2020; Tractor Lease thru 2021
- 3) VES financing thru June, 2018
- 4) TAN assumes no renewal in 2017; \$200,000 borrowed in January, repaid end of April = 4 months at 4.25%
- 5) Lodging Bond only

Discretionary Items:

- 1) Pool CIP – We will not be able to apply for the RCO Youth Sport Facility Grant with a match requirement of \$150,000 unless we fundraise for it. The Letter of Intent was written prior to having figured the reserve requirements per Financial Management Policy #2760.
- 2) Ober roof REALLY needs to be replaced. Filling with water.
 - a. Mezzanine for sure.
 - b. Two front trees – clogging gutters; lifting up concrete walkways (ADA); likely going to harm building foundation if it hasn't already. At least investigate this.
Estimate: \$100k - \$120k
- 3) Agren road regrade. Estimates: Jake Johnson \$20k; Greentree Dozing \$8500
- 4) New Mower - \$15k. Two present mowers are constantly breaking down. Three of five are really old.
- 5) Ober irrigation system. Estimate: \$14k
- 6) Point Robinson Road regrade. repave the asphalt road (potholes; surface is spidering and breaking off on the edges) - \$50k
- 7) Gallery at the lighthouse (walk-around at top) is deteriorating underneath. Safety hazard. If starts to chip off, we will have to close the lighthouse tours. Potential 4Culture Grant. No response for quotes.