

2020 Budget Notes – Draft 2

General

- Levy - 2020 Property Value = 3,371,151,006, x .45/\$1,000 = \$1,517,018. Draft 1 was \$1,525,432. Believe it or not, my 45 cent levy projection last spring was \$1,517,020!
- See attached “Preliminary Levy Limit Worksheet
- Must vote to approve the resolutions for the levy by 12/2. Attached.
- Carry over \$575,000 from 2019. Draft 1 was \$566,000. It will probably be more, but best to be on the conservative side.
- Inflation - up 3.2% over 2019
- No fee increases; generally assumes flat revenue (fee increase scheduled for 2021 to be discussed in June, 2020).
- Wages – up 3.2% per the Seattle-Tacoma-Bellevue CPI-U
https://www.bls.gov/regions/west/news-release/pdf/consumerpriceindex_seattle.pdf

The following are significant changes relative to 2019:

Admin

- Computer – up \$5k – (\$4k in draft 1) need to upgrade all to Windows 10 and upgrade several antiquated systems.
- Contingency - \$20,000 will be from the November election and will actually be taken out of our levy dollars. This was budgeted in 2019 so is a carry-over from 2019 (reflected in increased cash).
- Insurance – up \$14k over 2019 (up \$12k Draft 1 – add 2 new trucks). The following is Enduris’s explanation: “Each Pool member’s policy year 2020 base contributions increased between 10% to 11% for property and auto physical damage coverage and between 5% to 7% for general liability, crime and named position coverage. Individual member contributions may be negatively impacted by loss experience (losses in the last 5 years) and are directly impacted by increases or decreases in exposures (changes to property values, vehicles, or worker hours/emergency runs).”
- Professional Fees – added the Fire District fee here - \$4148. Add additional \$20k for legal fees – Tramp Harbor Dock.
- Printing – added \$2k for printing the Walking Trail Guide. (confirmed no need in 2020).
- Property Tax – I have not been informed yet about when the credits will hit for the SWM fee reductions we are entitled to. Therefore, I budgeted assuming they will not hit in 2020.

Maintenance

- Summer temps – 2 @ 40 hours x \$20/hr
- Education –
 - Herbicide licenses – included in budget. We use herbicides sparingly. Continue doing this? No sense getting licenses if we are going to stop doing this. Not doing so means we must plan ahead and resurface the sport fields every 10 – 20 years, depending upon the weed population.
 - Playground Safety Certification expires April, 2020.
- Materials – We did not buy seed, did not top-dress, did not lazer grade infields at VES, cut back field products in 2019 due to levy failure. This budget brings us back to normal operations.
- Tools and Equipment –
 - Included in the budget is a leaf vacuum attachment to the mower (\$4,000) to more efficiently sweep up and mulch leaves throughout our parks. Currently, the process takes 2

- guys, utilizing a borrowed School District leaf vacuum, which is often broken, and we have to fix it. Currently 12 man hours, 1x per week for 6 weeks in the fall. Reduced to 2 man hours, 1x per week for 6 weeks. Pays for itself in 2.5 years.
 - Included in the budget is a back-up irrigation pump for VES Fields. We have had to have the present one rebuilt twice, and it always happens in the middle of the summer. Not having a backup could cause significant damage to the field.
- Utilities – does not include the new VES Fields lights. Will we be charging the sport groups for this? We reviewed the minutes from that time, and this issue was vague. Scott Harvey was adamant that we not spend a dime on the project but unclear if that meant utility costs going forward. We estimate @ \$168 per month for 6 months. We do not charge the horse association for their light use in the covered horse arena. Found Doug’s resolution. **Added lighting fees of \$168 per month revenue for October – December.**

Commons

- Interlocal payment - \$75,000, up from \$62,500 in 2019. **You asked when the current Interlocal Agreement expires – June 30, 2022. It will automatically extend for another 5 year term unless either District votes to terminate the current agreement at least 90 days prior to June 30, 2022.**

Programs

- **\$50,000 general budget + \$25,000 carry-over from 2019. We only spent \$11k of the \$35k KC grant due to staffing problems and Eric making more revenue from camps than anticipated. We just learned we can extend the unused \$24k into 2020. This will pay for BARC programming again.**
- **While the budget total, then is \$75,000, \$22,000 of this is BARC wages and payroll taxes. That leaves \$53,000 for programs. Eric agreed to moving \$25k to Capital as a result of this grant savings. The Rec Program budget will be \$50k, items for 2020:**
 - BARC
 - Low Tide Celebration
 - Sailing Camp
 - Ski School
 - Concerts in the Park/Dark
 - Movies in the Park
 - Recreation Guide

Pool

- I would really prefer just one budget.
- Revenue – kept it flat relative to 2019, with hopes of increases due to Randy’s new initiatives. Comments from Randy regarding Revenue:
 - I want to get back to pre-school lessons after Xmas during the day. And to re-vamp the summer lesson program. I kept everything the same how Ann did it ... and it obviously was a money pit. Numbers were down from the previous summer, and I don’t know why.
 - Punch cards are a great deal, with a free swim for every 4 purchased. I think that the current daily prices are comparable to other area pools. We have a very regular and consistent lap crowd. But it turns out that the majority of the users get the ‘Senior’ rate (1/2 price). So maybe make it a free swim for every 9 purchased??
 - There were the late night swims sponsored by VARSA. But they’ve dropped out due to a lack of attendance, despite substantial advertising. I’m having a hard time envisioning alternate options for that right now.

- All the camps/groups we had last summer are returning. Vashon Kids will be getting a price bump this year. They've been getting a screaming deal for awhile now.
- Wages -- Minimum wage increases to \$13.50 on January 1. Of 23 part-time pool staff, 7 make \$12.00; 5 make \$12.50; 3 make \$13.00; 8 (the adults) make \$14.00. It seems reasonable to give those at \$14 an increase relative to the mandated increases for the others. On average, the total part-time staff will be increased 10%.
- Winter Supplies – with the new 2019 forecast from October, I budgeted too high for 2020 – reduced \$4k.
- Equipment – Up \$3k due to the following needs noted by Randy:
 - Thermal cover –We use three covers, but likely don't need to replace all three.
 - Water pump – for getting the pooling water from off the bubble when it gets lowered
 - Non-gas-powered pressure washer – for cleaning deck and bathrooms
 - Backup supplies for lane ropes – cables, connectors, etc. We've been lucky that none have broken so far!
 - New backstroke flags
 - Fans needed in filter and acid rooms

Doug asked for usage numbers from 2018 to 2019. Revenue has dropped significantly. See Randy's report.

	<u>2018</u>	<u>2019</u>	
Program Revenue (swim lessons, open swim, lap swim)	\$29,000	\$16,000	Down \$13,000
Rentals (Seals Swim Team)	\$26,000	\$20,000	Down \$6,000

Point Robinson

- Revenue – represents the average of the past 5 years.
- No other significant operational changes

Fern Cove

- Revenue – mirroring 2019
- No other significant operational changes

Capital

- Per our Public Art Policy, all capital projects require 1% of the cost be dedicated to an art installation. That means we need to do something for Agren that costs \$2500. Either that, or change the policy.
- Village Green Entry - \$3,000
- Lighthouse Modifications – \$5,000
 - Per the terms of the Coast Guard lease.
- Ober Park playground replacement project
 - \$175,000 grant
 - VPD Outlay = \$40,152
- VES Restroom
 - \$60,000 grant
- 2 Trucks – we absolutely MUST replace the 2 20 year old vehicles. The breakdowns are posing safety concerns.
 - Ford 150 – for manager, because he does not need to haul things as often \$28k
 - Ford 350 with dump bed \$37k

- We are effectively left with ~~\$138,000~~ \$146,125 for additional capital projects. Please see Strategic Plan Capital Improvement Plan “High Priority” items. Over and above the budgeted capital projects, to be honest, I do not feel I can take on managing much more than that -- particularly in light of Tramp Harbor Dock.

New high priority items:

- Point Robinson Barn needs new roof – rot on window sills
- Tramp Harbor Dock – it’s decision time!!! Pressure coming on hard from the State.
 - Dock replacement will require a thorough engineering study asap - \$10,000 - \$20,000
 - Collapsed “parking area” – undetermined if this is on us or King County Roads