

VASHON PARK DISTRICT (VPD) BOARD OF COMMISSIONERS

MEETING MINUTES

Teleconference, 7:00 pm
DATE: Tuesday, November 10, 2020

Commissioners attending: Hans Van Dusen, Bob McMahon, Doug Ostrom, Abby Antonelis, Karen Gardner
 Staff attending: Elaine Ott-Rocheford

ISSUE	DISCUSSION AND OUTCOME	FOLLOW UP
Call To Order – Review Agenda	Hans called the meeting to order at 7:00 p.m. and reviewed the agenda. The agenda is reorganized by Elaine to start with the Local Taxing District – Projected topic.	
Public Comment	No public comment.	
10.27.20 Minutes; 10.26.20 – 11.7.20 Preliminary Vouchers	Bob: Motion to approve the 10.27.20 VPD Board Meeting Minutes and 10.26.20 – 11.7.20 Preliminary Vouchers. Doug: Second.	Motion to approve the 10.27.20 VPD Board Meeting Minutes and 10.26.20 – 11.7.20 Preliminary Vouchers; Pass 5-0
Local Taxing District - Projected	<p>Elaine:</p> <p>Since our last meeting, we have learned a couple of things about the state of the levy rates on Vashon:</p> <ol style="list-style-type: none"> 1) Per the Preliminary Levy Limit Worksheet, we have learned that the total assessed value on Vashon is approximately \$3.3 billion. Value is down \$43 million from last year, which means none of the District rates will be eroded this year, and the same for 2021, but our levy dollars will go down. 2) We have learned that the Hospital District is taking \$0.52 cents per \$1,000 of assessed property value, though they campaigned that they would take \$0.40-\$0.45. I do respect that they didn't take the full \$0.75. <p>So how does that affect us?</p> <ul style="list-style-type: none"> • Currently, there is \$0.57 leeway. • We can assume the Fire District is going up to the top again with a \$0.02 increase. • That leaves \$0.02693 leeway – we will not be pro-rated in 2021. • If the Library District and King County Roads pass ballot measures in 2021 (both County-wide), VPD will be broke in 2022. I don't know about timing on when these would be happening, based on COVID. 	

	<ul style="list-style-type: none"> • If just the Library District increase passes, we will be hit \$0.15 cents, which is 1/3 of our levy dollars. • If both the Library District and the King County Roads increases occur, VPD funding and the Cemetery District's funding is wiped out, along with \$0.02 of the Hospital District's funding and nearly \$0.07 of Fire District's funding. <p>Pretty much all the local taxing Districts, aside from the Library District, would be affected. It is more ammunition for VPD to try to get out of the local taxing District funding bucket, and hope our bill passes with the State Legislature. I will be contacting Joe Fitzgibbon about that in the next few weeks. About a month ago, I had a conversation with him, he said that he is slated to get a new bill number in December. The Flood Control Zone appears to be protected at \$0.25 and would not be affected. The key is to get the State bill passed. There is another pro-rationing situation with the Peninsula Metropolitan Park District (PenMet) outside of Gig Harbor. They are a metropolitan district, but I have been in discussion with them about how to join forces.</p> <p>If this does not go through, our other options are an Excess Levy, which has to be voted in annually by the public, which would be difficult to maintain. The other option is to go to King County for a buy-down.</p> <p>Hans: There is no down-side to approaching the County about how their increases will hurt us or wipe VPD out financially, including the 80% of the community. Joe McDermott, Dow Constantine, and the Council should at least keep us informed.</p> <p>Elaine: State Lobbyist, Doug Levy, at the Washington Recreation & Park Association thinks VPD's odds are good that the bill will pass.</p>	
<p>2021 Budget</p>	<p>Elaine: 2021 Budget Notes</p> <ul style="list-style-type: none"> • Regarding the levy: As stated, assessed property values are down \$43 million from last year; Again, VPD's rate does not erode, but we get less. VPD is slated to get approximately \$1,497,413 for 2021; The 2020 amount was \$1,517,518, so, 2021 is down \$20K and \$40K from our forecast • By November 30th, VPD must officially state and submit the attached Resolution and Ordinance forms to King County: <ul style="list-style-type: none"> ○ Resolution/Ordinances 20-35, 20-34, 21-52 <p>Doug: Motion to approve and submit the attached Resolution and Ordinance forms, as presented. Bob: Second.</p> <ul style="list-style-type: none"> • I have received the attached Preliminary Levy Worksheet from King County, and it shows that levy dollars are down from \$1,497,413 to \$1,488,651 (another \$8,762) • The property values for Vashon are consistent with information provided by the King County Dept. of Assessments. Sales prices from 2019 to 2020: Land value in sales are down 9.2%; Improvements (meaning houses) are up 2.6%; Total collective value is down 1.2%; Comparatively, King County home values went up 10.5% over the past year and are expected to increase 8.5% in 2021; In Unincorporated King County, the assessed value was up 4.87% from 2019 to 2020; Vashon was an 	

anomaly

- At the last meeting, we determined that we had an extra approximate \$300K, due to this year's cash carry-over; I was tasked with looking at various combinations of capital projects, wage increases, and increased recreation programming relative to future forecasts, particularly concerning our ability to sustain wage increases over the years; I looked at the forecasted Unincorporated King County assessed value to see if our levy might go up or decrease over time

		Assumed Vashon Total assessed value:	Seattle CPI-U
• 2021	1.18%	3,327,584,519	2.29%
• 2022	1.88%	3,390,143,108	2.74%
• 2023	3.20%	3,498,627,687	2.56%
• 2024	-1.51%	3,445,798,409	2.81%
• 2025	-1.28%	3,401,692,189	2.76%
• 2026	-5.42%	3,217,320,473	2.64%
• 2027	1.31%	3,259,467,371	2.71%
• 2028	-2.22%	3,187,107,199	2.73%
• 2029	3.49%	3,298,337,237	2.69%

- Unincorporated King County assessed value was up 4.87% from 2019 to 2020; Forecasts:
- These forecasts drive my assumptions about 1% increases for VPD's levy dollars in 2022 and 2023 but indicated long term flat levy dollars if we stay at a \$0.45 rate in future levies
- Unfortunately, our beginning cash is less than what we anticipated at the last meeting – we assumed we were going to carry-over approximately \$870K; Since I have been Executive Director, our insurance company, Enduris, has since changed their policy of allowing Districts to split the payment relative to cash flow because they had an issue with an audit; So, VPD had to pay in full an extra \$45K in November 2020 for a total \$90K; As such, the 2021 budget is down \$45K. Additionally, our October receipts were short about \$30-\$40K; We should assume \$800K starting cash instead of \$870K
- I looked at the forecasted Seattle Consumer Price Index for All Urban Consumers (CPI-U) to get a sense for cost of living increases: https://www.bls.gov/regions/west/news-release/consumerpriceindex_seattle.htm; I came down from the \$50K bucket to a 5% increase, a 4% increase, and a 3% increase; VPD can sustain a 3% increase, but more than that eats away at our \$400K reserve after September 2023; As such, I cannot recommend wage increases more than 3%; Going forward, I believe that VPD will have to follow the CPI-U for wage increases, at the most, as long as we are at this levy rate; We will need to consider that for the next levy cycle, or make other budget adjustments
- This budget assumes that Marshall will go back from half-time to full-time in January, though that may not happen if COVID numbers do not change; When COVID began, he had hesitancy about being at the properties, but that has changed over time, and it would take a lot of pressure off of Eric, so that he can focus more on recreational programming
- Sue - assume 17 hours per week through March

- Health going up @ \$200 per person
- Election/Audit/Contingency - 2 board position elections & audit
- Insurance - up about \$10K over last year
- Walking Trail books - \$3,000
- Maintenance: Budgeted revenue was reduced by approximately \$10K due to the assumption that COVID numbers will not change before March; In terms of wages, the budget assumes that Jason will be out through August, so there will be no Maintenance Lead position until then. I added the Gate Attendant payroll to the wage assessment
- Materials - only one topdressing due to light use
- Vehicle Maintenance - three trucks need new tires
- Commons: revenue was reduced relative to the last budget draft, as I assume very few inside reservations through March, though there will be field use
- Inter-local fee: Vashon Island School District (VISD) was very gracious about discounting the fee in 2020, but field use is picking up; I assumed the ordinary fee, but I will push for a discounted fee if use is still low
- Recreation Programming: Vandalism is a constant problem at the Burton Adventure Recreation Center (BARC); We would like to staff it 32 hours per week at \$15 per hour Wednesday through Sunday; Otherwise, the open building is a haven for drug and alcohol use; The reservations are proving this successful, and the BARC staff are satisfied; The BARC stewards are supportive of the reservation model; This draft budget increases wages by \$25K, so that Eric can plan more activities
- Misc. Programming - see attachments
- Pool – no budget changes since last meeting
- Assume full service in summer, although unlikely
- January through April will likely have lap swims & family reservations, but lifeguard costs are still the same for the number of hours open; This budget draft assumes normal hours, just lighter attendance; Fall season is assumed to be normal
- Supplies - up \$3,750:
 - Uniforms -- \$750
 - Swim Equipment (Boards/ buoys / clock) -- \$600
 - Lifeguard Supplies -- \$600
 - New Radios -- \$400
 - FA/CPR/AED Mannequin kit -- \$1400 (The ones we have are not very functional)
- Tools and equipment - up \$3,155
 - Chemical Room Fan -- \$475
 - Boiler Room Fan -- \$500
 - Mower Blade -- \$30
 - Elevated Guard Chair Maintenance -- \$350
 - Signage for Doors -- \$100
 - New heaters w/ re-wire for locker rooms -- \$500

- Stenner Pumps x2 -- \$350 each (as backup when current ones fail)
- Point Robinson – no budget changes since last meeting
 - Extraordinary Maintenance - add 4 6-foot picnic tables
 - Furnishings
- Keeper’s Quarters A Lower Bathroom:
 - Tile 600 - Seal on existing linoleum failed and the flooring needs work
 - Sink 500 - current model outdated
 - Light + attachments 200 - current model outdated
 - Mirror 250 - current model outdated
- Keeper’s Quarters B
 - Tub 700 - badly chipped
- Fern Cove – no budget changes since last meeting
 - Extraordinary Maintenance - extra \$700 for tub re-glaze
 - Furnishings - High capacity washer \$1,300; High Capacity Dryer \$1K; Current units (donated in 2016) are aging out
- RFA: I added a scholarship budget of \$5,004 based on trend of past 3 years average; I sent an adjustment to the policy and a new application; We have had conversations about not relying on donations, but having low-income discounted fees; I have spoken with our attorneys, and it is possible; The Washington State Constitution prohibition on gifting public funds, exempts “matters which are deemed necessary for the support for the poor and infirm”, but there is no definition of what constitutes poor and infirm; If we establish a reasonable policy definition of low-income, then we can gift public funds, but it does have to be based on tax returns rather than the previous requirements we have had (i.e. Apple Health card, EBT, Orca Lift, etc.); The auditor said that she is not aware of Districts that do not have a donation-based subsidy; I believe that Seattle Parks & Recreation does what we are proposing, so I used what they do as a model for this policy change; Qualifying income guidelines are based on King County’s free-and-reduced USDA Child Nutrition Program that is applied in school districts; VPD would give a 50% discount for what is considered “reduced” meals and a 75% discount for what is considered “free” meals; This is consistent with other Districts; I do not know the percentage breakdown of the two categories at the Vashon Island School District, but the total between the two, the percentage is approximately 21%; Scholarships will continue to be on a first-come, first-served basis for only Vashon residents, and applications are only applicable for one calendar year; I can take this back to the auditor to confirm that this is legitimate

Hans: I would like to see all of our user groups adopt something similar.

- Capital Improvement Projects (CIPs)
 - VES restroom \$66,067 outlay; \$60k grant income
 - Ober Playground - \$175k outlay; \$175 grant income; \$22,718 outlay
 - Lighthouse safety modifications - \$5k outlay
 - Village Green entry - \$800

- Added scheduled CIP for 2021:
 - BARC Field Regrade \$20K
 - Burton Acres/Wingehaven Ivy Remediation \$60K
 - Fern Cove Dormer Repairs \$10K
 - Fern Cove Painting \$22K
 - Fern Cove Foundation Repairs \$30K
 - Ober Park Roof Replacement \$75K
 - Ober Park Sidewalk \$10K
 - 1 Truck \$32,500
 - Tramp Harbor Dock Survey \$10K
 - Park Kiosks \$10K
- We don't really have CIPs after 2021. We have \$62K budgeted for 2022, and nothing budgeted for 2023. I recommend cutting back CIP until we have a better sense of where the economy is going. We could drop:
 - BARC Field Regrade \$20K
 - Ober Park Sidewalk \$10K
 - Ober Park Roof Replacement \$75K

Bob: If the roof is leaking, it could lead to a lot more expense in repairs.

Elaine: We can continue to patch it, but in the long term, it will need to be replaced.

- Other Desired/Potential to Consider:
 - Add Tramp Harbor Dock?
 - Pool Needs:
 - Exterior parking lights - engineering report estimated \$42K
 - Hot water heater - \$10K
 - Natural gas burner for the boiler - \$11K
 - Repair of the solar system - ?? (not crucial, as one side still is operational)
 - Slide - ??
 - Patching or resurfacing the bottom - engineering report estimated \$232,573 for a full refinish of the pool liner. Just patching adds \$5K, as it requires draining the pool (need hydrologist to measure groundwater level; cost to drain; cost to refill)
- Other Budget Considerations
 - I did not figure in the likely \$1/2 million we will get from King County for the sale of properties
 - A new round of King County grants are coming up - need to think about that
 - Our 2021 forecast goal for ending cash was \$400K. Potential big ticket items for \$300K:
 - More recreation programming
 - More CIP (but consider my bandwidth for managing)
 - Save it in the event of pro-rationing
 - With the drop in beginning cash and levy receipts:
 - Recreation Programming up \$25K to \$75K

	<ul style="list-style-type: none"> ○ CIP at \$295K, up from \$245K from last meeting's draft ○ Wages can only be increased 3% max unless we drop the above recommended CIP; every 1% increase in personnel costs is \$11K annually • This leaves us with ending cash at \$517K, which is a comfortable cushion over our necessary \$400K reserve, but if we do not do the BARC field regrade, the Ober Park sidewalk and roof replacements, we would have a budgeted reserve of \$622K of ending cash at the end of 2021 <p>Doug: Regarding the drop in property tax rates, this might be something we live with for another year or more.</p> <p>Abby: There was a program to defer or spread out property taxes over 18 months, so we might see a shortage during that time.</p> <p>Elaine: That is another reason to spread out the CIPs from 2021.</p> <p>Karen: Motion to approve the 2021 budget, as presented.</p> <p>Doug: Second.</p>	
<p>Adjourn 8:00 pm</p>	<p>Doug: I move to adjourn.</p> <p>Bob: Second.</p>	<p>Motion to adjourn; Pass 5-0</p>

Minutes by: Marshall Murray