

# VASHON PARK DISTRICT (VPD) BOARD OF COMMISSIONERS

## MEETING MINUTES

Teleconference, 7:00 pm  
**DATE: Tuesday, November 24, 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
<b>Call To Order – Review Agenda</b>	Hans called the meeting to order at 7:00 p.m. and reviewed the agenda.	
<b>Public Comment</b>	<p>Tom Langland: What I have to say may or may not influence some of tonight’s discussion. I’m the President of the Vashon Healthcare District. My comments are more as an individual, rather than Healthcare District Board-certified. I want to take the opportunity to enhance the clarity and cooperation between our District Boards to invest high commitment to provide quality and wellness in the lives of our community. After reading letters sent by the some of the Park District Board Commissioners and reviewing the Healthcare District’s process for determining our 2021 levy rate, the determination appears to have been a bit rushed. It was less transparent than we would have liked, and the process was somewhat flawed. For most of this year, and up until 4 to 6 weeks ago, the Healthcare District Board assumed that the \$0.548 per \$1,000 of property taxes would avoid significant pro-rationing. We were still awaiting several assurances from King County (KC) that our debt situation was predictable and manageable, since it will soon exceed \$1M. We still don’t have all those answers from KC, as they have been working on other COVID-related issues. We had to move forward with the projected budget because of the impending deadline, and we quickly found out that it was severely deficit and unreasonably risky. Since then, we have been scrambling to figure out alternatives to ensure the continued presence of primary healthcare on Vashon in 2021 and beyond. At the same time, we wanted to minimize damage that we knew would occur from pro-rationing. In the end, we approved a levy rate that was unintentionally rushed, and with a lack of transparency with the public and the Park District. In retrospect, the Healthcare Board Commissioners are quite sorry. While our newly formed Board might lack the years of experience in this public and political arena that could have yielded a better process, we are quick to acknowledge our shortcomings. As such, the Healthcare District has delayed submission of its levy rate to KC, and we will re-open our debate at a special public Zoom meeting on 11/25 at 7:00pm. The invitation can be found our website. To be clear, I am not suggesting that the Healthcare District’s levy rate is inappropriate, or that a final decision to alter it is likely to occur, but that is not off the table. At least, this time the process will run its full course and invite more widespread public comment.</p> <p>Hans: The Fire Department meeting is at 6:30pm on 11/25, and they are looking at their final budget and their 2021 levy rate, so can the time of the Healthcare Board Zoom meeting be changed to 7:30pm?</p> <p>Elaine: It could be changed in the next 20 minutes.</p>	

Tom Langland: I'll sign off from this meeting then, and if there is an update possible it will be on the website. Public comment will be at the end of our meeting, after a full budget presentation and review what our Superintendent says.

Hans: Thank you, Tom. Other public comment?

Patricia Haley: I have been involved on the Healthcare District as a community member and have been involved in some of their processes. I was shocked last week when the higher levy rate was presented because it had not been discussed in any meeting prior to the announcement. I know that it has been challenging during COVID to have healthcare organizations come to Vashon, but I and many other people are disappointed because it's hard to measure the public benefit. I think we all agree that we need a healthcare clinic, but we have been told that we can have both parks and healthcare. There are approximately 3,500 people who use the clinic, and I'm guessing that there are many more who use the parks. I was also disappointed that at the Healthcare District's meeting last week, they felt that using the parks was not preventative healthcare. I don't think the community is going to be happy if the Park District has to suffer for the Healthcare District to take care of 3,500 people.

Hans: Thanks, Patricia. Any other public comment?

Ron Smothermon: I have been involved with several Healthcare District meetings in the past 6 weeks, and when Patricia says there are only 3,500 people who use the clinic, I believe there are approximately 1,600 children who go to school here, yet 55% of our taxes go to schools. There is a big benefit for both the Parks and the Healthcare Districts, and it's a tough situation.

Karen: I don't want anyone to think that I don't think healthcare is important, but if I understand the Healthcare District's budget correctly, my concern is that there are still unknowns in terms of money (i.e. loans, credit lines, etc.). My understanding is that they are trying to create a buffer so that they have money at the end of the year to pay the first bills that come the following year. If that is the money that has to come from the Park District, can they make those adjustments later instead of taking it from the Park District right now?

Elaine: I have a question for Paul Rowley. When will the article in the Beachcomber come out?

Paul: I can put it online tomorrow. I am guessing that my story will be out-of-date by the time the print issue comes out. A lot will have developed before then.

Wendy Aman: I have been involved with the Healthcare District from its creation and have helped on committees. I am concerned, but there could be a lot more than 3,500 people being served on Vashon. I also believe that it has not been a process where the Healthcare District Board was trying to hide anything. They had deadlines to deal with. These people came into a situation in unprecedented times. I think they are asking for the Park District Board to be more cooperative with them, and not put pressure on them during the challenges that they face. They are trying to work within a small parameter of money, and Sea-Mar came back to them saying take it or leave it. They are trying not to devastate this community by taking away healthcare. To say that there is no possibility for the Park District to make cuts at this point. I think that long-term, if they can grow the use of the clinic, it will exceed the 3,500, they will be more viable and they will be able to reduce the dependency to go beyond the \$0.55.

<b>11.10.20 Minutes;</b>	<b>Karen: Motion to approve the 11.10.20 VPD Board Meeting Minutes, 11.8.20 – 11.21.20 Preliminary</b>	<b>Motion to</b>
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<p><b>11.8.20 – 11.21.20 Preliminary Vouchers; October Vouchers</b></p>	<p><b>Vouchers, and October Vouchers.</b> <b>Bob: Second.</b></p>	<p><b>approve the 11.10.20 VPD Board Meeting Minutes; 11.8.20 – 11.21.20 Preliminary Vouchers; October Vouchers. Pass 5-0</b></p>
<p><b>October 2020 Financial Report</b></p>	<p>Elaine: Levy dollars – Down \$22K for 2020; I have a hard time imagining we will make this up Admin - \$4K under</p> <ul style="list-style-type: none"> <li>• Other income up \$11K due to the copy machine trade in, refund of Surface Water Management (SWM) fees, and higher interest than expected</li> <li>• Payroll under \$17K due to Sue working part time</li> <li>• Election costs down \$12K due to a cheaper November election</li> <li>• Insurance over \$46K due to having to pay the full annual premium in October</li> <li>• Professional fees down \$12K due to not as much legal fees for Tramp Harbor Dock</li> </ul> <p>Maintenance – ahead \$45K</p> <ul style="list-style-type: none"> <li>• Revenue down \$21K</li> <li>• Payroll down \$30K due to very little summer temporary help</li> <li>• Materials down \$17K due to only one topdressing at the Vashon Elementary School (VES) fields</li> <li>• Outside services down \$8,800 also due to only one topdressing</li> </ul> <p>Commons – ahead \$24K</p> <ul style="list-style-type: none"> <li>• Revenue down \$25K</li> <li>• Offset by payroll ahead \$15K</li> <li>• Inter-local fee reduced by \$30K</li> </ul> <p>Programs – ahead \$46K</p> <ul style="list-style-type: none"> <li>• Payroll down \$8K due to Marshall working part-time</li> <li>• All else is based on little to no recreation services</li> </ul> <p>Pool – Summer – ahead \$38K</p> <ul style="list-style-type: none"> <li>• Revenue down \$42K</li> <li>• Offset by payroll down \$67K</li> <li>• Utilities down \$4K</li> </ul> <p>Pool Winter – tracking \$10K ahead</p> <ul style="list-style-type: none"> <li>• Revenue down \$5K</li> </ul>	

	<ul style="list-style-type: none"> <li>• Payroll down \$8K</li> </ul> <p>Point Robinson – ahead \$11K</p> <ul style="list-style-type: none"> <li>• Revenue ahead \$6K</li> <li>• Payroll down \$17K due to Marshall working part-time</li> </ul> <p>Fern Cove – ahead \$12K</p> <ul style="list-style-type: none"> <li>• Revenue is at budget</li> <li>• Payroll down \$7K due to Marshall working part-time</li> </ul> <p>Capital Improvement Projects (CIPs) – ahead \$48K due to the lighthouse fixes, Ober Playground, Village Green Entry, and VES Restroom have all been pushed into next year</p> <p>Ending cash is approximately \$815K, though I am being conservative and assuming \$800K</p>	
<p><b>Local Taxing District - Projected</b></p>	<p>Elaine:</p> <p>I have two pieces of bad news concerning our levy revenue for 2021:</p> <ol style="list-style-type: none"> <li>1) I received an updated Preliminary Levy Limit worksheet from the Assessor’s office. Property value assessments are even lower than originally projected – down \$63M, as opposed to the \$43M decrease reported from the first preliminary worksheet. That translates to a decrease in our levy dollars of an additional \$8,700 and a drop from 2020 of \$28,000.</li> <li>2) Then, we learned last week that the Healthcare District is not taking \$0.52 per \$1,000 of property value, as was reported in the Beachcomber a couple weeks ago – they are taking \$0.588. This rate was approved at the Healthcare District’s last Board meeting.</li> </ol> <p>As a stand-alone, that hits us by \$0.02054 cents, or nearly \$68,000.</p> <p>And we know the Fire District is going back up to their full \$1.50, which hits us by another \$0.02053, or nearly \$68,000.</p> <p>All told, we are potentially being pro-rated just over \$0.04107, or nearly \$136,000 (\$135,864). This translates to 9.1% of our levy dollars. Together with the drop in dollars from the property value decrease, we are down \$164,000, or 10.8% from 2020 – from \$1,516,860 to \$1,352,787, close to where we were in 2019 at \$1,337,742.</p> <p>Now, we don’t know what the King County rates will be. There could be some erosion since property values in King County have risen in general. I have reached out to the Assessor’s Office for any information about those rates, but they say it is a bit too early to know. They hoped to have an update early this week. I think we need to plan to these numbers, then happily add back in as the levy dollars allow.</p> <p>Hans: The Healthcare District didn’t exactly adopt the \$0.588, so we’ll see how they proceed tomorrow night, and I don’t know if they incorporated property value erosion.</p> <p>Elaine: We should find out about the legislative bill in December. I will reach out to Joe Fitzgibbon and other state legislators after we have more details from tomorrow night’s meetings with the Fire &amp; Healthcare Districts. It would be helpful to have more numbers from KC. The State Legislature will not start their session until January, and I don’t know when VPD’s transition to the other funding “bucket” would be considered. We wouldn’t know until April if the Governor signed it into law.</p> <p>Bob: If the Governor does sign it into law, it wouldn’t go into effect until 2022.</p>	

	<p>Doug: That is also when KC Library &amp; KC Roads raise their rates that would devastate VPD.</p> <p>Hans: There has been no response from the Fire District about their levy rate, but it is listed at the \$1.50 rate in their budget spreadsheet.</p> <p>Elaine: Fire Chief Charlie Krimmert at the Fire District has said that \$1.50 is their intent.</p>																					
<p><b>2021 Budget</b></p>	<p>Elaine: The notes in blue on the Budget Notes sheet represent changes from the past two discussions. Changes are:</p> <p>Remove \$10,000 from programming</p> <p>Capital:</p> <ul style="list-style-type: none"> <li>• BARC Field Regrade Remove \$20,000</li> <li>• Burton Acres/ Wingehaven Ivy Remediation, Remove Wingehaven \$30,000</li> <li>• Ober Park Roof Replacement, Remove \$75,000</li> <li>• Ober Park Sidewalk, Remove \$10,000</li> <li>• 1 truck \$32,500 Remove \$32,500</li> <li>• Kiosks, Remove \$10,000</li> </ul> <p>Remember, we may be getting \$1/2 million from the sale of our properties to King County to use for capital. Found out yesterday the funding has been approved, so we will put these back in when we receive the money from the sale.</p> <p>The pro-rationed levy dollars are not sustainable. Without major fundraising efforts, though grants will continue, if we assume a 1% increase year after year and <u>no</u> CIPs (including the pool and the Tramp Harbor Dock), we not only can't keep up with inflation, but our reserves drop significantly below \$400K, and we're borrowing in 2024, as follows:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: right;">Levy \$</th> <th style="text-align: right;">Reserve</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td style="text-align: right;">\$1,366,315</td> <td style="text-align: right;">\$344,537</td> </tr> <tr> <td>2023</td> <td style="text-align: right;">\$1,379,978</td> <td style="text-align: right;">\$267,525</td> </tr> <tr> <td>2024</td> <td style="text-align: right;">\$1,393,778</td> <td style="text-align: right;">\$222,741</td> </tr> </tbody> </table> <p>Assuming no CIPs (aside from the \$500K from the property sales), no wage increases for staff (not even cost of living adjustments), and only \$50K for recreation programming:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: right;">Reserve</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td style="text-align: right;">\$453,378</td> </tr> <tr> <td>2023</td> <td style="text-align: right;">\$317,178</td> </tr> <tr> <td>2024</td> <td style="text-align: right;">\$303,653</td> </tr> </tbody> </table> <p>It is not sustainable, just considering operations. We will have no choice but to curtail services and staff after 2021. We will have to lay off staff and cut services.</p> <p>Bob: The only solution is to get out of this pro-rationed fiscal system that we are caught up in.</p> <p>Hans: If the Healthcare District and the Fire District proceed, then next year, what rate do we get to submit?</p> <p>Elaine: We have never been pro-rationed before, but my belief is that we continue to submit at the \$0.45 rate because you always submit paperwork with a higher amount of what the levy amount will end up being. If something happens, again, erosion from the other Districts, VPD would get as much as possible based on what</p>		Levy \$	Reserve	2022	\$1,366,315	\$344,537	2023	\$1,379,978	\$267,525	2024	\$1,393,778	\$222,741		Reserve	2022	\$453,378	2023	\$317,178	2024	\$303,653	
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	<p>was submitted.  We can be very conservative in 2021, and not do any CIPs beyond the ones we have committed to.  Bob: A lot of those CIPs are deferred maintenance.  Elaine: Yes. Our CIP budget is reduced to \$109K.  Hans: At our last meeting, we talked about how much risk there was in deferring replacement of the Ober Park roof.  Elaine: I definitely think that should not be deferred if we have the \$500K from KC.  Hans: We can't count on that until the money arrives.  Elaine: The changes I have recommended to the budget brings our reserve back to over \$500K. If we get the legislation bill passed, the VPD budget is back to normal.  Karen: Our user groups might make the Healthcare District Board change their ideas about their levy rate. I will create a draft and send it to Abby and Elaine for review.  Elaine: I will send out an email blast tomorrow.  Patricia Haley: I just posted the Zoom information regarding the Healthcare Board special meeting on Facebook.</p>	
<b>Board Votes</b>	<p>Board Votes:  <b>1) Doug: Motion to approve and submit the attached Resolution and Ordinance forms, as presented.</b>  <b>Bob: Second.</b>  Elaine: It has to be signed and submitted by the full Board by Monday.</p> <p><b>2) Karen: Motion to approve the 2021 budget, as presented.</b>  <b>Doug: Second.</b></p>	<p><b>Motion to approve and submit the attached Resolution and Ordinance forms, as presented; Pass 5-0</b></p> <p><b>Motion to approve the 2021 budget, as presented; Pass 5-0</b></p>
<b>Karen's Resignation</b>	<p>I won't resign until things are sorted out, hopefully in a few months.</p>	
<b>Adjourn 8:05 pm</b>	<p><b>Doug: I move to adjourn.</b>  <b>Abby: Second.</b></p>	<p><b>Motion to adjourn; Pass 5-0</b></p>

Minutes by: Marshall Murray