

VASHON PARK DISTRICT (VPD) BOARD OF COMMISSIONERS

MEETING MINUTES

Teleconference, 7:00 pm
DATE: Tuesday, December 8, 2020

Commissioners attending: Hans Van Dusen, Bob McMahon, Doug Ostrom, Karen Gardner. Abby Antonelis absent.
 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.	
Public Comment	None	
11.24.20 Minutes; 11.22.20 – 12.5.20 Preliminary Vouchers	Karen: Motion to approve the minutes and vouchers. Bob: Second	Motion to approve the 11.24.20 Minutes; 11.22.20 – 12.5.20 Preliminary Vouchers Pass 4 - 0
ProRationed Forecast	<p>Elaine: Well the good news keeps on coming. I received the preliminary update to all of Vashon’s rates for 2021. On the “Local + KC” sheet, purple indicates decreases in rates; red indicates increases. The increases won. Even the Cemetery District took a little swipe at us! We’re down about another ½ cent from nearly 41 cents to 40.5 cents. Yesterday I received yet another update, and King County general went up, while Flood Control went down. The sheet I provided for you equated to another drop of \$16k. This latest reflects a drop of about \$11k. Collectively, then, from the drop in assessed property values plus the effects of prorationing, we are down \$175k from 2020, or @ 11.5% (11.54% to be exact). From \$1,517,018 to \$1,341,965. That is close to where we were in 2018.</p> <p>So with that in mind, our 2021 budget is affected by cutting out most capital projects except those we are committed to and those we really have to address for asset preservation. That includes the Fern Cover needs – dormer, painting, and foundation; Ober Park; VES Restroom; Village Green Entry; Pt Robinson safety modifications; and the Tramp Harbor Dock survey. All else needs to be tabled until we find out if the state bill passes.</p> <p>I then wanted to look at what the effects would be without library or roads lid lifts as a stand-alone with just the prorationing problem we face. We are okay through 2021 with a reserve of \$552k, but just pray like hell</p>	

that KC comes through with that \$1/2 million property transfer money for capital, so we can prioritize with that the projects we *must* address.

And then pray like hell that our State bill passes. Because if it does not, as a stand-alone without assuming Library and Roads lid lifts in 2022, we are faced with the following:

2022 – assuming:

1% levy increase; 5% fee increase

2.5% inflation, as that was the KC average forecast for the next 10 years.

All other budgets relatively flat – no increases other than necessary known expenses.

No Capital projects.

Cash is okay, but reserves erode to \$415k.

2023 – assuming:

Levy dollars up 1%

2.5% inflation

3 Board positions + Levy

All other budgets relatively flat

No capital projects.

This is where we get into trouble. September cash is dangerously low at only \$10k. We would have to borrow; reserves down to \$200k.

2024

New levy year, but no reset of the levy if any erosion took place. Assume 1%.

Same general assumptions.

Now we're in big trouble. We have no reserves. We cannot manage cash without a significant line of credit.

We need to find \$200k a year starting now to stay on top of it.

It's a downward spiral. \$200k shaved off takes us down to bare bones. We'll know by April about the State bill. My recommendation, just as a stand-alone, not knowing what library is going to do, we're going to have to make some cuts. To stave off these short-falls in 2 years, I recommend the following cuts come May:

May:

1 Office staff (\$55k + \$22k) = \$77,000

1 Maintenance (\$55k + \$22k) = \$77,000

Rec Programming (keep BARC staff + \$15K CIP and Misc + all things that break even – Ski, Sailing) = \$35,000

Winter Pool (allow Seals use +12k; costs = 2 guards \$5455, supplies \$1k, Outside service \$4k, utilities \$24k = \$35k) = \$23k

Raise user fees significantly.

And remember, ZERO capital projects in this scenario!

That would keep us solvent, preserve reserves, and keep us from having to borrow.

Bob: This is all assuming we do not get a new source of funding.

Elaine: Correct. That said, we know a Library lid lift is inevitable. I'm not too worried about KC Roads, because Fitzgibbon doesn't think that is going to happen. I reached out to Library this week to find out what their plans are but have not heard back.

Karen: It would be safe to assume in 2021 based on when we spoke to them.

Elaine: I Library lid lift would take our rate down to .22461, levy dollars of \$743,125. More than ½ our 2020 dollars. If the state bill does not pass, our best option is to ask KC for a buy-down, which I assume would translate only to the dollars Library takes and not replace the taking of local taxing districts. So we're back to the scenario I describe. Come April, if the state bill does not pass, I feel we have no option than to at least make cuts as suggested.

Doug: And where does Roads fit into this?

Elaine: It doesn't. This is just Library. I'm hoping we can beg McDermott to not do a Roads lift. It seemed to be on the fence last year.

Bob: And what is the effect of a Roads lift, too?

Elaine: We're done. Not only are we fully prorationed, but so is Cemetery, and 7 cents of Hospital.

Bob: So the only sure fire thing to get us out of this mess is to get the state law changed.

Doug: Tell us again how the system works that we're hoping for? Is there any chance that somebody else can get those monies, as well? Like the Hospital District.

Elaine: If we're moved into the 50 cent gap, the Hospital District can go all the way to 75 cents, because they would still be in the \$5.90 bucket. Even if the \$5.90 is tapped out, we would then be drawing from the full \$10 constitutional limit. What is left in the state bucket – the \$3.60 – defines the wiggle room. The 50 cent gap doesn't mean only 50 cents is available; it means everything is available that isn't being used in the \$3.60, \$5.90, or remaining 50 cents.

Karen: What is the realistic probability of this happening?

Elaine: Fitzgibbon feels that, because it is a Democratic Congress, we have a pretty good chance. They are not shy about tax increases as opposed to a Republican Congress. I understand, though, that the legislative session in 2021 will be heavy on COVID issues.

Karen: Hilary is against this, because of the effects on the poor. I don't understand that. Is that true?

Elaine: It is only true from the standpoint that the island approved a Hospital District. That is where the tax increase comes from. What we're doing has no affect on the tax payers. We are merely moving from one bucket to another to protect our 45 cent approved rate.

Doug: If we get the law, and the Hospital District does what they do, our taxes will be higher. If we don't do anything, the taxes won't be as high. It is true that the poor would be affected.

Elaine: But the real tax effect comes from the Hospital District. The fact that they took more than they said they would, that is the real increase in taxes. 45 cents from the Hospital District is what the voters anticipated.

Karen: Did we get much feedback about what the Hospital District did?

Elaine: All the emails I was copied on – 30 or 40 – were all negative. I was copied on responses from the Hospital District, and it seemed to be a canned response. We don't need to make any changes to our budget now. We should wait to see what happens with the legislature. But this discussion is an FYI. If the bill does

not pass, we will be having a pretty serious talk about this in May.
 Karen: You're not thinking we'll be laying anybody off until May?
 Elaine: I wouldn't, because if the bill passes, we're gold.
 Bob: I'm curious to know what Hilary's solution is to all this.
 Hans: You're saying she is in favor of pro-rationing. \$5.90 tops.
 Bob: Is she saying she doesn't want parks to exist?
 Karen: I just hear her say that anything that interferes with the poor is a concern. From that standpoint, I don't think she cares about Parks going out of business if it helped the poor in some way.
 Doug: I would say she is also hostile against the Hospital District. She wrote the Con statement in the Voter's Pamphlet. She does not think it is necessary to have a Hospital District on the island.
 Elaine: Hans, you had sent us an email about reaching out to our partners in light of what has happened – about what the impact to them might be. What do you think that message should be?
 Hans: There is a lot of misinformation. I would think they would be confused. I don't know if it is necessary or not. The point would be to let them know what will happen in 2021 – the impact on us. They think the whole world blew up. One message would be that we must delay all capital improvements, like fixing the Ober roof. But we will not have to lay off staff this year. Communicate about the \$175k number and how we are concerned about that for the future. The purpose would be to clarify what they can expect from us in 2021 – we're still open and staffed but can't maintain things we need to, and an even greater concern on the horizon.
 Bob: What they need to know is the impact on their use of the parks if we don't maintain them. It could be things like closing certain parks, because we can't maintain them to the standards they expect. Also that we are shutting down programs.
 Karen: We need to be as transparent as we can throughout this, so we don't fall into the same trap as the Hospital District. We need to be really clear about what we think of 2021 and even later years.
 Elaine: I think we should communicate what we're working on with the legislature. But it is also fair to say if it does not pass, there will be reductions in staff and service in May.
 Karen/Bob: Yes, agreed.
 Bob: You might even mention the potential Library/Roads effect.
 Elaine: I'll draft something and send it out to you for edits.
 Doug: I was struck by how Tom Langland talked about our budget at the Hospital District meeting. I'm afraid other people will look at it, too. He talked about our big surplus from 2020, so we'll cut some projects from maintenance. Well, big deal! It doesn't look like we're affected in any significant way at all. We need to make the case that deferred maintenance is a big issue. We should call it deferred maintenance, because a lot of it is. It's one thing to develop something new we didn't have before, and it's another thing to fix a leaky roof. Some people believe the school district defers maintenance like crazy to where they have to replace the high school every 30 years. The reason they do that is that it's a hard argument to make for maintenance. We have to convince our partners that this is a real cut. Deferring maintenance even in 2021 is not a small deal. We are not doing things we should be doing, things are going to be wearing out faster. If we know smaller budgets are in our future, we should not be deferring maintenance at all but cut programs to a smaller level. I am worried about how things look if we say we are cutting maintenance projects for

Action Item

	<p>years. People will think, “Okay, do that. You’ll be fine.” We have to make the case that there is nothing we can do.</p> <p>Hans: We should also address what we were able to do in 2020 keeping our facilities open. One of the only swimming pools for sure, the skate park. Maybe just remind our constituents that, despite being a crappy, crazy year, but we were able to do this. Remind folks about the recent closure of the pool.</p> <p>Doug: A lot of what we were able to do was dictated by the State, but what we did was on our own. We are different from King County parks. A lot of people still don’t get that differentiation.</p>	
<p>Staff Reports</p>	<p><u>Airport Land Transfer</u></p> <p>Elaine: The Airport District was turned down on their loan last week, because they could not guarantee that they could convince RCO that they are eligible sponsors for the property. They plan to pursue this further with RCO before reapplying for the loan next spring, assuming the loan program is available then.</p> <p>Hans: Have you been involved in the conversations with RCO?</p> <p>Elaine: Yes, on one call a couple weeks ago. She was going to go to a supervisor, but I don’t know what transpired there.</p> <p><u>Pool Closure</u></p> <p>Elaine: As I notified all of you last week, we closed the pool effective Sunday through at least the first week of January. This was due to 5 of 8 lifeguards no longer feeling safe in an enclosed environment given the increase in COVID cases on the island.</p> <p>Too, Randy has been struggling with his concern for the safety of our users, since half our base is high-risk/older customers. While there is still no documented evidence of COVID transmission in a pool environment, he feels we are not promoting health and wellness as is a key part of a park district’s mission. Feedback has been very supportive. Randy was there Friday and Saturday, and the primary response was they were sad to hear the news but totally understand.</p> <p>Even the Seals have dropped off considerably – about 25% -- until the vaccine is available. They are still practicing three days a week with Derek and one other guarding.</p> <p><u>Tidelands donation RFP for Phase 1 environmental review</u></p> <p>Elaine: I received two responses to the RFP – one for \$4k and one for \$2350. Both strong proposals and references, so as of today, we are under contract for the one for the lesser cost.</p> <p><u>Virtual Chum Run</u></p> <p>Elaine: Launching tomorrow. The basics are:</p> <ul style="list-style-type: none"> A) It is a fundraiser for our RFA fund. B) Participants have the choice to run a virtual 5K / 10K / Half Marathon or Marathon, on their own time, their own course, and their own date – from anywhere, even a treadmill in their basement. C) By registering, they’ll receive a race bib, shirt, and a nonedible salmon medal. D) They receive a digital certificate upon completion and will be promoted on our Facebook and Instagram 	

	<p>pages.</p> <p>E) Being co-sponsored by John L Scott's Hilary Limont for \$500.</p> <p>F) Breakeven is 43 participants at \$30 per person.</p> <p>G) The website that hosts the run sign up (runsignup.com) also has an additional fundraising mechanism so hopefully we can raise even more for our scholarship fund.</p> <p>Hans: Are we meeting December 22?</p> <p>Elaine: I don't think we have any need to meet.</p> <p>Bob: So next meeting will be January 12.</p>	
<p>Adjourn 7:40 pm</p>	<p>Doug: I move to adjourn. Bob: Second.</p>	<p>Motion to adjourn; Pass 4-0</p>

Minutes by: Elaine Ott-Rocheford