

**BAINBRIDGE ISLAND METROPOLITAN PARK & RECREATION DISTRICT
WORK SESSION OCTOBER 8, 2009
STRAWBERRY HILL CENTER**

WORK SESSION TOPIC: 2010 BUDGETS

CALL TO ORDER: A quorum being present, the work session was called to order at 6:11 pm by Chair Tom Swolgaard.

BOARD MEMBERS PRESENT: Lee Cross, Ken DeWitt, Kirk Robinson, Dave Shorett and Tom Swolgaard.

2010 General Fund:

Finance Manager Amy Swenson began by providing a general overview of the 2010 General Fund Budget. She presented a breakdown of projected 2010 revenues which included projected tax revenues of \$4,675,416.00. The tax revenue is divided between funding District general operating expenses and lid lift expenses. The amount allocated for District operating expenses is determined by taking the 2009 tax revenue and increasing it by one percent. A one percent increase plus an amount for new construction is the amount the District would have been entitled to each year if the levy lid lift had not pushed the maximum allowed in tax revenues to \$.75/\$1000 of assessed value. The amount of tax revenues allocated for lid lift expenses is determined by subtracting the amount for District operating expenses from the total projected tax revenue. Amy Swenson reviewed the District's reserves, saying the estimated carry-over in lid lift funds from 2009 is \$1,029,000.00, and the estimated carry-over from for the General Fund reserve account is \$1,087,923.00. She said the District goal of \$875,000.00 for reserves has been met and exceeded. It was noted this contributed in part to the District's AA bond rating. The \$175,000.00 set aside for the reserve fund in past years is no longer needed and is not budgeted. The proposed General Fund Budget shows an ending balance of an additional \$114,000.00 in reserves. Amy Swenson reviewed personnel costs saying they have increased by 3%, and include a 3% cost of living increase, an increase in medical and dental insurance, and a decrease in WA State PERS retirement rates. She provided a summary of projected revenues and expenses for all cost centers. She commended the Gymnastics Department saying several years ago its high subsidy level was a concern. Since then the department has made a concerted effort and has been successful in reducing it. It was noted that the Teen Center cost center has in the past absorbed the cost for a number of special events sponsored by the Recreation Division since these events were staffed by Teen Center employees. The costs for these events will now be tracked through a special events cost center, so that the Teen Center cost center tracks true Teen Center activities. In response to a Board question, Shannon Buxton said the teen nonprofit continues to exist but under a new name, Bainbridge Island Teen Nonprofit, which has wider parameters for serving teens than just a facility.

2010 Capital Improvements:

Amy Swenson said there are two areas where capital improvements are budgeted in 2010.

1) 2010 Capital Improvement Fund: Funded through monies allocated in the General Fund for transfer to the Capital Improvement Fund (generally \$200,000.00 each year). The projected projects for 2010 were discussed briefly. Board Members suggested that master planning of parks be moved to the District's General Fund and as a result free up funds in the Capital Improvement Fund for true capital improvement projects.

2) 2010 Lid Lift Fund: Funded through monies allocated in the General Fund for Cost Center 12, the cost center specified to track lid lift funds. This portion of 2010 lid lift funds is designated for small capital improvements, and is proposed in 2010 to be \$100,000.00, the same amount budgeted in 2009. Arlan Elms went over the proposed projects, saying they were decided upon after reviewing public input received at the recent public meetings. Increased toilet facilities were a high priority for the community. Commissioner Shorett asked that the Hawley Cove

Bridge be included in the budget. Executive Director Lande discussed several options for inserting this item into the budget, and encouraged additional Board input on projects.

Lid Lift Funds:

It was noted that each year the total lid lift funds (budgeted in Cost Center 12) will be split between Acquisition/Development (minimum 75% of total lid lift funds) and Park Operation costs. The \$100,000.00 previously discussed for lid lift small capital improvement projects will come out of the Acquisition/Development portion.

Discussion:

Board discussion was held over personnel costs, and whether a 3% cost of living increase can be justified given the current state of the economy. It was pointed out that when measured against the Consumer Price Index, the District's COLA has not kept up with inflation. It was also noted that the District has added only several new positions in the past six years-despite a significant increase in workload. In addition an employee committee learned last year that District salaries are below comparable public positions in WA State when measured against standards set by ACW (Associated Cities of Washington). Chair Swolgaard said the 2010 budget looks good as it is and suggested these other issues be addressed next year.

Executive Director Lande said this evening has been a workshop to discuss the 2010 budget. Any revisions should be brought to the first reading on October 22 in order to be incorporated into the final version which will be presented to the Board for adoption at the second reading on November 19.

WORK SESSION ADJOURNED at 7:58 pm.

Elizabeth R. Shepherd
Terry M. Lande
BAINBRIDGE ISLAND METROPOLITAN
PARK & RECREATION DISTRICT

BY: _____
John Thomas Swolgaard

BY: _____
Lee Cross

BY: _____
Kirk B. Robinson

BY: _____
Kenneth R. DeWitt

ATTEST: _____
David L. Shorett - Secretary