

Minutes
July 8, 2010

Orcas Island Park and Recreation District Commission
Regular Public meeting #7, Thursday, July 8, 2010
12:00 P.M., Eastsound Fire Station, meeting room

I. CALL TO ORDER (12:03)

Meeting called to order by Martha Farish, Chairman

Roll call:

Seat 1: Vicki Vandermay - present

Seat 2: Bob Eagan - present

Seat 3: Martha Farish - present

Seat 4: Jim Bredouw - present

Seat 5: Ian Lister - present

Martha Farish went home to pick up more documents - Jim Bredouw
temporary chair

II. DISCUSSION (12:20)

Old Business:

Convene to Committee Session - Real Estate

*Martha Farish submitted a report about County Budget and Funding - Duly
Submitted and Appended to the minutes. Report read in session.*

*Bob Eagan submitted a letter to the San Juan County Park Director regarding
OIPRD Buck Park position. Duly Submitted and Appended to the minutes. Report
read in session.*

Motion: Adopt and send letter as read aloud.

- Ian Lister, 2nd Jim Bredouw
- Deliberations:
- Vote: unanimously aye

Out of Committee Session (1:45)

Discussion of schools position regarding Buck Park

Presentation of "How do we get paid," by Jim Bredouw. OIPR Budget Discussion
Points, Draft OIPRD Budget proposal, Estimate for Buck Park Mowing, presented
and duly submitted. Appended to the minutes.

Discussion of draft budget proposal (2:10)

ACTION: Ian L. to develop costs for resurfacing of tennis courts.

III. PUBLIC COMMENT (1:00)

Comments, Questions, Concerns

IV. DISCUSSION (12:15)

New Business:

Motion: Adopt meeting schedule as proposed by Bob and Ian

- Ian Lister, 2nd Bob Eagan
- Deliberations: Schedule July 29 12:00 - 3:00, need location Aug 5 - cancel Aug 9 - 10:00 - 12:00
- Vote: unanimously aye

ACTION: Email to Fire Department regarding update to calendar.
LINDSAY@Orcasfire.org

Motion: Ian to draft ballot resolution for review.

- Ian Lister, 2nd Vicky Vandermay
- Vote: unanimously aye

ACTION: Ian to draft ballot resolution

Martha returned and resumed the position of Chair

Motion: Return to Old Business

- Martha Farish, 2nd Bob Eagan
- Vote: unanimously aye

Motion: To adjourn

- Bob Eagan, 2nd Jim Bredouw
- Vote: unanimously aye

V. ADJOURNMENT (3:10)

Addenda:

Paper Draft: Real Estate Committee Report - County Budget and Funding
by: Bob Eagan, 4 pgs.

Paper: OIPR Budget Discussion Points
by Martha Farish, 2 pgs.

Excel / Paper: OIPRD Budget proposal July 8, 2010
by: Jim Bredouw, 1 pg.

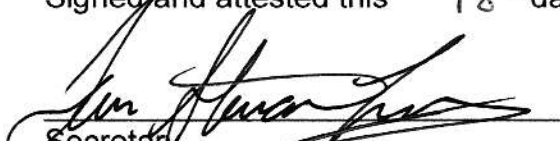
Paper: Estimate for Buck Park Mowing
by Bob Eagan, 2 pgs.

Paper: Draft Letter to SJCP Advisory Board
by Martha Farish, 1 pg.

Regular Public Meeting minutes for July 8, 2010

Approved by motion on this 18th day of Oct. 2012

Signed and attested this 18th day of Oct. 2012


Secretary


Chair

DRAFT

7/9/10

Real Estate Committee Report

Question: If Orcas Islanders approve OIPRD as a Junior Taxing District are they in effect paying twice for services related to their "park and rec" programs on Orcas Island?

Answer: It's more likely than not based on the data available.

HOWEVER, it is impossible to prove definitively one way or the other because government accounting does not lend itself to breaking services or programs out island by island. It is thus impossible to determine what Orcas, in particular, "gets back" for what it "puts in". It is possible, for instance, to say that Orcas gets next to nothing back in "parks" but gets a disproportionate amount back in "roads"---and the ability to back up with hard numbers how those assertions come out in the wash is impossible.

What's happening now?

(From Richard Fralick, Eastsound Planning and Review Meeting, July)

Reduced budget is now at \$13.5 million and they are going to have to reduce it by \$500k more for 2011. They will have the draft budget out in October.

Every year going forward over a six year budget cycle, based on 1% growth projection the County will have to reduce the current budget by \$500k annually making the budget in 2016 \$2.3 million less than the budget today.

The annual cost increases built into the system by law or by contract, is at 4.5% per annum.

Currently 82% of the budget is in wages and benefits. That proportion can be expected to rise dramatically unless they lose employees. Forecasting that 25-30 people will lose their jobs.

From Public Records: The County revenue is made up of:

Property tax revenue

Sales tax

Hotel Motel Tax

Permits/fees

All of the above are down with the exception of permits and fees that are "holding their own).

Sources for following report:

Final SJ CPR Budgets from 2007-09 from Public Records to be posted on our website.

Phone conversations with SJC Auditor, Assessor and Treasurer

Conversations with Adina Cunningham, Gil Blinn and Richard Fralick

The Answer: Likely, but not for sure explanation.

- No way to answer that directly or definitively.

DULY SUBMITTED BY MARTHA FARISH
070810


AS SECRETARY

- Government accounting, for the most part, doesn't break out island by island. It does however break out island by island for "parks".
- County uses government accounting rather than business or GAAP—primarily to track how money is spent—so reporting is just a record of how the money was spent.
- Can determine what Orcas is assessed (sort of) by talking to the Assessor (Obstruction Island is included, State Lands, seniors, valuation issues etc).
- What Orcas "gets back" –impossible.
- Total tax bills thus have become a composite number that includes Junior Taxing Districts, differing island circumstances, assessment categories that differ island by island.
- Very difficult to understand or put in a context the average person can absorb.

Can make some inferences using very round numbers:

- About \$4.8M of the revenue the County collects (including property taxes) makes it to the "County Current" fund from which a variety of county services are funded in whole or in part (Auditor).
- In contributions to County Current, Orcas's share is thought to be between 36-38% (Assessor confirmed by Auditor).
- Orcas consistently outperforms the other islands (over half) in hotel/motel tax (Treasurer); presumably in sales tax as a link to hotel motel; permits unknown.

Other inferences:

- Computer glitch that has Orcas in a unique assessment situation from which we will never recover. (Auditor)
- The financial advantage of San Juan being the locus of activity.
- The County business model that has 80% of its budget in wages and benefits has the greatest percentage of those "assets" living and working on San Juan. (Council data)
- Disproportionate number of parks located on other islands as opposed to Orcas (SJ CPR)

San Juan County Parks has:

San Juan: 4 day parks and 1 overnight park.

Lopez has 8 day parks and 1 overnight park

Shaw has 1 overnight park

Orcas has 1 day park --at least for the years we are talking about Orcas Rec.

SJCPR administration (overall to manage system) gets between 80-90% of its revenue from three sources 2007-09: (from Public Records)
hotel/motel—50-60% (Orcas biggest contributor)

General Fund—30-40% (Orcas Island contributes 36-38% to the general)
Fees—4-10%

Some interesting items:

In 2007, a relatively "good" financial year, revenue generated was 5.8 times the Admin cost.

Admin cost for SJ CPR in each year 2007-09 was 31-34% of the overall budget.

When looking at revenue to expense figures in the 2007-09 final budgets:

Orcas rec made \$13k in 2007 and lost \$1k and \$16k in 2008-09 respectively.

Village Green lost \$16k and 17k in 2007-08 and made \$1k in 2009.

Impact on the SJ CPR budget by Orcas Island "park function" activities during those years thus becomes:

-3,000 in 2007

-18,000 in 2008

-15,000 in 2009

The economic bottom-line:

- Orcas will pay property taxes based on a 2007 assessment that will not be readjusted until 2012. No other island group in that category.
- Orcas has in the past and will likely in the future be the majority contributor to the hotel/motel tax.
- Support for SJ CPR, from Orcas Island, out of the County Current Fund and from hotel/motel, is likely to continue regardless of the status of OIPRD or the Village Green.
- We will lose Buck Park and Orcas Rec type programming without OIPRD passage; should anticipate pressure on Village Green.
- Further cuts to County services should be anticipated in 2011 budget and for the next 6 years.
- Only through skillful management at Council level can we avoid big increased taxes; the Council is determined to balance the budget and not "fix" things in the old ways.
- Our taxes will go up every year regardless as every taxing district, including the County, can and does ask for allowed increases annually.

The big questions:

- Does the taxpayer believe they are saving something worth saving in Buck Park?
- Do they believe a local "parks and rec package" is a better taxpayer supported option now (during an economic downturn)?

- Or will they elect to hang tough without OIPRD, hope local nonprofits pick up the rec slack and wait until the downturn is over to go back to the old County model?
- Do they believe OIPRD is setting up a better business model for the "parks and rec function" on Orcas than they got with the County?
- Does the new OIPRD look like a long-term "better deal" for a better Orcas Island?
- Or does it look like a short term , double cost fix to an immediate problem caused by the downturn and a County that had to cut costs?

OIPR Budget Discussion Points

June 9, 2010

Report from Non-Profit Accounting Basics Workshop, June 2010 sponsored by OICF, presented by Alan Strand of the Nonprofit Center.

Budgeting process=Income and revenue offset by expenses associated with realizing those results.

Technically OIPRD is a "governmental" agency and thus exists outside the rules for accountability that non-profits must adhere to. Using "governmental" accounting means primarily explaining how you spent the money. Nonprofits use GAAP (General Accepted Accounting Principles), which allows for presentation of data in a variety of ways—Quick Books for Nonprofits is the standard.

For Consideration:

- Using standards for non-profit accounting, (as opposed to the requirements of governmental accounting), allows OIPRD to present and use data effectively.
- Having the data may prove critical in the application for grants from outside sources in the future.
- Easy to extrapolate data required for government reporting from non-profit accounting.
- Impossible to extrapolate the required level of data to, for instance, improve programs and find efficiencies using government accounting.

What are "budget costs" according to GAAP? Generally includes:

- Program design (and evaluation)
- Management of programs
- Fiscal management
- Fundraising
- Contract negotiations
- Auditing and bookkeeping.

Or the three GAAP "basics" most people use:

- Programs
- Admin
- Fundraising

New IRS reporting rules dictate that staff assigns their daily activity time to specific areas. So a percentage of staff time on a daily basis would be directed to:

- Programs
- Fundraising
- Admin.

DULY SUBMITTED BY MARTHA FARISH
070810


AS SECRETARY

Accepted Rules of Thumb for Nonprofits:

Overall: 25% of budget on fundraising and admin, 75% on programming.

It costs \$.30 to raise a dollar in fundraising.

It allows us to forecast and measure progress against programs that are: Four quadrants used

High Mission Impact/Low Sustainability (heart)

High Mission Impact/High Sustainability (stars)

Low Mission Impact/Low Sustainability (stop)

Low Mission Impact/High Sustainability (dollars)

The budget becomes a "contract" between the board and staff.

- Helps direct and account for staff time
- Increases accountability and assists in program evaluation
- Becomes the roadmap for the year's activities and provides the "why" in the budget.
- Effectively links budget directly to the mission and staff responsibilities.
- It can be easily understood and reviewed monthly by the Board to promote timely oversight and correction when needed.

OIPRD budget problem areas? (Private conversation with Alan and Martha)

- Poor prior year reliable data
- Limited admin data inside the program—no admin data from the County
- Cash flow/operating funds distributed how?
- Fundraising cost data is anecdotal

To be discussed:

- Reassessment of property 2012.
- Village Green in the future
- Accounting and auditing costs
- Fundraising costs
- What "outcomes" are we (OIPRD) managing toward?
- Linking job descriptions to budget
- Facilities rentals-contracting?
- Asking for 4-6 years. What changes do we anticipate in community needs and funding 2011-2017

Rick Anda is the CPA for the Fire Department (Jr. Taxing District) and may be able to advise us. Hilary Canty


OIPRD Budget proposal July 8, 2010

\$2,982,702,909 :taxable Orcas real estate

Year ->	2011	2012	2013	2014	2015	2016
Income						
(balance from previous year)	\$0	\$1,121	\$33,157	\$49,579	\$78,981	\$89,731
Donations	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Fees	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Grants	\$30,000	\$31,500	\$33,075	\$34,729	\$36,465	\$38,288
Public Funds	\$289,322	\$289,322	\$289,322	\$289,322	\$289,322	\$289,322
Rental fees	\$2,500	\$2,625	\$2,756	\$2,894	\$3,039	\$3,191
Sponsorships	\$5,000	\$5,250	\$5,513	\$5,788	\$6,078	\$6,381
Triathlon	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
TOTAL INCOME:	\$361,822	\$364,818	\$398,823	\$417,312	\$448,885	\$461,914
Expenses						
ONE-TIME EXPENSES						
Capital one-time purchases						
One-time setup fees (bookkeeping/legal)						
Website development						
Ballot expenses/promotion						
Other						
One Time Subtotal:	(\$32,500)	(\$42,300)	(\$45,623)	(\$19,331)	(\$24,414)	(\$30,318)
STAFF						
OIPRD Director						
(Dir. fringe)						
OIPRD Asst. Director						
(Asst. Dir. fringe)						
Staff Subtotal:	(\$97,500)	(\$102,373)	(\$107,494)	(\$112,868)	(\$118,512)	(\$124,437)
ADMINISTRATIVE						
Legal/Asst.						
Contract A/V tech						
Insurance						
Key employee health insurance						
Office rent						
Office Supplies/Printing/Mailing						
Travel						
Utilities						
Web mgr.						
Misc.						
Admin. Subtotal:	(\$46,201)	(\$48,511)	(\$50,917)	(\$53,481)	(\$56,157)	(\$58,965)
ESSENTIAL-Parks						
Contract greens maint. (Buck/FH)						
E/S water						
Toilets/garbage fees						
Misc.						
Essential Parks Subtotal:	(\$60,000)	(\$60,030)	(\$63,053)	(\$66,205)	(\$69,317)	(\$72,991)
ESSENTIAL-Programs						
Swim lessons/senior aerobics						
Teen Night						
After School						
Misc.						
Essential Programs Subtotal:	(\$47,000)	(\$49,350)	(\$51,818)	(\$54,400)	(\$57,129)	(\$59,985)
INDOOR/OUTDOOR REC. PROGRAMS						
Program overages						
Low income scholarships						
Misc.						
Indoor/Outdoor Rec. Subtotal:	(\$27,500)	(\$28,871)	(\$30,319)	(\$31,835)	(\$33,426)	(\$35,098)
TOTAL EXPENSES:	(\$160,701)	(\$171,661)	(\$187,450)	(\$195,631)	(\$203,916)	(\$213,391)
Balance Year End	\$1,121	\$33,157	\$49,579	\$78,981	\$89,731	\$79,919

DRAFT

SUBMITTED JULY - BY JIM BREDOOW
070810


AS SECRETARY

Estimate for Buck Park Mowing

Per Mowing:

#1,#2, #3: Field Mowing, 6 hrs.....\$300

All other mowing areas combined, 8 hrs.....400

Weedeat combined areas, 12 hrs.....600

Total for 8 month period, 3 times a month.....\$31,200

I'm sure this amount could be reduced if less work was needed but the price represents the whole of Buck Park giving it a well kept look. It may vary depending on the amount of work you decide is needed. Also, the initial cleanup work would have to be a separate price as much work is needed to get it back in shape. Estimate approximately \$2500 to cut all grass on hillsides, ditches and around obstacles. This would also include pick up of all grass and depositing on site.

The sprinkler system would be separate and could be taken care of on a hourly basis at \$42 hr.

The one problem that would hinder work is that the early months for mowing field #1 would be too much water. Mow according to weather, weedeat any time.

DISCUSSED AT MEETING, CIRCULATED BY E-MAIL
SUBMITTED 070810



From November through February the fields may need some maintenance as our winters seem to favor a longer growing period. It would only be on a "as needed" basis. If it gets long over the winter it makes it more difficult to start the next seasons mowing.

Griffin Yard Works, Ron Griffin

P.O.Box 267

Eastsound, WA 98245

360 376-4776

360 317-7004

July 1, 2010

Dear SJCP Advisory Board,

In early June Bob Egan and Martha Farish on behalf of the Orcas Parks and Rec District held a meeting with Gil Blinn, chair of the SJCPR Advisory Board. The meeting was called by a committee of the OIPR District for the purposes of determining areas of cooperation and differentiation that might be worthy of further discussion in a joint or larger public meeting.

One area lacking clarity was the SJCP Advisory Board official position on Buck Park on Orcas Island. Gil felt it was very unlikely that the SJCP Department would be interested in taking responsibility, financial or otherwise, for Buck Park but emphasized that he did not speak for the Board. He cited a recent policy decision by the County that "recreational" parks (of which he felt Buck Park was clearly an example) were not to be a part of a new parks policy for the County. He suggested that the Buck Park issue would be best brought before the entire Advisory Board for a decision.

The purpose of this letter is to request an official declaration by the SJCP Advisory Board on the Advisory Board's position on Buck Park. Declaring that the SJCP Advisory Board is, or is not, in favor of having Buck Park in the County system serves to provide clarity to the taxpayers as to why Buck Park is included a proposal for the Orcas Island Park and Rec District. Such a declaration would also pave the way for the OIPR District to ask the voters in November to vote up or down on maintaining Buck Park for the purpose of public recreation on Orcas Island.

Your prompt attention to this issue, perhaps simply by making note of your discussion and decision in your public minutes, would be greatly appreciated.

Thanking you in advance,
OIPRD

READ DUD AND APPROVED AS TO WORKING
SUBMITTED FOR THE RECORD BY E-MAIL

Jim Henderson
AS SECRETARY