


INFORMATIONAL MEMORANDUM

Tukwila Metropolitan Park District

TO: Tukwila Pool MPD Board President

FROM: Rick Still, Parks and Recreation Director 

DATE: October 10, 2012

SUBJECT: 2013 Proposed Budget

ISSUE

Presentation of the Preliminary 2013 Budget.

FINANCIAL IMPACT

No financial impact at this time.

BACKGROUND

The Tukwila Pool Metropolitan Park District (MPD) 2013 Proposed Budget was distributed on October 1, 2012. The budget layout should be very similar to last year's approved budget. Items that have been modified are listed under discussion. The MPD 2013 Budget adoption schedule is below:

- October 1 – 2013 Proposed Budget distributed.
- October 3 – Tukwila Pool Advisory Committee (TPAC) budget review.
- October 15 – 2013 Proposed Budget presentation.
- November 7 – 2013 TPAC budget review and fees discussion.
- November 19 – 2013 Programs and Fees Discussion, to include TPAC recommendation.
Public Hearings on Tax Levy Resolution and 2013 Budget.
Adoption of Tax Levy Resolution and 2013 Budget Resolution.

The Tukwila Pool had a very successful year in 2012 as reflected in the following:

- Record numbers of participants have taken swim lessons, participated in an exercise class or swam as a family and enjoyed the special events at the pool.
- Cost reductions achieved through not filling the ¾-time Aquatic Specialist, utility savings and various operating savings.
- The Tukwila Pool Advisory Committee (TPAC) was created to gain resident insight and comments regarding the pool's direction.
- The major accomplishment of working through the capital improvements needs, hiring an energy savings company to design and construct the final list of projects, and committing to complete the capital projects this winter will help sustain the pool for another 20 years.

The 2013 Proposed Budget is based upon this year's successes with continued growth in pool participation, operational efficiencies, community involvement and enjoying a functional operating pool.

DISCUSSION

Below is discussion regarding formatting and changes made to the preliminary 2013 Proposed Budget since it was delivered to the Board, a comparison of the 2012 Approved Budget and the 2013 Proposed Budget and an explanation of Attachments 2 and 3.

FORMATTING and CHANGES on Page 3 - There were five significant changes made to the document provided on October 1 compared to Attachment 1 in this packet.

1. First, formatting was changed to identify the Beginning Fund Balance, Ending Fund Balance, Required – fund Balance (15% of Expenditures) and the Fund Balance Surplus (Used); and the Revenues are listed prior to the Expenditures.
2. Second, 2012 Revenue “General Fund Loan” was increased to match the 2012 budget; subsequently the 2013 budgeted loan amount was reduced. The 2011 loan transfer was higher than the projected 2011 budget to keep a positive cash flow.
3. Third, 2013 Expenditure: “60 Capital” the amount was changed from \$1,666,666 to 1,416,000, since \$250,000 of the Capital project is budgeted for 2012; and “70 Debt Service” was changed from \$156,455 to \$173,850 to account for the accumulated interest that will become due on the funds borrowed from the City prior to the first monthly payments to be made in June 2013.
4. Fourth, 2013 Expenditure: “60 Capital” the amount was changed from \$1,666,666 to 1,416,000, since \$250,000 of the Capital project is budgeted for 2012; and “70 Debt Service” was changed from \$156,455 to \$173,850 to account for the accumulated interest that will become due on the funds borrowed from the City prior to the first monthly payments to be made in June 2013.

2012 to 2013 BUDGET COMPARISON - Below are a few changes made between the 2012 and the 2013 Budget:

- a. Page 1, the Organizational Chart now lists the Tukwila Pool Advisory Committee.
- b. Page 2, the 2012 Accomplishments and 2013 program goals are listed.
- c. Page 3, besides the comments listed above under Formatting and Changes, the following are reflected in the budget:

Revenue:

- i. 2013 Tax Levy is based upon the September 2012 estimated Assessed Valuation.
- ii. 2013 Program Fees and Rentals are based upon the 10 months of 2012 revenue projected out to 11 months for 2013.
- iii. 2013 State Grant is the Department of Commerce Grant awarded for the Capital Project.
- iv. Tax Exempt Lease Program Loan (TELP) – is the \$1,000,000 Loan or capital financing program discussed at several previous MPD meetings. As of October 5, 2012, the Bond method of financing has lower rates.
- v. General Fund Loan of \$1,100,000 distribution to the MPD for operations and capital.

Expenditures:

- vi. 2013 Expenditures are a combination of projected numbers where possible and the 4% increase as assumed in the planning model. (See explanation under “Expenditures” in Attachment 2 described below)
- vii. “70 Debt Service” includes interest payments to the City on money loaned, seven (7) months of payments (June to December); and the TELP annual payment including set up fees.

- d. Page 4, is updated to include the 2013 Budget break down and Performance Measures.

INFORMATIONAL MEMO

MPD: Preliminary 2013 Budget

Page 3 October 10, 2012

The 2013 Budget is a summary document of individual line items per governmental accounting. For example, under Expenditures: "40 Other Services and Charges, 2013 Budget \$257,122" is summary of Consultants, Communications, Travel, Advertising, Operating Rentals & Leases, Public Utilities, Repairs & Maintenance, Miscellaneous and Credit Card Charges, as well as, Contracted Legal Services, Contracted Support Services, Insurance and the School Property Lease. A detailed list of these particular line items can be found on page 4 of the budget document. Additional budget details can be found in Attachment 2 and 3.

ATTACHMENT 2 and ATTACHMENT 3

Attachment 2 is a 5-Year look taken from the 20-year Revenue and Expenditure Financial Plan. A short term projection can be more accurately determined than a 20-year view. However, the 20-Year Finance Plan is a very useful planning tool if the assumptions are understood and they reflect what the current trends are. Fiscal Year 2012 Budget numbers are projected year-end estimates, rather than the approved 2012 budget to reflect the excellent growth in participants at the pool, resulting in greater revenue generation, while reducing operating costs. The model does indicate that we expect to see an increase in 2014 revenues prior to flattening out to the 1% growth as originally assumed. Otherwise, the model uses the same assumptions as previous submitted financial models for revenues and expenditures, which are:

REVENUE - 1% growth of program and rental fees, \$1.1 million bridge loan from the City, 2% growth of Tax Revenue (starting with the September projected Assessed Valuation); and

EXPENDITURES – 4% growth on all expenses, except where amended by projected "actuals" or by need. For example, a projected actual could be found under Public Utility Services line item (15f). The 2012 projected expenses are 2012 estimated expenses multiplied by 4%, then subtracted by the guaranteed \$30,000 in the Energy Service Plan (ESP). A projected need example could be found in the Advertising line item (15d) where it is anticipated that marketing should be increased to continue to see additional use of the facility. This number is an allotment for future needs not a 4% growth.

Attachment 3, the 20-Year Revenue and Expenditure Financial Plan uses the same assumptions and changes as mentioned above for the 5-Year look. The main emphasis for this planning tool is to maintain the 15% Fund Balance throughout the 20-year plan. The Fund Balance Reserve decreases over the 20 years due to the 4% growth in expenses increasing more than the 1% and 2% revenue growth.

RECOMMENDATION

It is recommended that the Board direct the Tukwila Pool Advisory Committee to review the 2013 Proposed Budget and prepare recommendations to staff by November 9, 2012.

ATTACHMENTS

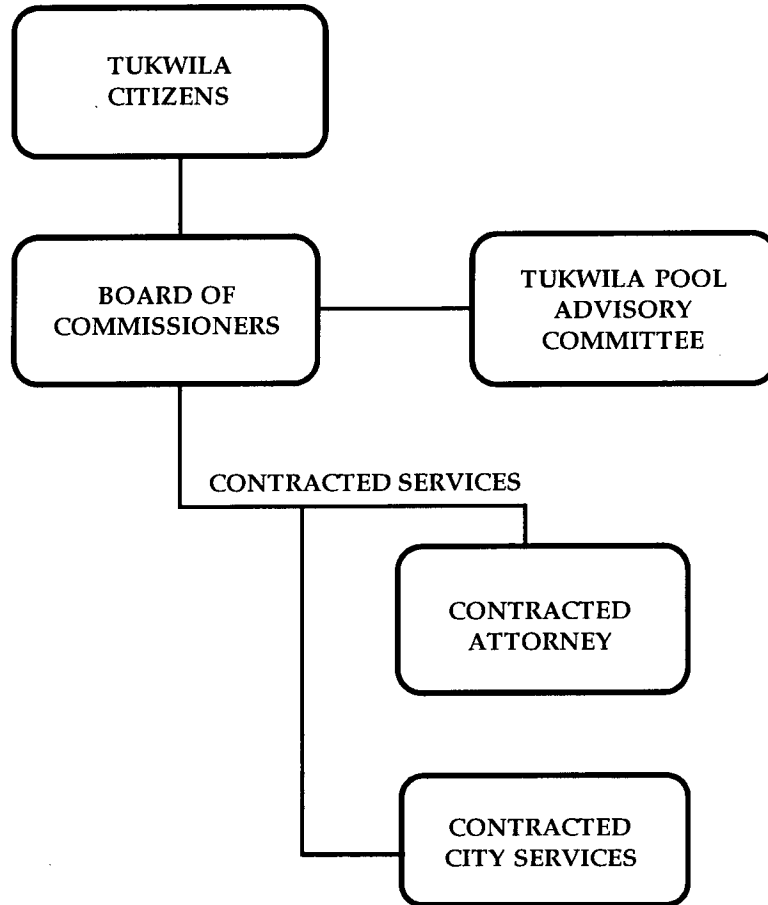
Attachment 1 – 2013 Proposed Budget

Attachment 2 – 5-Year Look from the 20-Year Financial Plan

Attachment 3 – 20-Year Revenue and Expenditure Financial Plan

2013 PROPOSED BUDGET

Metropolitan Park District



Goals & Accomplishments

DEPARTMENT: N/A

FUND: Agency

RESPONSIBLE MANAGER: Verna Seal

DIVISION: N/A

FUND NUMBER: 630

POSITION: Board President 2012

Description

The mission of the Tukwila Pool Metropolitan Park District (TMPD) is to promote and provide social, cultural, physical and safe swimming activities, lessons, and events for participants of all ages and abilities during their leisure time.

The Tukwila Pool Metropolitan Park District will provide lessons and open swims year-round. The aquatic staff, which include both part and full-time employees, are contracted resources used to conduct these water and swimming services and programs for the community. Fees are collected in an effort to offset operational costs.

2012 Accomplishments

- ◆ Aquatic Program fee revenue is 19% ahead of 2011 through September 2012.
- ◆ Increased cost program recovery to meet council direction.
- ◆ Implemented non-resident fee structure for programs.
- ◆ Offered after school Special Olympics Swim Team program for Tukwila and other local area school district students in the spring. Eighteen athletes participated on this year's team.
- ◆ Increased the program offerings for Teens with Teen Late Night at the Pool and additional Open Swim offerings.
- ◆ Researched, educated, and confirmed approval for entering into the Energy Savings Performance Contracting (ESPC) program with Washington State Department of Enterprise Services.
- ◆ Completed Planning and Design work of the ESPC and solicited bids.
- ◆ Received grant from Department of Commerce for the construction of the ESPC.
- ◆ Began capital improvement to the facility through ESPC.

2013 Program Goals

- ◆ Increase Aquatic Program fee revenue by 5%.
- ◆ Implement new TMPD resident and non-resident fee structure for passes.
- ◆ Implement new TMPD employee handbook.
- ◆ Increase number of participants in after school Special Olympics Swim Team program for Tukwila and other local area school district Students in the spring.
- ◆ Develop a long term marketing plan for the Pool and its programs.
- ◆ Continue to develop the Tukwila Pool Scholarship Program so that it supports the community needs and develop community support for fundraising efforts to sustain the scholarship program.
- ◆ Develop an afterschool swimming fitness program for Spring 2013 geared toward Middle School Age youth.

Attachment 1

Tukwila Metropolitan Park District

Description	2011 BUDGET	2011 ACTUALS	2012 BUDGET	2013 BUDGET
Beginning Fund Balance	\$ -	\$ -	\$ 63,491	\$ 197,605
REVENUE				
Tax Levy	-	-	-	680,186
Program Fees	35,000	32,375	128,570	180,000
Rentals	9,615	12,604	29,000	31,000
Donations	-	168	-	-
State Grant	-	-	-	416,666
Tax Exempt Lease Program - Loan	-	-	-	1,000,000
General Fund Loan	191,294	191,294	870,640	38,066
REVENUE TOTAL	\$ 235,909	\$ 236,441	\$ 1,028,210	\$ 2,345,918
EXPENDITURE				
10 Salaries & Wages	\$ 77,740	\$ 66,024	\$ 246,568	\$ 259,684
20 Personnel Benefits	28,434	20,408	78,807	81,775
30 Supplies	8,036	7,687	15,047	15,179
40 Other Services & Charges	90,928	78,831	273,674	257,122
60 Capital	-	-	-	1,416,666
70 Debt Service	-	-	-	173,850
00 Other-Life Cycle Replacement	-	-	250,000	-
00 Other-CIP Reserve	-	-	30,000	30,000
EXPENDITURE TOTAL	205,138	172,950	894,096	2,234,276
Ending Fund Balance	30,771	63,491	197,605	309,247
Required Reserve - Fund Balance (15% of Expenditures)			134,114	122,642
Fund Balance Surplus/(Deficit)	30,771	63,491	134,114	111,642
Metropolitan Park District Proposed Budget			\$ 894,096	\$ 2,234,276

* 2011 activity is based on the formation of the MPD effective 9/14/2012.

Salaries and Benefits

Salaries are based on actual costs for existing positions and include a cost of living adjustment per contract agreements.

PERSONNEL	2012 FTE	2012 Budgeted		2013 FTE	2013 Budgeted	
		Salaries	Benefits		Salaries	Benefits
Aquatics Program Coordinator	1	\$ 79,416	\$ 34,791	1	\$ 82,872	\$ 34,097
Aquatics Program Specialist	1	53,652	24,519	1	58,812	24,501
Extra Labor		113,000	19,497		118,000	23,177
Overtime	-	500	-	-	-	-
Department Total	2	\$ 246,568	\$ 78,807	2	\$ 259,684	\$ 81,775

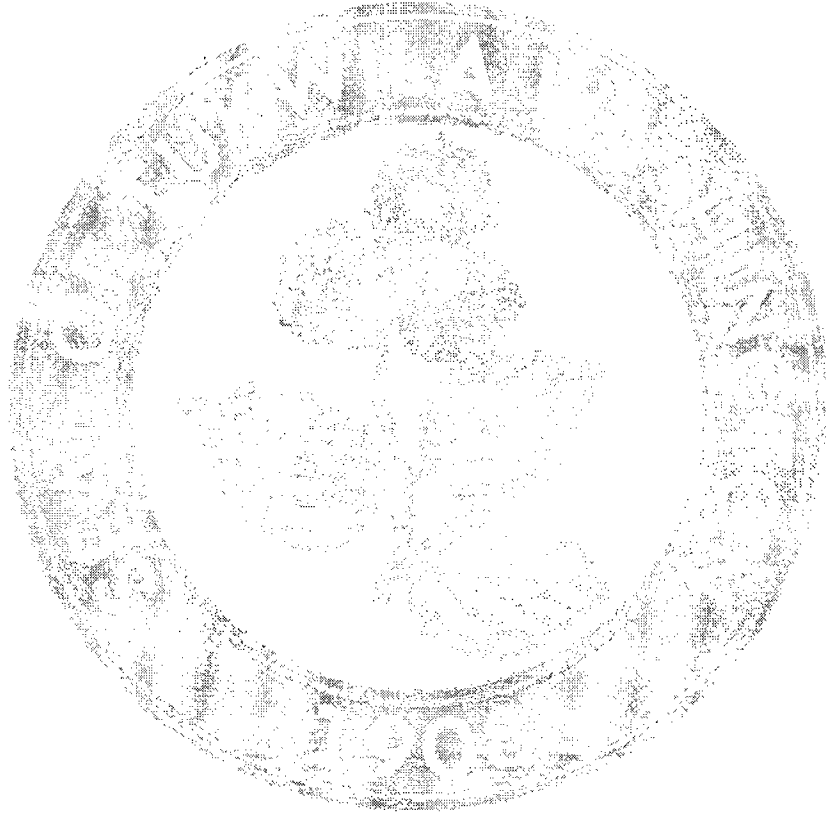
Professional Services

Professional services and contracts for the Metropolitan Park District include communications, security and fire monitoring, operating lease, utilities, memberships, as well as contracted legal and City services.

Account Number	Purpose	2012	2013
630.00.576.200.41.00	Consultants	\$ 300	\$ 100
630.00.576.200.42.00	Phone, security and fire monitoring	4,000	4,000
630.00.576.200.43.00	Mileage, meals, lodging, parking for WRPA conferences, training	400	-
630.00.576.200.44.00	Advertising banners, newspaper job listings	400	4,000
630.00.576.200.45.00	Rental of scissor lift for lights and ballasts	500	400
630.00.576.200.45.00	School Lease	10,950	10,950
630.00.576.200.47.00	Gas, electricity, sewer, and water	128,000	103,120
630.00.576.200.48.00	Pest control, HVAC service, boiler repair and maintenance, misc.	25,000	20,000
630.00.576.200.49.00	Permit fees, memberships, education and training	2,224	5,000
630.00.576.200.49.00	Contract Legal services	5,000	6,240
630.00.576.200.49.00	Contract City services	90,000	90,000
630.00.576.200.49.00	WCIA Insurance	5,000	9,912
630.00.576.200.49.08	Credit card charges	1,900	3,400
	Total Professional Services	\$ 273,674	\$ 257,122

Performance Measures

Parks & Recreation Aquatics Recreational Services	2009 Actual	2010 Actual	2011 Actual	2012 Projection	2013 Projection
Membership visits	14,234	14,585	13,527	11,607	15,000
Drop-in: lap, family & public swim	115,453	10,276	9,969	9,365	10,000
Swimming Lesson Registrants	2,129	2,150	2,146	2,174	2,300
Facility rentals	1,937	2,063	2,067	1,400	2,000
Rental attendance	56,735	56,370	35,164	35,000	36,000



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Revenue and Expenditures Tukwila Metropolitan Park District
5-Year Look
20-Year Financial Plan
2013 Tax Estimate; and
\$250K + \$1.416M Capital

ANNUAL ESTIMATED REVENUE		CITY		MPD		1% increase per year in Fee Revenue and 2% for New Construction & Property Tax revenue		2012-2016 5-Year			
	2011	2011	2011	2012 YR END Projections	2013	2014	2015	2016	2017		
18	BEGINNING FUND BALANCE	0	0	0	63,490	293,198	408,183	444,146	470,800	486,878	
1	PROGRAMS ⁽¹⁾	1% growth	\$ 157,000	\$ 131,654	\$ 36,157	\$ 166,750	\$ 180,000	\$ 189,000	\$ 190,890	\$ 192,799	\$ 194,727
2	RENTALS ⁽¹⁾	1% growth	\$ 48,000	\$ 28,731	\$ 13,216	\$ 29,150	\$ 31,000	\$ 33,000	\$ 33,330	\$ 33,663	\$ 34,000
3	BRIDGE LOAN ⁽²⁾				191,234	171,941	36,000				
4	TAX REVENUE ⁽³⁾	2% growth	323,169	220,005	AVG 2012 Tax	680,186	693,790	707,666	721,819	736,256	
5	TOTAL REVENUE		528,169	380,390	240,667	1,066,540	929,252	915,790	931,886	948,282	964,983
	Revenue + Fund Balance	revised to 2011 adopted budget			240,667	1,130,030	1,222,450	1,323,973	1,376,032	1,419,081	1,451,860
ANNUAL ESTIMATED EXPENDITURES				MPD		4% increase per year		5-Year			
OVERHEAD & CAPITAL		2011	2011	2011	2012 YR END Projections	2013	2014	2015	2016	2017	
7a	City Contract	\$2500 max	0	0	26,475	90,000	90,000	93,600	97,344	101,238	105,287
7b	MPD Attorney	Contracted	0	0	2011 Actual	6,000	6,240	6,490	6,749	7,019	7,300
7c	INSURANCE (WCIA)		0	0	Moved to	9,531	9,912	10,309	10,721	11,150	11,596
7d	School Lease	Due October	0	0	Operations	10,950	10,950	10,950	10,950	11,498	11,498
7	OVERHEAD	TOTAL	0	0	26,475	116,481	117,102	121,348	125,764	130,905	135,681
8	BRIDGE LOAN	\$1.1M (2% 10 years)	0	0	-	\$1.1M	88,245	121,458	121,458	121,458	121,458
9	CIP & Life-Cycle Replacement		0	0	-	250,000					
10	CIP RESERVE	Future CIP	0	0	-	30,000	30,000	30,000	30,000	30,000	30,000
11	BOND PAYMENT (see CIP Page)		0	0	BOND RATE not TELP = \$82,263/YEAR \$1M @ 2.42%	82,263	82,263	82,263	82,263	82,263	82,263
	CAPITAL	TOTAL	0	0	-	280,000	200,508	233,721	233,721	233,721	233,721
	Total Overhead	revised to 2011 adopted budget			26,475	396,481	317,610	355,069	359,485	364,626	369,402
OPERATIONS		2011	2011	2011	2012 YR END Projections	2013	2014	2015	2016	2017	
12a	FT SALARIES ^(1,4)	172,392	119,673	38,804	121,979	141,684	148,848	154,802	160,994	167,434	
12b	EXTRA LABOR ^(1,5)	120,000	73,433	27,220	111,000	118,000	125,000	130,000	135,200	140,608	
12c	OVERTIME	500	99	-	-	-	-	-	-	-	
12	SALARIES & WAGES	292,892	193,205	66,024	232,979	259,684	273,848	284,802	296,194	308,042	
13a	FICA ⁽¹⁾	22,155	14,735	5,031	16,197	19,773	20,895	21,731	22,600	23,504	
13b	PERS ⁽¹⁾	16,045	8,766	3,598	11,365	15,106	17,679	18,386	19,122	19,887	
13c	IND. INSURANCE ⁽¹⁾	2,848	9,400	3,251	9,818	14,694	15,920	16,557	17,219	17,908	
13d	MED/DENTAL/LIFE/VISION ⁽¹⁾	1,517	1,239	331	5,382	1,263	1,392	1,447	1,505	1,565	
13e	SELF-INSURED MED. & DENTAL ⁽¹⁾	35,420	30,079	8,197	22,911	30,938	32,176	33,463	34,801	36,193	
13	PERSONNEL BENEFITS	77,985	64,219	20,408	65,673	81,775	88,062	91,584	95,248	99,058	
14a	OFFICE & OPER. SUPPLIES	9,000	3,980	5,989	7,500	8,679	10,368	10,783	11,214	11,662	
14b	CHEMICALS	5,000	2,852	1,698	5,000	6,500	7,375	7,670	7,976	8,295	
14c	CENTRAL SUPPLIES	468	219	-	-	-	-	-	-	-	
14	SUPPLIES	14,468	7,051	7,687	12,500	15,179	17,742	18,452	19,190	19,958	
15a	PROFESSIONAL SERVICES	300	-	1,563	100	100	104	108	112	117	
15b	COMMUNICATION	4,000	1,783	815	4,000	4,000	4,160	4,326	4,499	4,679	
15c	TRAVEL	400	-	-	-	-	-	-	-	-	
15d	ADVERTISING	400	95	-	500	4,000	3,000	3,120	3,245	3,375	
15e	OPERATING RENTALS & LEASES	500	-	10,950	-	400	416	433	450	468	
15f	PUBLIC UTILITY SERVICES ⁽⁶⁾	110,000	94,707	29,915	101,000	103,120	107,245	111,535	115,996	120,636	
15g	REPAIRS & MAINTENANCE	25,000	13,840	6,639	16,000	20,000	20,800	21,632	22,497	23,397	
15h	MISCELLANEOUS	2,224	2,823	6,124	5,300	5,000	5,200	5,408	5,624	5,849	
15i	CREDIT CARD CHARGES	-	2,666	577	2,300	3,400	4,180	4,347	4,521	4,702	
15	OTHER SERVICES & CHARGES	142,824	115,915	56,583	129,200	140,020	145,105	150,909	156,945	163,223	
	Total Operations	\$ 528,169	\$ 380,390	\$ 150,702	\$ 440,352	\$ 496,658	\$ 524,757	\$ 545,747	\$ 567,577	\$ 590,280	
16	TOTAL EXPENDITURES	\$ 528,169	\$ 380,390	\$ 177,177	\$ 836,833	\$ 814,268	\$ 879,827	\$ 905,233	\$ 932,203	\$ 959,683	
SUMMARY								5-Year			
5	TOTAL REVENUE	\$ 528,169	\$ 380,390	\$ 240,667	\$ 1,130,030	\$ 1,222,450	\$ 1,323,973	\$ 1,376,032	\$ 1,419,081	\$ 1,451,860	
16	TOTAL EXPENDITURES	\$ 528,169	\$ 380,390	\$ 177,177	\$ 836,833	\$ 814,268	\$ 879,827	\$ 905,233	\$ 932,203	\$ 959,683	
18	YEAR END BALANCE	0	(0)	\$ 63,490	293,198	408,183	444,146	470,800	486,878	492,178	
17	15% Fund Balance			15% \$ 30,771*	\$ 125,525	\$ 122,140	\$ 131,974	\$ 135,785	\$ 139,830	\$ 143,952	

NOTES
 (1) Revenue/Expenditures adjusted for construction closure January 2013
 (2) Bridge loan - borrowed \$1.1M from City until Tax is collected
 *% of budget not actual expenditures shown
 Fund Balance Reserve \$ 167,673 \$ 286,042 \$ 312,172 \$ 335,015 \$ 347,047 \$ 348,225

