DES MOINES POOL METROPOLITAN PARK DISTRICT

2016 BUDGET

Prepared By:

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District General Manager

Toni Nelson
Financial Advisor

Board of Commissioners

Toni Overmyer, President
Nancy Kuehnoel, Board Clerk
Joe Dusenbury
Eric Kasnick
Marty Martinson
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DEPARTMENT OF
ASSESSMENTS

DES MOINES POOL METROPOLITAN PARK DISTRICT
KING COUNTY, WASHINGTON

RESOLUTION NUMBER 2015 - 09

A RESOLUTION of the Board of Commissioners of the
Des Moines Pool Metropolitan Park District, King County Washington
Adopting an Operating Budget for the Fiscal Year Beginning January 1, 2016

WHEREAS, the King County Assessor has notified the Commissioners of the Metropolitan
Park District of the estimated assessed valuation of property lying within the boundaries of said
district for the year 2015 is $2,858,454,936.00 and;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The attached Exhibit A is adopted as the 2016 Budget of the Des Moines Pool
   Metropolitan Park District.

2. The Honorable County Council of King County, Washington is hereby requested to make
   a regular property tax levy for 2015, collected in 2016, for Des Moines Pool Metropolitan
   Park District of $872,013.00

3. The County Comptroller of King County, Washington be and is hereby authorized and
   directed to deposit and sequester the monies received from the collection of the tax levy
   specified in Paragraph #2 above in the amounts and funds specified below:

   A. $871,042.00 to the Current Expense Fund of the District.
   B. ______________ to the Debt Service Fund of the District.
   C. ______________ to the Capital Expense Fund of the District.
   D. $ 971.00 Refunds

   $ 872,013.00 Total Regular Levy

One copy of this resolution shall be delivered to each of the following: County Council and
County Assessor of King County, Washington>

ADOPTED by the Board of Commissioners of the Des Moines Pool Metropolitan Park District,
King County, Washington at a Regular Meeting this 3rd day of November, 2015.

Commissioner

Commissioner

Commissioner

Commissioner

Clerk
Budget Message from the District Manager

Dear Citizens,

It is my pleasure to present the District Budget for the 2016 fiscal year. The district’s budget serves three main purposes: formation of public policy, control of spending and a written financial plan that reflects the District’s ongoing commitment to providing aquatic programs for patrons of all ages in a fiscally responsible and sustainable fashion.

2015 Accomplishments

In 2015, the district concentrated on meeting the strict State of Washington legal requirements including updating its policies. The State Auditor’s Office triennial review and had no critical issues.

The district invested in improving the entry of the facility by performing a paver patio repair and rebuild. The district understands the importance of the outdoor grounds and entry to the overall aquatic experience of the community.

The district improved its community outreach by providing funding to its pool operator (Aquatics Management Group) to retain a Marketing Specialist. This position developed a 40th Birthday Party for the pool, increased special events and outreach events including the Farmer’s Market.

2016 Financial Outlook

The Operating Budget for the Des Moines Pool Metropolitan Park District (District) for the 2016 Fiscal/Calendar Year is presented after review of previous years’ accomplishments, changes in the District’s organization and projected resources available to do our work. Suggestions from Commissioners are included as well as most updated projections from the District’s Financial Services Contractor.

The 2016 Budget reflects the district investing monies in projects deferred over the years at the Mt. Rainier Pool facility. Revenue projections reflect an increase in the levy rate for property tax to allow the district to make the required budget appropriations to complete these capital repair projects. This year we have allocated $452,000 of Capital Projects (see page 13), which is our most ambitious list of projects to date.

The district has also hired a consultant to look at the Mount Rainier Pool to help better plan for the future. This information will be used to finalize the Master Plan later this year. This plan will help the district strategize for the future and steward resources more efficiently. The Master Plan should be produced the Fourth Quarter of 2016.
The district hired its first full-time General Manager in 2016. This position will help the district ensure that it is meeting the strict legal requirements of Washington State, better manager contractors and consultants and help the district strategically plan for the future.

A Contingency Allocation is included as a way to deal with unanticipated events typical of an aging facility. All other allocations are based upon current contracts, previous years’ trends and the District’s mission statement.

We welcome feedback on the district budget and its content. Feel free to contact me via email (scott.deschenes@desmoinespool.org), telephone (206) 429-3852 or make an appointment to stop by our office at 22015 Marine View South, Des Moines.

I look forward to serving you this year.

Respectfully,

Scott Deschenes
District General Manager
Des Moines Pool Metropolitan Park District
Vision, Mission, Values and Goals

Vision Statement

A water-safe community that honors our aquatic heritage

Mission Statement

To enhance our community’s quality of life by providing access to and promoting participation in aquatic programs.
Core Values

Accountability to the public we serve
Act with Integrity
Take Responsibility
Transparency
Treat people with dignity & respect

Goals

Understand & support our community’s changing needs
Continue prudent use of taxpayer’s funds
Promote & support aquatics programs
Provide a safe & functional facility
Communicate with the people we serve
Create a positive customer experience in terms of cost, quality, delivery, safety and morale
District Contact Information

Des Moines Pool Metropolitan Park District

22015 Marine View Drive South (Physical)

P.O. Box 98711 (Mailing Address)

Des Moines, WA  98198

Phone: 206-429-3852

Email: scott.deschenes@desmoinespool.org

Web site: www.desmoinespool.com

Mount Rainier Pool

22722 19th Ave. S. (Physical)

Des Moines, WA  98198

Phone: 206-824-4722

Web site: www.mountrainierpool.com
The Des Moines Pool Metropolitan Park District will be hiring its first full time employee, a District General Manager in the first quarter of 2016. With the numerous contracts and commitments to large capital projects the District’s board determined that it was in the best interest of the district to have a full time manager to oversee operations.
District Funds

The accounting rules applicable to the District requires the use of “fund accounting”, wherein the money received (revenues) and the money spent (expenditures) are accounted for in separate funds. This is done to ensure that money collected or designated by the District for a special purpose is spent for the purpose intended. The District budget has two major funds:

**General Fund** – This fund is used to account for the District’s ongoing activities. It includes aquatic programming, administration, planning, and facility maintenance. The General Fund accounts for the majority of the Des Moines Pool budget.

**Capital Projects/Reserve Fund** – This fund is used to accumulate dollars over a period of time to allow for the future purchase and/or acquisition of major equipment or aquatic facility upgrades/replacement.

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GENERAL FUND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Cash</td>
<td>$139,567</td>
<td>$436,956</td>
<td>$274,754</td>
<td>$296,785</td>
<td>$374,543</td>
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<tr>
<td>Revenues</td>
<td>$587,712</td>
<td>$652,821</td>
<td>$599,673</td>
<td>$594,310</td>
<td>$902,513</td>
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<tr>
<td>Expenditures</td>
<td>$290,324</td>
<td>$815,023</td>
<td>$577,642</td>
<td>$550,901</td>
<td>$1,277,056</td>
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<tr>
<td>Ending Cash</td>
<td>$436,956</td>
<td>$274,754</td>
<td>$296,785</td>
<td>$340,194</td>
<td>0</td>
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<tr>
<td><strong>CAPITAL FUND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Cash</td>
<td>$70,000</td>
<td>$70,000</td>
<td>$207,958</td>
<td>$280,000</td>
<td>$350,000</td>
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<tr>
<td>Revenues</td>
<td>0</td>
<td>$137,958</td>
<td>$72,042</td>
<td>$70,000</td>
<td>$70,000</td>
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<tr>
<td>Expenditures</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ending Cash</td>
<td>$70,000</td>
<td>$207,958</td>
<td>$280,000</td>
<td>$350,000</td>
<td>$420,000</td>
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</tbody>
</table>
General Fund Revenue

General Fund revenues consists of property taxes, intergovernmental grants, charges for services through interlocal agreement and interest income from investments. DMPMPD contracts for pool management which includes the operation of programs and services at Mt. Rainier Pool.

**2016 General Fund Revenues**

- **Beginning Cash** - represents the carry forward amount from the previous fiscal year.
- **Property Taxes** – the primary revenue source for the district.
- **Intergovernmental Revenues (grants)** – the 2016 budget does not anticipate grant income
- **Charges for Services** – reflects a contractual agreement between DMPMPD and the City of Normandy Park for aquatic facility access.
- **Interest and Miscellaneous Income** – interest earnings from King County Treasurer’s office.

<table>
<thead>
<tr>
<th>Revenue by Classification</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015 Estimated</th>
<th>2016 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Cash</td>
<td>$139,568</td>
<td>$436,956</td>
<td>$436,956</td>
<td>$297,255</td>
<td>$340,194</td>
</tr>
<tr>
<td>Taxes</td>
<td>$535,317</td>
<td>$546,573</td>
<td>$562,095</td>
<td>$564,387</td>
<td>$862,700</td>
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<tr>
<td>Grants/Intergov’t</td>
<td>$0.00</td>
<td>$80,000</td>
<td>$9,976</td>
<td>$0.00</td>
<td>$0.00</td>
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<tr>
<td>Contract-N.Park</td>
<td>$50,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
</tr>
<tr>
<td>Interest Income</td>
<td>$2,395</td>
<td>$2,000</td>
<td>$2,603</td>
<td>$2,350</td>
<td>$2,800</td>
</tr>
<tr>
<td>Donations</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
General Fund Expenditures

General Fund expenditures are used to support the ordinary operations of the District including aquatic programs, facility maintenance and all other central operations and services.

<table>
<thead>
<tr>
<th>Expenditures by Category</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015 Estimated</th>
<th>2016 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$96,405</td>
<td>$150,979</td>
<td>$230,200</td>
<td>$241,867</td>
<td>$329,071</td>
</tr>
<tr>
<td>Pool Facility</td>
<td>$158,341</td>
<td>$211,574</td>
<td>$216,784</td>
<td>$467,125</td>
<td>$364,800</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>$35,578</td>
<td>$314,512</td>
<td>$58,616</td>
<td>$110,000</td>
<td>$513,185</td>
</tr>
<tr>
<td>Transfers to Reserves</td>
<td>$0</td>
<td>$137,958</td>
<td>$70,000</td>
<td>$70,000</td>
<td>$70,000</td>
</tr>
<tr>
<td>Debt Repayment</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total General Fund</td>
<td>$290,324</td>
<td>$815,023</td>
<td>$577,642</td>
<td>$888,992</td>
<td>$1,277,056</td>
</tr>
</tbody>
</table>
Capital Projects and Expenditures for 2016

The projects listed have been identified by the District through a pool facility evaluation completed during 2013. The District intends to fund all projects identified and listed below through the General fund budget.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Project #</th>
<th>Project Budget</th>
<th>Funding Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pool Liner Replacement</td>
<td>2016-01C</td>
<td>$203,000</td>
<td>General</td>
</tr>
<tr>
<td>Pool Tile Replacement</td>
<td>2016-02C</td>
<td>$15,000</td>
<td>General</td>
</tr>
<tr>
<td>Refurbish Bulkhead</td>
<td>2016-03C</td>
<td>$111,000</td>
<td>General</td>
</tr>
<tr>
<td>Filter Room Floor Replacement</td>
<td>2016-04C</td>
<td>$6,000</td>
<td>General</td>
</tr>
<tr>
<td>Surge Tank Replacement</td>
<td>2016-05C</td>
<td>$50,000</td>
<td>General</td>
</tr>
<tr>
<td>Skylight Replacement (Clerestory)</td>
<td>2016-06C</td>
<td>$33,000</td>
<td>General</td>
</tr>
<tr>
<td>Low Spot Repair</td>
<td>2016-07C</td>
<td>$10,000</td>
<td>General</td>
</tr>
<tr>
<td>Replace Underwater Lights</td>
<td>2016-08C</td>
<td>$24,000</td>
<td>General</td>
</tr>
<tr>
<td><strong>Total Projects - 2016</strong></td>
<td></td>
<td><strong>$452,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

The District Board hired a consultant to determine if the district should continue to invest in the current Mount Rainier Pool facility, or look to invest taxpayers’ money in design/build of a new facility. A report will be made to the board in the third quarter of 2016. This report will determine the direction and scope of future capital decisions.

**Capital Project Reserve Fund**

The District has established and committed to increasing its capital project reserve fund to meet the future capital needs of the districts aquatic facility. Annual contributions are made from the general fund to a separate reserve fund. This annual commitment to reserves is currently set at $70,000.
Glossary of Terms

APPROPRIATIONS - A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended.

BUDGET - A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year.

CAPITAL ASSETS - Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have a cost greater than $5,000 and an initial useful life extending beyond a five years.

CAPITAL PROJECTS FUND - Funds used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets.

CAPITAL OUTLAYS - Expenditures which result in the acquisition of or addition to capital assets.

INTERFUND TRANSFERS - flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment.

MAINTENANCE – routine, regularly scheduled events which extend the life of a capital item.

NON-CAPITALIZED ASSETS – Building improvements, machinery, equipment, works of art, infrastructure, and all tangible or intangible assets that are used in operations with an initial cost less than $5,000 and a useful life of less than 5 years.

PROJECT MANAGEMENT SYSTEM – DMPMPD uses Job Numbers to organize and track costs related to specific projects. The nomenclature is each new project number will be identified by the year plus the chronological numbering of projects for that year. As an example, the first project of 2014 will be identified with 2014-01. DMPMPD will further differentiate between projects by assigning the following suffix:

- C for Capital
- R for Repair/replacement
- M for Maintenance
- E for Equipment Purchase
- A for Administrative projects/purchases
- P for Professional Services (consultants, engineers, etc.)
PUBLIC WORK – To ensure DMPMPD meets the State’s requirements for labor, construction, alternation, repair or improvement other than ordinary maintenance the District must adhere to elements of Washington State’s definition of a Public Work found in RCW 39.04.010. Public Work rules do not apply to equipment purchased or work contracted for services such as consultants.

REPAIR – corrects or prevents a failure of machinery, equipment or infrastructure and is expected to extend its useful life.

SMALL AND ATTRACTIVE ASSETS – see definition of “Non-Capitalized Assets”.