

**CAPITAL AREA REGIONAL - PUBLIC FACILITIES DISTRICT
BOARD MEETING**

THURSDAY, AUGUST 18, 2016

4:00 – 5:00 P.M.

*Lacey City Hall, Council Chambers
420 College Street*

AGENDA

1. CALL TO ORDER

Mark Foutch, President of CAR-PFD Board

- *Announce re-appointment of Nancy (Peterson) Clauson to Regional Position*

2. APPROVAL OF AUGUST 11, 2015 MINUTES

3. PUBLIC COMMENT

4. PRESIDENT'S REPORT

5. 2015 ANNUAL FINANCIAL REPORTS

Troy Woo, Finance Director, City of Lacey

6. REGIONAL ATHLETIC COMPLEX PRESENTATION

Sue Falash, Interim Parks Director, and Facilities & Athletic Manager, City of Lacey

7. HANDS ON CHILDREN'S MUSEUM PRESENTATION

Patty Belmonte, HOC Museum Director

Jay Burney, Assistant City Manager, City of Olympia

8. 2016-2017 ELECTION OF OFFICERS

- *President*
- *Secretary/Treasurer*

9. NEXT MEETING - CALENDAR & ANNOUNCEMENTS

10. ADJOURN

CAPITAL AREA REGIONAL - PUBLIC FACILITIES DISTRICT (CARPFD)
BOARD OF DIRECTORS MEETING
AUGUST 11, 2015
LACEY CITY HALL
420 COLLEGE STREET
LACEY, WASHINGTON

The CAR-PFD Board of Directors meeting convened at 4:00 p.m. on August 11, 2015.

BOARD MEMBERS PRESENT: Mark Foutch, Dennis Reed, Nancy Peterson, Chris Leicht, Trent Grantham

BOARD MEMBERS EXCUSED: Ken Parsons, David Brine

STAFF PRESENT:

City of Lacey:
Troy Woo, Finance Director; Pam Meredith, Accounting Manager; Chun Saul, Senior Accountant - FI, Lori Flemm, Parks/Recreation Director; Sue Falash, Regional Athletic Complex Manager, Carol Litten, City Clerk

City of Olympia:
Jay Burney, Assistant City Manager
Patty Belmonte, Executive Director of Hands on Children's Museum

2014-2015 ELECTION OF OFFICERS

BOARD MEMBER GRANTHAM MOVED TO NOMINATE MARK FOUTCH AS PRESIDENT AND KEN PARSONS AS SECRETARY-TREASURER. BOARD MEMBER PETERSON SECONDED. MOTION CARRIED.

APPROVAL OF MINUTES

BOARD MEMBER REED MOVED TO MAKE TWO CORRECTIONS TO THE JULY 16, 2014, BOARD MINUTES. BOARD MEMBER LEICHT SECONDED. MOTION CARRIED.

Corrections will be made to the minutes by staff.

BOARD MEMBER REED MOVED TO APPROVE THE MINUTES OF JULY 16, 2014. BOARD MEMBER PETERSON SECONDED. MOTION CARRIED.

2014 ANNUAL FINANCIAL REPORT

Pam Meredith, Accounting Manager, presented the CARPFD Financial Activities Report for the period January 1, 2014 – December 31, 2014. CARPFD Funds are accounted for by the City of Lacey in an Agency Fund which is a separate fund within the financial system of the City. Sales tax revenues are received from the State of Washington by the City on behalf of the CARPFD

and distributed to the two approved projects based on the proportionate share determined by the Interlocal Agreements between the CARPFD and the cities of Olympia and Lacey.

The total sales tax revenue and interest received by the CARPFD in 2013 was \$1,303,084. Interest earned on the undistributed fund balance totaled \$274. The expenditures and distributions for 2014 were \$1,374,975 of which \$986,877 as for support of the City of Lacey project, \$388,098 for the City of Olympia project, and \$4,020 for administrative expenses which were reimbursed by the cities of Lacey and Olympia.

BOARD MEMBER PETERSON MOVED TO APPROVE THE CARPFD FINANCIAL REPORT FOR THE FISCAL YEAR ENDING DECEMBER 31, 2014. BOARD MEMBER REED SECONDED. MOTION CARRIED.

REGIONAL ATHLETIC COMPLEX UPDATE

Sue Falash, Regional Athletic Complex Manager, provided highlights of activities and events scheduled at the RAC in 2014.

- Founders Cup Soccer
- Frisbee Tournament – Mushroom Festival
- Rampage at the RAC
- Doggie Easter Egg Hunt
- Summer Camps – football, soccer, baseball and cheerleading
- Lakefair Volleyball Tournament fun events in 201
- Battle of the Beasts – weight lifting
- ASA 10 U State Fast Pitch
- ASA 14 U Regional Fast Pitch
- 1,518 teams scheduled over 50 weekends
- 1,012 teams traveled 50 plus miles from Lacey
- Generated \$1.1 million in revenue with a 44% cost recovery

Lori Flemm, Parks & Recreation Director, presented the 20 Year financial Plan (2015-2035).

On March 12, 2015, the Lacey City Council approved refunding of GO and LTGO bonds that were used to construct Phase 2 of the RAC. This resulted in two revisions to the 20 Year Financial Plan.

- Total projection for debt service repayment was reduced by \$285,962.
- There is no early payoff option. The final maturity date is December 1, 2027. At that time, it is anticipated that \$4.5M will still be owed on the debt.

Actual net revenues in 2014 exceeded the projected amount by \$174,571.98:

- PFD sales tax actual exceed the 2014 projection by \$91, 327.
- Field use fees and other operating expenses were \$39,125 greater than projected.
- This resulted in an increase of \$197,016 in the 2014 ending balance.

Recommendations that were implemented from the 20 Year Plan includes:

- The plan should be reviewed annually to insure the RAC remains financially secure.

- PFD revenues should be monitored annually
- The city should set aside \$54,000 of PFD funds per year, beginning in 2015, to pay off in 2027.
- Staff should submit an application for 2015 Lodging Tax Funds from the City of Olympia.
- Staff should submit a letter of intent for 2015 Youth Athletic Facility funds for synthetic pitching mounds for field #5.

HANDS ON CHILDREN'S MUSEUM

Patty Belmonte, Executive Director of Hands on Children's Museum, provided highlights of activities and events at the museum in 2014.

- 292,834 visitors served
- Top 5 out-of-state visitors included California, Oregon, Alaska, Idaho and Texas
- 7,815 family memberships
- 78,572 free and reduced admissions
- 12,664 field trip visitors
- 857 volunteers providing 18,473 volunteer hours

Key Economic Impacts in 2014 include:

- Tourism impact of \$8M including day visitors, overnight visitors, and taxes
- 2,853 Room Nights based on surveys of out-of-town museum visitors, private event guests, Sand in the City, artists and educators
- Hotel stays generated \$313,830 based on \$110/per room night
- Museum store and parking sales tax generated \$30,520.

Phase 1 of the museum project focused on the grand opening in November 2012, and included 80% of the exhibits. Phase 2 was designed as outdoor space with a beach, driftwood fort and stick man sculpture. The museum was awarded \$100,000 in grant funds to complete Phase 2 by the end of 2017. Phase 3 will enhance the outdoor area with a helicopter, gravel dig, rain garden, naturalist cabin, adventure trail, and more. Fundraising will continue to raise operating funds, pay bonds, and purchase exhibits.

The Board and staff are continually refreshing and adding new ideas and exhibits to the museum to maintain interest and attract new visitors. Some of these activities include sand castle painting, science, and technology.

Jay Burney, Assistant City Manager, reported the museum has spurred economic development growth in downtown Olympia which includes the new city hall, new LOTT facility, and a brewery

BOARD APPOINTMENTS & TERMS OF OFFICE

The cities of Lacey, Olympia, Tumwater and Thurston County unanimously reappointed Chris Leicht as a regional representative for his 3rd term through March 2018.

In 2016, terms will expire for the following PFD Board Members who serve as regional representatives: Nancy Peterson. Each jurisdiction will be notified by Lacey staff to either appoint or re-appoint a citizen to represent their community on the PFD Board.

President Foutch adjourned the meeting at 4:45 p.m.

Recorded by:

City Clerk

DRAFT

Capital Area Regional Public Facilities District

2015 Annual Financial Report
For the Year Ended December 31, 2015

Capital Area Regional Public Facilities District

2015 Board of Directors

President

Mark Foutch

Secretary/Treasurer

Ken Parsons

Board members

Nancy Clauson, Regional

Chris Leicht, Regional

Trent Grantham, Tumwater

David Brine, Olympia

Dennis Reed, Lacey

Capital Area Regional
Public Facilities District
Report for the year ended December 31, 2015

July 21, 2015

Board of Directors
Capital Area Regional Public Facilities District

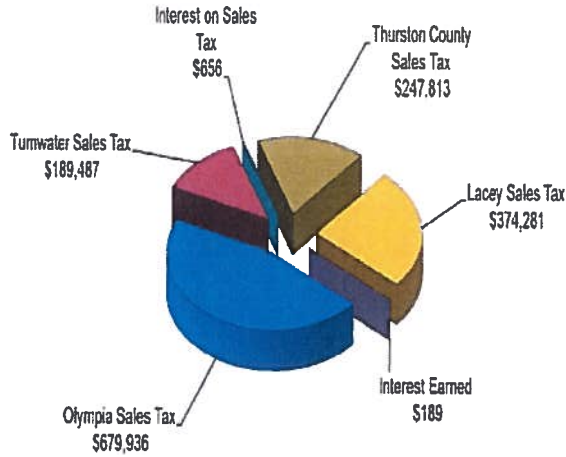
I am submitting this report on the financial activities of the Capital Area Regional Public Facilities District (CARPFD), for the period January 1, 2015 – December 31, 2015. CARPFD funds are accounted for by the City of Lacey in an Agency Fund which is a separate fund within the financial system of the City. Sales tax revenues are received from the State of Washington by the City on behalf of the CARPFD and distributed to the two approved projects based on the proportionate share determined by the Interlocal agreements between the CARPFD and the cities of Olympia and Lacey.

The total sales tax revenue and interest received by the CARPFD in 2015 was \$1,492,173. Interest earned on the undistributed fund balance totaled \$189 for a combined total of \$1,492,362. The expenditures and distributions of the CARPFD for 2015 were \$1,494,814 of which \$1,070,995 was for support of the City of Lacey project, \$421,178 for the City of Olympia project and \$2,641 for administrative expenses, which are reimbursed by the cities of Olympia and Lacey. The accompanying financial report displays further information regarding the financial activities of the CARPFD. Financial information presented in this report is un-audited. The CARPFD is subject to audit by the State of Washington, Auditor's Office.

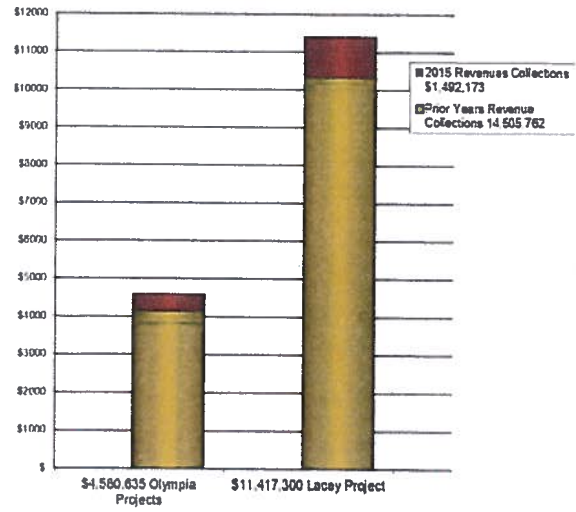
Respectfully,

Kristy Wolf
Accounting Manager
City of Lacey

**2015 Capital Area Regional Public Facilities District
Revenue Collections
\$1,492,362**

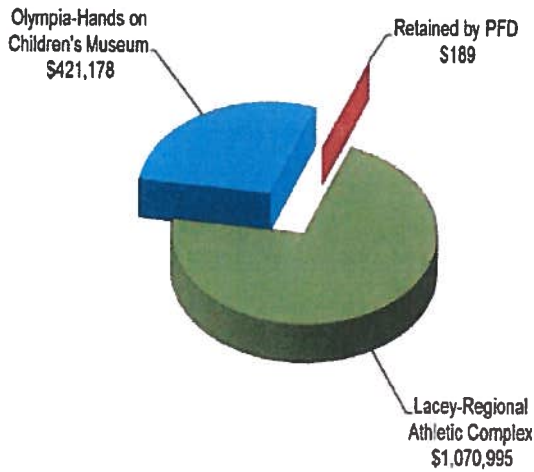


**Life-to-Date Allocation of CARPFD
Revenues to Projects
\$15,997,936**



**2015 CARPFD
Distribution of Revenues**

\$1,492,173 to Projects
\$189 Retained in Fund balance



Balance Sheet/Statement of Net Position
As of December 31, 2015

Capital Area Regional Public Facilities District

		<u>General Fund / Governmental Activities</u>
Assets		
Cash	\$	70,584
Due from other governmental units		<u>271,564</u>
Total assets		342,148
Liabilities		
Due to other governmental units		<u>271,564</u>
Total Liabilities		271,564
Fund balance/net position:		
Unreserved/unrestricted		<u>70,584</u>
Fund balance/net position	\$	<u>70,584</u>

See accompanying notes to the financial statement

Capital Area Regional Public Facilities District
Statement of Governmental Fund Revenues, Expenditures,
and Changes in Fund Balances/Net Position
For the period ended December 31, 2015

		General Fund / Governmental Activities
Revenues		
Sales taxes	\$	1,491,517
Interest on sales tax		656
Investment earnings		<u>189</u>
Total revenues		1,492,362
Expenditures		
PFD project payments		1,492,173
Insurance		<u>2,641</u>
Total Expenditures		1,494,814
Excess (deficiency) of revenues over (under) expenditures		(2,452)
Other Financing Sources		
Contributions in - administrative support reimbursement		2,641
Net change in fund balance/net position		189
Fund balance/net position January 1, 2015		<u>70,395</u>
Fund balance/net position December 31, 2015	\$	<u>70,584</u>

See accompanying notes to the financial statement

Capital Area Regional Public Facilities
Notes to the Financial Statements
December 31, 2015

Note 1 – Summary of significant accounting policies

The financial statements of the Capital Area Regional Public Facilities District (PFD) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

A. Reporting entity

The Capital Area Regional Public Facilities District, a municipal corporation was organized June 26, 2002 by an Interlocal Agreement entered into by the City of Olympia, the City of Lacey, the City of Tumwater and Thurston County and operates pursuant to the laws of the State of Washington. The Capital Area Regional Facilities District is served by members appointed by the City Councils of Olympia, Lacey, Tumwater and the Thurston County Board of Commissioners. The District was created for the purpose of financing, acquiring, constructing, owning, and/or operating one or more regional centers. These centers are defined as a convention, conference, museum or special events center, or any combination of such facilities, and related parking facilities serving a regional population at a development cost of at least ten million dollars, including debt service. The cities of Olympia and Lacey prepare a separate report on the use of PFD funds for their projects.

In 2003 the PFD contracted with the City of Lacey to develop an Athletic, Recreation and Special Events complex and the City of Olympia to build an Arts and Conference center. During 2004, the City of Olympia terminated the Arts and Conference center project. In 2006 the PFD agreed to contract with the City of Olympia to develop the Hands on Children's Museum project. In November of 2006 amended Interlocal agreements were entered into with the cities of Olympia and Lacey to provide funding for both projects and to divide the balance of unallocated funds as of the amended agreement date, as well as future PFD revenues between Lacey at 71.77% and Olympia at 28.23%.

B. Government-wide fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information for all fiduciary activities of the District. There is no interfund activity or component units within these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The District has no indirect costs. Program revenues include only sales tax collected.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered collectible within the current period or soon enough thereafter to pay for liabilities of the current period. Expenditures are generally recorded when a liability is incurred as, as under Capital Area Regional Public Facilities District accrual accounting.

There are no reconciling differences between "Net Position" or "Changes in Fund Balance" as presented in the fund statements and the "Net Position" or "Changes in Fund Balance". As a result, one set of statements presents information for the fund statements and government wide activity.

Note 2 – Budget, compliance and accountability

The District is not statutorily required to adopt budget.

Note 3 – Deposits and Investments

A. Deposits

The Capital Area Regional Public Facilities District's deposits at December 31, 2015 are entirely covered by the federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (WPDPC).

B. Investments

The Capital Area Regional Public Facilities District may invest in obligations of the U.S. Government, U.S. Agency issues, obligations of the State of Washington, general obligations of Washington State municipalities (the State Treasurer's Investment Pool (LGIP)), or certificates of deposit with Washington State banks and savings and loan institutions that are approved by the Washington Public Protection Commission (PDPC). The State Treasurer's Local Government Investment Pool (LGIP) operates in accordance with appropriate state laws and regulations. The LGIP is an un-rated 2a-7 like pool, as defined by GASB 31. Accordingly, participants' balances in the LGIP are not subject to interest rate risk, as the weighted average maturity of the portfolio will not exceed 60 days. The credit risk of the LGIP is limited as most investments are either obligations of the US government, government sponsored enterprises, or insured demand deposit accounts and certificates of deposit. Investments or deposits held by the LGIP are either insured or held by a third-party custody provider in the LGIP's name. The reported value of the pool is the same as the fair value of the pool shares. The pool consisted of investments with the Washington State Treasurer's Local Government Investment Pool (LGIP).

Note 4 – Risk management

Capital Area Public Facilities District is a member of Enduris. Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. Enduris was formed July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW. Two (2) counties and two (2) cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. As of August 31, 2015, there are 507 Enduris members representing a broad array of special purpose districts throughout the state. Enduris provides property and liability coverage as well as risk management services and other related administrative services.

Members make an annual contribution to fund Enduris and share in the self-insured retention of the jointly purchased excess and/or reinsurance coverage. The self-insured retention is:

- \$1,000,000 deductible on liability loss - the member is responsible for the first \$1,000 of the deductible amount of each claim, while Enduris is responsible for the remaining \$999,000 on a liability loss.
- \$250,000 deductible on property loss - the member is responsible for the first \$1,000 of the deductible amount of each claim, while Enduris is responsible for the remaining \$249,000 on a property loss.
- Enduris is responsible for the \$4,000 deductible on boiler and machinery loss.

Enduris acquires reinsurance from unrelated insurance companies on a "per occurrence" basis to cover all losses over the deductibles as shown on the policy maximum limits. Liability coverage is for all lines of liability coverage including Public Official's Liability. The Property coverage is written on an "all risk", blanket basis using current Statement of Values. The Property coverage includes but is not limited to mobile equipment, boiler and machinery, electronic data processing equipment, business interruption, course of construction and additions, property in transit, fine arts, and automobile physical damage to insured vehicles. Liability coverage limit is \$10 million per occurrence and property coverage limit is \$1 billion per occurrence. Enduris offers crime coverage up to a limit of \$1 million per occurrence.

Since Enduris is a cooperative program, there is a joint liability among the participating members.

The contract requires members to continue membership for a period of not less than one (1) year and must give notice 60 days before terminating participation. The Master Agreement (Intergovernmental Contract) is automatically renewed after the initial one (1) full fiscal year commitment. Even after termination, a member is still responsible for contribution to Enduris for any unresolved, unreported and in-process claims for the period they were a signatory to the Master Agreement.

Enduris is fully funded by its member participants. Claims are filed by members with Enduris and are administered in house.

A Board of Directors consisting of seven (7) board members governs Enduris. Its members elect the Board and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for conducting the business affairs of Enduris.

CAPITAL AREA REGIONAL - PUBLIC FACILITIES DISTRICT
DESCRIPTION OF BOARD POSITIONS

PRESIDENT

The CAR-PFD Board President reviews staff-proposed agenda drafts and chairs all meetings of the Board of Directors. With the Secretary-Treasurer, approves for payment invoices for Board-authorized expenditures, and grants authority to the City of Lacey to distribute the revenues received per the interlocal agreement. Attends out-briefs by the Washington State Auditor's staff. Represents Board to the public, news media and Legislature and coordinates information prepared for such presentations.

SECRETARY/TREASURER

The CAR-PFD Board Secretary/Treasurer, with the President, approves payment of invoices for Board-authorized expenditures, and grants authority to the City of Lacey to distribute the revenues received per the interlocal agreement. In the absence of the President, the Secretary/Treasurer chairs the Board of Directors meeting.

CAPITAL AREA REGIONAL – PUBLIC FACILITIES DISTRICT

BOARD OF DIRECTORS (2016)

Four Year Terms - No Term Limits

Established in 2003

TRENT GRANTHAM

City of Tumwater Representative

902 "G" Street SW

Tumwater WA 98512

Home Phone: 360.556.3299

Work Phone: 360.357.6972

E-Mail: trent@glanderassociates.com

Date Appointed: 03/01/2011, 2015

Term Expiration Date: 03/01/2019

NANCY CLAUSON (PETERSON)

Regional Representative

2103 Alonda Ln NE

Olympia WA 98516

Home Phone: (360) 491-6344

E-Mail: nancypetey@comcast.net

Date Appointed: 03/01/2012

Term Expiration Date: 03/01/2020

DAVID BRINE

City of Olympia Representative

1716 Camelot Park SW

Olympia WA 98512

Home Phone: 360.280.9898

E-Mail: d.brine@comcast.net

Date Initially Appointed: 12/04/2007

Date Reappointed: 03/01/2011, 2015

Term Expiration Date: 03/01/2019

CHRIS LEICHT

Regional Representative

3126 Bonanza Ct NE

Olympia WA 98516

Home Phone: 360.239.2179

E-Mail: leichtc@comcast.net

Date Appointed: 04/01/2006

Date Reappointed: 05.22.2014

Term Expiration Date: 03/01/2018

MARK FOUTCH, PRESIDENT (2015-2016)

Regional Representative

1056 Boundary St SE

Olympia WA 98501

Home Phone: 360.943.2106

E-Mail: mfoutch@juno.com

Date Initially Appointed: 04/12/2010

Date Reappointed: 03/01/2013

Term Expiration Date: 03/01/2017

KEN PARSONS, SECRETARY/TREASURER (2015-2016)

Thurston County Representative

4747 Shincke Road NE

Olympia WA 98506

Home Phone: 360.456.2220

E-Mail: wa.kenparsons@gmail.com

Date Initially Appointed: 02/25/2003

Date Reappointed: 02/12/2007, 03/01/2011

03/01/2015

Term Expiration Date: 03/01/2019

DENNIS REED

City of Lacey Representative

609 Enterprise Drive NE

Lacey WA 98516

Home Phone: 360.438.1352

Fax: 360.438.9119

E-Mail: liondennis@juno.com

Date Initially Appointed: 02/25/2003

Date Reappointed: 03/01/2007; 03/01/2011

03/01/2015

Term Expiration Date: 03/01/2019

ADMINISTRATIVE SUPPORT

City of Lacey

City Clerk

PO Box 3400

Lacey WA 98509-3400

360.438.2625

clitten@ci.lacey.wa.us