

CAPITAL AREA REGIONAL - PUBLIC FACILITIES DISTRICT
BOARD MEETING – REMOTE ONLY
SEPTEMBER 29, 2020
2:00 – 3:00 PM

The meeting will be conducted remotely, not in-person. To attend the meeting please register at: https://us02web.zoom.us/webinar/register/WN_3TGQ3WbGQjejYV9cZb4xww. After registering, a confirmation email with instructions about joining the meeting will be provided. Or you may listen to the meeting by dialing (888) 788-0099 – Webinar ID 824 3136 1620.

AGENDA

1. **CALL TO ORDER**
Nancy Clauson, President
2. **APPROVAL OF SEPTEMBER 13, 2019, MEETING MINUTES**
3. **PUBLIC COMMENT**
Persons wishing to provide public comment must preregister to speak at https://us02web.zoom.us/webinar/register/WN_3TGQ3WbGQjejYV9cZb4xww. Instructions and access details will be provided once registration is complete. Registration for public comment closes at 1:00 p.m. on September 29, 2020.
4. **PRESIDENT'S REPORT**
 - *Nancy Clauson, Regional Representative*
 - Reappointed 03.01.2020*
5. **2019 ANNUAL FINANCIAL REPORT**
Kristy Wolf, Financial Services Manager, City of Lacey
6. **FUTURE AUDIT CYCLE**
Kristy Wolf, Financial Services Manager, City of Lacey
7. **REGIONAL ATHLETIC COMPLEX PRESENTATION**
Sue Falash, Recreation Manager, City of Lacey
8. **HANDS ON CHILDREN'S MUSEUM PRESENTATION**
Patty Belmonte, CEO, Hands On Children's Museum Director
9. **2020-2021 ELECTION OF OFFICERS**
 - *President*
 - *Secretary/Treasurer*
10. **2021 BOARD APPOINTMENT**
 - *John Grausam, Regional Representative*
 - Term Expiration 03.01.2021*
11. **ADJOURN**

CAPITAL AREA REGIONAL - PUBLIC FACILITIES DISTRICT (CAR-PFD)
BOARD OF DIRECTORS MEETING
SEPTEMBER 13, 2019
LACEY CITY HALL - 420 COLLEGE STREET - LACEY WA

The CAR-PFD Board of Directors convened at 4:00 p.m. on September 13, 2019.

BOARD MEMBERS PRESENT: Nancy Clauson, President, Regional Representative
Ken Parsons, Secretary/Treasurer, Thurston County Representative
David Brine, City of Olympia Representative
Trent Grantham, City of Tumwater Representative
John Grausam, Regional Representative
Chris Leicht, Regional Representative
Dennis Reed, City of Lacey Representative

STAFF PRESENT:

City of Lacey:

Jen Burbidge, Parks & Recreation Director
Troy Woo, Finance Director
Kristi Wolfe, Accounting Manager
Sue Falash, Facilities and Athletics Manager
Peri Edmonds, City Clerk

City of Olympia:

Jay Burney, Assistant City Manager
Amy Brockman, Senior Development Manager, HOCCM

APPROVAL OF AUGUST 29, 2018 MINUTES

BOARD MEMBER GRANTHAM MOVED TO APPROVE THE MINUTES OF AUGUST 29, 2018. BOARD MEMBER LEICHT SECONDED. MOTION CARRIED.

PRESIDENT'S REPORT

President Clauson introduced and welcomed the new regional representative, John Grausam.

2018 ANNUAL FINANCIAL REPORT

Kristy Wolf, Accounting Manager, presented the CAR-PFD Financial Activities Report for the period January 1, 2018 – December 31, 2018. CAR-PFD 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 CAR-PFD and distributed to the two approved projects based on the proportionate share determined by the Interlocal Agreements between the CAR-PFD and the cities of Olympia and Lacey.

Total sales tax revenue and interest received by the CAR-PFD in 2018 was \$1,867,270. Interest earned on the undistributed fund balance totaled \$1,167, for a combined total of \$1,873,619. The expenditures and distributions for 2018 were \$1,873,619, of which \$1,340,218 was for support of the City of Lacey project, \$527,052 for the City of Olympia project, and \$6,349 for administrative expenses, which are reimbursed by the cities of Olympia and Lacey. The end of the year fund balance was \$72,666.

BOARD MEMBER BRINE MOVED TO APPROVE THE CAR-PFD FINANCIAL REPORT FOR THE FISCAL YEAR ENDING DECEMBER 31, 2018. BOARD MEMBER REED SECONDED. MOTION CARRIED.

REGIONAL ATHLETIC COMPLEX UPDATE

Sue Falash, Facilities and Athletics Manager, provided an update on 2018 sports activities played at the Regional Athletic Complex (RAC). She noted there were 186 park shelter rentals, which was an increase from the previous year.

There were 49 weekends utilized throughout the year, with 31 events, and over 126,000 participating in league and tournament games. The economic impact for the softball/soccer complex was \$3,722,597. However, this data was collected for weekend events only.

The visitor demographics from the 31 events include 882 teams. From this, 315 teams traveled under 50 miles, and 496 teams traveled over 50 miles to attend the events.

There were a few challenges that affected facility use, including the replacement of two fields which took out one softball field for four weeks, as well as poor weather conditions.

Upcoming improvements include replacing softball infields 3 and 4 at the end of October 2019, and replacing softball infield 5 and soccer in 2020.

New events in 2019 include Poly Fest, Regional Lacrosse Tourney, 3v3 Soccer, USSSA Western Worlds Softball, and Regional Flag Football.

HANDS ON CHILDREN'S MUSEUM

Amy Brockman, Senior Development Manager, Hands on Children's Museum (HOCM), provided a summary of 2018 community events:

Summer Splash Festival
Megan D. Schooner Exhibit
Adult Swim Nights
Boo Bash
Ice Adventures

HOCM is celebrating seven years on East Bay, with the 15-year growth projection realized in five years. She noted they have the highest per capita visitation of any Children's Museum, and the most visited in the Pacific Northwest.

The top five states who visited the museum include Oregon, California, Texas, Idaho, and Alaska.

HOCM received several awards, including:

Best Children's Museum in Washington – *Red Tricycle*
#1 Attraction in Olympia – *TripAdvisor*
5 Star Rating with 2,128 reviews – *Google*
Top 5 Best of Western Washington – *K5 Best of Western Washington Evening*

Key economic impacts in 2018 include \$348,600 in hotel stays, \$42,694 from the museum store, café, and parking sales tax. The tourism impact was \$9 million, which includes day visitors, overnight visitors, taxes, and other indicators.

The museum provides free and reduced access programs, including the EBT program, free field trips, military family support programs, free dental health screenings, and parenting classes. Over 100,000 total visitors were served through these programs.

New in 2019 is the Hummingbird Project, a community solar project. Solar panels will be installed on the roof to help offset the museum's energy consumption and costs. The public is invited to help fund the project by membership and donations.

The Board requested adding board member names to the museum fliers.

2019-2020 ELECTION OF OFFICERS

BOARD MEMBER PARSONS MOVED TO NOMINATE BOARD MEMBER CLAUSON AS THE 2019-2020 PRESIDENT. MOTION CARRIED.

BOARD MEMBER CLAUSON MOVED TO NOMINATE BOARD MEMBER PARSON AS THE 2019-2020 SECRETARY-TREASURER. MOTION CARRIED.

2020 BOARD APPOINTMENTS & TERMS OF OFFICE

On March 1, 2020, Nancy Clauson's term as a regional representative will expire. She has expressed an interest in continuing to serve.

The City of Lacey will contact each jurisdiction to move forward with the re-appointment process.

President Clauson adjourned the meeting at 4:46 p.m.

Peri Edmonds, City Clerk

Capital Area Regional
Public Facilities District

2019 Annual Financial Report

For the Year Ended December 31, 2019

Capital Area Regional
Public Facilities District

2019 Board of Directors

President

Nancy Clauson

Secretary/Treasurer

Ken Parsons

Board members

John Grausam, 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, 2019

May 27th, 2020

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, 2019 – December 31, 2019. 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 2019 was \$2,031,298. Interest earned on sales tax and the undistributed fund balance totaled \$5,116 for a combined total of \$2,036,414. The expenditures and distributions of the CARPFD for 2019 were \$2,037,690, of which \$1,460,404 was for support of the City of Lacey project, \$574,316 for the City of Olympia project and \$2,970 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
Financial Services Manager
City of Lacey

Capital Area Regional Public Facilities District
 Balance Sheet/Statement of Net Position
 As of December 31, 2019

		General Fund / Governmental Activities
		<u> </u>
Assets		
Cash	\$	41,183
Investments		33,009
Interest Receivable		168
Due from other governmental units		<u>364,455</u>
Total assets		<u><u>438,815</u></u>
 Liabilities		
Due to other governmental units		<u>364,455</u>
Total Liabilities		<u>364,455</u>
 Fund balance/net position:		
Unreserved/unrestricted		<u>74,360</u>
Fund balance/net position	\$	<u><u>74,360</u></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, 2019

		General Fund / Governmental Activities
Revenues		
Sales taxes	\$	2,031,298
Interest on sales tax		3,423
Investment earnings		1,693
Total revenues		2,036,414
Expenditures		
PFD project payments		2,034,720
Insurance		2,970
Total Expenditures		2,037,690
Excess (deficiency) of revenues over (under) expenditures		(1,276)
Other Financing Sources		
Contributions in - administrative support reimbursement		2,970
Net change in fund balance/net position		1,694
Fund balance/net position January 1, 2018		72,666
Fund balance/net position December 31, 2018	\$	74,360

See accompanying notes to the financial statement

Capital Area Regional Public Facilities
Notes to the Financial Statements
December 31, 2019

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 a budget.

Note 3 – Cash, deposits and investments

The Capital Area Regional Public Facilities District’s deposits at December 31, 2019 are entirely covered by the Federal Depository Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (WPDPC). The WPDPC is a statutory authority established under Chapter 39.58 of the Revised Code of Washington.

As required by state law, all investments of the Capital Area Regional Public Facilities District’s funds (except as noted below) are 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 Local Government Investment Pool (LGIP), or certificates of deposit with commercial banks and savings and loan association that are approved by the Washington Public Deposit Protection Commission (WPDPC).

As of December 31 2019, the Capital Area Regional Public Facilities District held the following investments at amortized cost:

2019

<u>Investment Type</u>	<u>Maturity</u>	<u>Investments</u>	<u>Total</u>
Washington State Local Government Investment Pool	60 Days	<u>26,016</u>	<u>26,016</u>
Total		<u>26,016</u>	<u>26,016</u>

The State Treasurer’s Local Government Investment Pool (LGIP) operates in accordance with appropriate state laws and regulations (RCW 43.250.020). The LGIP is comparable to a Rule 2a-7 money market fund, as currently recognized by the Securities and Exchange Commission (17CFR.270.2a-7). Rule 2a-7 funds are limited to high quality obligations with limited maximum and average maturities, the effect of which is to minimize both market and credit risk. As such, investments are reported at amortized cost (which approximates fair value). Investments or deposits held by the LGIP are either insured or held by a third-party custody provider in the LGIP’s name. For bank deposits and repurchase agreements, this cost-based measure equals their carrying value amount. Fair value is determined monthly. The reported value of City investment in the LGIP is dollar for dollar equal to the fair value of pool shares.

The LGIP transacts with its participants at a stable net asset value per share of \$1.00, the same method used for reporting. Participants may contribute and withdraw funds on a daily basis. Participants must inform the Office of the State Treasurer (OST) of any contribution or withdrawal over one million dollars no later than 9 a.m. on the same day the transaction is made. Contributions or withdrawals for one million dollars or less can be requested at any time prior to 10 a.m. on the day of the transaction. However, participants may complete transactions greater than one million dollars when notification is made between 9 a.m. and 10 a.m. at the sole discretion of OST. All participants are required to file with the State Treasurer documentation containing the names and titles of the officials authorized to contribute or withdraw funds. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event a depository institution or counterparty fails, the LGIP will not be able to recover the value of its deposits, investments or collateral securities that are in the

possession of an outside party. Investments held as deposits in financial institutions are insured by the FDIC and / or collateralized. Collateral protection is administered by the (PDPC). The PDPC, created by the Legislature per Chapter 39.58 of the Revised Code of Washington, constitutes a multiple financial institution collateral pool comprised of securities pledged to secure uninsured public deposits. Pledged securities are held by the PDPC's agent in the name of the collateral pool.

The LGIP investment policy requires that securities purchased be held by the master custodian, acting as an independent third party, in its safekeeping or trust department. Securities utilized in repurchase agreements are subject to additional restrictions. These restrictions are designed to limit the LGIP's exposure to risk and insure the safety of the investment. All securities utilized in repurchase agreements were rated AAA by Moody's and AA+ by Standard & Poor's. The fair value of securities utilized in repurchase agreements must be at least 102 percent of the value of the repurchase agreement. The Capital Area Regional Public Facilities District does not have a specific deposit policy for custodial risk.

Interest rate risk. In accordance with its investment policy, under the City of Lacey's investment policy, the Capital Area Regional Public Facilities District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five (5) years or less from the date of purchase, unless matched to a specific cash flow. The interest rate risks of participant's balances in the LGIP are limited as the weighted average maturity of the portfolio will not exceed 60 days. As of December 31, 2019, the LGIP had a weighted average maturity of 37 days. The Capital Area Regional Public Facilities District does not have a specific deposit policy for custodial risk.

2019

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
<u>Debt Securities</u>					
U.S. Treasury Obligations	\$ 14,360	\$ 7,156	\$ 7,204	\$ -	\$ -
U.S. Agency Obligations	16,758	2,648	14,110	-	-
Municipal Debt Obligations	748	-	748	-	-
Commercial Paper	1,143	-	1,143	-	-
Total Debt Securities	\$ 33,009	\$ 9,804	\$ 23,205	\$ -	\$ -
<u>Other Securities</u>					
WA State Local Government Investment Pool	\$ 26,016	\$ 26,016	\$ -	\$ -	\$ -
Total Other Securities	\$ 26,016	\$ 26,016	\$ -	\$ -	\$ -
Total Investments	\$ 59,025	\$ 35,820	\$ 23,205	\$ -	\$ -

Credit risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As required by state law, it is the Capital Area Regional Public Facilities District's policy, under the City of Lacey's investment policy, to limit its investments in debt securities to the obligations of U.S. Government, U.S. agency issues, obligations of the State of Washington, general obligations of Washington State municipalities and the LGIP. The Capital Area Regional Public Facilities District's exposure to credit risk is limited to the investments of the Washington State Local Government Investment Pool (LGIP). The credit risk of LGIP is limited as most investments are either obligations of the US government or state of Washington or its political subdivisions, government-sponsored enterprises, certain limited banker's acceptances or commercial papers, or insured demand deposit accounts and certificates of deposits. The LGIP is not rated by an outside agency.

As of December 31, 2019, the Capital Area Regional Public Facilities District's investments had the following credit quality distribution for securities with credit exposure:

2019	Fair Value	AAA	AA	A	Unrated
		Aaa	Aa		
U.S. Treasury Obligations	\$ 14,360	\$ -	\$ 14,360	\$ -	\$ -
U.S. Agency Obligations	16,759	-	16,759	-	-
Municipal Debt Obligations	747	-	747	-	-
Commercial Paper	1,143	1,143	-	-	-
Total	<u>\$ 33,009</u>	<u>\$ 1,143</u>	<u>\$ 31,866</u>	<u>\$ -</u>	<u>\$ -</u>

Concentration of credit risk: This is the risk of loss attributed to the magnitude of the Capital Area Regional Public Facilities District's investment in a single issuer. The Capital Area Regional Public Facilities District's policy, under the City of Lacey's investment policy, states within the exception of US Treasury securities and authorized pools, no more than fifty (50) percent of total portfolio may be invested in a single security or with a single financial institution. The Capital Area Regional Public Facilities District does not have a formal policy for concentration of credit risk.

Fair Value: The City of Lacey measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles, as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable;
- Level 3: Unobservable inputs for an asset or liability.

As of December 31, 2019, the Capital Area Regional Public Facilities District had the following investments measured at fair value:

2019	12/31/2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by Fair Value Level</u>				
U.S. Treasury Obligations	\$ 14,360	\$ 14,360	\$ -	\$ -
U.S. Agency Obligations	16,758	16,758	-	-
Municipal Debt Obligations	748	-	748	-
Commercial Paper	1,143	-	1,143	-
Total Investments Reported at Fair Value	<u>\$ 33,009</u>	<u>\$ 31,118</u>	<u>\$ 1,891</u>	<u>\$ -</u>
<u>Investments Measured at Amortized Cost</u>				
WA State Local Government Investment Pool	<u>\$ 26,016</u>			
Total Investments Measured at Amortized Cost	<u>\$ 26,016</u>			
Total Investments	<u>\$ 59,025</u>			

Cash, deposits and investments for the year ended December 31, 2019 are as follows:

	<u>2019</u>
Checking	10,282
Investment <90days	4,885
Washington State Investment Pool (LGIP)	<u>26,016</u>
Cash & Deposits Subtotal	41,183
Investments	<u>33,009</u>
Cash, Deposits & Investment Total	<u>\$ 74,192</u>

Note 4 – Risk management

Capital Area Regional PFD 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. The Pool was formed July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two 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, 2019, there are 547.

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 the Pool and share in the self-insured retention. The self-insured retention is:

\$1,000,000 self-insured retention on liability loss - the member is responsible for the first \$1,000 of the amount of each claim, while Enduris is responsible for the remaining \$999,000 on a liability loss.

Enduris acquires reinsurance from unrelated insurance companies on a “per occurrence” basis to cover all losses over the self-insured retentions 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, cyber and automobile physical damage to insured vehicles. Liability coverage limit is \$20 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 joint liability among the participating members. The contract requires members to remain in the Pool for a minimum of one 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 the Pool and are administered in house. The Pool is governed by a Board of Directors which is comprised of seven board members. The Pool’s 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.

Enduris did not have any claim settlements that exceeded limits in the last three years.

Note 5 – Subsequent events

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, colleges and universities, cancelling public events, prohibiting public and private gatherings, and requiring people to stay home unless they are leaving for an essential function.

The length of time these measures will be in place, and the full extent of the financial impact on the Capital Area Regional Public Facilities District is unknown at this time.

From: [Crouch, Olivia \(SAO\)](#)
To: [Kristy Wolf](#)
Cc: [Chelsea Yarwood](#); [Justin, Trey \(SAO\)](#)
Subject: Capital Area PFD Future Audit cycle
Date: Wednesday, July 8, 2020 12:24:01 PM
Attachments: [image001.png](#)



Hi Kristy,

Thanks for another great (and fast) audit on the PDF! Since the PFD is so small and has a clean audit history we wanted to offer to move it to a 3-year audit cycle, rather than the 2-year cycle it is on now. Currently the audit budget is 40 hours (\$4,600 at our current rates). If you switched to a 3-year the budget would be 50 hours (\$5,700 at our current rates).

If you have questions, concerns, or want to chat about it more before making a choice I am available.



Olivia Crouch, CPA

Assistant Audit Manager, [Office of the Washington State Auditor](#)

(564) 999-0883 | Pronouns: She, Her, Hers

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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

ESTABLISHED IN 2003

BOARD OF DIRECTORS (2019-2020)

FOUR YEAR TERM - NO TERM LIMITS

<p>Nancy Clauson, President (2019-2020) <i>Regional Representative</i> 2103 Alonda Ln NE Olympia WA 98516 (C) 360.485.8242 nancypetey@comcast.net Appointed: 03.03.2012 Reappointed: 03.01.2016, 03.01.2020 Term Expiration: 03.01.2024</p>	<p>Ken Parsons, Secretary/Treasurer (2019-2020) <i>Thurston County Representative</i> 4747 Shincke Rd NE (H) 360.791.4433 wa.kenparsons@gmail.com Appointed: 02.25.2003 Reappointed: 02.12.2007, 03.01.2011, 2015, 09.18.2018 Term Expiration: 03.01.2023</p>
<p>Chris Leicht <i>Regional Representative</i> 920 East Bay Dr NE, 3D-301 Olympia WA 98506 (H) 360.352.1949 (C) 360.239.2179 leichtc@comcast.net Appointed: 04.01.2010 Reappointed: 05.22.2014, 07.12.2018 Term Expiration: 03.01.2022</p>	<p>Dennis Reed <i>City of Lacey Representative</i> 609 Enterprise Dr NE Lacey WA 98516 (H) 360.438.1352 (F) 360.438.9119 liondennis6@gmail.com Appointed: 02.25.2003 Reappointed: 03.01.2007, 2011, 2015, 12.06.2018 Term Expiration: 03.01.2023</p>
<p>John Grausam <i>Regional Representative</i> 4708 Belair Drive SE Lacey, WA 98503 (C) 360.456.6857 jwgrausam@gmail.com Appointed: 05.07.2019 (unexpired term) Term Expiration: 03.01.2021</p>	<p>David Brine <i>City of Olympia Representative</i> 1716 Camelot Park SW Olympia WA 98512 (H) 360.280.9898 d.brine@comcast.net Appointed: 12.04.2007 Reappointed: 03.01.2011, 2015, 02.05.2019 Term Expiration: 03.01.2023</p>
<p>City of Lacey Administrative Support City Clerk's Office Lacey City Hall 420 College St SE Lacey WA 98503 360.486.8704 pedmonds@ci.lacey.wa.us</p>	<p>Trent Grantham <i>City of Tumwater Representative</i> 902 "G" Street SW Tumwater WA 98512 (H) 360.556.3299 (W) 360.357.6972 trent.grantham@scjalliance.com Appointed: 03.01.2011 Reappointed: 03.01.2015, 10.16.2018 Term Expiration: 03.01.2023</p>

RCW 35.57.010

Creation—Board of directors—Corporate powers.

(1)(a) The legislative authority of any town or city located in a county with a population of less than one million may create a public facilities district.

(b) The legislative authorities of any contiguous group of towns or cities located in a county or counties each with a population of less than one million may enter an agreement under chapter 39.34 RCW for the creation and joint operation of a public facilities district.

(c) The legislative authority of any town or city, or any contiguous group of towns or cities, located in a county with a population of less than one million and the legislative authority of a contiguous county, or the legislative authority of the county or counties in which the towns or cities are located, may enter into an agreement under chapter 39.34 RCW for the creation and joint operation of a public facilities district.

(d) The legislative authority of a city located in a county with a population greater than one million may create a public facilities district, when the city has a total population of less than one hundred fifteen thousand but greater than eighty thousand and commences construction of a regional center prior to July 1, 2008.

(e) At least three contiguous towns or cities with a combined population of at least one hundred sixty thousand, each of which previously created a public facilities district under (a) of this subsection, may create an additional public facilities district. The previously created districts may continue their full corporate existence and activities notwithstanding the creation and existence of the additional district within the same geographic area.

(2)(a) A public facilities district is coextensive with the boundaries of the city or town or contiguous group of cities or towns that created the district.

(b) A public facilities district created by an agreement between a town or city, or a contiguous group of towns or cities, and a contiguous county or the county in which they are located, is coextensive with the boundaries of the towns or cities, and the boundaries of the county or counties as to the unincorporated areas of the county or counties. The boundaries do not include incorporated towns or cities that are not parties to the agreement for the creation and joint operation of the district.

(3)(a) A public facilities district created by a single city or town shall be governed by a board of directors consisting of five members selected as follows: (i) Two members appointed by the legislative authority of the city or town; and (ii) three members appointed by legislative authority based on recommendations from local organizations. The members appointed under (a)(i) of this subsection, shall not be members of the legislative authority of the city or town. The members appointed under (a)(ii) of this subsection, must be based on recommendations received from local organizations that may include, but are not limited to the local chamber of commerce, local economic development council, and local labor council. The members shall serve four-year terms. Of the initial members, one must be appointed for a one-year term, one must be appointed for a two-year term, one must be appointed for a three-year term, and the remainder must be appointed for four-year terms.

(b) A public facilities district created by a contiguous group of cities and towns must be governed by a board of directors consisting of seven members selected as follows: (i) Three members appointed by the legislative authorities of the cities and towns; and (ii) four members appointed by the legislative authorities of the cities and towns based on recommendations from local organizations. The members appointed under (b)(i) of this subsection shall not be members of the legislative authorities of the cities and towns. The members appointed under (b)(ii) of this subsection, must be based on recommendations received from local organizations that include, but are not limited to the local chamber of commerce, local economic development council, local labor council, and a neighborhood organization that is directly affected by the location of the regional center in their area. The members of the board of directors must be appointed in accordance with the terms of the agreement under chapter 39.34 RCW for the joint operation of the district and shall serve four-year terms. Of the initial members, one must be appointed

for a one-year term, one must be appointed for a two-year term, one must be appointed for a three-year term, and the remainder must be appointed for four-year terms.

(c) A public facilities district created by a town or city, or a contiguous group of towns or cities, and a contiguous county or the county or counties in which they are located, must be governed by a board of directors consisting of seven members selected as follows: (i) Three members appointed by the legislative authorities of the cities, towns, and county; and (ii) four members appointed by the legislative authorities of the cities, towns, and county based on recommendations from local organizations. The members appointed under (c)(i) of this subsection shall not be members of the legislative authorities of the cities, towns, or county. The members appointed under (c)(ii) of this subsection must be based on recommendations received from local organizations that include, but are not limited to, the local chamber of commerce, the local economic development council, the local labor council, and a neighborhood organization that is directly affected by the location of the regional center in their area. The members of the board of directors must be appointed in accordance with the terms of the agreement under chapter **39.34** RCW for the joint operation of the district and shall serve four-year terms. Of the initial members, one must be appointed for a one-year term, one must be appointed for a two-year term, one must be appointed for a three-year term, and the remainder must be appointed for four-year terms.

(d)(i) A public facilities district created under subsection (1)(e) of this section must provide, in the agreement providing for its creation and operation, that the district must be governed by an odd-numbered board of directors of not more than nine members who are also members of the legislative authorities that created the public facilities district or of the governing boards of the public facilities districts previously created by those legislative authorities, or both.

(ii) A board of directors formed under this subsection must have an equal number of members representing each city or town participating in the public facilities district. If there are unfilled board member positions after each city or town has appointed an equal number of board members, the members so appointed must appoint a number of additional board members necessary to fill any remaining positions. For a board formed under this subsection to submit a proposition to the voters under RCW **82.14.048**, a majority of the members representing or appointed by each legislative authority participating in the public facilities district must agree to submit the proposition to the voters; however, the board may not submit a proposition to the voters prior to January 1, 2011.

(4) A public facilities district is a municipal corporation, an independent taxing "authority" within the meaning of Article VII, section 1 of the state Constitution, and a "taxing district" within the meaning of Article VII, section 2 of the state Constitution.

(5) A public facilities district constitutes a body corporate and possesses all the usual powers of a corporation for public purposes as well as all other powers that may now or hereafter be specifically conferred by statute, including, but not limited to, the authority to hire employees, staff, and services, to enter into contracts, and to sue and be sued.

(6) A public facilities district may acquire and transfer real and personal property by lease, sublease, purchase, or sale. No direct or collateral attack on any public facilities district purported to be authorized or created in conformance with this chapter may be commenced more than thirty days after creation by the city and/or county legislative authority.

[**2010 c 192 § 1**; **2009 c 533 § 1**; **2007 c 486 § 1**; **2002 c 363 § 1**; **1999 c 165 § 1**.]

RCW 35.57.020

Regional centers, recreational facilities—Charges and fees—Powers.

(1)(a) A public facilities district is authorized to acquire, construct, own, remodel, maintain, equip, reequip, repair, finance, and operate one or more regional centers. For purposes of this chapter, "regional center" means a convention, conference, or special events center, or any combination of facilities, and related parking facilities, serving a regional population constructed, improved, or rehabilitated after July 25, 1999, at a cost of at least ten million dollars, including debt service. "Regional center" also includes an existing convention, conference, or special events center, and related parking facilities, serving a regional population, that is improved or rehabilitated after July 25, 1999, where the costs of improvement or rehabilitation are at least ten million dollars, including debt service. A "special events center" is a facility, available to the public, used for community events, sporting events, trade shows, and artistic, musical, theatrical, or other cultural exhibitions, presentations, or performances. A regional center is conclusively presumed to serve a regional population if state and local government investment in the construction, improvement, or rehabilitation of the regional center is equal to or greater than ten million dollars.

(b) A public facilities district created under RCW **35.57.010**(1)(e):

(i) Is authorized, in addition to the authority granted under (a) of this subsection, to acquire, construct, own, remodel, maintain, equip, reequip, repair, finance, and operate one or more recreational facilities other than a ski area;

(ii) If exercising its authority under (a) or (b)(i) of this subsection, must obtain voter approval to fund each recreational facility or regional center pursuant to RCW **82.14.048**(4)(a); and

(iii) Possesses all of the powers with respect to recreational facilities other than a ski area that all public facilities districts possess with respect to regional centers under subsections (3), (4), and (7) of this section.

(c) A public facilities district created under RCW **35.57.010**(1)(a) by a city or town that participated in the creation of an additional public facilities district under RCW **35.57.010**(1)(e):

(i) Is authorized, in addition to the authority granted under (a) of this subsection, to acquire, construct, own, remodel, maintain, equip, reequip, repair, finance, and operate one or more recreational facilities other than a ski area;

(ii) If exercising its authority under (c)(i) of this subsection, must obtain voter approval to fund each recreational facility pursuant to RCW **82.14.048**(4)(a); and

(iii) Possesses all of the powers with respect to recreational facilities other than a ski area that all public facilities districts possess with respect to regional centers.

(2) A public facilities district may enter into contracts with any city or town for the purpose of exercising any powers of a community renewal agency under chapter **35.81** RCW.

(3) A public facilities district may impose charges and fees for the use of its facilities, and may accept and expend or use gifts, grants, and donations for the purpose of a regional center.

(4) A public facilities district may impose charges, fees, and taxes authorized in RCW **35.57.040**, and use revenues derived therefrom for the purpose of paying principal and interest payments on bonds issued by the public facilities district to construct a regional center.

(5) Notwithstanding the establishment of a career, civil, or merit service system, a public facilities district may contract with a public or private entity for the operation or management of its public facilities.

(6) A public facilities district is authorized to use the supplemental alternative public works contracting procedures set forth in chapter **39.10** RCW in connection with the design, construction, reconstruction, remodel, or alteration of any regional center.

(7) A city or town in conjunction with any special agency, authority, or other district established by a county or any other governmental agency is authorized to use the supplemental alternative public works contracting procedures set forth in chapter **39.10** RCW in connection with the design,

construction, reconstruction, remodel, or alteration of any regional center funded in whole or in part by a public facilities district.

(8) Any provision required to be submitted for voter approval under this section, may not be submitted for voter approval prior to January 1, 2011.

[2019 c 341 § 1; 2010 c 192 § 2; 2009 c 533 § 2. Prior: 2002 c 363 § 2; 2002 c 218 § 25; 1999 c 165 § 2.]

NOTES:

Severability—Savings—Construction—2002 c 218: See notes following RCW **35.81.005**.