

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

THURSDAY, SEPTEMBER 18, 2017

4:00 – 5:00 P.M.

*Lacey City Hall, Council Chambers
420 College Street*

AGENDA

1. **CALL TO ORDER**
Ken Parson, Secretary/Treasurer
2. **APPROVAL OF AUGUST 18, 2016 MINUTES**
3. **PUBLIC COMMENT**
4. **PRESIDENT'S REPORT**
5. **2016 ANNUAL FINANCIAL REPORTS**
Kristy Wolf, Accounting Manager - Finance
6. **REGIONAL ATHLETIC COMPLEX PRESENTATION**
Jen Burbidge, Parks & Recreation Director
7. **HANDS ON CHILDREN'S MUSEUM PRESENTATION**
Patty Belmonte, HOC Museum Director
8. **2017-2018 ELECTION OF OFFICERS**
 - *President*
 - *Secretary/Treasurer*
9. **Board Appointments – Two Regional Vacancies**
10. **Adjourn**

CAPITAL AREA REGIONAL - PUBLIC FACILITIES DISTRICT (CARPFD)
BOARD OF DIRECTORS MEETING
AUGUST 18, 2016
LACEY CITY HALL
420 COLLEGE STREET
LACEY, WASHINGTON

The CAR-PFD Board of Directors convened at 4:00 p.m. on August 18, 2016.

BOARD MEMBERS PRESENT: President Mark Foutch, David Brine, Nancy (Peterson) Clauson, Chris Leicht, Trent Grantham

BOARD MEMBERS EXCUSED: Ken Parsons, Dennis Reed

STAFF PRESENT: City of Lacey:
Troy Woo, Finance Director; Sue Falash, Facilities & Athletic Manager & Interim Parks Director; Carol Litten, City Clerk

City of Olympia:
Patty Belmonte, Executive Director of Hands on Children's Museum

APPROVAL OF AUGUST 11, 2015, MINUTES

BOARD MEMBER LEICHT MOVED TO APPROVE THE MINUTES OF AUGUST 11, 2015. BOARD MEMBER CLAUSON SECONDED. MOTION CARRIED.

2015 ANNUAL FINANCIAL REPORT

Troy Woo, Finance Director, presented the CARPFD Financial Activities Report 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. The expenditures

and distributions 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 \$42,641 for administrative expenses which were reimbursed by the cities of Lacey and Olympia.

BOARD MEMBER BRINE MOVED TO APPROVE THE CARPFD FINANCIAL REPORT FOR THE FISCAL YEAR ENDING DECEMBER 31, 2015. BOARD MEMBER LEICHT SECONDED. MOTION CARRIED.

REGIONAL ATHLETIC COMPLEX UPDATE

Sue Falash, Facilities & Athletics Manager, provided an update on sports activities played in 2016 at the Regional Athletic Complex. The RAC features five softball/baseball/fastpitch fields and six regulation size soccer/football/rugby field. Baseball, softball, soccer and football fields were reserved 51 weekends of the year.

Hundreds of tournaments, games and special events were held at the RAC in 2016 by the following organizations.

- United States Sports Specialty Association (USSSA) Home Run Derby
- Washington Interscholastic Activities Association (WIOAA) Champions Fastpitch
- Northwest Athletic Conference (NAAACC) Fastpitch
- All Sports Association (ASA) Football 10 U State Tournament
- Senior Softball
- Rampage at the RAC
- Cal Ripken Baseball
- High School Fastpitch Jamboree
- Thurston County Fastpitch Association (TCFA) Opening Day
- Greater Spokane League (GSL) Men's National Qualifier

HANDS ON CHILDREN'S MUSEUM

Patty Belmonte, Executive Director of Hands on Children's Museum, provided an update on the museum.

- Free and reduced to families in need.
- Named the Best Children's Museum in the West by Sunset Magazine.
- Sand in the City became Summer Splash with 7,500 visitors in attendance
- Awarded top three of the best museums in western Washington
- Museum of America awarded a federal grant related to bringing Innovative Science Technology to young children

- Traveled with exhibits to five counties
- Growing the rate of private events by 50 plus - weddings, receptions, etc.
- Newest exhibit is the Lighthouse Lookout

2016-2017 ELECTION OF OFFICERS

BOARD MEMBER BRINE MOVED TO NOMINATE KEN PARSONS AS SECRETARY-TREASURER. BOARD MEMBER CLAUSON SECONDED. MOTION CARRIED.

BOARD MEMBER LEICHT MOVED TO NOMINATE NANCY CLAUSON AS PRESIDENT. BOARD MEMBER GRANTHAM SECONDED. MOTION CARRIED.

BOARD APPOINTMENTS & TERMS OF OFFICE

Lacey, Olympia, Tumwater and Thurston County unanimously reappointed Nancy (Peterson) Clauson as a regional representative to a 2nd term through March 2020.

In 2017, the regional term held by Mark Foutch will expire. Since President Foutch has announced he will not run again, the position as regional representative is vacant, and will be filled by a unanimous recommendation from Lacey, Olympia, Tumwater and Thurston County.

President Foutch adjourned the meeting at 4:33 p.m.

Minutes of July 16, 2015, CARPFD Board Meeting approved August 18, 2016.

City Clerk

**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

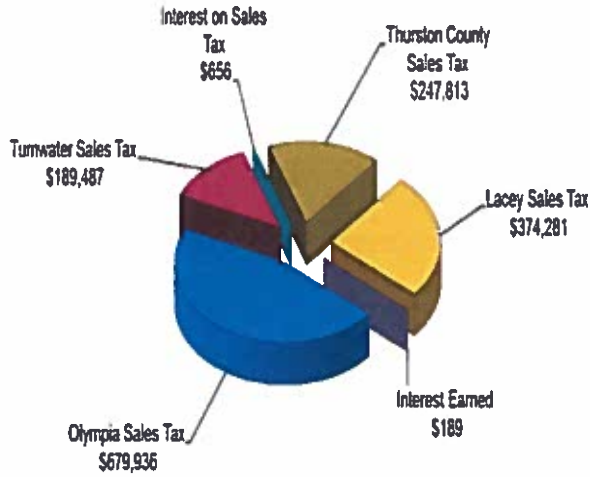
I am submitting this report on the financial activities of the Capital Area Regional Public Facilities District (CARPFD), for the period January 1, 2015 – December 31, 2015. CARPFD funds are accounted for by the City of Lacey in an Agency Fund which is a separate fund within the financial system of the 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.

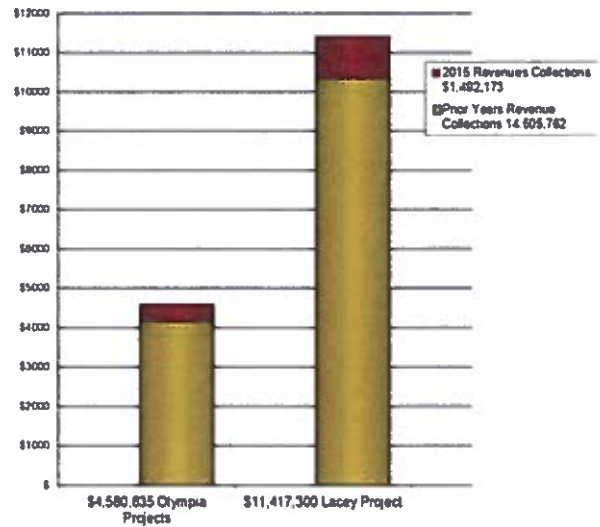
Respectfully,

Kristy Wolf
Accounting Manager City of
Lacey

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

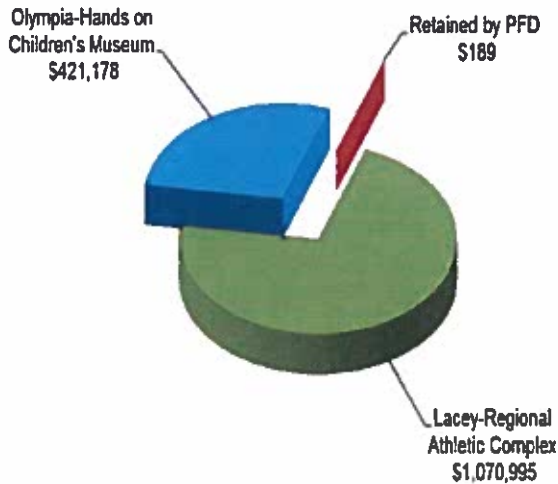


**Life-to-Date Allocation of CARPFD
Revenues to Projects
\$15,997,835**



**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

		General Fund / Governmental Activities
		<hr/>
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 City's 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 (WPDPCC).

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.



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

City of Lacey

Thurston County

For the period January 1, 2016 through December 31, 2016

Published August 17, 2017

Report No. 1019466





**Office of the Washington State Auditor
Pat McCarthy**

August 17, 2017

Mayor and City Council
City of Lacey
Lacey, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for City operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the City's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA



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Results in brief

In the areas we audited, City operations complied with applicable requirements and provided adequate safeguarding of public resources. The City also complied with state laws and regulations and its own policies and procedures in the areas we examined.

About the audit

This report contains the results of our independent accountability audit of the City of Lacey from January 1, 2016 through December 31, 2016.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the City's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Open Public Meetings Act
- Financial condition
- Transportation benefit district
- Police citations
- Third party cash receipting
- Procurement
- Significant internal control systems: cash receipting, payroll, disbursements, and utility billing

Financial

Our opinion on the City's financial statements is provided in a separate report, which includes the City's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

The City of Lacey, located in Thurston County, is home to 47,540 citizens. The City provides a full range of services, either directly or through contracts, including parks and recreation, planning and zoning, police, building inspection, street maintenance and construction engineering, general administrative services, and utilities, which include water, wastewater, and stormwater. Through an agreement with Thurston County and the cities of Olympia and Tumwater, Lacey accounts for the financial activity of Joint Animal Services and the Thurston County Narcotics Task Force. The City also, under agreement with Capital Area Regional Public Facilities District (CAFPFD), provides administrative support services and accounts for the financial activity of CARPFD.

A council-manager form of government with seven elected Council Members, one of whom serves as Mayor, governs the City. The City operated on a \$138.2 million annual budget for 2016 and has approximately 450 full- and part-time employees.

Contact information related to this report	
Address:	City of Lacey 420 College Street S.E. Lacey, WA 98503-1238
Contact:	Chun Saul, Senior Accountant
Telephone:	(360) 438-2668
Website:	www.ci.lacey.wa.us

Information current as of report publish date.

Audit history

You can find current and past audit reports for the City of Lacey at <http://portal.sao.wa.gov/ReportSearch>.

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov

CAPITAL AREA REGIONAL – PUBLIC FACILITIES DISTRICT
BOARD OF DIRECTORS (2017)

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
Date Reappointed: 03.01.2015
Term Expiration Date: 03.01.2019

NANCY CLAUSON, PRESIDENT (2017-2018)

Regional Representative

2103 Alonda Ln NE
Olympia WA 98516

Home Phone: (360) 491-6344
E-Mail: nancypetey@comcast.net
Date Appointed: 03.01.2012
Date Reappointed: 03.01.2016
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: 04.01.2010
Date Reappointed: 05.22.2014
Term Expiration Date: 03.01.2018

VACANT

Regional Representative

Address
City, St, Zip

Phone:
E-Mail:
Date Initially Appointed:

Term Expiration Date: 03.01.2017

KEN PARSONS, SECRETARY/TREASURER (2015-2016)

Thurston County Representative

4747 Shincke Road NE

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