

# CAPITAL AREA REGIONAL - PUBLIC FACILITIES DISTRICT

## BOARD OF DIRECTORS MEETING

AUGUST 30, 2022

9:00 – 10:00 A.M.

IN PERSON AND REMOTE

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The public may attend the meeting in person in the Council Chambers at Lacey City Hall, 420 College Street SE, Lacey, Washington, or you may view or listen to the meeting by using one of the following platforms:

Live through Zoom: [https://us02web.zoom.us/webinar/register/WN\\_Flwf5qpGRhix8uMqIV0Htw](https://us02web.zoom.us/webinar/register/WN_Flwf5qpGRhix8uMqIV0Htw)

Live or as a recording on YouTube: <https://youtu.be/SYYU8H0SBSI>

Listen via telephone: (888) 788-0099 or (877) 853-5247 (Webinar ID: 858 4180 9762)

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### AGENDA

1. **CALL TO ORDER**  
*Nancy Clauson, President*
2. **APPROVAL OF MEETING MINUTES**
  - [August 25, 2021](#)
  - [September 29, 2021](#)
3. **PUBLIC COMMENT**  
*Persons wishing to provide public comment may do so in person or by Zoom.  
In Person: Council Chambers, Lacey City Hall, 420 College Street SE, Lacey, WA  
By Zoom: Please pre-register by clicking on the following Zoom link  
[https://us02web.zoom.us/webinar/register/WN\\_Flwf5qpGRhix8uMqIV0Htw](https://us02web.zoom.us/webinar/register/WN_Flwf5qpGRhix8uMqIV0Htw)*
4. **PRESIDENT'S REPORT**
  - *Chris Leicht, District-wide Appointee  
Re-appointed to a 5<sup>th</sup> term (March 1, 2022 - March 1, 2026)*
5. **2021 ANNUAL FINANCIAL REPORT**  
*Kristy Wolf, Financial Services Manager, City of Lacey*
6. **REGIONAL ATHLETIC COMPLEX**  
*Sue Falash, Recreation Manager, City of Lacey*
7. **HANDS ON CHILDREN'S MUSEUM**  
*Patty Belmonte, CEO, Hands on Children's Museum*
8. **2022-2023 ELECTION OF OFFICERS**
  - *President*
  - *Secretary/Treasurer*
9. **TERM EXPIRATIONS – MARCH 1, 2023**
  - *Ken Parsons, Thurston County Representative*
  - *Dennis Reed, City of Lacey Representative*
  - *David Brine, City of Olympia Representative*
  - *Trent Grantham, City of Tumwater Representative*
10. **ADJOURN**

CAPITAL AREA REGIONAL - PUBLIC FACILITIES DISTRICT (CAR-PFD)  
BOARD OF DIRECTORS ANNUAL MEETING  
AUGUST 25, 2021  
REMOTE ATTENDANCE ONLY

The annual meeting of the CAR-PFD Board of Directors convened at 4:00 p.m. on August 25, 2021.

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

BOARD MEMBER EXCUSED: Dennis Reed, City of Lacey Representative

STAFF PRESENT: City of Lacey:  
Jen Burbidge, Parks, Culture & Recreation Director  
Troy Woo, Finance Director  
Kristy Wolf, Financial Services Manager  
Peri Edmonds, City Clerk

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

APPROVAL OF SEPTEMBER 29, 2020, MEETING MINUTES

SECRETARY PARSONS MOVED TO APPROVE THE MINUTES OF SEPTEMBER 29, 2020.  
BOARD MEMBER GRANTHAM SECONDED. MOTION CARRIED.

PUBLIC COMMENT

No public comment was received.

## PRESIDENT'S REPORT

President Clauson reported the elected officials of Lacey, Olympia, Tumwater, and Thurston County confirmed the re-appointment of John Grausam as a regional representative on the board. The re-appointment is for his first full term, which will expire on March 1, 2025.

## 2020 ANNUAL FINANCIAL REPORT

Kristy Wolf, Financial Services Manager, presented the CAR-PFD Financial Activities Report for the period January 1, 2020 – December 31, 2020. 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.

The 2020 total sales tax revenue and interest received by CAR-PFD was \$2,187,423. Interest earned on sales tax was \$3,655 and reimbursements of \$7,681. The expenditures and distributions for 2020 were \$2,197,459, of which \$1,571,696 was for support of the City of Lacey project, \$618,082 for the City of Olympia project, and \$7,681 for administrative expenses, which are reimbursed by the cities of Olympia and Lacey. The end of the year fund balance was \$75,659.

Secretary Parsons noted he is comfortable with the report as presented.

## DATA SHARING AGREEMENT

Kristy Wolf, Financial Services Manager, presented a Data Sharing Agreement. The Office of the State Auditor forwarded the agreement to the City of Lacey and requested the Board sign the agreement.

Under a bill passed by the Legislature this year, data sharing agreements are required for all state and local governments sharing data. This includes data exchanged during audits.

**BOARD MEMBER LEICHT MOVED TO AUTHORIZE PRESIDENT CLAUSON TO SIGN THE DATA SHARING AGREEMENT. SECRETARY PARSONS SECONDED. MOTION CARRIED.**

## REGIONAL ATHLETIC COMPLEX UPDATE

Jen Burbidge, City of Lacey Parks, Culture & Recreation Director, provided an overview of the 2020 sports activities at the Regional Athletic Complex (RAC). The COVID-19 pandemic had a large impact to the RAC in 2020. The softball/soccer complex League and tournament play was down 126,000 people. The estimated visitor count was over 200,000 individuals. This is an 80% decrease from the 1 million visitors at the RAC in 2019.

There were 24 weekends utilized in 2020, which included 440 teams (6,600 players), 40 teams who travelled 50 miles or more, 100 teams who travelled 50 miles or less, and 300 teams from the Olympia/Lacey area. There were 30 softball tournaments and six (6) soccer tournaments cancelled, as well as other special events. The poor air quality from the 2020 forest fires also contributed to the low visitor count.

Improvements in 2020 included an emergency repair to netting over the playground, an emergency repair to security cameras, and replacement of synthetic turf on one baseball infield and one soccer field. The parking lot expansion design will occur in 2021.

## HANDS ON CHILDREN'S MUSEUM

Patty Belmonte, Hands on Children's Museum CEO, reported 323,000 visitors were served in 2019. After a 4-month closure from March to July 2020, the Museum reopened with limited operations on July 24, 2020. However, they had to close again November 2020 to mid-February 2021 under a State mandate.

To date, the Museum has welcomed 122,110 visitors from 49 states, Canada, Mexico and the UK. This summer brought the highest number of visitors since the pandemic began.

Marketing efforts at the Museum include advertising throughout the Northwest to capture the family road trip market, opened three new exhibits, and offered regular guest and activities even with the capacity caps.

Improvements at the Museum continued during the second closure with installation of a new lifetime roof and solar array. When the Museum reopened in February 2021, stringent COVID protocols were put in place. To date, no COVID cases or outbreaks have been linked to visitation among staff or visitors.

Impacts due to the pandemic at other museums include the indefinite closure of the Seattle Children's Museum and the permanent closure of the Portland Children's Museum.

Revenue prior to the pandemic was close to \$4 million. In 2020, revenue decreased to \$2.5 million, but is climbing back up and will reach close to \$3 million for 2021.

#### 2021-2022 ELECTION OF OFFICERS

BOARD MEMBER BRINE MOVED TO NOMINATE PRESIDENT CLAUSON AS THE 2021-2022 PRESIDENT, AND SECRETARY PARSONS AS THE 2021-2022 SECRETARY. BOARD MEMBER LEICHT SECONDED. MOTION CARRIED.

#### 2022 BOARD APPOINTMENT & TERMS OF OFFICE

Board Member Leicht's 4<sup>th</sup> term as a regional representative will expire on March 1, 2022. He expressed an interest in continuing to serve.

President Clauson adjourned the meeting at 4:40 p.m.

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Peri Edmonds, City Clerk

CAPITAL AREA REGIONAL - PUBLIC FACILITIES DISTRICT (CAR-PFD)  
BOARD OF DIRECTORS MEETING  
SEPTEMBER 29, 2021  
REMOTE ATTENDANCE ONLY

The meeting of the CAR-PFD Board of Directors convened at 2:02 p.m. on September 29, 2021.

BOARD MEMBERS PRESENT    Ken Parsons, Secretary/Treasurer, Thurston County Representative  
   David Brine, City of Olympia Representative  
   John Grausam, Regional Representative  
   Chris Leicht, Regional Representative

BOARD MEMBER EXCUSED:   Nancy Clauson, President, Regional Representative  
   Dennis Reed, City of Lacey Representative  
   Trent Grantham, City of Tumwater Representative

STAFF PRESENT:                City of Lacey:  
   Kristy Wolf, Financial Services Manager  
   Peri Edmonds, City Clerk

APPROVAL OF 2020 ANNUAL FINANCIAL REPORT

At the August 25, 2021, annual meeting of the CAR-PFD Board of Directors, Kristy Wolf, Financial Services Manager, presented the 2020 Financial Activities Report for the period January 1, 2020 – December 31, 2021. Secretary/Treasurer Parsons stated he read through the notes and financials, and was comfortable with everything that was presented. However, a motion to approve the report was not made.

Following the meeting, the Board was advised they would need to hold another meeting to approve the report by motion and vote.

BOARD MEMBER LEICHT MOVED TO APPROVE THE 2020 FINANCIAL REPORT. BOARD MEMBER BRINE SECONDED. MOTION CARRIED.

Secretary/Treasurer Parsons adjourned the meeting at 2:07 p.m.

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Peri Edmonds, City Clerk

**ANNUAL REPORT CERTIFICATION**

Capital Area Regional Public Facilities District

(Official Name of Government)

2830

MCAG No.

Submitted pursuant to RCW 43.09.230 to the Washington State Auditor’s Office

For the Fiscal Year Ended 12/31/2021

GOVERNMENT INFORMATION:

Official Mailing Address 420 College St SE

Lacey, WA 98503

Official Website Address \_\_\_\_\_

Official E-mail Address kwolf@ci.lacey.wa.us

Official Phone Number 360-438-2668

AUDIT CONTACT or PREPARER INFORMATION and CERTIFICATION:

Audit Contact or Preparer Name and Title Chelsea Yarwood Accounting Manager

Contact Phone Number 3604123198

Contact E-mail Address cyarwood@ci.lacey.wa.us

I certify 27th day of May, 2022, that annual report information is complete, accurate and in conformity with the Budgeting, Accounting and Reporting Systems Manual, to the best of my knowledge and belief, having reviewed this information and taken all appropriate steps in order to provide such certification. I acknowledge and understand our responsibility for the design and implementation of controls to ensure accurate financial reporting, comply with applicable laws and safeguard public resources, including controls to prevent and detect fraud. Finally, I acknowledge and understand our responsibility for immediately submitting corrected annual report information if any errors or an omission in such information is subsequently identified.

Signatures

Chelsea Yarwood (cyarwood@ci.lacey.wa.us)

Capital Area Regional  
Public Facilities District

2021 Annual Financial Report  
For the Year Ended December 31, 2021

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Capital Area Regional  
Public Facilities District

2021 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

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## Capital Area Regional Public Facilities District Report for the year ended December 31, 2021

May 27th, 2022

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, 2021 – December 31, 2021. 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 CARPFD revenues totaled \$2,464,037, which included sales tax revenue of \$2,459,411, interest earned of \$1,026 and reimbursements of \$3,600. The CARPFD expenditures and distributions were \$2,464,201, of which \$1,766,077 was for support of the City of Lacey project, \$694,524 for the City of Olympia project and \$3,600 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, 2021

		General Fund / Governmental Activities
		<u>                    </u>
Assets		
Cash	\$	18,300
Investments		57,053
Interest Receivable		142
Due from other governmental units		<u>421,934</u>
Total assets		<u><u>497,429</u></u>
Liabilities		
Due to other governmental units		<u>421,934</u>
Total Liabilities		<u>421,934</u>
Fund balance/net position:		
Unreserved/unrestricted		<u>75,495</u>
Fund balance/net position	\$	<u><u>75,495</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, 2021

		General Fund / Governmental Activities
Revenues		
Sales taxes	\$	2,459,411
Interest on sales tax		1,190
Investment earnings		(164)
Total revenues		2,460,437
Expenditures		
PFD project payments		2,460,601
Insurance		3,600
Total Expenditures		2,464,201
Excess (deficiency) of revenues over (under) expenditures		(3,764)
Other Financing Sources		
Contributions in - administrative support reimbursement		3,600
Net change in fund balance/net position		(164)
Fund balance/net position January 1, 2020		75,659
Fund balance/net position December 31, 2020	\$	75,495

See accompanying notes to the financial statement

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Capital Area Regional Public Facilities  
Notes to the Financial Statements  
December 31, 2021

**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 PFD 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 PFD. 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 PFD 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 under 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 PFD is not statutorily required to adopt a budget.

## Note 3 – Cash, deposits and investments

The PFD’s deposits at December 31, 2021 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.

The PFD’s investments are in compliance with all applicable state investment laws and the City of Lacey’s investment policies. 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 WPDPC.

As of December 31 2021, the PFD held the following investments at amortized cost:

<u>Investment Type</u>	<u>Maturity</u>	<u>Investments</u>	<u>Total</u>
Washington State Local Government Investment Pool	60 Days	<u>6,361</u>	<u>6,361</u>
Total		<u>6,361</u>	<u>6,361</u>

The LGIP operates in accordance with appropriate state laws and regulations (RCW 43.250.020). 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 the PFD’s 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 WPDPC. The WPDPC, 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 WPDPC’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 PFD does not have a specific deposit policy for custodial risk.

*Interest rate risk.* In accordance with the City's investment policy, the City manages the PFD's 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 or bond reserve funds. 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, 2021, the LGIP had a weighted average maturity of 34 days. The PFD does not have a specific deposit policy for custodial risk.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More than 10
<b>Debt Securities</b>					
U.S. Treasury Obligations	\$ 31,031	\$ 1,140	\$ 29,891	\$ -	\$ -
U.S. Agency Obligations	18,023	6,805	11,218	-	-
Municipal Debt Obligations	2,666	1,253	1,413	-	-
Supranational Bonds	4,552	-	4,552	-	-
Commercial Paper	781	-	781	-	-
<b>Total Debt Securities</b>	<b>\$ 57,053</b>	<b>\$ 9,198</b>	<b>\$ 47,855</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other Securities</b>					
WA State Local Government Investment Pool	\$ 6,361	\$ 6,361	\$ -	\$ -	\$ -
<b>Total Other Securities</b>	<b>\$ 6,361</b>	<b>\$ 6,361</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Investments</b>	<b>\$ 63,414</b>	<b>\$ 15,559</b>	<b>\$ 47,855</b>	<b>\$ -</b>	<b>\$ -</b>

*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 PFD'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 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. The PFD does not have a specific credit risk policy.

As of December 31, 2021, the PFD's investments had the following credit quality distribution for securities with credit exposure:

Fair Value	AAA	AA	A	Unrated	
	Aaa	Aa			
U.S. Treasury Obligations	\$ 31,031	\$ -	\$ 31,031	\$ -	\$ -
U.S. Agency Obligations	18,023	-	18,023	-	-
Municipal Debt Obligations	2,666	373	2,293	-	-
Supranational Bonds	4,552	4,552	-	-	-
Commercial Paper	781	-	781	-	-
<b>Total</b>	<b>\$ 57,053</b>	<b>\$ 4,924</b>	<b>\$ 52,129</b>	<b>\$ -</b>	<b>\$ -</b>

*Concentration of credit risk:* Concentration risk is the risk of loss attributed to the magnitude of the PFD's investment in a single issuer. The PFD's policy, under the City of Lacey's investment policy, states, with 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 PFD does not have a formal policy for

concentration of credit risk.

*Fair Value:* The PFD 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, 2021, the PFD had the following investments measured at fair value:

	12/31/2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by Fair Value Level</u>				
U.S. Treasury Obligations	\$ 31,031	\$ 31,031	\$ -	\$ -
U.S. Agency Obligations	18,023	-	18,023	-
Municipal Debt Obligations	2,666	-	2,666	-
Supranational Bonds	4,552	-	4,552	-
Commercial Paper	781	-	781	-
Total Investments Reported at Fair Value	\$ 57,053	\$ 31,031	\$ 26,022	\$ -
<u>Investments Measured at Amortized Cost</u>				
WA State Local Government Investment Pool	\$ 6,361			
Total Investments Measured at Amortized Cost	\$ 6,361			
Total Investments	<u>\$ 63,414</u>			

Cash, deposits and investments for the year ended December 31, 2021 are as follows:

	2021
Checking	\$ 8,934
Investment <90days	3,005
Washington State Investment Pool (LGIP)	<u>6,361</u>
Cash & Deposits Subtotal	18,300
Investments	<u>57,053</u>
Cash, Deposits & Investment Total	<u>\$ 75,353</u>

#### Note 4 – Risk management

The PFD is a member of the Enduris Washington (Pool). 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. For the Pool's fiscal year ending August 31, 2021, there were 539 Enduris members representing a broad array of special purpose districts throughout the state.

The Enduris' program provides for various forms of joint self-insurance and reinsurance coverage for its members: Liability coverage, which includes: General Liability, Automobile Liability, Public Officials' Errors and Omissions liability, Terrorism liability and Employment Practices liability; Property coverage, which includes: Building and Contents, Mobile Equipment, Boiler and Machinery, and Business Interruption/Extra Expense; Automobile Physical Damage coverage; Cyber coverage; Crime blanket coverage; Named Position coverage; and an Identity Fraud reimbursement program. Pollution coverage is provided on a "claims made" coverage form. All other coverage is provided on an "occurrence" coverage form.

Members are responsible for a coverage deductible or co-pay on each covered loss. Each policy year members receive a Memorandum of Coverage (MOC) outlining the specific coverage, limits, and deductibles/co-pays that are applicable to them. In certain cases the Pool may allow members to elect to participate in the programs at limits, coverage, deductibles, and co-pays that are specific to their needs. Enduris is responsible for payment of all covered losses above the member retention, up to the Pool self-insured retention (SIR). Enduris acquires excess/reinsurance from unrelated insurance companies to cover losses above the Pool's SIR up to the coverage maximum limit of liability. The tables below reflect the Pool's SIR, reinsurance limits and member deductibles/co-pays by coverage type.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays <sup>(1)</sup>
<b>Liability:</b>				
Comprehensive General Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Automobile Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Public Officials Errors and Omissions Liability	Each Wrongful Act Member Aggregate	\$1 million	\$20 million \$20 million	\$1,000 - \$100,000
Terrorism Liability <sup>(2)</sup>	Per Occurrence Pool Aggregate	\$500,000 \$1 million	\$0 Fully funded by Pool	\$1,000 - \$100,000
Employment Practices Liability	Per Occurrence Member Aggregate	\$1 million	\$20 million \$20 million	20% Copay <sup>(3)</sup>

(1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible

(2) Terrorism liability is fully funded by the Pool i.e. no excess/reinsurance is procured.

(3) Members pay a 20% co-pay of costs up to a maximum of \$100,000. By meeting established guidelines, the co-pay may be waived.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays <sup>(1)</sup>
<b>Property <sup>(2)</sup>:</b>				
Buildings and Contents	Per Occurrence	\$250,000	\$800 million	\$1,000 - \$250,000
Mobile Equipment	Per Occurrence	\$250,000	\$800 million	\$1,000 - \$250,000
Boiler and Machinery <sup>(3)</sup>	Per Occurrence	Varies	\$100 million	Varies
Business Interruption (BI)/ Extra Expense (EE) <sup>(4)</sup>	Per Occurrence	\$250,000	\$100 million (BI)/ \$50 million (EE)	\$1,000 - \$250,000
<b>Sublimit <sup>(5)</sup>:</b>				
Flood	Per Occurrence	\$250,000	\$50 million (shared by Pool members)	\$1,000 - \$250,000
Earthquake	Per Occurrence	5%; \$500,000 maximum	\$10 million (shared by Pool members)	\$1,000 - \$250,000
Terrorism Primary	Per Occurrence Pool Aggregate	\$250,000	\$100 million/ Pool member \$200 million	\$1,000 - \$250,000
Terrorism Excess	Per Occurrence APIP Per Occurrence APIP Aggregate	\$500,000	\$600 million/Pool member \$1.2 billion/APIP \$1.4 billion/APIP	\$0
<b>Automobile Physical Damage <sup>(6)</sup></b>	Per Occurrence	\$25,000; \$100,000 for Emergency Vehicles	\$800 million	\$250 - \$1,000
<b>Crime Blanket <sup>(7)</sup></b>	Per Occurrence	\$50,000	\$1 million	\$1,000
<b>Named Position <sup>(8)</sup></b>	Per Occurrence	\$50,000	\$1 million	\$1,000
<b>Cyber <sup>(9)</sup></b>	Each Claim APIP Aggregate	\$100,000	\$2 million \$25 million	20% Copay
<b>Identity Fraud Expense Reimbursement <sup>(10)</sup></b>	Member Aggregate	\$0	\$25,000	\$0

- (1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible.
- (2) Property coverage for each member is based on detailed property schedule. Scheduled items are covered to the extent of the cost of repair or replacement pursuant to the excess/reinsurance policy terms. Under the Alliant Property Insurance Program (APIP) Reinsurance carriers cover insured losses over \$250,000 to the limit of \$800 million except for certain types of sub-limited property losses such as flood, earthquake, and terrorism.
- (3) Boiler and Machinery self-insured retention for the Pool varies depending on motor horsepower.
- (4) Business Interruption/ Extra expense coverage is based on scheduled revenue generating locations/operations. A limited number of members schedule and the rest are limited to \$500,000 of coverage with a \$2.5 million Pool maximum for undeclared exposure. The waiting period (deductible) is typically 24 hours but there are exceptions specific to the type of exposure covered.
- (5) This sublimit list is simplified and is not all-inclusive. In addition, sub-limits are often shared or aggregated by all pool members and, in a few cases, are shared by all APIP members. Deductibles often vary by coverage sub-limit.
- (6) Auto Physical Damage coverage includes comprehensive, named perils and collision. Coverage for each member is based on a detail vehicle schedule.
- (7) Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance" of \$2,500 is provided to each member. Member's may elect to "buy-up" the level of coverage from \$5,000 to \$1 million.
- (8) Named Position coverage is optional. Members may elect to schedule various employees, directors, and commissioners, with individual limits of between \$5,000 and \$1 million.
- (9) Cyber coverage is included under the Pool's Property program. Members are subject to a 20% co-pay per loss and the Pool's SIR is tiered between \$50,000 and \$100,000 depending on the insured/members property TIV with an 8 hour waiting period. By meeting established guidelines, the co-pay may be waived. The reinsurance maximum limit of liability is \$2 million, with various declared sub-limits.
- (10) Identity Fraud Expense Reimbursement coverage is purchased by Enduris. Member claims do not have a deductible. There is a \$25,000 limit per member.

Members make an annual contribution to fund the Pool. Since Enduris is a cooperative program, there is joint liability among the participating members. There were no claim settlements in excess of the insurance coverage in any of the last three policy years.

Upon joining the Pool, members are contractually obligated to remain in the Pool for a minimum of one year and must give notice 60 days before renewal in order to terminate participation. The Interlocal Governmental Agreement (formerly known as the Master Agreement) is automatically renewed each year unless provisions for withdrawal or termination are applied. 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 Interlocal Governmental Agreement.

Enduris is fully funded by its member participants. Claims are filed by members with the Pool who determines coverage and administers the claims.

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 overseeing the business affairs of Enduris and providing policy direction to the Pool's Executive Director.

#### Note 5 – COVID-19

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of COVID-19. Precautionary measures to slow the spread of the virus continued throughout 2021. These measures included limitations on business operations, public events, gatherings, travel and in-person interactions.

The District has remained economically stable.

**Capital Area Regional Public Facilities District**

Schedule 01

For the year ended December 31, 2021

<b>MCAG</b>	<b>Fund #</b>	<b>Fund Name</b>	<b>BARS Account</b>	<b>BARS Name</b>	<b>Amount</b>
2830	001	General	3089000	Unassigned Fund Balance - Beginning	\$75,659
2830	001	General	3131900	Regional Centers Sales and Use Tax	\$694,188
2830	001	General	3131900	Regional Centers Sales and Use Tax	\$1,765,223
2830	001	General	3611000	Investment Earnings	\$488
2830	001	General	3611000	Investment Earnings	\$22
2830	001	General	3611000	Investment Earnings	\$336
2830	001	General	3611000	Investment Earnings	\$854
2830	001	General	3613000	Gains (Losses) on Sale of Investments	(\$201)
2830	001	General	3613000	Gains (Losses) on Sale of Investments	(\$473)
2830	001	General	3699100	Miscellaneous Other, Operating	\$1,016
2830	001	General	3699100	Miscellaneous Other, Operating	\$2,584
2830	001	General	5089000	Unassigned Fund Balance - Ending	\$75,494
2830	001	General	5755040	Multipurpose and Community Centers	\$694,524
2830	001	General	5755040	Multipurpose and Community Centers	\$1,766,077
2830	001	General	5755040	Multipurpose and Community Centers	\$3,600
2830	001	General	8100000	Current Assets	\$497,429
2830	001	General	8200000	Other Current Assets	\$0
2830	001	General	8300000	Noncurrent Assets	\$0
2830	001	General	8400000	Deferred Outflows	\$0
2830	001	General	8500000	Current Liabilities	\$421,934
2830	001	General	8600000	Noncurrent Liabilities	\$0
2830	001	General	8700000	Deferred Inflows	\$0

## **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 (2021-2022)

FOUR YEAR TERM - NO TERM LIMITS

<p><b>Nancy Clauson, President (2021-2022)</b> <i>District-wide Appointee</i> Appointed: 03.03.2012 Reappointed: 03.01.2016, 03.01.2020 Term Expiration: 03.01.2024</p>	<p><b>Ken Parsons, Secretary/Treasurer (2021-2022)</b> <i>Thurston County Representative</i> Appointed: 02.25.2003 Reappointed: 02.12.2007, 03.01.2011, 2015, 09.18.2018 Term Expiration: 03.01.2023</p>
<p><b>Chris Leicht</b> <i>District-wide Appointee</i> Appointed: 04.01.2010 Reappointed: 05.22.2014, 07.12.2018, 02.17.2022 Term Expiration: 03.01.2026</p>	<p><b>Dennis Reed</b> <i>City of Lacey Representative</i> Appointed: 02.25.2003 Reappointed: 03.01.2007, 2011, 2015, 12.06.2018 Term Expiration: 03.01.2023</p>
<p><b>John Grausam</b> <i>District-wide Appointee</i> Appointed: 05.07.2019 (unexpired term) Reappointed: 03.18.2021 Term Expiration: 03.01.2025</p>	<p><b>David Brine</b> <i>City of Olympia Representative</i> Appointed: 12.04.2007 Reappointed: 03.01.2011, 2015, 02.05.2019 Term Expiration: 03.01.2023</p>
<p><b>City of Lacey Administrative Support</b> City Clerk's Office Lacey City Hall 420 College St SE Lacey WA 98503 360.486.8704 <a href="mailto:pedmonds@ci.lacey.wa.us">pedmonds@ci.lacey.wa.us</a></p>	<p><b>Trent Grantham</b> <i>City of Tumwater Representative</i> Appointed: 03.01.2011 Reappointed: 03.01.2015, 10.16.2018 Term Expiration: 03.01.2023</p>

**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.** ]

## 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**.