City of Lacey, Washington
Lacey City Council Worksession Agenda

Refer to bottom of the agenda for instructions on attendance and public comment.

Thursday, July 13, 2023	6:00 PM	Council Chambers and Online

Call to Order

1. Roll Call

2. Approval of the Amended Agenda*

3. Agenda Items

A. **2024 Regional Athletic Complex Financial Plan**
Jen Burbidge, Parks, Culture and Recreation Director
*RESCHEDULED FOR A FUTURE DATE

B. **2023 Lacey Parks, Culture and Recreation Comprehensive Plan**
Jen Burbidge, Parks, Culture and Recreation Director
*RESCHEDULED FOR A FUTURE DATE

C. **TCMedia and Television Production and Programming Services Discussion**
Shannon Kelley-Fong, Assistant City Manager

4. Adjourn

Attendance and Public Comment

Attend Remote or In Person
The public may attend the meeting in person, or you may view or listen to the meeting using one of the following platforms:

In Person:	Council Chambers at Lacey City Hall, 420 College Street SE, Lacey, WA 98503
Zoom:	https://us02web.zoom.us/j/85706179300

Website:	https://cityoflacey.org/upcoming-meetings/
Facebook:	https://www.facebook.com/cityoflacey
YouTube:	https://www.youtube.com/watch?v=V7ozJG7RwNA
Phone:	(888) 788-0099 or (877) 853-5247 (Webinar ID 857 0617 9300)

Written Public Comment
Public comments may also be submitted by email to PublicComment@ci.lacey.wa.us.
The commenting period will close two hours before meeting time.
Written comments will be provided to the City Council electronically prior to the meeting.
Comments will not be addressed during the Council meeting; however, comments received will be added to the official record.

CITY OF LACEY
Shaping our community together

LACEY CITY COUNCIL WORKSESSION
July 13, 2023

SUBJECT:	**Regional Athletic Complex (RAC) 20-Year Financial Plan Update**

RECOMMENDATION:	**Acceptance of RAC 20-Year Financial Plan update**

STAFF CONTACT:	Rick Walk, Interim City Manager RW Troy Woo, Finance Director TW Jen Burbidge, Parks, Culture & Recreation Director JB
ORIGINATED BY:	Parks, Culture & Recreation Department Finance Department
ATTACHMENTS:	1. Draft 2024 RAC 20-Year Financial Plan clean copy 2. Attachment A of 2024 RAC Financial Plan (2023 RAC Budget) 3. Attachment B of 2024 RAC Financial Plan (2023 RAC Long-Term Financial Plan) 4. Draft 2024 RAC 20-Year Financial Plan with tracked changes
FISCAL NOTE:	As outlined in financial plan
PRIOR REVIEW:	Parks, Culture & Recreation Board (Parks Board) reviewed, approved and recommended to City Council for approval at their May 3, 2023 meeting.

BACKGROUND:

The Regional Athletic Complex opened to the public in 2004 thanks to the City of Lacey's regional partnership with Thurston County, Olympia, and Tumwater, and considerable public input to provide for the athletic needs in the region as well as a community park. Please refer to the attached Draft 2024 RAC 20-Year Financial Plan *Introduction* and *Background* sections for information on the background, interlocal agreement, and the phased opening of the facility.

Although the success of the RAC cannot be questioned, it is not a self-supporting facility. To ensure the Regional Athletic Complex (RAC) can provide the same level of service now and into the future, a short-term financial strategy has been developed and implemented, which will be followed by the identification and securing of long-term financial resources and support. The Lacey Parks Board has reviewed sustaining strategies and recommends the preferred option to the City Council to balance the RAC budget.

There are a number of events that prompted the need for a five-year financial strategy to be implemented in 2021 and has been expanded through 2029.

In 2020, the remaining Thurston County settlement funds were depleted. The Thurston County settlement fund was first allocated in 2010, with an anticipated drawdown in 10 years. Furthermore, at the end of 2027, the Public Facilities District (PFD) will sunset.

There is potential for a 15-year extension to the PFD. Staff has begun evaluating the legalities and parameters of such an extension.

It is important to identify the recommendations from the previous 20-Year Plan that were implemented:

- The plan should be reviewed periodically or following significant financial environment changes to ensure the RAC remains financially secure.
- PFD revenues should be monitored annually.
- Lodging Tax (LT) revenues should be monitored annually.

With the adoption of Ordinance No. 1631, the City Council committed $400,000 ($200,000 per year for 2023 and 2024) of General Fund reserves and $1,000,000 of RAC Capital Fund reserves ($200,000 per year for the years 2025 through 2029) to help support RAC operations. Future financial plans will need to address funding strategies beyond 2030.

ADVANTAGES:

1. The RAC can continue to provide the same level of service to the community has come to expect.

2. The long-term sustainability of the RAC is dependent on the financial stability identified in the financial plan.

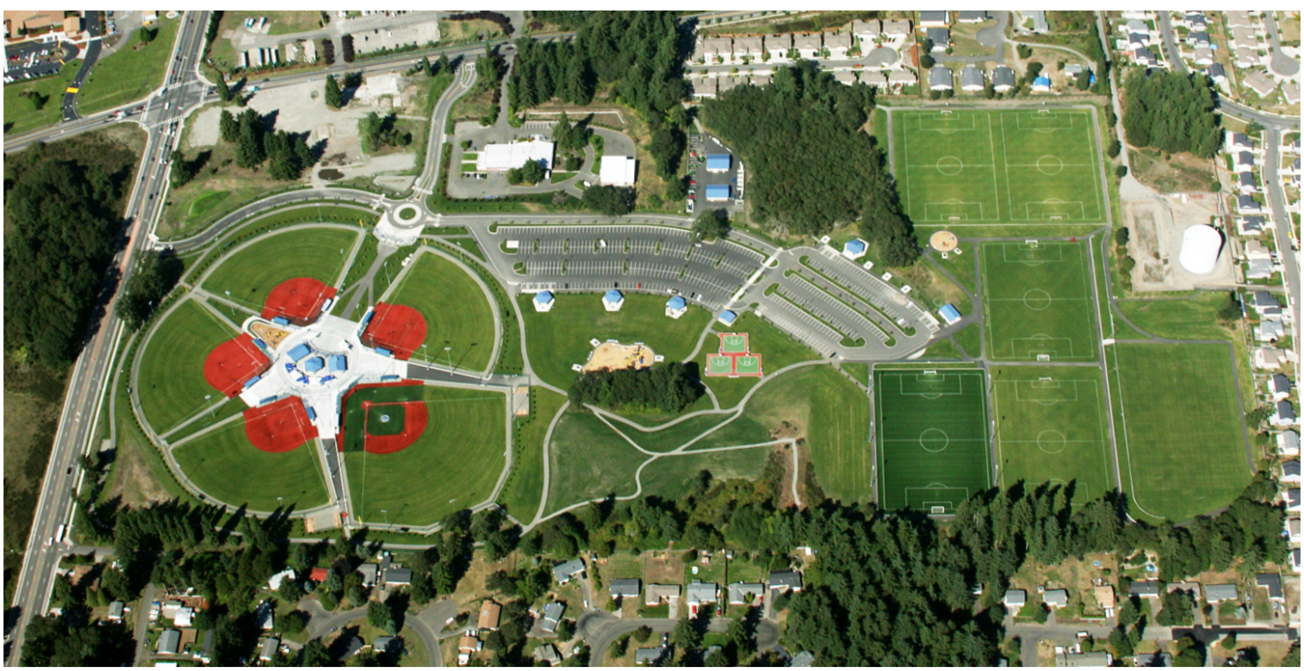
DISADVANTAGES:

1. The use of RAC Capital Fund reserves for operations will lessen the capability to fund future capital projections and facility repairs and replacements.

LACEY PARKS
CULTURE & RECREATION

RAC
REGIONAL
ATHLETIC COMPLEX

20-YEAR FINANCIAL PLAN
2024 - 2043



20-YEAR FINANCIAL PLAN

Prepared by **City of Lacey Staff**

Jen Burbidge – Parks, Culture & Recreation Director
Scott Devlin, Public Works Operations Manager
Sue Falash, Parks, Culture & Recreation Manager
Julie McFadden, Public Works Senior Maintenance Technician
Jamie Oakland, Public Works Parks Maintenance Supervisor
Troy Woo, Finance Director

Reviewed on May 3, 2023
Approved and recommended to City Council on May 3, 2023 by:

Lacey Parks, Culture & Recreation Board
Chair Wendy Goodwin
Vice Chair Kamber Good
Commissioner Hilary Dykstra
Commissioner Bill Fosbre
Commissioner Gary Larson
Commissioner Chris Porrazzo
Commissioner Aram Wheeler
Youth Commissioner Sarah Towne

Lacey City Council
Mayor Andy Ryder
Deputy Mayor Malcolm Miller
Councilmember Carolyn Cox
Councilmember Lenny Greenstein
Councilmember Ed Kunkel
Councilmember Michael Steadman
Councilmember Robin Vazquez

20-YEAR FINANCIAL PLAN

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20-YEAR FINANCIAL PLAN

EXECUTIVE SUMMARY

To ensure the Regional Athletic Complex (RAC) can provide the same level of service now and into the future, a short term financial strategy has been developed and implemented, which will be followed by the identification and securing of long-term financial resources and support. The Lacey Parks, Culture & Recreation Board (Parks Board) will review sustaining strategies and recommend the preferred option to balance the RAC budget.

There are a number of events that prompted the need for a five-year financial strategy to be implemented in 2021 and has been expanded through 2029. In 2020, the remaining Thurston County settlement funds were depleted. The Thurston County settlement fund was first allocated in 2010, with an anticipated drawdown in 10 years. Furthermore, at the end of 2027, the Public Facilities District (PFD) will sunset.

There is potential for a 15-year extension to the PFD. Staff will begin evaluating the legalities and parameters of such an extension.

These financial changes reached a level of significance to warrant an update to the RAC's existing 20-Year Financial Plan with a series of shorter-term updates.

It is important to identify the recommendations from the previous 20-Year Plan that were implemented:

- The plan should be reviewed periodically or following significant financial environment changes to ensure the RAC remains financially secure.
- PFD revenues should be monitored annually.
- Lodging Tax (LT) revenues should be monitored annually.

INTRODUCTION

On March 19, 1998 Thurston County and the City of Lacey entered into a partnership via a MOU (Memorandum of Understanding) to jointly acquire, plan, fund, develop and maintain an athletic complex. This MOU provided joint ownership for a minimum of 15 years, at least through March 2014.

It would have been beyond the financial ability of either party at that time to complete a project of this size and scope alone. By working together, the community benefits from a state-of-the-art athletic complex, a well-maintained community park and special events. Local businesses benefit from the visitors who come to play in tournaments and enjoy special events on weekends.

In June 2010, the Lacey City Council authorized an agreement for the transfer of Thurston County's share of the ownership of the Regional Athletic Complex (RAC) to the City. The transfer was allowed only if by mutual agreement and if the County had expended funds for the RAC in an amount equal to that expended by the City of Lacey. The settlement amount was $1,825,000, which provided operation and maintenance funding for the years 2009 through 2014 and a capital replacement fund or future operation and maintenance funding of approximately $715,000, as well as the balance of the 50% share of Phase 2 development costs. A previous financial plan recommended the full amount of the Thurston County settlement be deposited into the Park and Open Space fund and recommended funds will be transferred from the Park and Open Space Fund to fund M&O and capital improvements on an annual basis. The modelling at the time projected the funds would be fully disbursed by mid-2021. The final Thurston County settlement funds were depleted in 2020.

Although the success of the RAC cannot be questioned, it is not a self-supporting facility. The 2023 Budget includes $326,584 from the City's General Fund for operation and maintenance, $180,000 from lodging tax, $200,000 from City General Fund committed reserves, and $200,000 from PFD sales tax.

In 2020, the City Council designated $800,000 from General Fund reserves be used to subsidize the RAC ($200,000 per year for 2021, 2022, 2023 and 2024). Staff had updated the long-term financial plan, which was reviewed by city administration and the Parks Board, and has done so again. The Parks Board has recommended actions again to be considered by the City Council. The options to consider and implement remain limited: increase revenue, cut expenditures, attract more outside revenue sources (including potential PFD extension), or a combination of those three.

Recommendation: The plan should be reviewed periodically or following significant financial environment changes to ensure the RAC remains financially secure.

BACKGROUND

The 68-acre site was purchased in 1998. The County and City planned the athletic complex cooperatively and with considerable public input to provide for the athletic needs in the region as well as a community park with picnic shelters, play equipment and facilities needed to hold special events. On March 12, 2002, voters in the City of Lacey approved a bond issue for development of the RAC as well as several other parks. On June 26, 2002, an Inter-local Agreement (ILA) was entered into by the Cities of Lacey, Olympia, Tumwater and Thurston County to form the Capital Area Regional Public Facilities District for the purpose of developing the RAC and the Hands-on Children's Museum (HOCM). Phase 1 of the RAC, four soccer fields, parking and concession/restroom, opened in 2004. In May 2009, Phase 2 - four softball fields, one baseball field, four picnic shelters, basketball courts, play equipment, trails, restrooms and parking - opened, completing the vision for the athletic fields. The maintenance compound was completed in 2010. Netting was installed on fields 2 and 3 outfield fences in 2013.

Improvements have been continued to be made at the RAC. In 2017, bleacher covers were constructed in the baseball/softball complex to protect patrons from rain and sun. Then synthetic turf replacements were completed over a 3-year span (two fields per year) in 2018, 2019, and 2020. In 2021 parking lot cameras were added for security. In 2022, permanent rugby goals were added to soccer field 4, and was made possible through a local partnership.

In 2023, design was completed for conversion of the gravel parking lot to a paved lot with landscape, lighting and security cameras. Electronic vehicle (EV) charging stations will also be installed as a part of the project. Construction will take place sometime during 2023.

COMMUNITY NEED AND VISITOR USE

The need for athletic fields was originally identified in comprehensive plans, community meetings and conversations with user groups and elected officials. There were not enough fields for youth and adults to play and practice on, teams competed for the same open space, and several teams shared the space so that all could play. The grass fields close annually at the end of October in order to let the fields rest, with many sports teams having to leave the county to practice and play their games. In 2002, there were 21,818 players registered on 1,500 teams in the county - half played on fields located out of the area, or fields inadequate for league use. Thurston County and the City of Lacey gained public support for the project.

The RAC has been heavily used since opening, and user groups and stakeholders have continued to provide feedback. The grass soccer fields are open 244 days a year and are usually in play all but 10 to 15 days a year. The synthetic field is booked 350 to 360 days per year. Tournaments on the softball/baseball fields are booked 50 to 52 weekends per year and approximately 50% of teams requesting weekend tournaments are turned away.

Annual special events are held throughout the year as well. The park is used by people who walk daily, families with young children who flock to the play equipment, teens who rush to the basketball courts after school, friends who hold picnics in the shelters and ball players who come from all over the county and the world to play in tournaments that won't rain out. The RAC is used by an estimated 200,000 athletic participants, and 1.2 million park and special event patrons per year. RAC users have come to expect an outstanding facility where ball games are played rain or shine, staff is responsive and competent, athletes of all ages and abilities are served, and a variety of community events are offered and open to the public.

Staff has been working with the Experience Olympia & Beyond Sports Commission to determine the economic impact RAC visitors bring to the local economy. Preliminary numbers are showing over $15 million was generated for the local economy in 2022.

Staff has implemented new ways to increase use such as attracting additional dog shows, larger tournaments, more fun runs and hosted additional summer sports camps. Staff continues to consider increased use options on the soccer fields including lacrosse, rugby, ultimate frisbee, and flag football. There are not many options for increased use on the baseball/softball fields due to use currently being maxed out.

2020 and 2021 were not typical years at the RAC due to COVID-19 changing the landscape. Staff adapted to the Governor’s guidance to navigate the public health crisis safely but as a result, participation and visitation were heavily impacted. Fortunately, 2022 was better, and 2023 is shaping up to be even better than pre-pandemic levels.

Recommendation: The goal is to increase use on the athletic fields by renting fields during typically slow times of the day and maximizing the number of teams in a tournament. Increased use should lead to increased revenue.

PUBLIC FACILITIES DISTRICT (PFD)

The Capital Area Regional Public Facilities District is a special taxing district created by a 2002 inter-local agreement between Thurston County and the cities of Olympia, Lacey and Tumwater for the purpose of financing two regional event centers, the RAC and the Olympia HOCM. District revenue is from a 0.033% sales and use tax authorized pursuant to RCW 82.14.390 imposed county-wide for 25 years, and ending on March 9, 2028 (25 years after the execution of the interlocal agreement) or upon the retirement of the debt used to construct the original facilities. Lacey's debt will be retired on December 1, 2027 unless extended (if eligible).

Distribution of sales tax revenues from Thurston County is distributed at 71.7742% to the City of Lacey for the RAC and 28.2258% to the City of Olympia for the HOCM. From July 2003 - July 2006, the distribution to Lacey was 38.8%. In July 2006, the contract was modified to reflect the current distribution. The terms of the PFD contract allow for the sales and use tax to be imposed up to March 9, 2028 and debt is outstanding on the projects (RCW 82.14.390). Lacey's bond debt will be retired at the end of 2027 unless extended. The operations and maintenance of the RAC is currently supported with $200,000 of PFD sales taxes per year.

During the initial years and years impacted by the "Great Recession", the PFD revenues did not meet expectations. Between 2007 and 2015, Lacey's portion of the annual PFD revenues averaged $941,960. The local economy began to recover and grow in 2016 with revenues of $1,146,502. The annual growth continued to $1,436,478 in 2019. Despite the COVID-19 public health emergency, PFD revenues continued to grow. In 2022, PFD revenues grew to $1,668,884. It appears the stable government and military employment, Federal and State stimulus and support, and an increase to local purchasing have helped the region's economy when all expectations were for a severe decline to revenues. Through the first quarter of 2023, PFD revenues continue to grow compared to the previous year.

Recommendation: PFD revenues should be monitored annually. The sustainability of the RAC at its current level of tax supported subsidy is a concern. Efforts to achieve the maximum amount of potential collections should be pursued to secure a sustainable revenue source to replace the PFD revenues.

REVENUE SUMMARY

The RAC operating budget consists of the following revenue sources: fees and operating revenue, PFD funds, interest income, lodging tax revenue, and the City's General Fund support.

Fees and Operating Revenue

2010 was the first complete year of operation for the RAC. Revenues generated in 2010 totaled $327,568 and have climbed steadily since to $524,001 in 2022. Revenue includes concession lease, shelter rentals, field rentals, league fees, field banner sponsorships, and interest income. Tournaments are booked on the baseball/softball fields for 50 of 52 weekends per year. City staff serves as tournament director for up to 3 tournaments per year. Staff is working to acquire bigger tournaments, bringing more teams and individuals into the Lacey community, resulting in more games played and increased field rental revenue. A limiting factor is the number of fields at the RAC, although staff has been able to partner with other agencies in the area to co-host tournaments. Some tournaments overflow to Rainier Vista Community Park, but rental fees from games played there do not go into the RAC account.

<u>Potential revenue opportunities:</u>

- Sponsorship and Naming Rights: The Parks Board updated and City Council approved the Sponsorship & Naming Rights Policy in 2019 and then again in 2023 to clarify sponsorship agreements and make it possible for naming rights to be sold. Staff had a strong potential for a naming rights agreement at the beginning of 2020 but then the COVID-19 public health crisis brought uncertainties. Staff continues to seek sponsorship opportunities such as naming rights and Park Partners, and has many outfield banner sponsorships in place
- Special Events: Fun Run/Walks, Dog and other Easter Egg Hunts, National Dog Show, Polynesian Fest, AUSA, etc. Success of annual events attracts similar events. Potential to hold a "Junk in your Trunk" special event rummage sale, or another similar event on a smaller tournament weekend.
- Bid on and serve as tournament director for another tournament.
- Parking fee: Was not supported by the public in 2014, but could be revisited. Currently no other Lacey Parks have parking fees.
- Increase field rental fees – every two years staff and Parks Board evaluate fees, and they are raised 2.5 – 5.0% depending on the market rate of comparable facilities. The RAC would become priced out of the competition and tournament directors would play at other athletic complexes if fees are raised above the market rate.

- Leagues: Leagues bring in more revenue than field rentals. The city could run more City leagues, but that would push out many long-term local league rentals who have used and supported the RAC since it opened.

In 2020 and 2021, revenues were impacted by COVID-19, and the current business model has suffered.

Recommendation: Seek new, innovative ways to increase revenues.

Public Facilities District (PFD) Funds

PFD funds currently are used for M&O ($200,000), debt service payment ($573,200), PFD administrative services ($8,000), and the balance deposited into the capital fund. In 2022, the City Council designated $1,000,000 from the RAC Capital Fund reserves be used to subsidize the RAC M&O for an additional $200,000 per year for the years 2025 through 2029.

General Obligation Bond Proceeds

GO Bonds were used for development of the RAC. Principal on the GO Bonds is repaid with PFD funds and the interest paid with PFD funds. There are no bond proceeds remaining.

General Fund Support

Maintenance and operating dollars have been transferred for the RAC since phase 2 opened in 2009; in 2022 this amounted to $239,847 and the adopted 2023 Budget includes $326,584.

Lodging Tax (LT)

The RAC receives LT funds to cover M&O expenses associated with weekend tournaments and special events. In 2020, $160,000 was budgeted but rescinded due to COVID-19. In 2023, $180,000 is included in the proposed budget. The City appreciates strong support from the local hotel / motel business community and values the partnership.

Grants

Thurston County and the City applied for and received state grants to assist with development of the RAC. Staff shall pursue grant funds for capital and M&O purposes whenever possible.

Recommendation: With the PFD sunset at the end of 2027, a long-term funding strategy should be developed to ensure the RAC can provide the same level of service moving forward.

EXPENDITURE SUMMARY

General Recreation Services

General Recreation Services staff schedule field and picnic shelter rentals, coordinate leagues and special events, direct and schedule tournaments, solicit sponsors, and manage the concession contract. The budget for 2023 is $217,763.

Maintenance and Operations

The 2023 budget for Maintenance and Operations is $1,142,732. 2023 estimated expenditures for the RAC are broken down into two areas; park open space, and rentable areas which include the baseball fields, soccer fields and shelters. Park open space, which is available for free drop in use utilizes approximately 45% of total expenditures. The rentable areas including the baseball fields, soccer fields, and shelters utilize approximately 55% of total maintenance expenditures.

Combined Budget

The combined general recreation services and maintenance and operations budget for the 2023 Budget is $1,360,495.

Recommendation: Consider an allocation of general funds to cover expenditures associated with the community park amenities. This alternative competes with other priorities of the City.

Life Cycle and Capital Improvement Programs

In 2020, the final synthetic turf replacement was completed. This multi-year project began in 2018. The replacement took place earlier than expected, but advancements made in the synthetic turf technology are promising. The next replacement cycle could begin as early as 2028. The high level of maintenance of the complex is critical to maintain its position in the marketplace. The ability to attract tournaments is heavily dependent on the quality of the facilities, especially as other communities will develop new athletic complexes and compete with the RAC.

Some of the baseball complex lights exceeded the warranty amount in 2023. After evaluating the implications, staff recommended getting some of the lights re-lamped and extending the warranty at the cost of approximately $60,000, then moving forward with a federal legislative ask in 2023 that could potentially be paired with other grant requests in 2024 for an LED conversion project.*

Staff calculations for an LED conversion would be a cost of $1.6 million if completed in 2023. It would take approximately 32 years to pay back with an energy savings of 66%. Life cycle and capital improvements have been identified in staff's working spreadsheet, but the following is a list of major replacements coming up between 2023 - 2028. Years and cost will be identified and updated as to emergent needs:

- Parking lot construction (2023). $2.8 million cost estimate
- Baseball outfield fence poles with netting completion $200,000
- Sports fields netting $177,705
- Play equipment $450,000
- Concrete work in the baseball complex $300,000
- Irrigation control update $60,000
- LED Fields Lights Conversion $1.6 million*
- Baseball/softball infield synthetic turf replacements $200,000 each (fields 1-2)
- Baseball/softball fields drainage

In addition, soccer field 2 is in need of a drainage solution, which could be taken care of as its own project. Converting soccer field 2 to synthetic turf would take care of the issue and the conversion to synthetic and adding lights would be beneficial to user groups, but would likely be $2 million. This project is not included in the financial plan but there is potential to seek grant funding for this and other upgrades needed.

Recommendation: Continue to commit PFD revenues to fund life cycle and capital improvements. Apply for funding where available and applicable. Some flexibility will be needed as intended life cycle is not always accurate, and as RAC sponsorships are considered.

FINANCIAL PLAN

The Financial Plan assumptions are consistent with the City's overall conservative budget philosophy. The general inflation used for the 20-year financial model is two percent. Costs associated with labor to maintain the RAC assumes a higher percentage than general inflation.

The 20-year financial model assumes the City's General Fund will allocate an additional $200,000 per year through 2024 and $400,000 per year PFD M&O support for the years 2025 through 2029 . The adopted 2023 RAC Budget is balanced with the additional General Fund allocation. It should be noted there is not a commitment for the additional General Fund support beyond 2024. The model shows an operating deficit beginning in 2024 despite the additional allocation assumption.

The model does show solvency through 2031 if the entire PFD revenues and capital reserves are made available for operations.

The 20-year financial model provides a basis for sound financial planning upon which the City needs to develop a strategy to ensure continued operations and capital improvements of the RAC. In 2022, the RAC's revenue resources consisted of user fees and interest (32.7%), city funds (54.8%), and PFD funds (12.5%). In the adopted 2023 Budget, the projected revenue resources consist of user fees and interest (32.0%), city funds (53.0%), and PFD funds (15.0%). Without an amendment to the PFD interlocal agreement, the RAC will face another significant resource decline in 2028 when the current agreement expires. Staff is evaluating the PFD extension.

Recommendation: Secure additional City General Fund commitments for long-term resources to support RAC operations and maintenance in recognition the RAC functions as a high use community park. Preservation of PFD funds is recommended to maintain necessary capital improvements and capital replacements at the RAC.

FUTURE DEVELOPMENT OF PHASE 3

A concept plan was started for Phase 3, a 26-acre site, located directly west of Marvin Road and across from the RAC. The site is constrained by access, pocket gopher management/mitigation issues, and a native oak tree savannah stand. Despite these site limitations, Phase 3 offers the potential for additional athletic fields and commercial partnership that would provide sports and wellness opportunities to the local community. If developed, and depending on what amenities are installed Phase 3 could enable the RAC to attract and host larger tournaments.

Recommendation: Finalize the master plan based on public feedback and guidance related to pocket gopher best management practices. Estimated development and M&O costs will need to be included as part of the long-term funding plan. Once this financial plan is complete, capital and M&O funding sources for Phase 3 would need to be identified in order for this project to move forward.

The 2023 Parks, Culture & Recreation Comprehensive Plan identifies the Lacey Parks system as being only 35% developed and prioritizes the need for additional athletic fields. Development of Phase 3 would give community and sports user groups access to more of Lacey's Park system and help with identified athletic field shortages. During 2023, staff distributed a survey to sports user groups and stakeholders. They were asked if access to sports fields was increased (grass conversion to turn, or additional fields installed) where they would be the most likely to book. The overwhelming response was at the RAC. Fastpitch/softball was the sport chosen the most for the reason to book fields. When asked if they have ever been turned away for field use due to the fields already being full, 36% said no and 64% said yes.

REGIONAL ATHLETIC COMPLEX (RAC)

The Regional Athletic Complex operating fund (RAC) is comprised of 98 acres, 68 of which opened for public use in May of 2009. Phase III is a 26-acre parcel located west of Marvin Road, and scheduled for future development.

An on-site crew of four (4) full-time maintenance personnel and seasonal staff maintain the 68-acre site as well as a full time supervisor and part-time recreational staff overseen by a Recreation Manager. Staff schedules use of the complex, facilitates leagues, tournaments, and events, solicits sponsors and manages the concession contract. Since the softball/fastpitch/baseball complex opened in May 2009, revenue generated at the RAC has exceeded revenue projections, with the exception of the COVID-19 public health crisis. The 20 year financial plan was updated by staff in 2021.

BUDGET SUMMARY

The 2023 budget of **$1,332,495** is the estimated cost to operate the RAC but may change during the year due to continuing COVID-19 public health crisis restrictions. The costs to maintain this facility are covered by fees, and intergovernmental revenues. The intergovernmental revenues are made up of the City's contribution, LTAC funds applied for, as well as revenues contractually received from the Capital Area Regional Public Facilities District.

2023 PROGRAMS, GOALS AND PRIORITIES

- Increase revenues by optimizing tournament and league play, and special events
- Develop, promote, and maintain the complex as the premier athletic facility in Washington
- Market special events to a wider audience to increase revenue and off-season use
- Ensure gender equitable use of the facility
- Work with the Sports Commission to market the facility and secure event bookings
- Articulate field capacities in order to secure bookings during times of non-use
- Develop and promote a diversity of activities not typical to athletic complexes
- Enhance community engagement

Account Number	Description	2021 Actual Revenue/Expense	2022 Amended Budget	2023 Adopted Budget
Regional Athletic Complex - Revenues				
Revenues				
007-0000-308.00-00	Estimated Beginning Cash	-	21,840	-
007-0000-333.97-36	CFDA #97.036	966	-	-
007-0000-338.10-10	Capital Area - PFD	200,000	200,000	200,000
007-0000-347.40-00	Event Admissions Fee	3,542	5,000	5,000
007-0000-347.60-50	Physical Activities Prog	296	4,000	4,000
007-0000-347.60-59	Sports Parks-CivicRec	9,225	-	-
007-0000-347.60-90	Special Events Program	-	10,000	10,000
007-0000-347.60-99	Spec Event Parks-CivicRec	8,740	-	-
007-0000-347.62-00	Shelter Fees	-	6,000	6,000
007-0000-347.62-09	Shelters Parks-CivicRec	7,300	-	-
007-0000-347.65-00	Field Use Fees	12	300,000	300,000
007-0000-347.65-09	Field Fees Parks-CivicRec	361,307	-	-
007-0000-347.67-00	Concession Commission	512	1,000	1,000
007-0000-347.68-00	League Fees	-	55,000	55,000
007-0000-347.68-09	RAC League Parks CivicRec	61,295	-	-
007-0000-361.10-00	Investment Interest	6,694	3,319	18,498
007-0000-361.10-40	LGIP Earnings	302	146	4,413
007-0000-361.32-00	Unrealized Gain(Loss)	(2,879)	-	-
007-0000-361.32-02	Reverse Prev Year Adj	(6,048)	-	-
007-0000-362.50-10	Lease - Consessionaire	10,200	22,000	22,000
007-0000-367.10-04	Cont.-Parks Sponsor/Event	-	7,000	-
007-0000-397.10-02	Transfer In 109 Fund	160,000	180,000	180,000
007-0000-397.10-04	Transfer In - Utility Tax	197,013	239,847	326,584
007-0000-397.11-01	Transfer In 001,003,005	200,000	540,325	200,000
Total Regional Athletic Complex Fund Revenues		**1,218,477**	**1,595,477**	**1,332,495**

Account Number	Description	2021 Actual Revenue/Expense	2022 Amended Budget	2023 Adopted Budget
Regional Athletic Complex - Expenditures				
Regional Athletic Complex				
Regional Athletic Complex Maintenance				
007-3305-576.10-01	Salaries-Regular	219,300	263,172	358,877
007-3305-576.10-05	Salaries-Overtime	8,104	12,563	12,563
007-3305-576.10-06	Salaries-Part-Time	111,014	123,575	101,735
007-3305-576.20-01	Employer Paid Benefits	127,460	155,076	160,071
007-3305-576.20-03	Unemployment Compensation	1,609	-	-
007-3305-576.31-01	Office & Operating Supply	70,045	99,000	99,000
007-3305-576.31-02	Small Tools & Equipment	1,240	2,500	2,500
007-3305-576.31-17	Supplies-Uniform Purchase	2,344	2,000	2,000
007-3305-576.34-01	Fuel	5,065	10,000	10,000
007-3305-576.41-01	Prof. Svc-Other	25,375	18,360	18,360
007-3305-576.42-01	Telecommunications	7,942	7,750	7,750
007-3305-576.43-03	Registrations	298	-	-
007-3305-576.45-01	Equipment Rental	67,646	81,189	93,093
007-3305-576.45-02	IMS Rental	7,008	13,998	13,949
007-3305-576.45-05	Rentals-Other	2,383	1,500	2,500
007-3305-576.46-01	Insurance-Liability	11,422	12,274	15,674
007-3305-576.46-02	Insurance-Fire/Property	12,869	10,306	11,285
007-3305-576.46-06	AWC L & I Pool	1,002	1,015	1,015
007-3305-576.47-01	Utility-Electric	80,168	80,000	80,000
007-3305-576.47-02	Utility-City of Lacey	79,408	432,325	92,000
007-3305-576.47-07	Utility-Solid Waste	12,893	12,360	14,360
007-3305-576.48-01	Rep & Maint-Equipment	1,694	3,500	3,500
007-3305-576.48-03	Rep & Maint-Facilities	1,945	31,500	3,500
007-3305-576.49-25	Assessments/Taxes	12,520	11,000	11,000
Total Regional Athletic Complex Maintenance		**870,754**	**1,384,963**	**1,114,732**
Regional Athletic Complex General Services				
007-7401-576.10-01	Salaries-Regular	117,265	100,438	106,065
007-7401-576.10-05	Salaries-Overtime	4,516	-	-
007-7401-576.10-06	Salaries-Part-Time	-	14,000	14,000
007-7401-576.20-01	Employer Paid Benefits	53,585	41,875	43,881
007-7401-576.20-03	Unemployment Compensation	-	500	500
007-7401-576.31-01	Office & Operating Supply	2,076	7,500	7,500
007-7401-576.31-02	Small Tools & Equipment	1,153	1,500	1,500

Account Number	Description	2021 Actual Revenue/Expense	2022 Amended Budget	2023 Adopted Budget
Regional Athletic Complex - Expenditures				
Regional Athletic Complex				
Regional Athletic Complex General Services-Continued				
007-7401-576.31-17	Supplies-Uniform Purchase	-	500	500
007-7401-576.41-01	Prof. Svc-Other	27,387	20,000	20,000
007-7401-576.41-11	Prof. Svc - Recreation	-	6,000	6,000
007-7401-576.43-01	Transportation/Per Diem	-	1,500	1,500
007-7401-576.43-02	Dues, Subscriptions, Publ	-	120	120
007-7401-576.43-03	Registrations	60	800	800
007-7401-576.45-02	IMS Rental	11,604	8,831	8,447
007-7401-576.49-06	Maintenance Contracts	676	450	450
007-7401-576.49-25	Assessments/Taxes	8,914	6,500	6,500
Total Regional Athletic Complex General Services		**227,236**	**210,514**	**217,763**
Total Regional Athletic Complex Fund Expenditures		**1,097,990**	**1,595,477**	**1,332,495**

City of Lacey
Regional Athletic Complex
Long-Term Financial Plan
2022 Year-End Actuals

	Actual 2021	Projected 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033	Projected 2034	Projected 2035	Projected 2036	Projected 2037	Projected 2038	Projected 2039	Projected 2040	Projected 2041	Projected 2042	Projected 2043
Operating Revenues																							
Beginning Fund Balance / Estimated Beginning Cash			28,000																				
DHS/CFDA #97.036	966	77																					
Intergovernmental Revenue / Capital Area - PFD	200,000	200,000	200,000	200,000	400,000	400,000	400,000	400,000	400,000														
Culture & Recreation / Event Admissions Fee	3,542		5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	6,095	6,217	6,341	6,468	6,597	6,729	6,864	7,001	7,141	7,284	7,430
Culture & Recreation / Physical Activities Program	296		4,000	4,080	4,162	4,245	4,330	4,416	4,505	4,595	4,687	4,780	4,876	4,973	5,073	5,174	5,278	5,383	5,491	5,601	5,713	5,827	5,944
Culture & Recreation / Sports Parks - CivicRec	9,225	22,299																					
Culture & Recreation / Special Events Program	8,740		10,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190	12,434	12,682	12,936	13,195	13,459	13,728	14,002	14,282	14,568	14,859
Culture & Recreation / Shelter Fees			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture & Recreation / Shelters Parks - CivicRec	7,300	14,660	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314	7,460	7,609	7,762	7,917	8,075	8,237	8,401	8,569	8,741	8,916
Culture & Recreation / Field Use Fees	12																						
Culture & Recreation / Field Use Fees - CivicRec	361,307	383,226	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	380,473	388,082	395,844	403,761	411,836	420,072	428,474	437,043	445,784
Culture & Recreation / Concession Commissions	512		1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,195	1,219	1,243	1,268	1,294	1,319	1,346	1,373	1,400	1,428	1,457	1,486
League Fees			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
League Fees/RAC League Parks - CivicRec	61,295	62,800	55,000	56,100	57,222	58,366	59,534	60,724	61,939	63,178	64,441	65,730	67,045	68,386	69,753	71,148	72,571	74,023	75,503	77,013	78,554	80,125	81,727
Interest Earnings / Investment Interest	6,694	10,251	18,498	18,498	18,498	18,498	18,498	18,498	18,498	18,498	18,498	18,498	18,498	18,498	18,498	18,498	18,498	18,498	18,498	18,498	18,498	18,498	18,498
Interest Earnings / LGIP Earnings	302	1,958	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413
Interest Earnings / Unrealized Gain (Loss)	(2,879)	2,879																					
Unrealized Gain (Loss)/Reverse Prev Year Adj	(6,048)																						
Rents/Leases / RV Parking		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Concession Lease Long-Term	10,200	25,428	22,000	22,440	22,889	23,347	23,814	24,290	24,776	25,271	25,777	26,292	26,818	27,354	27,901	28,459	29,029	29,609	30,201	30,805	31,421	32,050	32,691
Contributions / Parks General		500																					
Contribution / Cont.-Parks Sponsor/Event		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Fees/Judgments																							
Other Financing Sources / General Fund Transfers In (Utility Tax)	197,013	239,847	326,584	333,116	339,778	346,574	353,505	360,575	367,787	375,142	382,645	390,298	398,104	406,066	414,187	422,471	430,921	439,539	448,330	457,296	466,442	475,771	485,287
General Fund Reserve Transfers In	200,000	456,541	200,000	200,000																			
Transfers In / Transfer in 303 Fund (Thurston County)																							
Transfers In / Transfer in (109) Fund	160,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Transfers In / Transfer in - Utility Tax																							
Total RAC Operating Revenues	**1,218,478**	**1,600,465**	**1,360,495**	**1,347,087**	**1,361,970**	**1,377,151**	**1,392,636**	**1,408,431**	**1,424,541**	**1,040,974**	**1,057,735**	**1,074,831**	**1,092,270**	**1,110,057**	**1,128,200**	**1,146,706**	**1,165,582**	**1,184,835**	**1,204,473**	**1,224,505**	**1,244,937**	**1,265,777**	**1,287,034**
Operating Expenditures																							
Salaries & Wages / Salaries-Regular	219,300	263,562	358,877	369,643	380,733	392,155	403,919	416,037	428,518	441,373	454,615	468,253	482,301	496,770	511,673	527,023	542,834	559,119	575,892	593,169	610,964	629,293	648,172
Salaries & Wages / Salaries-Overtime	8,104	10,802	12,563	12,940	13,328	13,728	14,140	14,564	15,001	15,451	15,914	16,392	16,884	17,390	17,912	18,449	19,003	19,573	20,160	20,765	21,388	22,029	22,690
Salaries & Wages / Salaries-Part-Time	111,014	124,561	101,735	104,787	107,931	111,169	114,504	117,939	121,477	125,121	128,875	132,741	136,723	140,825	145,050	149,401	153,883	158,500	163,255	168,152	173,197	178,393	183,745
Personnel Benefits / Employer Paid Benefits	127,460	138,006	160,071	169,675	179,856	190,647	202,086	214,211	227,064	240,688	255,129	270,437	286,663	303,863	322,094	341,420	361,905	383,619	406,637	431,035	456,897	484,311	513,369
Personnel Benefits / Unemployment Compensation	1,609	188	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies / Office & Operating Supply	70,045	76,853	99,000	100,980	103,000	105,060	107,161	109,304	111,490	113,720	115,994	118,314	120,680	123,094	125,556	128,067	130,628	133,241	135,906	138,624	141,396	144,224	147,109
Supplies / Small Tools & Equipment	1,240	3,040	2,500	2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929	2,988	3,047	3,108	3,171	3,234	3,299	3,365	3,432	3,501	3,571	3,642	3,715
Supplies / Supplies-Uniform Purchase	2,344	1,426	2,000	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343	2,390	2,438	2,487	2,536	2,587	2,639	2,692	2,746	2,800	2,856	2,914	2,972
Supplies / Office & Operating - Bldg			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle/Equip Supplies / Fuel	5,065	11,728	10,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190	12,434	12,682	12,936	13,195	13,459	13,728	14,002	14,282	14,568	14,859
Professional Services / Prof. Svc-Other	25,375	10,857	18,360	18,727	19,102	19,484	19,873	20,271	20,676	21,090	21,512	21,942	22,381	22,828	23,285	23,751	24,226	24,710	25,204	25,708	26,223	26,747	27,282
Communications / Telecommunications	7,942	8,872	7,750	7,905	8,063	8,224	8,389	8,557	8,728	8,902	9,080	9,262	9,447	9,636	9,829	10,025	10,226	10,430	10,639	10,852	11,069	11,290	11,516
Travel / Transportation/Per Diem	-	382		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel / Registrations	298	1,516		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rentals / Equipment Rental	67,646	81,709	93,093	95,886	98,762	101,725	104,777	107,920	111,158	114,493	117,927	121,465	125,109	128,862	132,728	136,710	140,812	145,036	149,387	153,869	158,485	163,239	168,136
Rentals / IMS Rental	7,008	13,998	13,949	14,367	14,798	15,242	15,700	16,171	16,656	17,156	17,670	18,200	18,746	19,309	19,888	20,485	21,099	21,732	22,384	23,056	23,747	24,460	25,193
Rentals / Rentals-Other	2,383	2,801	2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262	3,360	3,461	3,564	3,671	3,781	3,895	4,012	4,132	4,256	4,384	4,515
Insurance / Insurance-Liability	11,422	10,310	15,674	15,987	16,307	16,633	16,966	17,305	17,651	18,004	18,365	18,732	19,107	19,489	19,878	20,276	20,682	21,095	21,517	21,947	22,386	22,834	23,291
Insurance / Insurance-Fire/Property	12,869	12,345	11,285	11,511	11,741	11,976	12,215	12,460	12,709	12,963	13,222	13,487	13,756	14,031	14,312	14,598	14,890	15,188	15,492	15,802	16,118	16,440	16,769
Insurance / AWC L & I Pool	1,002		1,015	1,035	1,056	1,077	1,099	1,121	1,143	1,166	1,189	1,213	1,237	1,262	1,287	1,313	1,339	1,366	1,393	1,421	1,450	1,479	1,508
Utility Services / Utility-Electric	80,168	91,160	80,000	82,400	84,872	87,418	90,041	92,742	95,524	98,390	101,342	104,382	107,513	110,739	114,061	117,483	121,007	124,637	128,377	132,228	136,195	140,280	144,489
Utility Services / Utility-City of Lacey	79,408	432,470	92,000	94,760	97,603	100,531	103,547	106,653	109,853	113,148	116,543	120,039	123,640	127,350	131,170	135,105	139,158	143,333	147,633	152,062	156,624	161,323	166,162
Utility Services / Utility-Solid Waste	12,893	16,002	14,360	14,791	15,235	15,692	16,162	16,647	17,147	17,661	18,191	18,737	19,299	19,878	20,474	21,088	21,721	22,372	23,044	23,735	24,447	25,180	25,936
Repairs & Maintenance / Rep & Maint-Equipment	1,694		3,500	3,605	3,713	3,825	3,939	4,057	4,179	4,305	4,434	4,567	4,704	4,845	4,990	5,140	5,294	5,453	5,616	5,785	5,959	6,137	6,321
Repairs & Maintenance / Rep & Maint-Facilities	1,945	333	31,500	32,445	33,418	34,421	35,454	36,517	37,613	38,741	39,903	41,100	42,333	43,603	44,911	46,259	47,647	49,076	50,548	52,065	53,627	55,235	56,893
Miscellaneous / Maintenance Contracts	-			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous / Assessments/Taxes	12,520	(7,343)	11,000	11,220	11,444	11,673	11,907	12,145	12,388	12,636	12,888	13,146	13,409	13,677	13,951	14,230	14,514	14,805	15,101	15,403	15,711	16,025	16,345
Miscellaneous / Misc - Disposal Fees				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Salaries & Wages / Salaries-Regular	117,265	97,430	106,065	109,247	112,524	115,900	119,377	122,958	126,647	130,447	134,360	138,391	142,542	146,819	151,223	155,760	160,433	165,246	170,203	175,309	180,569	185,986	191,565
Salaries & Wages / Salaries-Overtime	4,516	7,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Salaries & Wages / Salaries-Part-Time		1,075	14,000	14,420	14,853	15,298	15,757	16,230	16,717	17,218	17,735	18,267	18,815	19,379	19,961	20,559	21,176	21,812	22,466	23,140	23,834	24,549	25,286
Personnel Benefits / Employer Paid Benefits	53,585	40,793	43,881	46,514	49,305	52,263	55,399	58,723	62,246	65,981	69,940	74,136	78,584	83,299	88,297	93,595	99,211	105,163	111,473	118,162	125,251	132,766	140,732
Personnel Benefits / Unemployment Compensation			500	530	562	596	631	669	709	752	797	845	895	949	1,006	1,066	1,130	1,198	1,270	1,346	1,427	1,513	1,604
Supplies / Office & Operating Supply	2,076	4,912	7,500	7,650	7,803	7,959	8,118	8,281	8,446	8,615	8,787	8,963	9,142	9,325	9,512	9,702	9,896	10,094	10,296	10,502	10,712	10,926	11,145
Supplies / Small Tools & Equipment	1,153	875	1,500	1,530	1,561	1,592	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	2,059	2,100	2,142	2,185	2,229
Supplies / Supplies-Uniform Purchase			500	510	520	531	541	552	563	574	586	598	609	622	634	647	660	673	686	700	714	728	743
Professional Services / Prof. Svc-Other	27,387	30,158	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	24,380	24,867	25,365	25,872	26,390	26,917	27,456	28,005	28,565	29,136	29,719
Professional Services / Prof. Svc - Recreation			6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314	7,460	7,609	7,762	7,917	8,075	8,237	8,401	8,569	8,741	8,916
Travel / Transportation/Per Diem		2,407	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Travel / Dues, Subscriptions, Publ			120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120
Travel / Registrations	60		800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800
Rentals / IMS Rental	11,604	8,831	8,447	8,700	8,961	9,230	9,507	9,792	10,086	10,389	10,700	11,021	11,352	11,693	12,043	12,405	12,777	13,160	13,555	13,962	14,380	14,812	15,256
Rentals / Rentals-Other				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

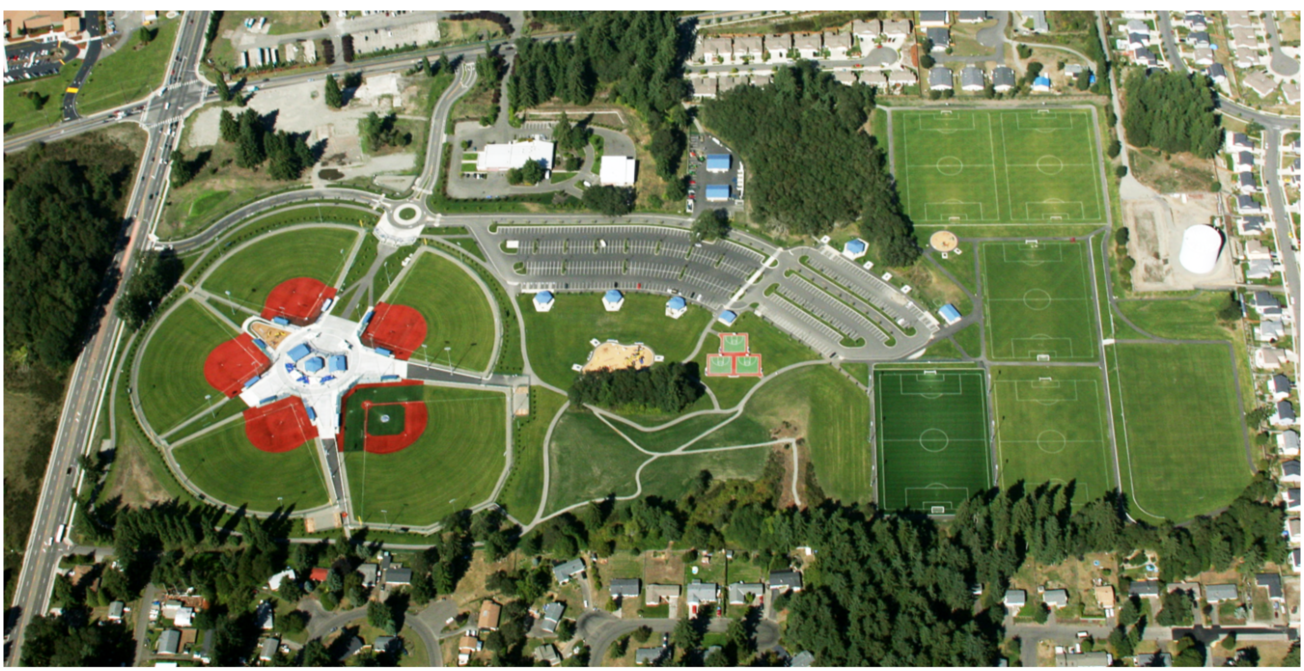
	Actual 2021	Projected 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033	Projected 2034	Projected 2035	Projected 2036	Projected 2037	Projected 2038	Projected 2039	Projected 2040	Projected 2041	Projected 2042	Projected 2043
Miscellaneous / Maintenance Contracts	676	836	450	459	468	478	487	497	507	517	527	538	549	560	571	582	594	606	618	630	643	656	669
Miscellaneous / Assessments/Taxes	8,914	9,548	6,500	6,630	6,763	6,898	7,036	7,177	7,320	7,466	7,616	7,768	7,923	8,082	8,244	8,408	8,577	8,748	8,923	9,102	9,284	9,469	9,659
Total RAC Operating Expenditures	**1,097,990**	**1,510,142**	**1,360,495**	**1,405,160**	**1,451,490**	**1,499,554**	**1,549,427**	**1,601,189**	**1,654,919**	**1,710,706**	**1,768,638**	**1,828,811**	**1,891,323**	**1,956,280**	**2,023,791**	**2,093,971**	**2,166,941**	**2,242,827**	**2,321,764**	**2,403,891**	**2,489,357**	**2,578,315**	**2,670,930**
Operating Income (Loss)	**120,488**	**90,323**	**-**	**(58,074)**	**(89,520)**	**(122,402)**	**(156,791)**	**(192,758)**	**(230,378)**	**(669,732)**	**(710,903)**	**(753,979)**	**(799,053)**	**(846,223)**	**(895,591)**	**(947,265)**	**(1,001,359)**	**(1,057,992)**	**(1,117,290)**	**(1,179,387)**	**(1,244,420)**	**(1,312,538)**	**(1,383,895)**
Other Income																							
Beginning Fund Balance / Estimated Beginning Cash			1,774,242																				
State Grant/Commerce - RAC				675,000																			
Intergovernmental Revenue / Capital Area - PFD	1,566,077	1,668,884	1,589,568	1,621,359	1,653,787	1,686,862	1,720,600																
Interest Earnings / Investment Interest	17,464	30,707	41,800																				
Investment Interest / LGIP Earnings	771	5,712	9,973																				
Interest Earnings / Interest Earnings	1,046	1,031	1,051																				
Interest Earnings / Unrealized Gain (Loss)	(8,228)	8,228																					
Unrealized Gain (Loss)/Reverse Prev Year Adj	(15,552)																						
Comp for Loss/Impairment of Capital Assets																							
Transfers In / Transfer In 303 Fund																							
Transfers In / Transfer In 001, 003, 005 Fund			805,000					386,825	800,000	398,429	109,746												
Total Other Income	**1,561,578**	**1,714,563**	**4,221,634**	**2,296,359**	**1,653,787**	**1,686,862**	**1,720,600**	**386,825**	**800,000**	**398,429**	**109,746**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Expenses																							
Other Non-Operating Expenses																							
Total Other Expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debt Service																							
Debt Service Principal / 2015 LTGO RFDG (07 RAC)	435,000	455,000	470,000	490,000	515,000	540,000	565,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Interest / 2015 LTGO RFDG (07 RAC)	134,450	121,400	103,200	84,400	64,800	44,200	22,600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	**569,450**	**576,400**	**573,200**	**574,400**	**579,800**	**584,200**	**587,600**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Income (Loss)	**1,112,616**	**1,228,485**	**3,648,434**	**1,663,886**	**984,467**	**980,260**	**976,208**	**194,067**	**569,622**	**(271,303)**	**(601,157)**	**(753,979)**	**(799,053)**	**(846,223)**	**(895,591)**	**(947,265)**	**(1,001,359)**	**(1,057,992)**	**(1,117,290)**	**(1,179,387)**	**(1,244,420)**	**(1,312,538)**	**(1,383,895)**
Capital Expenditures																							
Capital Outlays / Capital Outlays-Equipment			177,705				59,869																
Capital Outlays / Capital-Improvements	15,702	399,133	2,401,537	1,866,799	490,315	518,800	180,000	386,825	1,836,193	628,585	888,553	96,300	72,714	386,438	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Capital Outlays / Capital Outlay-Buildings				15,150																			
Capital Outlays / PFD - RAC Operation & Maintenance Cost				200,000	400,000	400,000	400,000	400,000	400,000														
Capital Outlays / PFD - Administrative Cost	2,584	2,991	8,000	8,000	8,000	8,000	8,000																
Total Capital Expenditures	**18,286**	**402,124**	**2,587,242**	**2,089,949**	**898,315**	**926,800**	**647,869**	**786,825**	**2,236,193**	**628,585**	**888,553**	**96,300**	**72,714**	**386,438**	**200,000**	**200,000**	**200,000**	**200,000**	**200,000**	**200,000**	**200,000**	**200,000**	**200,000**
Estimated Resources																							
Beginning Cash Fund 007	155,900	182,998	251,690	226,749	234,193	241,915	249,926	258,238	266,865	275,820	285,118	294,773	304,802	315,221	326,047	337,299	348,995	361,157	373,805	386,961	400,649	414,893	429,719
Beginning Cash Fund 307	3,515,156	4,582,387	5,340,057	4,623,948	4,190,440	4,268,871	4,314,320	4,634,347	4,032,962	2,357,436	1,448,250	(51,115)	(911,423)	(1,793,609)	(3,037,096)	(4,143,939)	(5,302,900)	(6,516,421)	(7,787,061)	(9,117,507)	(10,510,582)	(11,969,246)	(13,496,610)
Beginning Cash Subtotal	3,671,055	4,765,386	5,591,747	4,850,697	4,424,634	4,510,786	4,564,245	4,892,585	4,299,827	2,633,256	1,733,368	243,658	(606,621)	(1,478,388)	(2,711,049)	(3,806,640)	(4,953,905)	(6,155,264)	(7,413,256)	(8,730,547)	(10,109,933)	(11,554,353)	(13,066,891)
Use of Beginning Cash	-	-	(1,802,242)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Estimated Resources	3,671,055	4,765,386	3,789,505	4,850,697	4,424,634	4,510,786	4,564,245	4,892,585	4,299,827	2,633,256	1,733,368	243,658	(606,621)	(1,478,388)	(2,711,049)	(3,806,640)	(4,953,905)	(6,155,264)	(7,413,256)	(8,730,547)	(10,109,933)	(11,554,353)	(13,066,891)
Capital Expenditures	(18,286)	(402,124)	(2,587,242)	(2,089,949)	(898,315)	(926,800)	(647,869)	(786,825)	(2,236,193)	(628,585)	(888,553)	(96,300)	(72,714)	(386,438)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Net Income (Loss)	1,112,616	1,228,485	3,648,434	1,663,886	984,467	980,260	976,208	194,067	569,622	(271,303)	(601,157)	(753,979)	(799,053)	(846,223)	(895,591)	(947,265)	(1,001,359)	(1,057,992)	(1,117,290)	(1,179,387)	(1,244,420)	(1,312,538)	(1,383,895)
Total Ending Cash	**4,765,386**	**5,591,747**	**4,850,697**	**4,424,634**	**4,510,786**	**4,564,245**	**4,892,585**	**4,299,827**	**2,633,256**	**1,733,368**	**243,658**	**(606,621)**	**(1,478,388)**	**(2,711,049)**	**(3,806,640)**	**(4,953,905)**	**(6,155,264)**	**(7,413,256)**	**(8,730,547)**	**(10,109,933)**	**(11,554,353)**	**(13,066,891)**	**(14,650,786)**

LACEY PARKS
CULTURE & RECREATION

RAC
REGIONAL
ATHLETIC COMPLEX

20-YEAR FINANCIAL PLAN

~~2020~~ 2024 - ~~2039~~2043



20-YEAR FINANCIAL PLAN

Prepared by **City of Lacey Staff**

Jen Burbidge – Parks, Culture & Recreation Director
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Reviewed on May 3, 2023~~November 4, 2020 and December 2, 2020~~.
Approved and recommended to City Council on ~~December 2, 2020~~ May 3, 2023 by:

Lacey Parks, Culture & Recreation Board ~~of Park Commissioners~~
Chair ~~Aram Wheeler~~Wendy Goodwin
Vice Chair ~~Sarah Daniels~~Kamber Good
Commissioner Hilary Dykstra
Commissioner Bill Fosbre
Commissioner ~~Ken Balsley~~Gary Larson
Commissioner Chris Porrazzo

Commissioner ~~Troy Kirby~~Aram Wheeler
~~Commissioner Erwin Vidallion~~ Youth Commissioner Sarah Towne

~~Approved on July 1, 2021 by:~~

Lacey City Council
Mayor Andy Ryder
Deputy Mayor ~~Cynthia Pratt~~Malcolm Miller
Councilmember Carolyn Cox
Councilmember Lenny Greenstein
Councilmember Ed Kunkel

Councilmember Michael Steadman
~~Councilmember Carolyn Cox~~
~~Councilmember Ed Kunkel~~
Councilmember ~~Malcolm Miller~~Robin Vazquez

20-YEAR FINANCIAL PLAN

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Attachment A – ~~2020~~ Regional Athletic Complex (RAC) Budget 2023~~Maintenance and Operations Budget (detailed)~~

Attachment B – ~~Proposed 2021 Maintenance and Operations Budget (detailed)~~ RAC Long Term Financial Plan 2023

~~Attachment C – Full Financial Plan 2020-2039 (summarized)~~

20-YEAR FINANCIAL PLAN

EXECUTIVE SUMMARY

To ensure the Regional Athletic Complex (RAC) can provide the same level of service now and into the future, ~~A~~ ~~five-year~~ a short term financial strategy has been developed and implemented~~is necessary~~, which will be followed by the identification and securing ~~by a long~~ of long-term financial resources and support.~~plan,~~, ~~to ensure the RAC can provide the same level of service now and into the near future~~. The Lacey Parks, Culture & Recreation Board (Parks Board) will review sustaining strategies and recommend the preferred option to balance the ~~Regional Athletic Complex (RAC)~~ RAC budget.

There are a number of events that prompted the need for a five-year financial strategy to be implemented in 2021~~,~~ and has been expanded through 2029~~a proposed six-year~~

~~financial strategy for~~ . In 2020, the remaining Thurston County settlement funds were depleted. ~~The 2020 Budget includes $198,922 from t~~The Thurston County settlement fund was~~,~~ first allocated in 2010, with an anticipated drawdown in 10 years. Furthermore, at the end of 2027, the Public Facilities District (PFD) will sunset.

There is potential for a 15-year extension to the PFD. Staff will begin evaluating the legalities and parameters of such an extension.

These financial changes reached~~e~~ a level of significance to warrant an update to the RAC's existing 20-Year Financial Plan with a series of ~~two~~ shorter term updates.

It is important to identify the recommendations from the previous 20-Year Plan that were implemented:

- The plan should be reviewed periodically or following significant financial environment changes to ensure the RAC remains financially secure.
- PFD revenues should be monitored annually.
- Lodging Tax (LT~~AC~~) revenues should be monitored annually.

~~This plan was developed during the COVID-19 public health crisis. The current assumption is that a vaccine will be available sometime in 2021; however, if progress isn't made as projected, the RAC financial plan will need to be readjusted accordingly.~~

INTRODUCTION

On March 19, 1998 Thurston County and the City of Lacey entered into a partnership via a~~n~~ MOU (Memorandum of Understanding) to jointly acquire, plan, fund, develop and maintain an athletic complex. This MOU provided joint ownership for a minimum of 15 years, at least through March 2014.

It would have been beyond the financial ability of either party at that time to complete a project of this size and scope alone. By working together, the community benefits from a ~~state~~ state-~~of~~ of-~~the~~ the-art athletic complex, a ~~well~~ well-maintained community park and special events. Local businesses benefit from the visitors who come to play in tournaments and enjoy special events on weekends.

In June 2010, the Lacey City Council authorized an agreement for the transfer of Thurston County's share of the ownership of the Regional Athletic Complex (RAC) to the City. The transfer was allowed only if by mutual agreement and if the County had expended funds for the RAC in an amount equal to that expended by the City of Lacey. The settlement amount was $1,825,000, which provided operation and maintenance funding for the years 2009 through 2014 and a capital replacement fund or future operation and maintenance funding of approximately $715,000, as well as the balance of the 50% share of Phase 2 development costs. ~~The~~ A previous financial plan recommended the full amount of the Thurston County settlement be deposited into the Park and Open Space fund and recommended funds will be transferred from the Park and Open Space Fund to fund M~~-~~& ~~0~~ O and capital improvements on an annual basis. The modelling at the time projected the funds would be fully disbursed by mid-2021. The final Thurston County settlement funds were depleted in 2020.

Although the success of the RAC cannot be questioned, it is not a self-supporting facility. The 202~~0~~3 Budget includeds~~s~~ ~~$198,922 from the Thurston County settlement funds, which represented the remaining balance of the funds, and~~ $~~186,919~~326,584 from the City's General Fund for operation and maintenance, $180,000 from lodging tax~~Lodging Tax~~, $200,000 from City General Fund committed reserves, and $200,000 from PFD sales tax.

In ~~2021~~2020, the City Council designated~~authorized~~ $800,000 from General Fund reserves be used to subsidize the RAC ($200,000 per year for 2021, 2022, 2023 and ~~2023~~2024). ~~-~~Staff had~~s~~ updated the long-term financial plan, which was reviewed by city administration and the Parks Board~~, Culture and Recreation Board~~, and has done so again. ~~-of Park Commissioners.~~ The Parks Board ~~, Culture and Recreation Commissioners~~ has~~ve~~ recommended actions again to be considered by the City Council. The ~~re are~~options to consider and implement remain limited ~~options to consider and implement~~: increase revenue, cut expenditures, attract more outside revenue sources (including potential PFD extension), or a combination of those three.

Recommendation: The plan should be reviewed periodically or following significant financial environment changes to ensure the RAC remains financially secure. ~~A five-year strategy should be developed, followed by a long term plan to ensure the RAC can provide the same level of service moving forward.~~

BACKGROUND

The ~~68~~ 68-acre site was purchased in 1998. The County and City planned the athletic complex cooperatively and with considerable public input to provide for the athletic needs in the region as well as a community park with picnic shelters, play equipment and facilities needed to hold special events. On March 12, 2002, voters in the City of Lacey approved a bond issue for development of the RAC as well as several other parks. On June 26, 2002, an Inter-local Agreement (ILA) was entered into by the Cities of Lacey, Olympia, Tumwater and Thurston County to form the Capital Area Regional Public Facilities District for the purpose of developing the RAC and the ~~Hands on~~Hands-on Children's Museum (HOCM). Phase 1 of the RAC, four soccer fields, parking and concession/restroom, opened in 2004. In May 2009, Phase 2 - four softball fields, one baseball field, four picnic shelters, basketball courts, play equipment, trails, restrooms and parking - opened, completing the vision for the athletic fields. The maintenance compound was completed in 2010. Netting was installed on fields 2 and~~&~~ 3 outfield fences in 2013.

Improvements have been continued to be made at the RAC. In 2017, bleacher covers were constructed in the baseball/softball complex to protect patrons from rain and sun. Then synthetic turf replacements were completed over a 3~~-~~-year span (two fields per year) in 2018, 2019, and 2020. In 2021 parking lot cameras were added for security. In 2022, permanent ~~R~~rugby goals were added to soccer field 4, and was ~~in 2022 this was~~ made possible through a local partnership~~s~~.~~Rug~~

In 2023, design was completed for conversion of the gravel parking lot to a paved ~~parking~~ lot with landscape, lighting and security cameras.~~actual parking lot.~~ Electronic vehicle (EV) charging stations will also be installed as a part of the project. Construction will take place sometime during 2023.

COMMUNITY NEED AND VISITOR USE

The need for athletic fields was originally identified in comprehensive plans, community meetings and conversations with user groups and elected officials. There were not enough fields for youth and adults to play and practice on, teams competed for the same open space, and several teams shared the space so that all could play. The grass fields ~~Many fields~~ close~~d~~ annually ~~(annually?)~~ at the end of October in order to let the fields rest, with many sports teams having to leave the county to practice and play their games. In 2002, there were 21,818 players registered on 1,500 teams in the county - half played on fields located out of the area, or fields inadequate for league use. Thurston County and the City of Lacey gained public support for the project.

The RAC has been heavily used since opening, and user groups and stakeholders have continued to provide feedback. The grass soccer fields are open 244 days a year and are usually in play all but 10 ~~-~~to 15 days a year. The synthetic field is booked ~~seven days a week in the winter months~~350 ~~-~~to 360 days per~~a~~ year. Tournaments on the softball/baseball fields are booked 50 ~~-~~to 52 weekends per year and approximately 50% of teams requesting weekend tournaments are turned away.

Annual special events are held throughout the year as well. The park is used by people who walk daily, families with young children who flock to the play equipment, teens who rush to the basketball courts after school, friends who hold picnics in the shelters and ball players who come from all over the county and the world to play in tournaments that won't rain out. The RAC is used by an estimated 200,000 athletic participants, and 1.2 million park and special event patrons per year. RAC users have come to expect an outstanding facility where ball games are played rain or shine, staff is responsive and competent, athletes of all ages and abilities are served, and a variety of community events are offered and open to the public.

Staff has been working with the Experience Olympia & Beyond Sports Commission to determine the economic impact RAC visitors bring to the local economy. Preliminary numbers are showing over $15~~M~~ million was generated for the local economy in 2022.

Staff has implemented new ways to increase use such as attracting additional dog shows, larger tournaments, more fun runs and hosted additional summer sports camps. Staff continues to consider increased use options on the soccer fields including lacrosse, rugby, ultimate ~~-~~f~~F~~risbee, and flag football. There are not many options for increased use on the baseball/softball fields due to use currently being maxed out.

2020 and 2021 ~~has~~ were not ~~been a~~ typical years at the RAC due to COVID-19 changing the landscape. Staff ~~have constantly~~ adapted to the Governor's guidance to navigate the public health crisis safely but as a result, participation and visitation ~~have~~ were ~~been~~ heavily impacted. ~~Fortunately~~Fortunately, 2022 was better, and 2023 is shaping up to be even better than pre-pandemic levels.

Recommendation: The goal is to increase use on the athletic fields by renting fields during typically slow times of the day and maximizing the number of teams in a tournament. Increased use should lead to increased revenue.

PUBLIC FACILITIES DISTRICT (PFD)

The Capital Area Regional Public Facilities District is a special taxing district created by a 2002 inter-local agreement between Thurston County and the cities of Olympia, Lacey and Tumwater for the purpose of financing two regional event centers, the RAC and the Olympia HOCM. District revenue is from a 0.033% sales and use tax authorized pursuant to RCW 82.14.390 imposed county-wide for 25 years, and ending on March 9, 2028 (25 years after the execution of the interlocal agreement) or upon the retirement of the debt used to construct the original facilities. Lacey's debt will be retired on December 1, 2027 unless extended (if eligible).

Distribution of sales tax revenues from Thurston County is distributed at 71.7742% to the City of Lacey for the RAC and 28.2258% to the City of Olympia for the HOCM. From July 2003 - July 2006, the distribution to Lacey was 38.8%. In July 2006, the contract was modified to reflect the current distribution. The terms of the PFD contract allow for the sales and use tax to be imposed up to March 9, 2028 and debt is outstanding on the projects (RCW 82.14.390). Lacey's bond debt will be retired at the end of 2027 unless extended. The operations and maintenance of the RAC is currently supported with $200,000 of PFD sales taxes per year.

During the initial years and years impacted by the "Great Recession", the PFD revenues did not meet expectations. Between 2007 and 2015, Lacey's portion of the annual PFD revenues averaged $941,960. The local economy began to recover and grow in 2016 with revenues of $1,146,502. The annual growth continued to $1,436,478 in 2019. Despite the COVID-19 public health emergency, ~~the 2020~~ PFD revenues ~~are on pace to exceeded~~continued to grow ~~the 2019 levels~~. In 2022, PFD revenues grew to $1,668,884. It appears the stable government and military employment, Federal and State stimulus and support, and an increase to local purchasing have helped the region's economy when all expectations were for a severe decline to revenues. ~~It is not~~

~~anticipated the region will be immune to the economic impacts of the public health emergency indefinitely. The longer the COVID-19 public health emergency continues the region will be exposed to more risk of downward economic impacts.~~ Through the first quarter of 2023, PFD revenues continue to grow compared to the previous year.

Recommendation: PFD revenues should be monitored annually. The sustainability of the RAC at its current level of tax supported subsidy is a concern. ~~A five year~~shorter term ~~strategy should be developed then a long term financial plan.~~ Efforts to achieve the maximum amount of potential collections should be pursued to secure a sustainable revenue source to replace the PFD revenues.

REVENUE SUMMARY

The RAC operating budget consists of the following revenue sources: fees and operating revenue, PFD funds, interest income, ~~Lodging Tax~~~~LT~~lodging tax revenue, and the City's General Fund support.

Fees and Operating Revenue

2010 was the first complete year of operation for the RAC. Revenues generated in 2010 totaled $327,568 and have climbed steadily since to $~~505,638~~524,001 in ~~2019~~2022. Revenue includes concession lease, shelter rentals, field rentals, league fees, ~~and~~ field banner ~~advertisement sales~~sponsorships, and interest income. Tournaments are booked on the baseball/softball fields for 50 of 52 weekends per year. City staff serves as tournament director for up to 3 tournaments per year. Staff is working to acquire bigger tournaments, bringing more teams and individuals into the Lacey community, resulting in more games played and increased field rental revenue. A limiting factor is the number of fields at the RAC, although staff has been able to partner with other agencies in the area to co-host tournaments. Some tournaments overflow to Rainier Vista Community Park, but rental fees from games played there do not go into the RAC account.

Potential revenue opportunities:

- Sponsorship and Naming Rights: The Parks Board updated and City Council approved the Sponsorship & Naming Rights Policy in 2019 and then again in 2023 to clarify ~~these types of business~~sponsorship agreements and make it possible for naming rights to be sold. Staff had a strong potential for a naming rights agreement at the beginning of 2020 but then the COVID-19 public health crisis brought uncertainties. Staff continues to seek sponsorship opportunities such as naming rights and Park Partners, and has many outfield banner sponsorships in place~~. In addition, staff does sell advertising on the outfield banners.~~
- Special Events: Fun Run/Walks, Dog and other Easter Egg Hunts, National Dog Show, Polynesian Fest, AUSA, etc. Success of annual events attracts similar events. Potential to hold a "Junk in your Trunk" special event rummage sale, or another similar event on a smaller tournament weekend.
- Bid on and serve as tournament director for another tournament.
- Parking fee: Was not supported by the public in 2014, but could be revisited. Currently no other Lacey Parks have parking fees.
- Increase field rental fees – every two years staff and Parks Board evaluate~~s~~ fees, and they are raised 2.5 ~~-~~ – 5.0% depending on the market rate of comparable facilities. The RAC would become priced out of the competition and tournament directors would play at other athletic complexes if fees are raised above the market rate.
- ~~Concession stands could potentially be operated by the City (currently contracted out through Dec. 2021). A concessionaire pays COL $22,000/year for the concession contract. Staff are currently conducting a financial study to review the potential of operating concessions in house. If so, the City would have an initial outlay of equipment.~~
- Leagues: Leagues bring in more revenue than field rentals. The city ~~We~~ could run more City leagues, but that would push out many ~~long~~ long-term local league rentals who have used and supported the RAC since it opened.

In 2020 and 2021, revenues ~~have been~~were impacted by COVID-19, and the current business model has suffered.

Recommendation: Seek new, innovative ways to increase revenues~~, not only due to COVID-19 impacts, but in general and into the future~~.

Public Facilities District (PFD) Funds

PFD funds currently are used for ~~M & 0~~ M&O ($200,000), debt service payment ($~~567,050~~573,200), PFD administrative services ($8,000), and the balance deposited into the capital fund. In 2022, the City Council designated $1,000,000 from the RAC Capital Fund reserves be used to subsidize the RAC M&O for an additional $200,000 per year for the years 2025 through 2029.

General Obligation Bond ~~Monies~~Proceeds

GO Bonds were used for development of the RAC. Principal on the GO Bonds is repaid with PFD funds and the interest paid with PFD funds. There are no bond proceeds remaining.

General Fund Support

Maintenance and operating dollars have been transferred for the RAC since phase 2 opened in 2009; in ~~2020~~ 2022 this amounted to $~~186,919~~239,847 and the adopted 2023 Budget includes $326,584.

Lodging Tax (LT)

The RAC receives LT funds to cover M&O expenses associated with weekend tournaments and special events. In 2020, $160,000 was budgeted but rescinded due to COVID-19. In 2023, $180,000 is included in the proposed budget. The City appreciates strong support from the local hotel / motel business community and values the partnership.

Grants

Thurston County and the City applied for and received state grants to assist with development of the RAC. Staff shall pursue grant funds for capital and M&O purposes whenever possible.

Recommendation: With the PFD sunset at the end of 2027, ~~another short term five-year strategy should be developed, followed by~~ a ~~long~~ long-term funding strategy~~plan~~ should be developed to ensure the RAC can provide the same level of service moving forward.

~~**Lodging Tax (LT)**~~

~~The RAC receives LT funds to cover M&O expenses associated with weekend tournaments and special events. In 2020, $160,000 was budgeted but rescinded due to COVID-19. In 2021, $160,000 is included in the proposed budget. The City appreciates strong support from the local hotel / motel business community and values the partnership.~~

~~**Grants**~~

~~Thurston County and the City applied for and received state grants to assist with development of the RAC. Staff shall pursue grant funds for capital and M&O purposes whenever possible.~~

EXPENDITURE SUMMARY

General Recreation Services

General Recreation Services staff schedule field and picnic shelter rentals, coordinate leagues and special events, direct and schedule tournaments, solicit sponsors, and manage the concession contract. ~~The budget for 2020 was $289,176 and was adjusted to $183,137 due to COVID-19.~~ The budget for ~~2021~~ 2023 is $~~226,087~~217,763.

Maintenance and Operations

The ~~2021~~ 2023 budget for Maintenance and Operations is $~~1,114,732~~1,142,732~~$883,167~~. ~~2021~~ 2023 estimated expenditures for the RAC are broken down into two areas; park open space, and rentable areas which include the baseball fields, soccer fields and shelters. Park open space, which is available for free drop in use utilizes approximately 45% of total expenditures. The rentable areas including the baseball fields, soccer fields, and shelters utilize approximately 55% of total maintenance expenditures.

Combined Budget

The combined general recreation services and maintenance and operations budget for the ~~2020 budget was $1,202,001, but was adjusted to $951,441 due to COVID-19. The 2021~~2023 ~~b~~Budget is $~~1,188,343~~1,360,495.

Recommendation: Consider an allocation of general funds to cover expenditures associated with the community park amenities. This alternative competes with other priorities of the City.

Life Cycle and Capital Improvement Programs

In 2020, the final synthetic turf replacement was completed. This multi-year project began in 2018. The replacement took place earlier than expected, but advancements made in the synthetic turf technology are promising. The next replacement cycle could begin as early as 202~~9~~8. The high level of maintenance of the complex is critical to maintain its position in the marketplace. The ability to attract tournaments is heavily dependent on the quality of the facilities, especially as other communities will develop new athletic complexes and compete with the RAC.

Some of the baseball complex lights exceeded the warranty amount in 2023. After evaluating the implications, staff recommended getting some of the lights re-lamped and extending the warranty at the cost of approximately $60,000, then moving forward with a federal legislative ask in 2023 that could potentially be paired with other grant requests in 2024 for an LED conversion project.*

Staff calculations for an LED conversion would be a cost of $1.6~~M~~ million if completed in 2023. It would take approximately 32 years to pay back with an energy savings of 66%. ~~an~~

~~Other l~~Life cycle and capital improvements have been identified in staff's working spreadsheet, but the following is a list of major replacements coming up between ~~from 2021~~ 2023 - ~~2027~~ 2028. Years and cost will be identified and updated as to emergent needs: ~~have been identified:~~

- ~~Parking lot video cameras $150k (2021)~~
- ~~Parking lot design $125k (2021)~~
- Parking lot construction (~~2022~~2023). $2.8 million~~M~~~~Design work will provide~~ cost estimate
- Baseball outfield fence poles with netting~~ing~~ completion $200,000~~k~~ ~~(2022)~~

- ~~Spo~~Spor~~r~~ts fields netting $~~139k~~ 177,705~~k~~ ~~(2024)~~
- Play equipment $~~325~~450,000~~k~~ ~~(2025)~~
- Concrete work in the baseball complex $300,000~~k~~ ~~(2026)~~
- Irrigation control update $60,000
- LED Fields Lights Conversion $1.6 million~~M~~ *
- Baseball/softball infield synthetic turf replacements $200,000~~k~~ each (fields 1-2)
- Baseball/softball fields drainage

In addition, soccer field 2 is in need of a drainage solution, which could be taken care of as its own project. Converting soccer field 2 to synthetic turf would take care of the issue and the conversion to synthetic and adding lights would be beneficial to user groups, but would likely be $2~~.~~0 million~~M~~. This project is not included in the financial plan but there is potential to seek grant funding for this and other upgrades needed.

Recommendation: Continue to commit PFD revenues to fund life cycle and capital improvements. Apply for funding where available and applicable. Some flexibility will be needed as intended life cycle is not always accurate, and as RAC sponsorships are considered.

FINANCIAL PLAN

The Financial Plan assumptions are consistent with the City's overall conservative budget philosophy. The general inflation used for the 20-year financial model is two percent. Costs associated with labor to maintain the RAC assumes a higher percentage than general inflation.

The ~~last~~ 20-year financial model ~~assumed~~dassumes~~s~~ the City's General Fund ~~will~~ ~~would~~will allocate an additional $200,000 per year ~~for the years 2021~~ through 202~~3~~4 and $400,000 per year PFD M&O support for the years 2025 through 2029 . The ~~Proposed~~ adopted ~~2021~~ 2023 RAC Budget is balanced with the additional General Fund allocation. It should be noted there is not a commitment for the additional General Fund support beyond ~~2021~~2024. The model shows an operating deficit beginning in ~~2022~~ 2024 despite the additional allocation assumption.

The model does show solvency through ~~2029~~ 2031 if the entire PFD revenues and capital reserves are made available for operations.

The 20-year financial model provides a basis for sound financial planning upon which the City needs to develop a strategy to ensure continued operations and capital improvements of the RAC. In ~~2019~~2022, the RAC's revenue resources consisted of user fees and interest (~~41.8~~32.7%), city funds (~~27.5~~54.8%), ~~Thurston County settlement funds (14.1%),~~ and PFD funds (~~16.6~~12.5%). In the adopted ~~2021~~ 2023 ~~Proposed~~ Budget, the projected revenue resources consist~~s~~ of user fees and interest (~~35.5~~32.0%), city funds (~~47.5~~53.0%), ~~Thurston County settlement funds (0.0%),~~ and PFD funds (~~17~~15.0%). ~~2021 will be the first year, since 2010, without support from the now depleted Thurston County settlement funds.~~ Without an amendment to the PFD interlocal agreement, the RAC will face another significant resource decline in 2028 when the current agreement expires. Staff is evaluating the PFD extension.

Recommendation: ~~Seek~~ Secure additional City General Fund ~~additional reserve~~ commitments for ~~medium~~long-term resources to support RAC operations and maintenance ~~while a long-term funding plan can be developed~~ in recognition the RAC functions as a high use community park. Preservation of PFD funds is recommended to maintain necessary capital improvements and capital replacements at the RAC. ~~(Troy, Council committed $1M to reserves?)~~

FUTURE DEVELOPMENT OF PHASE 3 ~~and the "CORNER"~~

A concept plan was started for Phase 3, a ~~26~~ 26-acre site, located directly west of Marvin Road and across from the RAC. The site is constrained by access, pocket gopher management/mitigation issues, and a native oak tree savannah stand. Despite these site limitations, Phase 3 offers the potential for additional athletic fields and commercial partnership that would provide sports and wellness opportunities to the local community. If developed, and depending on what amenities are installed Phase 3 c~~w~~ould enable the RAC to attract and host larger tournaments.

~~The City purchased "the Corner", a 4.39 acre site in 2006. The site was originally purchased for future commercial partnership; however, it will need to be developed for~~

~~expanded parking with the addition of a bus drop off area as there isn't adequate parking for the current facility and its use.~~

Recommendation: Finalize the master plan based on public feedback and guidance related to pocket gopher best management practices. Estimated development and M&O costs will need to be included as part of the long-term funding plan. Once this financial plan is complete, capital and M&O funding sources for Phase 3 would need to be identified in order for this project to move forward.

The ~~2017~~ 2023 Parks, Culture & Recreation Comprehensive Plan identifies the Lacey Parks system as being only 35% developed and prioritizes the need for additional athletic fields. Development of Phase 3 would give community and sports user groups access to more of Lacey's Park system and help with identified athletic field shortages. During 2023, staff distributed a survey to sports user groups and stakeholders. They were asked if access to sports fields was increased (grass conversion to turn, or additional fields installed) where they would be the most likely to book. The overwhelming response was at the RAC. Fastpitch/softball was the sport chosen the most for the reason to book fields. When asked if they have ever been turned away for field use due to the fields already being full, 36% said no and 64% said yes.

~~**Important Note:** This plan was developed during the COVID-19 public health crisis. The current assumption is that a vaccine will be available sometime in 2021; however, if progress isn't made as projected, the RAC financial plan will need to be readjusted accordingly.~~

H:\RAC\Budget\Financial Plan

LACEY CITY COUNCIL WORKSESSION
July 13, 2023

SUBJECT:	**2023 Lacey Parks, Culture & Recreation (LPCR) Comprehensive Plan Update**

RECOMMENDATION:	**Briefing and discussion on proposed amendments to the LPCR Comprehensive Plan. Action not requested.**

STAFF CONTACTS:	Rick Walk, Interim City Manager RW Jen Burbidge - Parks, Culture and Recreation Director JB
ORIGINATED BY:	Parks, Culture & Recreation Department
ATTACHMENTS:	Link to the Draft 2023 LPCR Comprehensive Plan: LPCR_Full-01_09-SH-Edited.pdf (laceyparks.org) Link to Appendices: APPENDICES-ALL.pdf (laceyparks.org)
FISCAL NOTE:	NONE
PRIOR REVIEW:	The Parks, Culture & Recreation Board (Parks Board) has been reviewing monthly at their meetings, and approved at their June 12, 2023 meeting. The Historical Commission, Commission on Equity, and Youth Council have also reviewed this update. A complete list of commission reviews can be found in the draft plan. The Planning Commission reviewed at their June 20, 2023 meeting.

BACKGROUND:

The LPCR Comprehensive Plan is updated every six years. It is part of the City of Lacey Comprehensive Plan and the guiding document for the LPCR Department and Parks Board. Updating the LPCR Comprehensive Plan provides an opportunity to evaluate Lacey's park system, recreation facilities and services, assess demands and needs, set goals and policies, maintain eligibility for grant opportunities, and most importantly, provide for public input to address needs.

Edits have been made to the 2017-2023 LPCR Comprehensive Plan forms the basis for the creating the 2023-2029 LPCR Comprehensive Plan.

Proposed amendments an revisions to the 2017 – 2023 LPCR Comprehensive Plan are summarized as follows:

- Updated executive summary with robust additions regarding the benefits of Parks, Culture & Recreation
- Updated strategic goals
- Updated parks, open space, and facilities inventory
- Updated Lacey levels of service: added recreation, museum and cultural programs
- Included a map of non-City parks, greenspace and habitat to show the full story of opportunities in Lacey
- Updated public involvement and input section after robust public outreach
- Updated local history section
- Updated information in the Parks Planning Areas: population, area boundaries, opportunities, needs and conditions
- Lacey age and race demographics
- Updated overall design and format

The proposed 2023-2029 LPCR Comprehensive Plan identifies the following key policies, objectives, and strategies:

- Continuing to emphasize Lacey moving from an acquisition phase to a development phase
- Continuing to establish a sustainable funding strategy for parks
- Provide more accurate travel sheds on the parks level of service map (.5 mile)
- Provide a map that indicates frequently traveled bus routes and proximity to parks and facilities as a starting point to increase access
- Conduct parks and facilities assessments to help make recreational value assignments in the future which will help guide future investments
- Incorporate Lacey Museum Strategic Plan components
- Incorporate Diversity, Equity and Inclusion (DEI) Draft Strategic Plan components
- Determine what metrics to gather to help with future decisions
- Reference and connect the City's Pedestrian & Bicycle Plan
- Consider coordination with the Land Use Element of the City's Comprehensive Plan to ensure parks and their associated master plans are compatible with adjacent zoning

The challenges for LPCR remain the same as the last plan update: providing adequate facilities to keep up with growth, continuing to move from a predominately "property acquisition era" to a greater emphasis on parks improvements and development phase, and solidifying a sustainable future funding strategy, the proposed 2023 LCPR Comprehensive Plan update provides valuable information and the goals and objectives to address the challenges.

A July 18, 2023 Planning Commission review and hearing is scheduled. After that, the 2023 LPCR Comprehensive Plan will go before the Lacey City Council for final approval as scheduled by the Planning Commission.

ADVANTAGES:

1. Provide the required 6-year update which is part of the City's Comprehensive Plan and is crucial for short- and long-term parks, culture and recreation planning, and to be eligible and competitive for grant funding.

2. Provide an opportunity to evaluate Lacey's parks system, recreation facilities and services, assess demands and needs, and set goals and policies.

3. Provide robust outreach and engagement with the community for their parks, culture and recreation system.

4. Ensure the LPCR Comprehensive Plan is viewed from an equity lens in alignment with the forthcoming DEI Strategic Plan.

5. Ensure the LPCR Comprehensive Plan is viewed from a historic lens in alignment with the Lacey Museum Strategic Plan.

6. Bring forth suggested edits that could help further the goals of the City to be a welcoming and inclusive community, where full participation in government is available to all community members.

DISADVANTAGES:

None

LACEY CITY COUNCIL WORKSESSION
July 13, 2022

SUBJECT: **PEG Services and Television Production and Programming Services**

RECOMMENDATION: **Continue to evaluate alternatives for Public, Education, and Government (PEG) and Television Production and Program Services as part of the 2024 budget process. Notify TCMedia as soon as possible of any changes to services. Continue to collaborate with neighboring jurisdictions on this issue.**

STAFF CONTACT: Rick Walk, City Manager RW
Shannon Kelley-Fong, Assistant City Manager SKF

ORIGINATED BY: City Manager's Department

ATTACHMENTS:
1. Brief Timeline
2. 5-Year Response Plan to Jurisdictions
3. TCMedia Activities Report for January 2022 to June 2023

FISCAL NOTE: **TCMedia:** PEG: $209,176 | G only: $72,874

Alternative (internal): Approximately $130,000 on-going for FTE:
- 25% for G services, $32,000
- 75% for other City communication needs, $97,000
- Additional $50,000-$70,000 for one-time equipment

WORK PLAN GOAL AND STRATEGY: AN ENGAGED COMMUNITY

COMM. PLAN: **GOAL 2:** Continuously evaluate and enhance external communications to provide transparent, timely, and accessible information to community stakeholders.

PRIOR REVIEW: City Council Worksession – 12.08.2022
City Council Regular Meeting – 09.08.2022

BACKGROUND: For a full overview of Public, Education, and Government (PEG) services and television production services, see the Staff Report from the City Council Worksession on December 8, 2022 and the Staff Report from the City Council Regular Meeting on September 8, 2022.

ATTACHMENT 1

The following provides a brief timeline of this subject:

- **1986:** The cities of Olympia, Lacey, and Tumwater, and later Thurston County (collectively referred to as “Jurisdictions”), contracted with Thurston Community Television (TCTV / TCMedia) to provide the jurisdictions’ public, educational, and governmental (PEG) access services. The local jurisdictions provided operating funds to TCTV and the organization acted as the jurisdictions’ designated service provider.

- **1995:** TCTV / TCMedia moved to 440 Yauger Way SW, Olympia, and occupied approximately 5,000 square feet of the 30,000 square-foot building. Comcast held the remaining 25,000 square feet. All lease and utility costs for TCTV/TCMedia’s occupancy were covered through the franchise agreements between the four jurisdictions and Comcast.

- **2019:** Comcast verbally notified the jurisdictions of its intent to no longer cover the lease and utility costs of TCMedia as part of the franchise agreement (based on FCC August 2, 2019 Order that required local governments to count most non-monetary “in-kind” contributions toward the franchise fee). TCMedia would need to vacate the 5,000 square feet at 440 Yauger Way by December 1, 2021. The jurisdictions verbally notified TCMedia. Subsequent conversations on the matter occurred throughout the franchise negotiation process. This issue prolonged the cable contract negotiations.

  Comcast representatives eventually told the jurisdictions that TCMedia could stay in its current location if they worked out an independent contract with the building’s owner. However, Comcast would no longer fund the lease and utility costs.

- **2021:** The jurisdictions signed their respective franchise agreements with Comcast in early 2021, which included an end to Comcast’s financial support of the lease and utility costs for TCMedia’s office and studio space at the close of that year.

  All four jurisdictional representatives voted ‘no’ to the lease agreement due to concerns over the long-term financial feasibility of covering lease and utility payments and objections to the use of PEG fees for lease payments rather than capital expenses. The majority of the TC Media Board voted to negotiate lease with buildings owner.

  TCMedia entered into a triple-net lease agreement (the lessee promises to pay all the expenses of the property, including real estate taxes, building insurance, and maintenance) with the building owner and continues to occupy their Yauger Way space.

  Franchise fees (general fund) and PEG fees (restricted) have continued to decline in the recent years and are not sustainable funding sources.

- **May 2022:** TCMedia inquired about contracts for 2023+

- **June 2022**: Jurisdictions informed TCMedia of RFP process:
  - RFP designed in a “à la carte” style: proposers did not need to provide all elements of PEG services.

    - Jurisdictions would individually determine what services best fit their respective organization.
    - Emphasized interest in "**innovative and sustainable** ways to provide production, programming, and other PEG services to their communities".

- **September 2022:** RFP released. TCMedia was notified of the RFP release the same day.

    - RFP resulted in one (1) submission from TC Media. TCMedia proposal provided limited details on "innovative and sustainable ways to provide production, programming, and other PEG services."

    - TCMedia proposal would increase jurisdiction rates around 50+% for continued or reduced levels of service with no change in products or individuals.

- **Nov/December 2022:** Jurisdictions extended existing contracts with 5% increase with TCMedia for 3 to 6 months of 2023.

- **February 17, 2023:** TCMedia representatives, Deborah Vinsel, Executive Director, and Meagan Murphy-Ross, Board Chair, met with Mayors, County Vice-Chair, and chief executive officers to discuss services.

- **March 3, 2023:** Jurisdictions requested a financial plan (including revenues, expenditures, and any escalation factors) for the next 5 years (staring in 2024) for:

    - **Scenario 1.** What if all jurisdictions pull out completely from the current contract with TC Media

    - **Scenario 2.** What if all jurisdictions ONLY fund the public aspect of the contract with TC Media

    - **Scenario 3**. What if all jurisdiction DO NOT fund the public aspect of the contract with TC Media

    - **Scenario 4.** What if ONLY ONE jurisdiction pulls out of the of the contract with TC Media

- **April 2023:** TCMedia submitted their 5-year Response to Jurisdictions, see **Attachment 1**. This included rates increasing around 56% from previous year in 2024 without increase in services or change to production/deliverables. Staff has concerns with the sustainability of proposed 5-year financial plans, including projected increases in fundraising, and earned revenue, as well as rising costs of the lease.

- **June 2023:** TCMedia representatives, Deborah Vinsel, Executive Director, and Meagan Murphy-Ross, Board Chair, met with various elected officials and chief executive officers to discuss services. The City requested information on services, including membership rates, service provision, access, etc. This resulted in TCMedia providing the Activities Report for January 2022 to June 2023, see **Attachment 2**.

- **May/June 2023:** Jurisdictions extended existing contracts to end of 2023.

- **December 31, 2023**: All jurisdictional contracts will expire December 31, 2023.

Thurston Community Media
440 Yauger Way SW, Suite C, Olympia, WA 98502

April 18, 2023

Mr. Ramiro Chaves, County Administrator - Thurston County
Mr. Rick Walk, Interim City Manager - City of Lacey
Mr. Jay Burney, City Manager - City of Olympia
Mr. John Doan, City Administrator - City of Tumwater

Dear Messers Chaves, Walk, Burney, and Doan:

Following our meeting regarding TCMedia's original response to the RFP for PEG services, we received a number of questions to answer. This transmittal includes responses to both narrative and financial plan requests. It is in two parts: Part 1 includes the requested financial plans; Part 2 includes a narrative with discussion points that time did not allow the group to explore during the meeting.

Please let me know if I can elaborate on any of these responses or answer any further questions. We look forward to follow-up conversations about the continuing partnership between TCMedia and the jurisdictions.

Sincerely,

Deborah S. Vinsel, CEO
dvinsel@tcmedia.org
360.956.3100 x 101

cc: Olympia City Council
Lacey City Council
Tumwater City Council
Thurston County Board of County Commissioners
TCMedia Board of Directors

Contents

Part I. Financial Plans

As requested, TCMedia submits the attached material providing five-year financial plans for a number of scenarios.

Assumptions Used in Financial Plans

Development of the costs in each scenario is based on the following assumptions:

- There is a baseline of staffing (5.5 FTE), rent, equipment, supplies, and insurance necessary simply to have the facility open and available for any use except government-only. These are fixed costs. The added costs in each scenario – primarily staffing – are related to the variable costs of providing specific services.
- All of the scenarios except government-only are developed using the current hours of operation. If operating hours are reduced, all services are further constrained, particularly public access.
- Staff costs are based on market rates in the community for jobs of the same type. TCMedia staff has been underpaid for years and retention is not possible without market rate salaries and benefits.
- Inflation is estimated at 3% per year for most costs.
- Capital costs – new equipment and replacement costs – are not included in any of the scenarios.
- TCMedia will continue to lease its current facility, however, the lease terms may change at the end of the current lease period. The inflationary rate at that transition, year 3 of each scenario, is assumed to be 6%.
- Accrual of reserves is a standard business practice and is necessary to assure that funds are available in case of emergency or unanticipated costs. TCMedia has generated a modest reserve to date and will depend on the year-end accruals to address future uncertainties. The goal would be to set aside and retain an amount equal to at least two months of expenses for emergencies or shut-down.

Scenario Results

The three-year financial plan submitted in TCMedia's response to the RFP is used as a benchmark for the development of these plans. It has been adjusted since that submission due to current economic forecasts, which have changed since the proposal was initially made.

It is important to note that TCMedia was created to be the steward manager of the PEG resources. The Jurisdictions opted to contract for the delivery of these services rather than manage delivery themselves. Over the past 36 years, the combined financial support from the jurisdictions has totaled approximately 70-80% of TCMedia operating revenue with TCMedia generating the remaining 20-30% through fees and contract services. This has created an economy of scale that makes it possible for TCMedia to provide <u>all</u> of the services currently offered for public, educational and governmental access (PEG) to support community members, nonprofit organizations, schools, and government clients.

1. <u>No Jurisdiction Funding</u>
   This scenario estimates the costs and revenues achievable in a five-year period without any jurisdiction support. It demonstrates that in the short term, a transition of this magnitude does not allow TCMedia to remain open. The net loss by year, even with achievable increases in other funding,

ranges from $446,000 to $338,000. While the net loss can be reduced, it is not possible to compensate for such a large change in revenue. TCMedia would have to close.

2. Withdrawal of Any Jurisdiction
   In these four scenarios, TCMedia could remain sustainable, though the financial impacts vary depending on which jurisdiction withdraws. It is important to recognize that residents of participating jurisdictions will pay significantly lower member and equipment user fees than residents of nonparticipating jurisdictions. However, TCMedia facilities, equipment, and production support would remain available for that jurisdiction's government media projects on a fee basis at the same rate as other contract services.

   If multiple jurisdictions withdraw concurrently, TCMedia is no longer sustainable in the short-term.

3. Government Access only.
   This scenario assumes that public access is no longer provided. Currently, government services and government channel management are approximately 30% of TCMedia operations. This includes production hours, channel management for two channels, equipment maintenance and technical support. In this scenario, the jurisdiction funding is reduced by approximately 70% and other fundraising is eliminated. Expenses are reduced to those used only for government production. This scenario is not financially viable for TCMedia to remain in operation.

4. Public Access only
   This scenario assumes that TCMedia will provide only public access services to include facility operations, training, technical support for community members and management of the public access channel 22 and local affairs/education channel 77. Government production and government channel operations will be provided by the jurisdictions. Personnel FTEs are reduced to reflect the change services whiled all fixed costs are primarily the same as for full PEG operations. TCMedia would be able to continue operations in this scenario.

BASELINE FINANCIAL PLAN

This **baseline plan** is developed using the three-year financial plan submitted in response to the RFP. It varies slightly from that submittal due to changes in the economic forecast. All PEG services are included. Shared costs allocated to each jurisdiction's contract are based on that jurisdiction's percentage of the Thurston County population. For this example, 500 hours of staff support to each jurisdiction is included for government video production. This number is negotiable depending on the anticipated needs for each jurisdiction.

BASELINE FINANCIAL PLAN						
NOTES	**OPERATING REVENUE**	**2024**	**2025**	**2026**	**2027**	**2028**
1	**Jurisdiction Agreements**					
	Olympia	206,929	213,137	219,531	226,117	232,900
	Lacey	209,178	215,453	221,917	228,574	235,432
	Tumwater	169,653	174,743	179,985	185,384	190,946
	Thurston County	315,480	324,944	334,693	344,734	355,076
	Total Jurisiction Agreements	**901,240**	**928,277**	**956,126**	**984,809**	**1,014,354**
2	TCMedia Earned Revenue: equipment & facility fees, contract services, classes	148,500	178,200	213,840	256,608	307,930
3	Fundraising, Underwriting, Events, Grants	125,000	150,000	180,000	216,000	259,200
	Total TCMedia Revenue	**273,500**	**328,200**	**393,840**	**472,608**	**567,130**
	TOTAL OPERATING REVENUE	**1,174,740**	**1,256,477**	**1,349,966**	**1,457,417**	**1,581,483**
	EXPENSES	**2024**	**2025**	**2026**	**2027**	**2028**
4	Personnel - Salaries & Wages, Benefits, Payroll taxes	831,000	898,000	970,000	1,057,000	1,152,000
5	General Operating - supplies, property and liability insurance, utilities, postage, printing, phone/internet , accounting, maintenance	85,000	87,550	90,177	92,882	95,668
6	Board & Staff - training, annual member events, conferences, travel	9,600	9,888	10,185	10,490	10,805
7	Development expense	25,000	30,000	36,000	43,200	51,840
	Business Taxes & Fees	19,400	21,500	23,000	25,300	27,830
8	Rent	112,325	112,325	119,065	119,065	119,065
	Total Expenses	**1,082,325**	**1,159,263**	**1,248,426**	**1,347,937**	**1,457,208**
9	Net for reserve	92,415	97,214	101,540	109,480	124,275

NOTES:

1. The jurisdiction contracts are increased over the five-year period at 3% per year, which is the estimated cost of living increase.
2. The goal for earned revenue is to increase it 20% annually.
3. The goal for fundraising, including grants, is a 20% annual increase.
4. Personnel costs include 11 FTE in 2024, increasing to 14 FTE in 2028. This estimate includes a 3% annual cost of living salary increase and 10% increase annually in medical insurance.
5. General Operating costs are predominantly flat with an estimated 3% increase in 2025 and beyond.
6. Board & Staff training and conferences is a discretionary expenditure. In this financial plan it is increased at 3% in 2025 and beyond.
7. Rent is adjusted biennially using the CPI for all urban consumers (Seattle Index) published for the period nearest the anniversary date of the lease. This plan estimates an 8% increase in 2024 and a 6% increase in 2026 based on recent CPI trends. These estimates could change with economic conditions. The lease is renewed in 2027 and the rent is unknown; the amounts shown in this plan are placeholders that may be higher or lower by that time.

This plan does not include capital funds from PEG fees. However, the response to the RFP as submitted requests a portion of the PEG funds be made available. The current utilization is 50%, or approximately $100,000, per year.

SINGLE JURISDICTION WITHDRAWALS

The following material defines four options, one for each case in which a single jurisdiction withdraws from contracting with TCMedia and the others continue. None of the four options would result in TCMedia operating at a deficit, provided that the fundraising goals are met.

Assumptions used in each case:

- All public, educational and government (PEG) access services would continue to be managed by TCMedia. The remaining jurisdictions would participate financially at the proposed contract rates, with an annual increase of 3%.

- The residents of the jurisdiction that withdraws from the contract would pay a higher member and equipment user fees for TCMedia services, facilities and equipment than those paid by the residents of the funding jurisdictions. Additionally, it is assumed that the withdrawing jurisdiction could still contract for specific work with TCMedia at the same rate as other organizations that contract on a project basis.

- The goal for TCMedia earned revenue and fundraising is to increase revenue by 20% annually, with the cost to conduct fundraising also increasing at 20% annually.

- General operating costs are estimated to increase by 3% annually.

- Rent is adjusted biennially using the CPI for all urban consumers (Seattle Index) published for the period nearest the anniversary date of the lease. These estimates could change with economic conditions. The lease is renewed in 2027 and the rent is unknown; the amounts shown in this plan are placeholders that may be higher or lower by that time.

OPTION A – CITY OF OLYMPIA WITHDRAWS

OPERATING REVENUE	**2024**	**2025**	**2026**	**2027**	**2028**
Jurisdiction Agreements					
Lacey	209,178	215,453	221,917	228,574	235,432
Tumwater	169,653	174,743	179,985	185,384	190,946
Thurston County	315,480	324,944	334,693	344,734	355,076
Total Jurisiction Agreements	**694,311**	**715,140**	**736,595**	**758,692**	**781,453**
TCMedia Earned Revenue: equipment & facility fees, contract services, classes	148,500	178,200	213,840	256,608	307,930
Fundraising, Underwriting, Events, Grants	125,000	150,000	180,000	216,000	259,200
Total TCMedia Revenue	**273,500**	**328,200**	**393,840**	**472,608**	**567,130**
TOTAL OPERATING REVENUE	**967,811**	**1,043,340**	**1,130,435**	**1,231,300**	**1,348,583**
EXPENSES	**2024**	**2025**	**2026**	**2027**	**2028**
Personnel - Salaries & Wages, Benefits, Payroll taxes	685575	740850	800250	872025	950400
General Operating - supplies, property and liability insurance, utilities, postage, printing, phone/internet , accounting, maintenance	85,000	87,550	90,177	92,882	95,668
Board & Staff - training, annual member events, conferences, travel	9,600	10,500	11,250	12,150	13,122
Development expense	25,000	30,000	36,000	43,200	51,840
Business Taxes & Fees	15,000	15,450	15,914	16,391	16,883
Rent	112,325	112,325	119,065	119,065	119,065
Total Expenses	**932,500**	**996,675**	**1,072,655**	**1,155,713**	**1,246,978**
Net for reserve	35,311	46,665	57,780	75,588	101,605

OPTION B – CITY OF LACEY WITHDRAWS

OPERATING REVENUE	2024	2025	2026	2027	2028
Jurisdiction Agreements					
Olympia	206,929	217,275	228,139	239,546	251,523
Tumwater	169,653	174,743	179,985	185,384	190,946
Thurston County	315,480	324,944	334,693	344,734	355,076
Total Jurisiction Agreements	**692,062**	**716,962**	**742,817**	**769,664**	**797,545**
TCMedia Earned Revenue: equipment & facility fees, contract services, classes	148,500	178,200	213,840	256,608	307,930
Fundraising, Underwriting, Events, Grants	125,000	150,000	180,000	216,000	259,200
Total TCMedia Revenue	**273,500**	**328,200**	**393,840**	**472,608**	**567,130**
TOTAL OPERATING REVENUE	**965,562**	**1,045,162**	**1,136,657**	**1,242,272**	**1,364,675**
EXPENSES	**2024**	**2025**	**2026**	**2027**	**2028**
Personnel - Salaries & Wages, Benefits, Payroll taxes	685575	740850	800250	872025	950400
General Operating - supplies, property and liability insurance, utilities, postage, printing, phone/internet , accounting, maintenance	85,000	87,550	90,177	92,882	95,668
Board & Staff - training, annual member events, conferences, travel	9,600	10,500	11,250	12,150	13,122
Development expense	25,000	30,000	36,000	43,200	51,840
Business Taxes & Fees	15,000	15,450	15,914	16,391	16,883
Rent	112,325	112,325	119,065	119,065	119,065
Total Expenses	**932,500**	**996,675**	**1,072,655**	**1,155,713**	**1,246,978**
Net for reserve	33,062	48,487	64,002	86,559	117,697

OPTION C – TUMWATER WITHDRAWS

OPERATING REVENUE	2024	2025	2026	2027	2028
Jurisdiction Agreements					
Olympia	206,929	213,137	219,531	226,117	232,900
Lacey	209,178	215,453	221,917	228,574	235,432
Thurston County	315,480	324,944	334,693	344,734	355,076
Total Jurisiction Agreements	**731,587**	**753,535**	**776,141**	**799,425**	**823,408**
TCMedia Earned Revenue: equipment & facility fees, contract services, classes	148,500	178,200	213,840	256,608	307,930
Fundraising, Underwriting, Events, Grants	125,000	150,000	180,000	216,000	259,200
Total TCMedia Revenue	**273,500**	**328,200**	**393,840**	**472,608**	**567,130**
TOTAL OPERATING REVENUE	**1,005,087**	**1,081,735**	**1,169,981**	**1,272,033**	**1,390,537**

EXPENSES	2024	2025	2026	2027	2028
Personnel - Salaries & Wages, Benefits, Payroll taxes	714,660	772,280	834,200	909,720	990,720
General Operating - supplies, property and liability insurance, utilities, postage, printing, phone/internet , accounting, maintenance	85,000	87,550	90,177	92,882	95,668
Board & Staff - training, annual member events, conferences, travel	9,600	10,500	11,250	12,150	13,122
Development expense	25,000	30,000	35,000	40,000	45,000
Business Taxes & Fees	19,400	21,500	23,000	25,300	27,830
Rent	112,325	112,325	119,065	119,065	119,065
Total Expenses	**965,985**	**1,034,155**	**1,112,691**	**1,199,117**	**1,291,405**
Net for reserve	39,102	47,580	57,290	72,916	99,132

OPTION D - THURSTON COUNTY WITHDRAWS

OPERATING REVENUE	2024	2025	2026	2027	2028
Jurisdiction Agreements					
Olympia	206,929	213,137	219,531	226,117	232,900
Lacey	209,178	215,453	221,917	228,574	235,432
Tumwater	169,653	174,743	179,985	185,384	190,946
Total Jurisiction Agreements	**585,760**	**603,333**	**621,433**	**640,076**	**659,278**
TCMedia Earned Revenue: equipment & facility fees, contract services, classes	148,500	178,200	213,840	256,608	307,930
Fundraising, Underwriting, Events, Grants	125,000	150,000	180,000	216,000	259,200
Total TCMedia Revenue	**273,500**	**328,200**	**393,840**	**472,608**	**567,130**
TOTAL OPERATING REVENUE	**859,260**	**931,533**	**1,015,273**	**1,112,684**	**1,226,408**
EXPENSES	**2024**	**2025**	**2026**	**2027**	**2028**
Personnel - Salaries & Wages, Benefits, Payroll taxes	606630	655540	708000	771562	840960
General Operating - supplies, property and liability insurance, utilities, postage, printing, phone/internet , accounting, maintenance	85,000	87,550	90,177	92,882	95,668
Board & Staff - training, annual member events, conferences, travel	6,500	10,500	11,250	12,150	13,122
Development expense	25,000	30,000	35,000	40,000	45,000
Business Taxes & Fees	19,400	21,500	23,000	25,300	27,830
Rent	112,325	112,325	119,065	119,065	119,065
Total Expenses	**854,855**	**917,415**	**986,491**	**1,060,959**	**1,141,645**
Net for reserve	4,405	14,118	28,782	51,725	84,762

GOVERNMENT SERVICES ONLY

There are several different ways to consider how the option of government services only could be structured. The expenses are the same in each case but the jurisdiction contract payments vary. None of them allow TCMedia to break even. However, each option has a different financial impact for each jurisdiction.

In all of these scenarios, the TCMedia production facility would be used predominantly to support government programming and channel management, so access to the facility for community members would be severely limited or require much higher fees for use by individuals and nonprofit organizations than is currently the case.

The cable tv channels are allocated based on the Comcast franchise agreements with each jurisdiction. TCMedia can make recommendations as to the use of the channels, but the final determination as to utilization rests with the jurisdiction. It should be noted that the Comcast cable franchise requires a minimum number of program hours each week to maintain a channel as 'fully utilized.'

In all options, the following cost assumptions are used:

- Four FTEs, a combination of full-time and part-time, would be required and jobs restructured. A 3% cost of living increase for salaries is used and a 10% increase in medical insurance.
- General operating costs are fixed, with a 3% inflation factor annually after 2024.
- Board and staff training and conferences are discretionary and are not included.
- Rent is adjusted biennially using the CPI for all urban consumers (Seattle Index) published for the period nearest the anniversary date of the lease. These estimates could change with economic conditions. The lease is renewed in 2027 and the rent is unknown; the amounts shown in this plan are placeholders that may be higher or lower by that time.
- The cost of channel operation includes streaming and closed captioning.

For any other community focused services and public access operations, TCMedia would be required to generate revenue to fund these activities over and above that received for Government services. Access to the production facility for community members would be severely limited.

See financial plans and additional explanations for each option that follows.

OPTION A: Each jurisdiction pays for a specific number of production hours and share of channel usage according to current contract provisions.

OPTION B: Each jurisdiction receives an equal number of hours of TCMedia staff time for production services and all share equally in the cost of operating all four channels.

OPTION C: Two jurisdictions share each of two channels and two channels are maintained for public and educational access.

OPTION A – Production Hours and Channels per Current Contract

This option applies contract payments to each jurisdiction in accordance with the assumed number of hours of production services and channel sharing based on current contract amounts, as follows:

- Production hours per jurisdiction would be 700 each for Olympia, Tumwater and Lacey; 1700 hours for Thurston County.
- Olympia, Lacey and Thurston County would share Channel 3 as is currently the case and costs for operating, including online distribution, Video on Demand (VOD) , captions and streaming would be divided equally among them.
- Tumwater would use Channel 26, as it currently does, and would pay all of the costs for that channel.
- TCMedia production facility would be used primarily to support government programming.
- TCMedia would be required to generate revenue to fund public access and operations of channel 22 and 77.

OPERATING REVENUE	2024	2025	2026	2027	2028
Jurisdiction Agreements					
Olympia	72,874	75,060	77,312	79,631	82,020
Lacey	72,874	75,060	77,312	79,631	82,020
Tumwater	136,580	140,677	144,898	149,245	153,722
Thurston County	162,874	167,760	172,793	177,977	183,316
Total Jurisiction Agreemen	**445,202**	**458,558**	**472,315**	**486,484**	**501,079**
TOTAL OPERATING REVENUE	**445,202**	**458,558**	**472,315**	**486,484**	**501,079**
EXPENSES	**2024**	**2025**	**2026**	**2027**	**2028**
Personnel - Salaries & Wages, benefits, payroll taxes	290850	311210	332994	356304	381245
General Operating - supplies, property and liability insurance, utilities, postage, printing,	85,000	87,550	90,177	92,882	95,668
Board & Staff - training, annual member events, conferences, travel	0	0	0	0	0
Development expense	0	0	0	0	0
Business Taxes & Fees	19,400	21,500	23,000	25,300	27,830
Rent	112,325	112,325	119,065	119,065	119,065
Total Expenses	**507,575**	**532,585**	**565,235**	**593,551**	**623,808**
Net for reserve	(62,373)	(74,026)	(92,920)	(107,066)	(122,729)

OPTION B – Equal Production Hours and Individual Channels

For this example, it is presumed that:

- Each jurisdiction receives an equal number of hours of TCMedia staff time for production services.
- The number of production hours is negotiable. Option B (below) uses 500 as the number of production staff hours for each jurisdiction.
- All share equally in the cost of all four channels, so that each jurisdiction would have its own channel.
- TCMedia production facility would be used primarily to support government programming.
- TCMedia would be required to generate revenue to fund any community or public access activities.

OPERATING REVENUE	**2024**	**2025**	**2026**	**2027**	**2028**
Jurisdiction Agreements					
Olympia	118,580	122,137	125,802	129,576	133,463
Lacey	118,580	122,137	125,802	129,576	133,463
Tumwater	118,580	122,137	125,802	129,576	133,463
Thurston County	118,580	122,137	125,802	129,576	133,463
Total Jurisdiction Agreements	**474,320**	**488,550**	**503,206**	**518,302**	**533,851**
TOTAL OPERATING REVENUE	**474,320**	**488,550**	**503,206**	**518,302**	**533,851**
EXPENSES	**2024**	**2025**	**2026**	**2027**	**2028**
Personnel - Salaries & Wages, benefits, payroll taxes	290850	454351	473852	495998	506059
General Operating - supplies, property and liability insurance, utilities, postage, printing, phone/internet , accounting, maintenance	85,000	87,550	90,177	92,882	95,668
Board & Staff - training, annual member events, conferences, travel	0	0	0	0	0
Development expense	0	0	0	0	0
Business Taxes & Fees	19,400	21,500	23,000	25,300	27,830
Rent	112,325	112,325	119,065	119,065	119,065
Total Expenses	**507,575**	**675,726**	**706,093**	**733,245**	**748,622**
Net Income	(33,255)	(187,176)	(202,887)	(214,943)	(214,771)

OPTION C – Equal Production Hours, Two Government Channels and Two Channels for Public & Educational Access

For this example, it is presumed that:

- Two jurisdictions share each of two channels and two channels are maintained for public and educational access,
- TCMedia production facility would be used primarily to support government programming. TCMedia would be required to generate revenue to fund the second set of two channels.

OPERATING REVENUE	2024	2025	2026	2027	2028
Jurisdiction Agreements					
Olympia	89,430	92,113	94,876	97,723	100,654
Lacey	89,430	92,113	94,876	97,723	100,654
Tumwater	89,430	92,113	94,876	97,723	100,654
Thurston County	89,430	92,113	94,876	97,723	100,654
Total Jurisiction Agreements	**357,720**	**368,452**	**379,505**	**390,890**	**402,617**
TOTAL OPERATING REVENUE	**357,720**	**368,452**	**379,505**	**390,890**	**402,617**
EXPENSES	**2024**	**2025**	**2026**	**2027**	**2028**
Personnel - Salaries & Wages, benefits, payroll taxes	290,850	454,351	473,852	495,998	506,059
General Operating - supplies, property and liability insurance, utilities, postage, printing, phone/internet , accounting, maintenance	85,000	87,550	90,177	92,882	95,668
Board & Staff - training, annual member events, conferences, travel	0	0	0	0	0
Development expense	0	0	0	0	0
Business Taxes & Fees	19,400	21,500	23,000	25,300	27,830
Rent	112,325	112,325	119,065	119,065	119,065
Total Expenses	**507,575**	**675,726**	**706,093**	**733,245**	**748,622**
Net for reserve	(149,855)	(307,274)	(326,588)	(342,354)	(346,005)

PUBLIC / COMMUNITY ACCESS ONLY

Public / Community Access services are provided to the community as a whole. Historically, our operations have benefited from the economy of scale created when all jurisdictions share in providing these community services. This scenario assumes that TCMedia will provide only Public /Community access services to include facility operations, training, technical support for community members, and management of the public access channel 22 and local affairs/education channel 77. Government production and government channel operations will be managed by the jurisdictions.

Personnel is reduced to seven FTE in 2024 increasing to eight FTE by 2028 to reflect the change in services. Staff will be restructured to a combination of full-time and part-time staff. All fixed costs such as rent, insurance, utilities are the same as for full PEG operations.

In this scenario, it is possible for TCMedia to continue operations without a deficit, providing our fundraising goals are met.

This scenario assumes that:

- The costs for the Public / Community access services are shared proportionally based on the percentage of population by jurisdiction - 20% Lacey, 20% Olympia, 9% Tumwater, 51% Thurston County.
- TCMedia will provide only Public /Community access services to include facility operations, training, technical support, and equipment loan for community members
- Management of two channels - public access channel 22 and local affairs/education channel 77
- Government production and government channel operations will be managed by the jurisdictions
- TCMedia facilities, equipment, and production support would remain available for government media projects on a fee basis at the same rate paid as other contract services clients.

OPERATING REVENUE	2024	2025	2026	2027	2028
		plus 3%	plus 3%	plus 3%	plus 3%
Jurisdiction Agreements					
Olympia	107,484	110,709	114,030	117,451	120,974
Lacey	107,484	110,709	114,030	117,451	120,974
Tumwater	48,367	49,818	51,313	52,852	54,437
Thurston County	274,084	282,307	290,776	299,499	308,484
Total Jurisiction Agreements	**537,419**	**553,542**	**570,148**	**587,252**	**604,870**
TCMedia Earned Revenue: equipment & facility fees, contract services, classes	148,500	178,200	213,840	256,608	307,930
Fundraising, Underwriting, Events, Grants	125,000	150,000	180,000	216,000	259,200
Total TCMedia Revenue	**273,500**	**328,200**	**393,840**	**472,608**	**567,130**
TOTAL OPERATING REVENUE	**810,919**	**881,742**	**963,988**	**1,059,860**	**1,171,999**
EXPENSES	**2024**	**2025**	**2026**	**2027**	**2028**
Personnel - Salaries & Wages, Benefits, Payroll taxes	555,000	593,850	635,420	679,899	727,492
General Operating - supplies, property and liability insurance, utilities, postage, printing, phone/internet , accounting, maintenance	85,000	87,550	90,177	92,882	95,668
Board & Staff - training, annual member events, conferences, travel	9,600	10,500	11,250	12,150	13,122
Development expense	25,000	30,000	35,000	40,000	45,000
Business Taxes & Fees	19,400	21,500	23,000	25,300	27,830
Rent	112,325	112,325	119,065	119,065	119,065
Total Expenses	**806,325**	**855,725**	**913,911**	**969,296**	**1,028,177**
Net for reserve	4,594	26,017	50,077	90,565	143,822

Part 2. Narrative Responses to Other Questions

The RFP and these requests have come at a time when TCMedia – as with other organizations – is just emerging from the effects of COVID. The COVID epidemic radically impacted TCMedia's user base. TCMedia reopened to the public in April 2022 for all public access services. Community engagement with TCMedia has been steadily increasing. The training classes and summer camps are full, community members have returned to produce programming at the facility, community use of TCMedia equipment is up, and exciting new projects have been launched (e.g., "Studio A Concerts" and "Live at Five.")

New Approaches

The audience for any media content is rarely found on one distribution platform. Viewers will find the content they are looking for on the platform that is their preference. To reach the broadest audience, TCMedia has positioned itself to distribute content on traditional channels, online streaming services, and through local websites.

A 2021 Pew Research Center Study shows that at least two-thirds of viewers older than age 50 receive television via cable or satellite. Recognizing that younger audiences receive media from other platforms, TCMedia expanded its on-line presence establishing a YouTube channel in 2010.

In 2019, TCMedia incorporated 24/7 live streaming of the PEG cable channels, activated a Video on Demand (VOD) service, and began 'over-the-top' distribution to Roku and Apple TV through *Screenweav*e, a third-party provider. This year, to make it easier for viewers to find TCMedia's online content, we began developing branded apps that will make all of the programming on our VOD server available directly on ROKU, AppleTV, and FireTV, with downloadable apps for iPhones and Android - no third-party interface required.

In 2022, to address the need for accessibility, TCMedia began closed-captioning local content on Channels 3, 26, and 77. Captions are also available on the TCMedia VOD content. Our future plans include adding multi-language captions.

Even though the streaming services and closed captions are not a requirement of our current operating agreements, we implemented them to support the needs of our community. We are also exploring the possibility of making podcasting, virtual/augmented reality, and other new and emerging media technologies available for community use.

The Comcast cable franchise provides for activation of High Definition (HD) PEG channels. TCMedia currently delivers a High Definition (HD) digital signal to the Comcast headend. Once the HD channel activation is requested by the jurisdictions, TCMedia is ready to assist with the transition.

Strategic Planning

TCMedia has launched an information-gathering process to inform our current strategic planning efforts. We have surveyed TCMedia members and producers and a community-wide survey will be in the field by April 28, 2023. Our goal is to complete the 2024-2028 strategic plan by the end of the summer. Of course, the terms of any contracts with the jurisdictions will inform our planning process.

Board Membership and Retention

TCMedia has had stable Board membership over the years, with members typically leaving when they reach their term limits. However, in recent years, COVID19 made it difficult to recruit new board members. Currently, the TCMedia bylaws require a minimum of seven and a maximum of 11 board members, which must include seven Community Representatives, appointed by the board of directors, and four Jurisdictional Representatives, one appointed by each contracting jurisdiction.

TCMedia is a private non-profit corporation, and all board members have a legal and fiduciary responsibility for the governance of the organization. It is important that all persons serving on the TCMedia board of directors be free from any conflict of interest that would limit their participation and effectiveness.

The role of the jurisdictional appointees has always been to serve at the discretion of the appointing agency and has traditionally been filled by a citizen representative. If the jurisdictions wish to change the nature or purpose of this position, TCMedia appreciates the opportunity to discuss what these changes may be and how our board can provide the needed connection to the jurisdictions.

As we emerge from the impact of COVID19, TCMedia's visibility in the community has increased. In turn, people are making themselves more available for volunteer service and the pool of skilled board candidates has grown. We have implemented a candidate recruitment process that is used to fill vacancies for Community Representatives as they occur with emphasis to ensure a diverse, adept, and inclusive board of directors.

Effects of Local Government Self-Producing Programming

The ability of and interest by the jurisdictions to create media content is welcomed by TCMedia. Any content created by government staff for public online distribution can be shared on the cable channels and distribution platforms TCMedia currently operates.

Government staff production does not necessarily affect the number of TCMedia staff hours for production support allocated in the contracts. While we recognize that there are many ways for individual jurisdictional staff to create content for distribution through social media channels or other platforms, there are also many types of production formats that require multiple staff and additional equipment that are available through the relationship with TCMedia. TCMedia can provide training and supplemental equipment for government staff use when needed, as well as produce programming as requested by each jurisdiction.

In addition to regular government meeting coverage, there are many types of productions for which TCMedia staff hours would be beneficial. These include: meetings recorded outside the government chambers, community event coverage, long format talk shows, community forums, and film-style short programs. Our goal is to ensure that the jurisdictions' brands are reflected on all the distribution platforms we utilize. TCMedia will assign a lead production staff person as the liaison to the jurisdiction communications staff to ensure production needs are met and jurisdictional branding is consistent.

In Conclusion

For 36 years, TCMedia has served the greater community as a resource for media services, providing local information, enhancing government transparency, and empowering individuals and organizations to share their stories. We've engaged youth and adults in hundreds of workshops and classes, made thousands of hours of equipment and facility use available, and programmed the local cable channels with hundreds of thousands of hours of locally presented content. We believe that a healthy community is well-informed and civically engaged, communication tools are easily accessible, and all people have the right to express themselves. The partnership between TCMedia and the jurisdictions has made that possible.

Activities Report
January 2022 - June 2023

Thurston Community Media

Learn. Create. Share.

www.tcmedia.org

Deborah Vinsel, CEO

Lacey in Tune July 2022

TCMEDIA EMERGES AFTER COVID

Thurston Community Media started 2022 with the facility closed to the public as COVID19 restrictions continued to limit our community media services. When restrictions were lifted we unlocked the doors to the community media center and on April 4th welcomed our community back to make media. The past 18 months have been a transition period as we reconnect with our members and the community. One positive outcome of the lockdown was watching users become more savvy and, willing or not, our community embraced new technologies in unprecedented numbers. TCMedia recognizes this change and has taken steps to bring new services to an evolving population.

We've enhanced channel operation services, updated our equipment inventory with new technologies, added new training opportunities, and launched a new youth media apprentice project. We have seen a 22% increase in training enrollment and a 37% increase in the communities' use of the media center studio and equipment.

The TCMedia production facility is not just a TV studio. It is a maker-space for digital content creators who come together as a creative community to make media by, for, and about the communities we serve. **Community is our middle name!**

Thurston Community Media

NEW IN 2022

ENHANCED DISTRIBUTION SERVICES

In 2022 we added several new features to our video distribution and cable channel management.

- Closed Captions - A generous donation from Complete Hearing and Balance helped us implement closed captions on Channels 3, 26, and 77 as well as the programs on the Video on Demand (VOD) server. This means all local government meetings and programs are now closed captioned on the cable channels and our Video on Demand Server.

- Streaming Sites: All four cable channels now stream to ROKU and APPLE TV through a third-party app called ScreenWeave. ROKU and AppleTV subscribers simply add ScreenWeave to their list of channels, then search for TCMedia.

INSTANT TV PRODUCTION SUPPORT

We implemented *Instant TV* on the second Saturday of every month to help community members get their programming started. This is a low-barrier way for community content creators who haven't been trained or who don't have a volunteer crew to record a show. TCMedia staff provide technical support and coordinate recently trained volunteers to be the production crew. A 'pay-what-you-can' donation is suggested, but nobody is turned away if they can't make a financial gift.

Twenty-nine programs have been produced since Instant TV was launched in April 2022, including the award-winning, In the Know Women's Show. Instant TV has helped rebuild our connection with returning members, engage newly trained members in a skill-building production opportunity, bring new programming to the channels, and generate a new, though currently modest, revenue stream.

LEARN

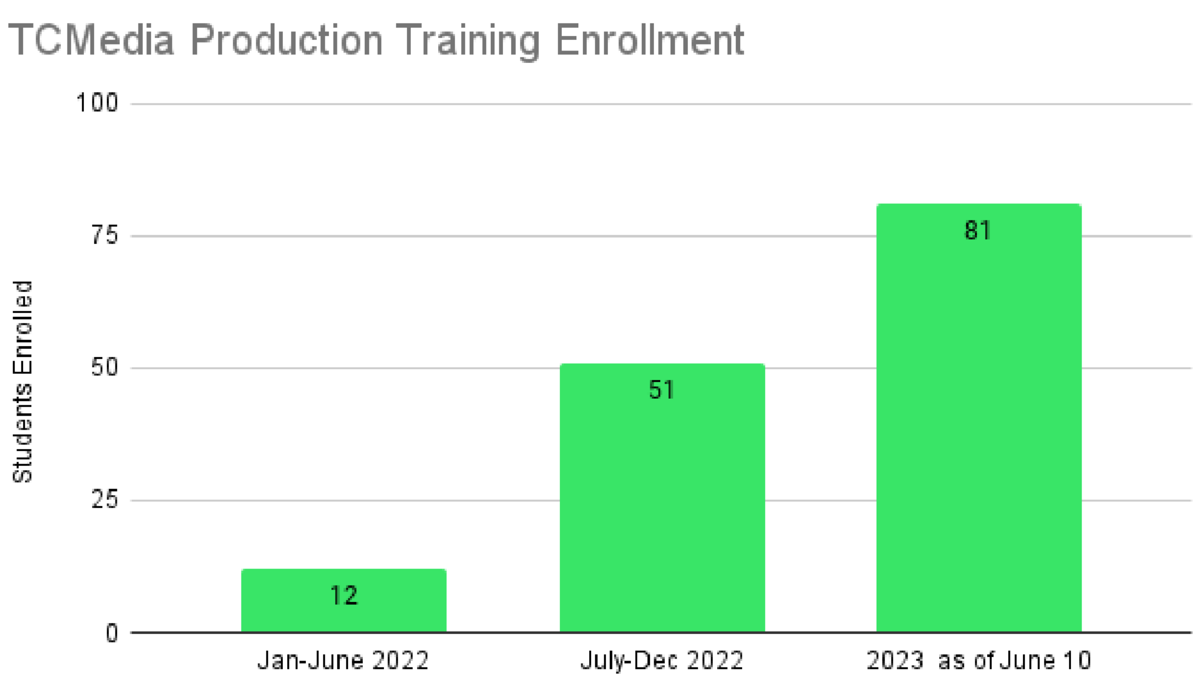
Beginning in 2022, all of the media production workshops offered by TCMedia are included in the Olympia Parks Arts & Recreation Department activities brochures and on the OPARD website. In Fall, 2023, course offerings will also be available through Lacey Parks, Arts, and Culture, and Tumwater Parks and Recreation Department.

We added several new workshops to our class line-up and launched our first Master Class with a guest instructor/filmmaker. These included:

- Intro to DSLR Cameras
- DSLR Cinematography
- DaVinci Resolve Editing
- Master Class: Documentary Production

In the first half of 2022, the public's uneasiness about in-person activities caused many of the scheduled workshops to be canceled. We saw workshop enrollment rebound with much healthier registration through the second half of the year. The enrollment growth continued into 2023, with a 22% increase in enrollment YTD over the total of 2022.

Class sizes vary from six to 15 depending on the equipment and techniques being taught. Thirty-seven workshops, six orientations, and one Master Class were offered in 2022. Twenty-one workshops and six orientations have been offered in the first half of 2023.



Thurston Community Media

Young Producers Network

Summer Camps for Youth

Our partnership with Lacey Parks, Recreation & Culture and Olympia Parks, Arts & Recreation continued, making our summer camps available through their respective departments' summer activities offerings.

We conducted five, week-long camps for youth; two for ages 8-11 and three for ages 12-16. Camp registrations are limited to 16 youths per camp. Sixty-two young creatives were enrolled for the 2022 camps. Five camps are scheduled again for summer 2023.

Camp Name	Enrolled	Ages
Animation Fun!	17	8-11
Let's Talk: TV Studio Production	15	8-11
Let's Make a Movie	14	12-16
Let's Make a Music Video	4	12-16
Animation Overdrive!	12	12-16
Total Enrolled	62	

Digital Media Apprentice Program (YPN-DMAC)

In June 2022 we began a pilot project to employ high school students as summer media apprentices. We hired one student for a part-time position working with our production staff from June through August.

The YPN-DMAC project is designed to teach workplace skills like teamwork and punctuality along with STEAM skills and concepts. We have expanded the program for summer 2023 with financial support from Olympia Federal.
We plan to hire up to six youths for summer 2023.


YPN Summer Camp 2022

Thurston Community Media

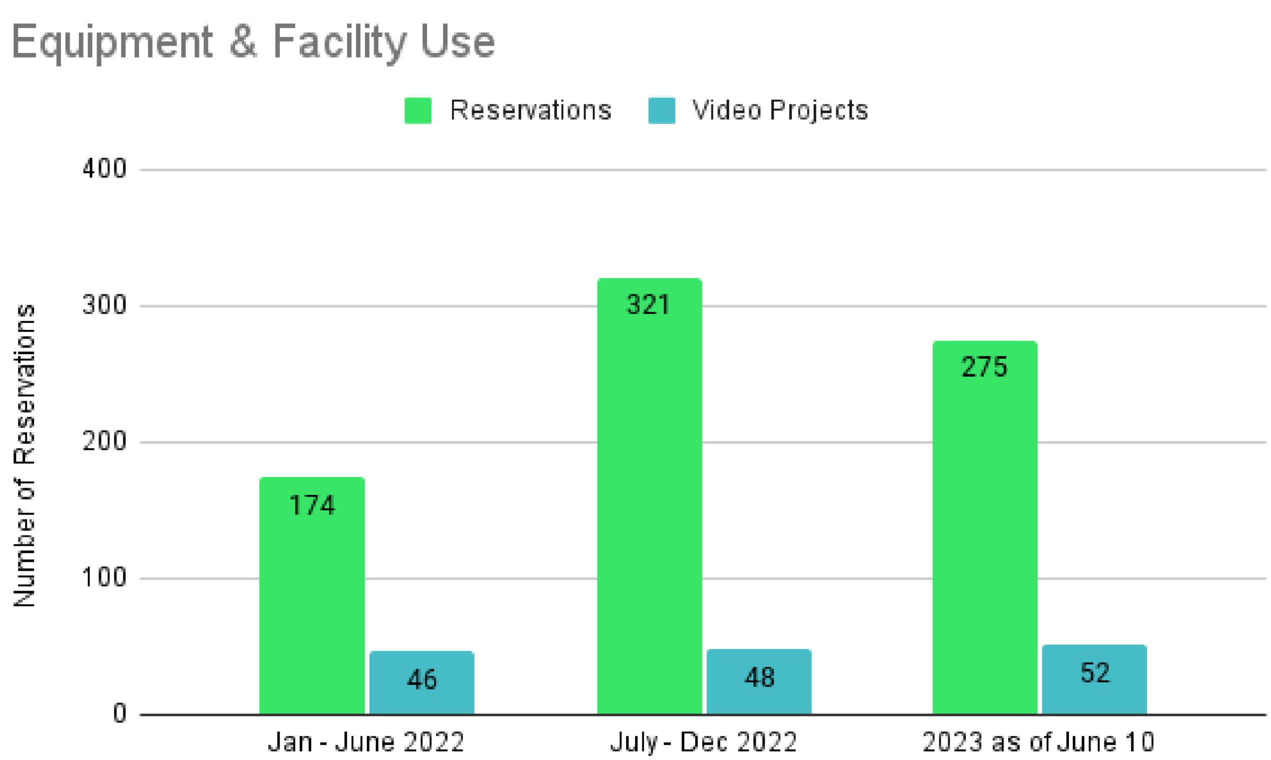
CREATE

Facilities & Equipment for Community Use
The media center on Yauger Way is a maker-space for content creators. We provide individuals, organizations, and agencies with access to media production equipment and facilities that would otherwise be unavailable and/or unaffordable for nonprofessional media makers. The TCMedia facility houses a fully-equipped television studio and video editing suites, with professional quality portable cameras light kits, microphones, and other accessories available to check out.

In 2022, we expanded our equipment inventory to include production tools to fit the needs of today's content creators and digital filmmakers. These include:

- DSLR 4K cameras with accessories
- Digital cinema accessories such as C-stands, tracking rails, and lighting scrims
- Gimbal stabilizers, extra lenses, and small microphones to use when shooting video with mobile devices.
- Black Magic ATEM Mini-pro video switchers for live streaming remote multi-camera productions

Equipment reservations during the first half of 2022 were still feeling the impact of COVID19. However, we saw a significant increase in facility and equipment used by community members in the second half of 2022, with the trend continuing into 2023.



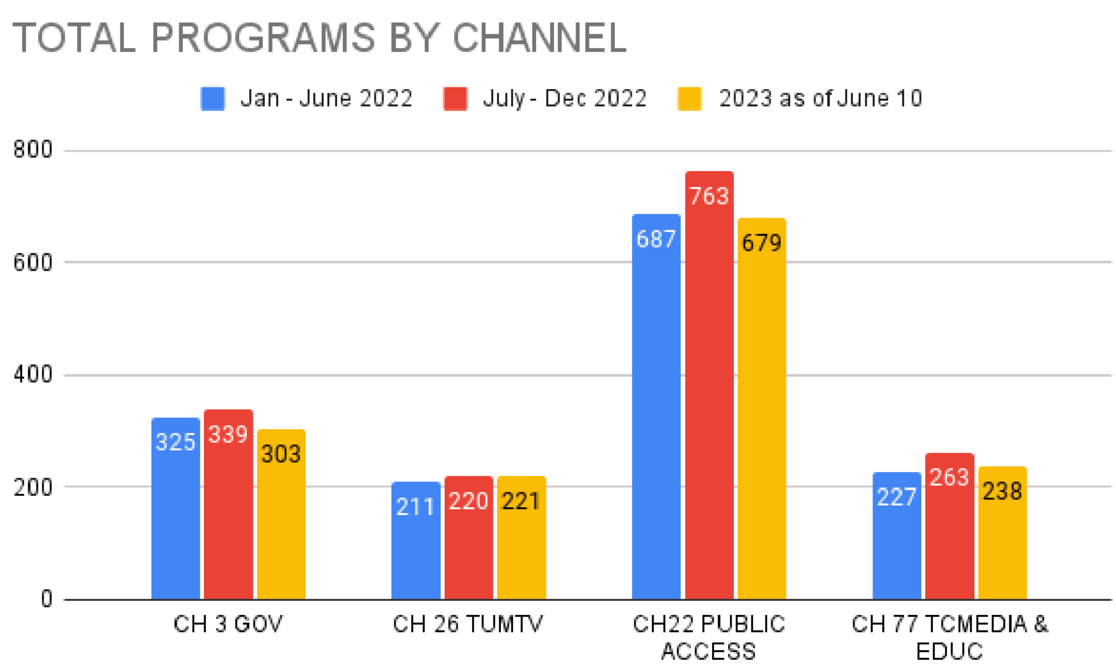
SHARE

Cable Channel Operations and Digital Distribution
TCMedia programs four cable channels on the Comcast Xfinity cable system and three on the Consolidated Cable System in Yelm

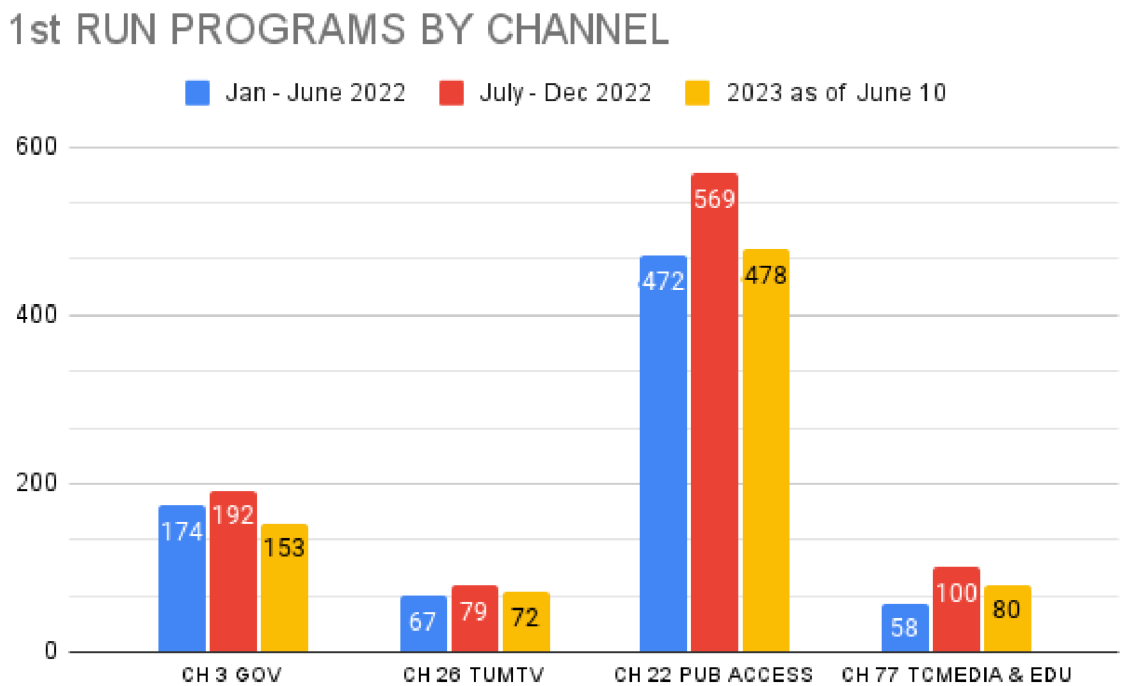
- Channel 3 - Olympia, Lacey, Thurston County government programs
- Channel 22 - Public Access - content produced by individuals and organizations
- Channel 26 - Tumwater TV - Tumwater government and schools
- Channel 77 - Local/Ed - programs produced/presented by TCMedia and educational institutions

In 2022, **1479** individual programs aired for the first time on the PEG channels. More than 65% were produced locally.

TCMedia also acquired programming from several sources to increase the diversity of content and information available to viewers. These included Classic Arts Showcase, World Health Organization COVID Updates, and NASA Connects. Local organizations often present imported programming with which they have some affiliation, such as *Worship Anew* presented by the Olympia Church of Christ.



Some programs such as LOTT Board Meeting or The First Returns: Election Night 2022 are scheduled on more than one channel. This chart shows the number of programs that ran for the first time on each channel.



Government programming by jurisdiction Jan 2022-June 10,2023	
Lacey	86
Olympia	113
Thurston County	189
Tumwater	60
LOTT	16

Video Online
All of the TCMedia cable channels stream 24/7 and can be accessed through the TCMedia website - www.tcmedia.org

TCMedia Video on Demand (VOD) launched in 2019. It is available at the TCMedia website - tcmedia.org. Since January 2022, 321 programs have received 1956 views.

TCMedia YouTube Channel launched in 2010. The TCMedia YouTube Channel includes only programming produced by the TCMedia staff. Public Access programming is not included on the TCMedia YouTube Channel. In the past 18 months, theYouTube Channel received 51,600 views with 4800 hours of watch time.

Community Involvement

Membership in TCMedia is not limited to Thurston County residents and groups. However, individuals and organizations from outside Thurston County pay a membership that is double the amount of local members.

265 individuals joined or renewed their membership in 2022.

Address	Members
Olympia	153
Lacey	44
Tumwater	38
Rochester	1
Rainier	1
Yelm	4
Outside Thurston County	24
Total	265

Thurston Community Media

31 Nonprofit Groups Used TCMedia Services in 2022

Al-Islam Center
Baha'i Faith
Benrose Foundation
CARE - Christlike Agrotourism for Racial Equity
Center for Spiritual Living
Dancing Dragons
Family Education and Support Services
Friendly Water for the World
JOLT News
League of Women Voters Thurston County
League of Women Voters of Washington
Mentor WA
North Thurston Kiwanis
Northwest Cooperative Development Center
OlyFilm
Olympia Firefighters Foundation
Olympia Historical Society &
Bigelow House Museum
Olympia Unitarian Universalist Congregation
Our ARK
Risen Faith Fellowship
Rivers of Grace
Saint Martin's University
Sweet Adelines
South Sound Dance Access
South Sound Partners for Philanthropy
South Sound YMCA
Theater Artists Olympia
Thurston County Chamber of Commerce
Veterans for Peace
Washington Center for the Performing Arts
Window Seat Media

Professional Service Contracts

We provided professional production and technical services to several organizations and agencies.

- Thurston County Chamber of Commerce
- Saint Martin's University
- Panorama
- Yelm Community Schools
- LOTT Clean Water Alliance
- South Sound YMCA
- Olympia Parks, Arts, & Recreation
- City of Olympia
- City of Lacey
- City of Tumwater
- Thurston County

Support

The continued partnership between TCMedia and Olympia, Lacey, Tumwater, and Thurston County has made community media services available for more than 36 years. In addition to service agreements with the jurisdictions, TCMedia generates operating revenue through production contracts, equipment and facility use fees, donations, grants, and underwriting sponsorships. These combined resources create an economy of scale that makes it possible to provide a level of service for the entire community beyond what would be possible individually.

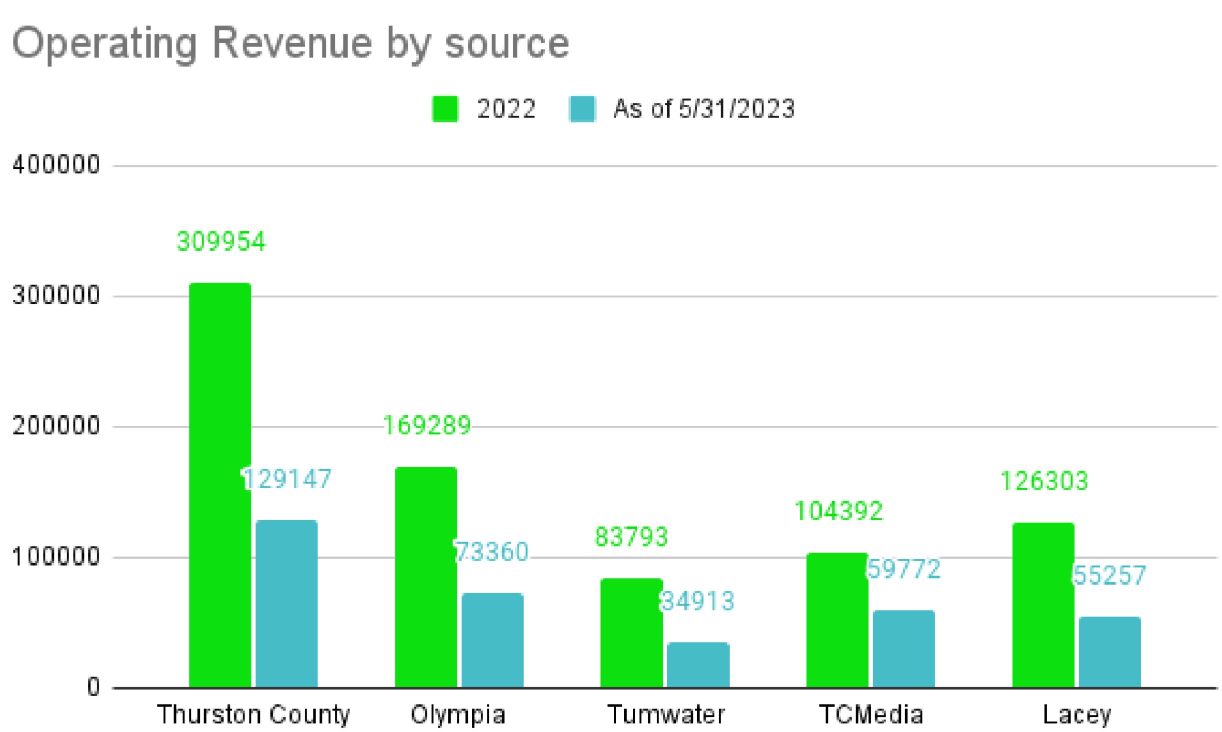
In 2022 TCMedia's earned revenue (other than jurisdictional support) included professional contract services, training fees, and facility memberships. We hired a Development Director in October. We're increasing philanthropic support from foundation grants, individual donations, special events, and underwriting and sponsorships.

Business Circle Members

- Heritage Bank
- Complete Hearing & Balance
- Olympia Federal
- TwinStar Credit Union
- Thurston Talk (in-kind trade)
- Dancing Goats Coffee (in-kind trade)
- Acme Ice Cream (in-kind trade)

Grant Funders

- Nisqually Tribe
- Walter Morgan Family Foundation
- Community Foundation of South Puget Sound



Thurston Community Media

Future Plans

Distribution Upgrades
June 2023 -TCMedia will soon be available on iPhone and Android. We're also upgrading o a branded app for ROKU and AppleTV and adding FireTV. We are currently working with our distribution equipment provider to develop dedicated/branded apps on all of these platforms to make it easier to find TCMedia regardless of the screen you are looking for. No third-party application will be necessary. Just click on our icon and watch!

Closed captions
Captions in languages other than English are expected to be available by the end of 2023. Additional expenses will be minimal and based solely on the number of hours of programming that we caption with a language other than English. No additional equipment will be necessary.

Podcasting
Podcasting equipment is on our list for 2023. It will be installed and ready for use by the end of September 2023.

Venue Rental
TCMedia will make the TCMedia studio space available to rent as an event venue when it is not booked for video production. The availability of A/V for hybrid meetings and event recording, room size, and available parking have all been identified as highly desirable features by the event planners we are working with. This will add an additional revenue stream to our earned revenue. Use of TCMedia as an event and meeting venue is expected to launch by September 2023.

Summary

Since 1983, TCMedia has been the contracted steward manager of the public, educational, and governmental access resources made available to the community through the cable franchises with Olympia, Lacey, Tumwater, and Thurston County.

Helping our community create content and share their messages is at the core of our mission. With the support of individuals, foundations, businesses, and local jurisdictions, TCMedia has remained a consistent source of local information for our audiences, providing individuals, organizations, and governments with the technical resources necessary to achieve their communication goals.

We look forward to continuing as the steward of these important community resources.

Thurston Community Media

Live at Five June 2023

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