

Capital Area Regional - Public Facilities District Board of Directors Meeting Agenda

Refer to the bottom of the agenda for meeting information.

Tuesday, September 5, 2023

2:00 PM

Council Chambers and Online

1. Call to Order

2. Roll Call

3. Approval of the Agenda

4. Approval of Meeting Minutes

- A. August 30, 2022, CAR-PFD Annual Meeting Minutes

5. Public Comment

6. President's Report

- A. **David Nicandri, City of Tumwater Representative**
Appointed to 1st term (February 21, 2023 - March 1, 2027)
- B. **Spencer Zeman, City of Lacey Representative**
Appointed to 1st term (January 19, 2023 - March 1, 2027)
- C. **David Brine, City of Olympia Representative**
Re-appointed to 4th term (February 13, 2023 - March 1, 2027)

7. Annual Financial Report

- A. **2022 Annual Financial Report**
Alix Turcotte, Senior Accountant, City of Lacey

8. Regional Athletic Complex

- A. **Regional Athletic Complex Annual Update**
Sue Falash, Recreation Manager, City of Lacey

9. Hands on Children's Museum

A. **Hands on Children's Museum Annual Update**

Patty Belmonte, Chief Executive Officer, Hands on Children's Museum

10. 2023-2024 Election of Officers

A. President

B. Secretary/Treasurer

11. Term Expirations

A. **Nancy Clauson, District-Wide Appointee**

Term Expiration: March 1, 2024

12. Adjourn

Meeting Information:

Attendance (Remote or In-Person)

There are several ways to attend the CAR-PFD Annual Board of Directors Meeting:

In-Person: Council Chambers at Lacey City Hall
420 College Street SE, Lacey, WA 98503

Zoom: <https://us02web.zoom.us/j/83995993104>

City Website: <https://cityoflacey.org/government/public-meetings/>

YouTube: <https://www.youtube.com/watch?v=npLSLqJsoDA>

Phone: (888) 788-0099 or (877) 853-5247 (Webinar ID 839 9599 3104)

Verbal Public Comment

The opportunity for verbal public comment is available in-person or by Zoom:

In-Person: Use the sign-up sheet located in the Council Chambers.

Via Zoom: Preregister using the following Zoom link no later than two hours prior to the meeting:

<https://us02web.zoom.us/j/83995993104>
Instructions and access details will be provided once registration is complete.

Written Public Comment

Please email written public comments to PublicComment@ci.lacey.wa.us by two hours before the meeting. All written public comments provided by this deadline will be

distributed to the Board of Directors. Comments may not be addressed during the meeting. All comments are part of the official record.

CAPITAL AREA REGIONAL - PUBLIC FACILITIES DISTRICT (CAR-PFD)
BOARD OF DIRECTORS ANNUAL MEETING
AUGUST 30, 2022
IN PERSON AND REMOTE ATTENDANCE

To hear the full discussion of a specific topic, or the complete meeting,
watch the recorded meeting available on the Public Meeting Portal:
<https://laceywa.portal.civicclerk.com/event/792/media>

The annual meeting of the CAR-PFD Board of Directors convened at 9:00 a.m. on August 30, 2022.

BOARD MEMBERS PRESENT: Nancy Clauson, President, District-wide Appointee
Ken Parsons, Secretary/Treasurer, Thurston County Representative
John Grausam, District-wide Appointee
Chris Leicht, District-wide Appointee

BOARD MEMBERS EXCUSED: David Brine, City of Olympia Representative
Dennis Reed, City of Lacey Representative
Trent Grantham, City of Tumwater Representative

STAFF PRESENT: City of Lacey:
Jen Burbidge, Parks, Culture & Recreation Director
Troy Woo, Finance Director
Sue Falash, Recreation Manager
Kristy Wolf, Financial Services Manager
Peri Edmonds, City Clerk
City of Olympia:
Patty Belmonte, CEO, Hands on Children's Museum

APPROVAL OF AUGUST 25, 2021, AND SEPTEMBER 29, 2021, MEETING MINUTES

Secretary Parsons moved to approve the minutes of August 25, 2021, and September 29, 2021. Board Member John Grausam seconded. Motion carried.

PUBLIC COMMENT

No members of the public provided public comment.

PRESIDENT'S REPORT

President Clauson reported the elected officials of Lacey, Olympia, Tumwater, and Thurston County confirmed the reappointment of Chris Leicht, as a district-wide appointee on the CAR-PFD Board of Directors. The reappointment is for a fifth term, which will expire on March 1, 2026.

2021 ANNUAL FINANCIAL REPORT

Kristy Wolf, Financial Services Manager, presented the CAR-PFD Financial Activities Report for the period January 1, 2021, to December 31, 2021. CAR-PFD funds are accounted for by the City of Lacey in an Agency Fund, which is a separate fund within the financial system of the City. Sales tax revenues are received from the State of Washington by the City on behalf of the CAR-PFD and distributed to the two approved projects based on the proportionate share determined by the Interlocal Agreements between the CAR-PFD and the cities of Olympia and Lacey.

The CAR-PFD revenues totaled \$2,464,037, which includes sales tax revenue of \$2,459,411, interests earned of \$1,026, and reimbursements of \$3,600. The CAR-PFD expenditures and distributions were \$2,464,201, of which \$1,766,077 was for support of the City of Lacey project, \$694,524 for the City of Olympia project, and \$3,600 for administrative expenses, which are reimbursed by the cities of Olympia and Lacey.

Secretary Parsons noted that he reviewed the 2021 Annual Financial Report and accepts the report as provided.

Secretary Parsons moved To approve the 2021 Annual Financial Report. Board Member Leicht seconded. Motion carried.

REGIONAL ATHLETIC COMPLEX UPDATE

Sue Falash, Recreation Manager with the Lacey Parks, Culture & Recreation Department, provided an overview of the 2021 activities at the Regional Athletic Complex (RAC).

Although attendance increased in 2021, it was still impacted by the Covid-19 pandemic. The estimated visitor count, which includes the community park, was over 900,000 people.

League and tournament play included 54 softball/baseball tournaments and 10 soccer tournaments, and brought in 116,600 people. Special events at the RAC included two fun runs, BUS Rodeo, and a Bearded Collie Show. It was also the location for the start of the Reach the Beach event.

The RAC's economic impact included \$6,073,812 for the softball/soccer complex. This was up from \$3.8 million in 2020. Improvements in 2021 included the installation of security cameras in the parking lot and the parking lot expansion design.

HANDS ON CHILDREN'S MUSEUM

Patty Belmonte, Chief Executive Officer, provided the Hands on Children's Museum 2022 report. There were about 150,000 visitors in 2021, which was an increase from 2020. It is anticipated they will end 2022 with 275,000 visitors, and expect to be back up to 320,000 in 2023.

The museum was selected as the Best of Western Washington twice in the last five years, received three Best of South Sound awards, and was awarded the Best Family Friendly Destination.

Highlights of the museum's history and growth were presented:

- 35 years since inception
- 28 years since 1st public location
- 4 expansions in 3 locations
- Visitation climbed 300,000 over 24 years
- Outgrew the Capital Campus Facility in 2010
- East Bay Phase I (indoor only) opened in late 2012
- Phase 2 (outdoor space) opened in 2015

The museum's core needs were identified as follows:

- Double the exhibit square footage from 12,000 to 24,000
- Improve lobby space and flow
- Move preschool classrooms to adjacent building
- Expand parking
- Add traveling exhibit
- Space for children's cooking school
- Improve shop safety and on-site storage

The museum is working with the Port of Olympia to solidify a lease option for future expansion. The lease is for two parcels owned by the Port and located behind the museum. The museum's board of directors have reviewed the following three options for future expansion:

Option #1: Adaptive reuse of existing building

Option #2: Adaptive reuse plus duplicate rectangle added to existing building

Option #3: New construction to the north—most cost effective

They are leaning towards full development with a limited adaptive reuse option. This would provide the addition of a new building, events/traveling exhibits center, new shops, and expanded parking, and would gain 42,354 indoor square feet and 20,000 outdoor square feet. Next steps include determining how to fund the expansion and identify a start date.

2022-2023 ELECTION OF OFFICERS

Board Member Leicht moved to nominate Board Member Clauson to serve as President in 2022-2023, and to nominate Board Member Parsons to serve as Secretary/Treasurer in 2022-2023. Board Member Grausam seconded. Motion carried.

2023 TERM EXPIRATIONS

The following terms will expire on March 1, 2023:

- Ken Parsons, Thurston County
- Dennis Reed, City of Lacey
- Trent Grantham, City of Tumwater
- David Brine, City of Olympia

Board Members Parsons and Brine would like to serve another term.

Board Member Reed notified staff prior to the meeting that he will not serve another term.

Staff will contact Board Member Grantham regarding serving another term.

President Clauson adjourned the meeting at 9:40 a.m.

Peri Edmonds, City Clerk

Capital Area Regional Public Facilities District

2022 Annual Financial Report

For the Year Ended December 31, 2022

Capital Area Regional Public Facilities District

2022 Board of Directors

President

Nancy Clauson

Secretary/Treasurer

Ken Parsons

Board Members

John Grausam, Regional
Chris Leicht, Regional
David Nicandri, Tumwater
David Brine, Olympia
Spencer Zeman, Lacey

Capital Area Regional Public Facilities District
Report for the year ended December 31, 2022

May 15, 2023

Board of Directors
Capital Area Regional Public Facilities District

I am submitting this report on the financial activities of the Capital Area Regional Public Facilities District (CARPFD), for the period January 1, 2022 – December 31, 2022. CARPFD funds are accounted for by the City in an Agency Fund, which is a separate fund within the financial system of the City. Sales tax revenues are received from the State of Washington by the City on behalf of the CARPFD and distributed to the two approved projects based on the proportionate share determined by the Interlocal Agreements between the CARPFD and the cities of Olympia and Lacey.

The CARPFD revenues totaled \$2,606,324, which included sales tax revenue of \$2,600,787, interest earned of \$1,371 and reimbursements of \$4,167. The CARPFD expenditures and distributions were \$2,608,006, of which \$1,868,884 was for support of the City of Lacey project, \$734,954 for the City of Olympia project and \$4,167 for administrative expenses, which are reimbursed by the cities of Olympia and Lacey.

The accompanying financial report displays further information regarding the financial activities of the CARPFD. Financial information presented in this report is un-audited. The CARPFD is subject to audit by the State of Washington, Auditor's Office.

Respectfully,

Kristy Wolf
Financial Services Manager
City of Lacey

Capital Area Regional Public Facilities District
Balance Sheet/Statement of Net Position
As of December 31, 2022

	<u>General Fund / Governmental Activities</u>
Assets	
Cash	\$ 15,060
Investments	58,524
Accounts Receivable	12
Interest Receivable	217
Due from other governmental units	453,228
Total assets	<u>527,041</u>
Liabilities	
Due to other governmental units	453,228
Total Liabilities	<u>453,228</u>
Fund balance/net position:	
Unreserved/unrestricted	73,813
Fund balance/net position	<u>\$ 73,813</u>

See accompanying notes to the financial statements

Capital Area Regional Public Facilities District
Statement of Governmental Fund Revenues, Expenditures,
and Changes in Fund Balances/Net Position
For the period ended December 31, 2022

	General Fund / Governmental Activities
Revenues	
Sales taxes	\$ 2,600,787
Interest on sales tax	3,052
Investment earnings	(1,681)
	<hr/>
Total revenues	2,602,158
	<hr/>
Expenditures	
PFD project payments	2,603,839
Insurance	4,167
Total Expenditures	2,608,006
	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(5,848)
Other Financing Sources	
Contributions in - administrative support reimbursement	4,167
	<hr/>
Net change in fund balance/net position	(1,681)
Fund balance/net position January 1, 2022	75,494
Fund balance/net position December 31, 2022	\$ <hr/> 73,813

See accompanying notes to the financial statements

Capital Area Regional Public Facilities Notes to the Financial Statements December 31, 2022

Note 1 – Summary of significant accounting policies

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

A. Reporting entity

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

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

B. Government-wide fund financial statements

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

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

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

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

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

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

Note 2 – Budget, compliance and accountability

The PFD is not statutorily required to adopt a budget.

Note 3 – Cash, deposits and investments

The PFD’s deposits at December 31, 2022 are entirely covered by the Federal Depository Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (WPDPC). The WPDPC is a statutory authority established under Chapter 39.58 of the Revised Code of Washington.

The PFD’s investments are in compliance with all applicable state investment laws and the City of Lacey’s investment policies. As required by state law, all investments of the PFD’s funds (except as noted below) are obligations of the U.S. Government, U.S. agency issues, obligations of the State of Washington, general obligations of Washington State municipalities, the State Treasurer’s Local Government Investment Pool (LGIP), or certificates of deposit with commercial banks and savings and loan associations that are approved by the WPDPC.

As of December 31 2022, the PFD held the following investments at amortized cost:

<u>Investment Type</u>	<u>Maturity</u>	<u>Investments</u>	<u>Total</u>
WA State Local Government Investment Pool	60 Days	5,838	5,838
Total		<u>5,838</u>	<u>5,838</u>

The LGIP operates in accordance with appropriate state laws and regulations (RCW 43.250.020). Investments or deposits held by the LGIP are either insured or held by a third-party custody provider in the LGIP’s name. For bank deposits and repurchase agreements, this cost-based measure equals their carrying value amount. Fair value is determined monthly. The reported value of the PFD’s investment in the LGIP is dollar-for-dollar equal to the fair value of pool shares.

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

Custodial Credit Risk: Custodial credit risk is the risk that, in the event a depository institution or counterparty fails, the LGIP will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party. Investments held as deposits in financial institutions are insured by the FDIC and/or collateralized. Collateral protection is administered by the WPDPC. The WPDPC constitutes a multiple financial institution collateral pool comprised of securities pledged to secure uninsured public deposits. Pledged securities are held by the WPDPC’s agent in the name of the collateral pool.

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

Interest rate risk: In accordance with its investment policy, the City of Lacey manages the PFD's exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five (5) years or less from the date of purchase, unless matched to a specific cash flow or bond reserve funds. The interest rate risks of participants' balances in the LGIP are limited as the weighted average maturity of the portfolio will not exceed 60 days. As of December 31, 2022, the LGIP had a weighted average maturity of 19 days. The PFD does not have a specific deposit policy for custodial risk.

2022

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More than 10
<u>Debt Securities</u>					
U.S. Treasury Obligations	\$ 31,662	\$ 2,670	\$ 28,992	\$ -	\$ -
U.S. Agency Obligations	15,385	7,870	7,515	-	-
Municipal Debt Obligations	3,843	1,247	2,596	-	-
Supranational Bonds	4,253	1,331	2,922	-	-
Commercial Paper	3,381	671	2,710	-	-
Total Debt Securities	58,524	13,789	44,735	-	-
<u>Other Securities</u>					
WA State Local Government Investment Pool	5,838	5,838	-	-	-
Total Other Securities	5,838	5,838	-	-	-
Total Investments	\$ 64,362	\$ 19,627	\$ 44,735	\$ -	\$ -

Credit risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As required by state law, it is the PFD's policy, under the City of Lacey's investment policy, to limit its investments in debt securities to the obligations of U.S. Government, U.S. agency issues, obligations of the State of Washington, general obligations of Washington State municipalities and the LGIP. The credit risk of LGIP is limited as most investments are either obligations of the U.S. government or State of Washington or its political subdivisions, government-sponsored enterprises, certain limited banker's acceptances or commercial papers, or insured demand deposit accounts and certificates of deposits. The LGIP is not rated by an outside agency. The PFD does not have a specific credit risk policy.

As of December 31, 2022, the PFD's investments had the following credit quality distribution for securities with credit exposure:

Fair Value	AAA	AA	A	Unrated
	Aaa	Aa		
U.S. Treasury Obligations	\$ 31,661	\$ 31,661	\$ -	\$ -
U.S. Agency Obligations	15,385	15,385	-	-
Municipal Debt Obligations	3,843	556	3,287	-
Supranational Bonds	4,253	4,253	-	-
Commercial Paper	3,382	1,125	1,795	462
Total	\$ 58,524	\$ 52,980	\$ 5,082	\$ 462

Concentration of credit risk: Concentration risk is the risk of loss attributed to the magnitude of the PFD's investment in a single issuer. The PFD's policy, under the City of Lacey's investment policy, states with the exception of U.S. Treasury securities and authorized pools, no more than fifty (50) percent of the total portfolio may be invested in a

single security or with a single financial institution. The PFD does not have a formal policy for concentration of credit risk.

Fair Value: The PFD measures and reports investments at fair value using the valuation input hierarchy established by GAAP, as follows:

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

As of December 31, 2022, the PFD had the following investments measured at fair value:

2022

	12/31/2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by Fair Value Level</u>				
U.S. Treasury Obligations	\$ 31,661	\$ 31,661	\$ -	\$ -
U.S. Agency Obligations	15,385	-	15,385	-
Municipal Debt Obligations	3,843	-	3,843	-
Supranational Bonds	4,253	-	4,253	-
Commercial Paper	3,382	-	3,382	-
Total Investments Reported at Fair Value	58,524	31,661	26,863	-
<u>Investments Measured at Amortized Cost</u>				
WA State Local Government Investment Pool	5,838			
Total Investments Measured at Amortized Cost	5,838			
Total Investments	<u>\$ 64,362</u>			

Cash, deposits and investments for the year ended December 31, 2022 are as follows:

	2022
Checking	\$ 4,846
Investment <90days	4,376
Washington State Investment Pool (LGIP)	5,838
Cash & Deposits Subtotal	<u>15,060</u>
Investments	58,524
Cash, Deposits & Investment Total	<u>\$ 73,584</u>

Note 4 – Risk management

Capital Area Regional PFD is a member of the Enduris Washington risk-sharing pool (Pool). Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance and to contract for risk management, claims and administrative services. The Pool was formed July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative

services. For the Pool’s fiscal year ending August 31, 2022, there were 527 Enduris members representing a broad array of special purpose districts throughout the state.

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

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

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

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

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

(3) Members pay a 20% co-pay of costs. By meeting established guidelines, the co-pay may be waived.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
Property ⁽²⁾:				
Buildings and Contents	Per Occurrence	\$250,000	\$1 billion	\$1,000 - \$250,000
Mobile Equipment	Per Occurrence	\$250,000	\$1 billion	\$1,000 - \$250,000
Boiler and Machinery ⁽³⁾	Per Occurrence	Varies	\$100 million	Varies
Business Interruption (BI)/ Extra Expense (EE) ⁽⁴⁾	Per Occurrence	\$250,000	\$100 million (BI)/ \$50 million (EE)	\$1,000 - \$250,000
Sublimit ⁽⁵⁾:				
Flood	Per Occurrence	\$250,000	\$50 million (shared by Pool members)	\$1,000 - \$250,000
Earthquake	Per Occurrence	5% of indemnity, subject to \$250,000 minimum	\$10 million (shared by Pool members)	\$1,000 - \$250,000
Terrorism Primary	Per Occurrence Pool Aggregate	\$250,000	\$100 million per occurrence \$200 million aggregate	\$1,000 - \$250,000
Terrorism Excess	Per Occurrence APIP Per Occurrence APIP Aggregate	\$500,000	\$600 million/ Pool aggregate \$1.1 billion/ per occurrence APIP program \$1.4 billion/ APIP program aggregate	\$0
Automobile Physical Damage ⁽⁶⁾	Per Occurrence	\$25,000; \$100,000 for Emergency Vehicles; \$250,000 for Emergency Vehicles valued >\$750,000	\$1 billion	\$250 - \$1,000
Crime Blanket ⁽⁷⁾	Per Occurrence	\$50,000	\$1 million	\$1,000
Named Position ⁽⁸⁾	Per Occurrence	\$50,000	\$1 million	\$1,000
Cyber ⁽⁹⁾	Each Claim APIP Aggregate	\$100,000	\$2 million \$40 million	20% Copay
Identity Fraud Expense Reimbursement ⁽¹⁰⁾	Member Aggregate	\$0	\$25,000	\$0

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

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

Upon joining the Pool, members are contractually obligated to remain in the Pool for a minimum of one year and must give notice 60 days before renewal in order to terminate participation. The Interlocal Governmental Agreement (formerly known as the Master Agreement) is automatically renewed each year unless provisions for withdrawal or termination are applied. Even after termination, a member is still responsible for contribution to Enduris for any unresolved, unreported and in process claims for the period they were a signatory to the Interlocal Governmental Agreement.

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

The Pool is governed by a Board of Directors which is comprised of seven board members. The Pool's members elect the Board, and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for overseeing the business affairs of Enduris and providing policy direction to the Pool's Executive Director.

CAPITAL AREA REGIONAL - PUBLIC FACILITIES DISTRICT

DESCRIPTION OF BOARD POSITIONS

PRESIDENT

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

SECRETARY/TREASURER

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

CAPITAL AREA REGIONAL – PUBLIC FACILITIES DISTRICT

ESTABLISHED IN 2003

BOARD OF DIRECTORS (2022-2023)

FOUR YEAR TERM - NO TERM LIMITS

<p>Nancy Clauson, President (2022-2023) <i>District-wide Appointee</i> 2103 Alonda Ln NE Olympia WA 98516 (C) 360.485.8242 Njclauson77@comcast.net Appointed: 03.03.2012 Reappointed: 03.01.2016, 03.01.2020 Term Expiration: 03.01.2024</p>	<p>Ken Parsons, Secretary/Treasurer (2022-2023) <i>Thurston County Representative</i> 4747 Shincke Rd NE (H) 360.791.4433 wa.kenparsons@gmail.com Appointed: 02.25.2003 Reappointed: 02.12.2007, 03.01.2011, 2015, 09.18.2018, 11.22.2022 Term Expiration: 03.01.2027</p>
<p>Chris Leicht <i>District-wide Appointee</i> 920 East Bay Dr NE, 3D-301 Olympia WA 98506 (H) 360.352.1949 (C) 360.239.2179 leichtc@comcast.net Appointed: 04.01.2010 Reappointed: 05.22.2014, 07.12.2018, 02.17.2022 Term Expiration: 03.01.2026</p>	<p>Spencer Zeman <i>City of Lacey Representative</i> 2706 College Street SE Lacey WA 98503 (C) 360.867.8077 spencerzeman@gmail.com Appointed: 01.19.2023 Term Expiration: 03.01.2027</p>
<p>John Grausam <i>District-wide Appointee</i> 4708 Belair Drive SE Lacey, WA 98503 (C) 360.456.6857 jwgrausam@gmail.com Appointed: 05.07.2019 (unexpired term) Reappointed: 03.18.2021 Term Expiration: 03.01.2025</p>	<p>David Brine <i>City of Olympia Representative</i> 1716 Camelot Park SW Olympia WA 98512 (H) 360.280.9898 d.brine@comcast.net Appointed: 12.04.2007 Reappointed: 03.01.2011, 2015, 02.05.2019, 02.13.2023 Term Expiration: 03.01.2027</p>
<p>City of Lacey Administrative Support City Clerk's Office Lacey City Hall 420 College St SE Lacey WA 98503 360.486.8704 efontain@ci.lacey.wa.us</p>	<p>David Nicandri <i>City of Tumwater Representative</i> 505 South 4th Avenue Tumwater, WA 98512 (H) 360.943.7690 nicandri@comcast.net Appointed: 02.21.2023 Term Expiration: 03.01.2027</p>

Creation—Board of directors—Corporate powers.

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

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

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

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

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

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

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

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

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

operation of the district and shall serve four-year terms. Of the initial members, one must be appointed for a one-year term, one must be appointed for a two-year term, one must be appointed for a three-year term, and the remainder must be appointed for four-year terms.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTES:

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