



OLYMPIC REGION CLEAN AIR AGENCY  
2940 LIMITED LANE NW  
OLYMPIA WA 98502

**AGENDA of January 8, 2025 \* 8:30 a.m.**  
Finance Committee Meeting

ORCAA's meetings are held at the above address, however they will also be available virtually via the information below.

If you would like to participate in the meeting via Zoom video conference, visit <https://us02web.zoom.us/j/88654004897?pwd=NklnZCtIUJEtPY25UTIFWbG96eXEyQT09> join with Meeting ID: 886 5400 4897 and Passcode: N5MiRD

If you would like to participate in the meeting via Zoom audio only, call 1-253-215-8782 and join with Meeting ID: 88654004897 and Passcode: 728745

***Be courteous – mute your mic if not speaking***

**CALL TO ORDER**

**APPROVAL OF AGENDA** (*action item*)  
(Ask for any corrections, additions/omissions)

**APPROVAL OF MINUTES** (*action item*)

1. [Minutes of November 13, 2024](#)

**NEW BUSINESS**

1. [FY2025 Budget – Second Quarter Update](#)
2. [3-Year Budget Forecast – Follow up Discussion](#)

**GOOD OF THE ORDER**

**ADJOURNMENT**

**NEXT MEETING** – [March 12, 2025 - 8:30 a.m.](#) (tentative)

OLYMPIC REGION CLEAN AIR AGENCY  
2940 Limited Lane NW  
Olympia, Washington 98502

**Finance Committee Meeting – Hybrid via Zoom**

November 13, 2024

A video recording of this meeting is available at:

<https://www.youtube.com/ORCAA>

Files discussed at this meeting are available at:

<http://board.orcaa.org/>

Members Present: Jim Cooper, City of Olympia (via Zoom)  
Greg Brotherton, Jefferson County (Chair) (via Zoom)  
Randy Neatherlin, Mason County (via Zoom)

Members Absent: Jill Warne, Grays Harbor County

Legal Counsel:

Staff Present: Jeff Johnston, Executive Director; Lynn Harding, Financial Services Manager;  
Laura Crawford, Financial Specialist; Dan Nelson, Communications Manager  
(via Zoom); Chris Krause, Network Manager (via Zoom); and Debbie Moody,  
Office Manager/Public Records Manager

The meeting was called to order at 8:30 am.

**APPROVAL OF AGENDA (:19)**

Brotherton noted there were not additions or omissions on the agenda. Neatherlin moved approval of the agenda. The motion was seconded and carried unanimously.

**APPROVAL OF MINUTES (:36)**

Brotherton asked for approval of the minutes. Cooper moved approval. The motion was seconded and carried unanimously.

**NEW BUSINESS**

FY2025 Budget – First Quarter Update (1:01)

Prior to Harding's update, Johnston noted Laura Crawford, ORCAA's Financial Specialist, is in attendance. Brotherton asked for introductions for all in attendance.

Harding gave a brief update on the first quarter of the year, noting we have received 36% of our revenues. Harding went over several revenue line items. Harding noted we have spent 23% of our expenditures and she went over several expenditure line items.

Harding went over the fund balance noting we started the year with nearly \$4.6 million and we are currently at \$4.8 million. Harding briefly went over the contingency funds.

Johnston noted staff is planning on bringing a budget amendment to the Board after the first of the year. Harding explained this is based on funds we will be receiving from EPA, via Ecology. The funds will be used to replace the shelter at our Lacey monitoring site.

3-Year Budget Forecast (16:04)

Johnston gave a brief explanation of the forecast. Harding noted the forecast includes 3 years of past information and a 3-year forecast. Harding went through the forecasted revenues noting 3% CPI was applied to a majority of fees for the forecasted years (2026, 2027, and 2028).

Cooper requested that during the budget process he'd like to have a discussion regarding outdoor burning and what other agencies are doing.

Harding went through expenditures, noting a 5% net adjustment to salaries. Salary forecast also includes step increases and employee benefits. Harding went over several line items.

There was discussion around vehicles; there was no action from the committee.

Harding went over the forecasted fund balance, the leasehold improvements and building maintenance, as well as the previous 10 years of revenue. There was some related discussion with no action from the committee. Brotherton suggested we add tables or line graphs for ease of quick review.

Contingency Fund Discussion (54:08)

Johnston noted we are bringing back the draft resolution regarding what we could do with large, one-time penalties and settlements. In brief, any funds above the budgeted penalties would be deposited into a contingency fund. Johnston proposed several ideas as to how the contingency funds could then be used. There was concern from the committee with the wording of the resolution and discussion followed. Johnston recommended a reworded resolution be brought back to the finance committee for final review, prior to taking it to the full Board. There was continued discussion related to the proposed policy. Cooper requested a 3-year plan with the new contingency added. There was no action taken by the committee.

There was nothing further for the committee.

**ADJOURNMENT (1:19:18)**

The meeting adjourned at 9:50 a.m.

**CERTIFICATION**

I hereby certify this is a true and correct copy of the minutes of the meeting of the ORCAA Finance Committee held hybrid, via Zoom, on November 13, 2024, in Olympia, Washington.

ATTEST:

\_\_\_\_\_  
Jeff C. Johnston, Executive Director  
Olympic Region Clean Air Agency

\_\_\_\_\_  
Greg Brotherton, Chair  
ORCAA Finance Committee

DATED: \_\_\_\_\_

Olympic Region Clean Air Agency  
 Comparative Summary of Agency Budget, Revenues, & Expenditures  
 FY2025 - For the Period Ending December 2024

**Comparison**  
 FY2025 | FY2024

Revenue	Fiscal Year 2024	Fiscal Year 2025 7/1/24	July 2024 through	Budget vs Actual	6-mos =50%	
	7/1/23-6/30/24	- 6/30/25	December 2024		Difference	% of Budget
<b>Fees/Grants/Assessments/Penalties/Other</b>	Actual	Budget	Actual			
AOP (Title V)	\$ 678,222	\$ 669,138	\$ 504,819	\$ (164,319)	75%	72%
NOC - Major/Minor	268,329	160,000	68,530	(91,470)	43%	104%
NOI - Major/Minor	2,533	2,000	610	(1,390)	31%	64%
Annual Registration	419,936	417,000	417,961	961	100%	101%
Assessments	533,772	557,037	-	(57,037)	0%	1%
Ecology Oversight	11,544	15,500	-	(15,500)	0%	0%
Asbestos	166,894	152,500	82,416	(70,084)	54%	55%
Land Clearing	29,046	32,000	13,000	(19,000)	41%	32%
Woodstove Education Grant	11,398	11,398	2,303	(9,095)	20%	33%
Woodsmoke Reduction Grant	116,975	148,000	88,256	(59,744)	60%	24%
Ecology Monitoring (PM2.5)	13,500	17,500	10,948	(6,552)	63%	47%
EPA - Cheeka Peak Grant	104,657	90,462	45,302	(45,160)	50%	72%
ARP Grant with EPA	129,341	-	-	-	0%	90%
CORE-Federal	174,328	199,419	87,388	(112,031)	44%	30%
CORE-State	116,218	134,124	58,258	(75,866)	43%	28%
EFSEC	54,180	59,255	9,603	(49,652)	16%	59%
Penalties (NOV)	2,430,238	150,000	93,669	(56,331)	62%	125%
Investment Income	70,446	140,000	56,892	(83,108)	41%	97%
Miscellaneous Revenue	9,030	10,000	1,217	(8,783)	12%	362%
Building/Rental Income	50,318	49,716	24,012	(25,704)	48%	60%
<b>Total Revenue before Contingency Draw(s)</b>	<b>\$ 5,390,904</b>	<b>\$ 3,015,049</b>	<b>\$ 1,565,184</b>	<b>\$ (1,449,865)</b>	52%	59%
<b>Appropriation from Contingency Fund(s)</b>						
General Fund Contingency Draw / Title 5	Zero	\$ 414,690	TBD	\$ -		
<b>Total Revenue &amp; Contingency Draw</b>	<b>\$ 5,390,904</b>	<b>\$ 3,429,739</b>	<b>\$ 1,565,184</b>	<b>\$ (1,449,865)</b>		

Summary	
FY2025 Revenue	
69% Fees	\$ 1,087,336
19% Grants*	302,058
0% Assessments	-
6% Penalties	93,669
5% Other	82,121
0% Contingency	0
100%	\$ 1,565,184
* Grants-Fed	\$ 143,638
* Grants-State	\$ 158,420

Expenditures	Fiscal Year 2024	Fiscal Year 2025 7/1/24	July 2024 through	Budget vs Actual	6-mos =50%	
	7/1/23-6/30/24	- 6/30/25	December 2024		Difference	% of Budget
<b>Payroll</b>	Actual	Budget	Actual			
Salaries	\$ 1,842,882	\$ 2,074,292	\$ 996,797	\$ 1,077,495	48%	50%
Employee Benefits, Payroll Taxes	569,657	717,789	314,958	402,831	44%	46%
<b>Total Payroll</b>	<b>\$ 2,412,539</b>	<b>\$ 2,792,081</b>	<b>\$ 1,311,755</b>	<b>\$ 1,480,326</b>	47%	49%
<b>Non-Payroll</b>						
Office Supplies/Small Equipment	\$ 33,996	\$ 12,234	\$ 4,468	\$ 7,766	37%	33%
Vehicle-Gas Purchase	6,074	6,200	2,184	4,016	35%	54%
Computer Hard/Software	33,174	28,014	6,433	21,581	23%	58%
Board Travel & Reimbursement	32	1,500	11	1,489	1%	0%
Training & Conferences	20,365	32,103	12,131	19,972	38%	49%
Professional Services	44,951	89,000	30,444	58,556	34%	33%
Telephone	13,695	17,000	7,681	9,319	45%	41%
Postage	6,080	6,300	4,296	2,004	68%	46%
Insurance (Bldg, Veh, Staff)	41,274	45,403	46,067	(664)	101%	101%
Wellness Program	475	575	75	500	13%	33%
Public Education	23,407	24,040	10,409	13,631	43%	32%
Miscellaneous	173	1,000	10	990	1%	12%
Dues & Subscriptions	5,848	5,825	1,698	4,127	29%	27%
Audit/Accounting	1,708	21,500	1,649	19,851	8%	32%
Maintenance - Copier	1,999	2,400	953	1,447	40%	23%
Vehicle Purchase	25,101	35,000	-	35,000	0%	81%
Level 2 EV Charger	-	26,000	-	26,000	0%	0%
Maintenance - Vehicles	2,480	5,000	1,499	3,501	30%	11%
<b>Total Non-P/R</b>	<b>\$ 260,833</b>	<b>\$ 359,094</b>	<b>\$ 130,008</b>	<b>\$ 229,086</b>	36%	52%
<b>Building Operations/Maintenance</b>						
Alarm Monitoring/Security	\$ 1,330	\$ 2,000	\$ 745	\$ 1,255	37%	36%
Utilities	14,189	17,000	7,216	9,784	42%	47%
Janitorial & Supplies	14,036	15,000	7,818	7,182	52%	49%
Maintenance - Office Bldg.	24,416	35,600	7,732	27,868	22%	42%
Leasehold Improvements	8,519	35,000	-	35,000	0%	16%
<b>Total Bldg. Oper./Maintenance</b>	<b>\$ 62,490</b>	<b>\$ 104,600</b>	<b>\$ 23,511</b>	<b>\$ 81,089</b>	22%	31%
<b>Program Operations</b>						
WoodSmoke Reduction/Bounty	\$ 96,000	\$ 111,000	\$ 62,000	\$ 49,000	56%	24%
Ecology Oversight Fees	11,544	15,500	-	15,500	0%	0%
Prof. Srs-Legal (Friends GH)	-	-	7,938	(7,938)	New Bud. Line	n/a
Monitor. Equip./CPO	30,623	35,000	12,358	22,642	35%	48%
ARP Grant with EPA	129,341	-	-	-	0%	92%
Monitoring-General / PM2.5	6,430	4,464	961	3,503	22%	54%
OlyMAP Project	4,460	8,000	-	8,000	0%	100%
Security Deposit Refunds	-	0	2,280	(2,280)	n/a	n/a
<b>Total Program Operations (Non-Admin)</b>	<b>\$ 278,399</b>	<b>\$ 173,964</b>	<b>\$ 85,537</b>	<b>\$ 88,427</b>	49%	57%
<b>Total Expenditures</b>	<b>\$ 3,014,261</b>	<b>\$ 3,429,739</b>	<b>\$ 1,550,811</b>	<b>\$ 1,878,928</b>	45%	50%
Net Surplus (Deficit)	\$ 2,376,643	\$ -	\$ 14,373			

Summary	
FY2025 Expenditures	
85% Payroll	\$ 1,311,755
8% Non Payroll-Admin	130,008
2% Bldg/Maint.	23,511
6% Program Operations	85,537
100% Total	\$ 1,550,811

Breakdown of Net Surplus (Deficit):	FY 2024	FY 2025
Net Surplus (Deficit) to General Fund	\$ 2,228,897	\$ (424,690) TBD
Net Surplus Title V Contingency/ Payback	\$ 46,736	\$ -
Net Surplus Title V Contingency	\$ 99,371	\$ 10,000 TBD

**Notes:**

Expenses exceeding 10% of a budget category (each sub-category: P/R, Non-P/R, Bldg, Operating) requires board approval.

01032025-lmh

Olympic Region Clean Air Agency  
Fund Balance - Actual - Fiscal Year 2025  
For The Period Ending December 2024

**BEGINNING** Fund Balance 07/01/2024

**Plus** : Revenue Fiscal Year  
**Less**: Expenditures Fiscal Year  
**Plus**: Accrual of Payroll Tax Premiums

**ENDING Fund Balance**

General Fund Contingency Draw applied to FY Budget  
Title V Funds applied to FY Budget

General Fund	
\$	<b>4,599,971</b>
\$	1,565,184
\$	(1,550,811)
\$	6,560
\$	<b>4,620,904</b>
	Zero
	Zero
\$	496,757
\$	99,369
\$	3,600
\$	150,000
\$	20,000
\$	285,000
\$	168,945
\$	1,754
\$	-
\$	<b>3,395,479</b>

Payable in January 2025

*SAO	Fund Balance ALLOCATIONS-		Acctg Chart of Accts #
Classifications:	<u>Contingency Funds &amp; Capital Funds</u>		
Committed	<b>Less</b> : Expense Contingency (20% FY Budget less Title V)	1021	\$ 496,757
Restricted	<b>Less</b> : Title V	1025	\$ 99,369
Assigned	<b>Less</b> : Tenants Security Deposits	1040	\$ 3,600
Committed	<b>Less</b> for Office Building	1022	\$ 150,000
Committed	<b>Less</b> for Monitoring Equipment	1023	\$ 20,000
Committed	<b>Less</b> for Database / Equipment	1024	\$ 285,000
Unassigned	<b>Less</b> for Vacation/Sick Leave/Comp	1027	\$ 168,945
Restricted	<b>Less</b> WA Cares Premiums (Employee)	205026	\$ 1,754
Unassigned	<u>Contingency Fund</u>		
Unassigned	Title V Contingency (due General Fund)	(Actual)	\$ -
Unassigned	Ending UNRESTRICTED Fund Balance		\$ <b>3,395,479</b>

Contingency & Capital Funds  
**\$ 1,225,425**

12/31/2024

Notes:

"Operating Contingency Funds" defined

An amount established by board direction.

"Capital Funds" defined

An amount established by board direction to save for specific long-term capital expenditures (bldg, equipment, database).

"Fund Balance" defined

Funds that are held in our bank account with Thurston County Treasurer's Office. ORCAA has one fund with Thurston County and is referred to as the "General Fund".

The total Fund Balance includes all funds on deposit.

1/3/2025

A Resolution must be approved by the Board of Directors to appropriate expenditures in Contingency Funds (except for 1025-Title V and 1040 Security Deposits).

\*In FY2020, SAO established five new categories for reporting cash and investments

OLYMPIC REGION CLEAN AIR AGENCY  
 FUND BALANCE  
 For The Fiscal Year ...

3-Year Budget Forecast

<b>EXCLUDES establishing Penalties/Settlement Contingency Fund</b>		Current FY 2025	Projections FY 2026	Projections FY 2027	Projections FY 2028
<b>BEGINNING Fund Balance</b>		\$ 4,601,611	\$ 4,186,921	\$ 3,602,456	\$ 2,755,626
<b>Plus</b> : Revenue Fiscal Year		\$ 3,015,049	\$ 2,957,828	\$ 3,014,505	\$ 3,075,081
<b>Less</b> : Expenditures Fiscal Year		\$ (3,429,739)	\$ (3,542,293)	\$ (3,861,335)	\$ (3,930,758)
<b>ENDING Fund Balance 06/30/20xx</b>		\$ 4,186,921	\$ 3,602,456	\$ 2,755,626	\$ 1,899,949
	Ending	6/30/2025	6/30/2026	6/30/2027	6/30/2028
General Fund Balance applied to FY Budget (Admin Reserve)		\$ 424,690	\$ 594,465	\$ 856,830	\$ 855,677
<b>Fund Balance ALLOCATIONS</b>					
<b>Contingency &amp; Capital Funds</b>					
<b>Less</b> : Expense Contingency (20% FY Budget less Title V Exps)		\$ 552,120	\$ 568,444	\$ 623,847	\$ 630,815
<b>Less</b> : Title V		\$ 40,000	\$ 50,000	\$ 60,000	\$ 60,000
<b>Less</b> : ORCAA Tenants Security Deposits		\$ 4,575	\$ 4,575	\$ 4,575	\$ 4,575
<b>Capital Funds</b>					
<b>Less</b> for Office Building		\$ 120,000	\$ 120,000	\$ 150,000	\$ 150,000
<b>Less</b> for Monitoring Equipment		\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
<b>Less</b> for Database/Equipment		\$ 285,000	\$ 320,000	\$ 355,000	\$ 390,000
<b>Less</b> for Vacation/Sick Leave		\$ 160,000	\$ 155,000	\$ 150,000	\$ 145,000
<b>Less</b> Penalties/Settlement		\$ -	\$ -	\$ -	\$ -
<b>Less</b> for WA Cares		\$ -	\$ -	\$ -	\$ -
Sub-Total Committed/Restricted/Designated Funds		\$ 1,181,695	\$ 1,238,019	\$ 1,363,422	\$ 1,400,390
<b>Contingency Fund</b>					
<b>Title V Program (due General Fund)</b>		\$ -	\$ -	\$ -	\$ -
<b>Ending UNDESIGNATED Fund Balance Year End</b>		\$ 3,005,226	\$ 2,364,438	\$ 1,392,204	\$ 499,559
	Year End	6/30/2025	6/30/2026	6/30/2027	6/30/2028

<b>INCLUDES establishing Penalties/Settlement Contingency Fund</b>		Current FY 2025	Projections FY 2026	Projections FY 2027	Projections FY 2028
<b>BEGINNING Fund Balance</b>		\$ 4,601,611	\$ 4,186,921	\$ 3,602,456	\$ 2,755,626
<b>Plus</b> : Revenue Fiscal Year		\$ 3,015,049	\$ 2,957,828	\$ 3,014,505	\$ 3,075,081
<b>Less</b> : Expenditures Fiscal Year		\$ (3,429,739)	\$ (3,542,293)	\$ (3,861,335)	\$ (3,930,758)
<b>ENDING Fund Balance 06/30/20xx</b>		\$ 4,186,921	\$ 3,602,456	\$ 2,755,626	\$ 1,899,949
	Ending	6/30/2025	6/30/2026	6/30/2027	6/30/2028
General Fund Balance applied to FY Budget (Admin Reserve)		\$ 424,690	\$ 594,465	\$ 856,830	\$ 855,677
<b>Fund Balance ALLOCATIONS</b>					
<b>Contingency &amp; Capital Funds</b>					
<b>Less</b> : Expense Contingency (20% FY Budget less Title V Exps)		\$ 552,120	\$ 568,444	\$ 623,847	\$ 630,815
<b>Less</b> : Title V		\$ 40,000	\$ 50,000	\$ 60,000	\$ 60,000
<b>Less</b> : ORCAA Tenants Security Deposits		\$ 4,575	\$ 4,575	\$ 4,575	\$ 4,575
<b>Capital Funds</b>					
<b>Less</b> for Office Building		\$ 120,000	\$ 120,000	\$ 150,000	\$ 150,000
<b>Less</b> for Monitoring Equipment		\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
<b>Less</b> for Database/Equipment		\$ 285,000	\$ 320,000	\$ 355,000	\$ 390,000
<b>Less</b> for Vacation/Sick Leave		\$ 160,000	\$ 155,000	\$ 150,000	\$ 145,000
<b>Less</b> Penalties/Settlement		\$ 1,945,305	\$ 1,945,305	\$ 1,945,305	\$ 1,945,305
<b>Less</b> for WA Cares		\$ -	\$ -	\$ -	\$ -
Sub-Total Committed/Restricted/Designated Funds		\$ 3,127,000	\$ 3,183,324	\$ 3,308,727	\$ 3,345,695
<b>Contingency Fund</b>					
<b>Title V Program (due General Fund)</b>		\$ -	\$ -	\$ -	\$ -
<b>Ending UNDESIGNATED Fund Balance Year End</b>		\$ 1,059,921	\$ 419,133	\$ (553,101)	\$ (1,445,746)
	Year End	6/30/2025	6/30/2026	6/30/2027	6/30/2028