

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

Finance Committee Meeting

January 9, 2019
9:00 am

Be courteous – Please silence all cell phones

I. CALL TO ORDER

II. APPROVAL OF AGENDA
(Ask for any corrections, additions/omissions)

III. APPROVAL OF MINUTES

Minutes of Finance Committee October 10, 2018

IV. FINANCE REPORT

1. Fiscal Year 2019 Second Quarter

V. ADJOURN

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

Finance Committee Meeting

October 10, 2018

Members present: Cynthia Pratt, City of Lacey (Chair)
Kristina Hollatz for Wes Cormier, Grays Harbor County
Terri Drexler, Mason County

Members absent: Jim Cooper, City of Olympia

Staff Present: Fran McNair, Executive Director; Lynn Harding, Administrative Services;
and Jennifer DeMay, Recorder

The meeting came to order at 9:02 am.

Pratt asked for approval of the Minutes. Hollatz moved approval of the Minutes, the motion was seconded and carried unanimously.

Pratt realized she skipped ahead and asked for approval of the Agenda. Hollatz moved approval of the Agenda, the motion was seconded and carried unanimously.

FINANCE REPORT

Fiscal Year 2018 year-end report

Harding noted she briefly summarized the report at the previous Board meeting due to lack of a quorum for a Finance meeting. Harding went over the revenues and expenditures, noting we exceeded several revenue line items, while underspending several expenditure items. Harding noted the breakdown of revenues on the right-hand side of the page. Fees collected make up 56% of our revenues, grants are 21%, assessments are 19% and 4% includes rent and investment income. Harding noted our ending fund balance shows a gain of \$66,969. Harding noted the reserve funds of approximately \$572,000.

Fiscal Year 2019 first quarter report

Harding stated the report covers July 1, 2018 through September 20, 2018. The Board approved a budget, for FY2019, of \$2,574,639. The first quarter revenues have brought in \$719,000 which is about 28% of our budgeted revenues. Harding reminded the committee that several of the revenue line items are billed quarterly (grants for example) so we will see money come in throughout the year. McNair noted we will be losing one tenant at the end of the month; however, we have been marketing the space.

Harding noted we are at 19% of our overall expenditures for the first quarter. Our payroll is at 23%, which is down due to the loss of a couple staff. McNair noted we may have a person starting in January, although we have yet to make a final decision. A second person came in for a second discussion yesterday, and we hope to have them start in November. Harding went over several line items. Harding briefly went over the ending fund balance and reserve

accounts, noting we are in good standing for our first quarter.

10-Year look – Employee Changes

Harding explained Cooper had requested this information, wanting information on our staff/FTE/cost over the past 10 years. Harding stated, in Fiscal Year 2008 we averaged 15.63 FTEs (over the course of a year) at a cost of \$1.2 million. Harding noted the uptick in cost, beginning in 2015, explaining we had completed a salary survey in 2014 that was carried out over the following 3 years. Harding explained we budget 16.25 FTEs each year.

Drexler noted the 2018 costs was about \$100,000 more than the previous year. Harding stated this had to do with increases in salaries. McNair did note we had 3 positions that received promotions and the majority of staff received step increases, while all staff received a cost of living increase. Drexler wanted to know if the increase that is seen over the past few years is a trend or if it can be explained and it will level off. Drexler was concerned that payroll will continue to increase and wondered where the revenue will come from. Harding stated she would get better data on why the increase was so much in 2018, including a breakout of the salaries and benefits. McNair stated we will bring this graph to the full Board at our November meeting.

There was nothing further of the committee.

The meeting adjourned at 9:55 am.

CERTIFICATION

I hereby certify this is a true and correct copy of the minutes of the meeting of the ORCAA Finance Committee held on October 10, 2018, in Olympia, Washington.

ATTEST:

 Francea L. McNair, Executive Director
 Olympic Region Clean Air Agency

 Cynthia Pratt, Chair
 ORCAA Finance Committee

DATED: _____

Olympic Region Clean Air Agency

Revenue & Expenditures

For the Six Months Ending December 2018

	Fiscal Year 2019		7/1/18-12/31/18		6-mos = 50%	
	Approved Budget	Annual Budget	Year To Date Actual	Difference	Percentage	
Revenue						
AOP (Title V)	\$	390,871.00	\$ 307,275.25	\$ (83,595.75)	79%	
NOC - Major/Minor		110,000.00	53,474.79	(56,525.21)	49%	
NOI - Major/Minor		2,000.00	1,494.00	(506.00)	75%	
Annual Registration		359,248.00	372,857.27	13,609.27	104%	
Assessments		427,318.00	0.00	(427,318.00)	0%	
ECY Oversight		15,000.00	1,988.54	(13,011.46)	13%	
Asbestos		135,000.00	81,181.50	(53,818.50)	60%	
Land Clearing		15,000.00	13,450.00	(1,550.00)	90%	
Woodstove Educ Grant		11,017.00	1,059.00	(9,958.00)	10%	
Woodstove Bounty Grant		125,000.00	10,333.21	(114,666.79)	8%	
Ecology Monitoring (PM2.5)		13,500.00	6,126.22	(7,373.78)	45%	
EPA - Cheeka Peak Grant		86,077.00	50,727.25	(35,349.75)	59%	
Community Scale Air Toxics		287,413.00	53,918.73	(233,494.27)	19%	
CORE-Federal		188,374.00	78,490.00	(109,884.00)	42%	
CORE-State		134,737.50	56,140.00	(78,597.50)	42%	
EFSEC		30,000.00	13,489.41	(16,510.59)	45%	
Fines (Public Education)		55,000.00	20,637.21	(34,362.79)	38%	
Investment Income		15,000.00	12,677.86	(2,322.14)	85%	
Miscellaneous Revenue		2,000.00	350.56	(1,649.44)	18%	
Building/Rental Income		57,108.00	28,995.00	(28,113.00)	51%	
Residual Funds-Reserve-Admin.		163,581.07	0.00	(163,581.07)	0%	
Residual Funds-Reserve-Title V		(48,605.00)	0.00	48,605.00	0%	
Total Revenue	\$	2,574,639.57	\$ 1,164,665.80	\$ (1,409,973.77)	45%	
* Excludes December earnings.						
Expenses						
Salaries	\$	1,429,730.57	\$ 668,737.14	\$ (760,993.43)	47%	
FICA		109,375.00	50,655.33	(58,719.67)	46%	
Retirement		181,576.00	83,497.53	(98,078.47)	46%	
M,D,L,V,EAP		221,272.00	84,977.28	(136,294.72)	38%	
Labor & Industries		6,105.00	1,925.54	(4,179.46)	32%	
Employment Security		3,000.00	0.00	(3,000.00)	0%	
Total Payroll Exps.		1,951,058.57	889,792.82	(1,061,265.75)	46%	
Office Supplies/Sm Equip.	\$	5,000.00	\$ 2,977.88	\$ (2,022.12)	60%	
Gasoline Vehicles		5,600.00	2,319.39	(3,280.61)	41%	
Computer Hard/Soft.		14,295.00	5,437.13	(8,857.87)	38%	
Bd. Prof. Ser. & Travel Reimb.		3,600.00	509.47	(3,090.53)	14%	
Training & Conferences		11,282.00	7,896.68	(3,385.32)	70%	
Professional Srs.		53,800.00	18,709.26	(35,090.74)	35%	
Telephone		14,000.00	5,805.68	(8,194.32)	41%	
Postage		4,600.00	2,467.22	(2,132.78)	54%	
Insurance (Bldg, Veh, Staff)		27,200.00	28,374.00	1,174.00	104%	
Wellness Program		400.00	346.01	(53.99)	87%	
Public Education		8,500.00	5,144.22	(3,355.78)	61%	
Miscellaneous		900.00	1,495.72	595.72	166%	
Dues & Subscriptions		3,700.00	157.00	(3,543.00)	4%	
Audit/Acctg		18,000.00	6,079.44	(11,920.56)	34%	
Printing		300.00	0.00	(300.00)	0%	
Rent-Satellite Office		2,400.00	1,400.00	(1,000.00)	58%	
Maintenance - Copier		1,800.00	753.23	(1,046.77)	42%	
Vehicle Purchase		25,000.00	244.07	(24,755.93)	1%	
Maintenance - Vehicles		3,500.00	0.00	(3,500.00)	0%	
Total Non-P/R Exps.		203,877.00	90,116.40	(113,760.60)	44%	
Principal/Interest - Office Bldg	\$	45,000.00	\$ 41,932.62	\$ (3,067.38)	93%	
Alarm Monitoring/Security		2,000.00	527.77	(1,472.23)	26%	
Utilities		14,000.00	6,898.77	(7,101.23)	49%	
Janitorial & Supplies		600.00	32.04	(567.96)	5%	
Maintenance - Office Bldg.		6,000.00	2,987.14	(3,012.86)	50%	
Leasehold Improvements		12,000.00	0.00	(12,000.00)	0%	
Total Bldg. Exps.		79,600.00	52,378.34	(27,221.66)	66%	
WoodSmoke Reduction/Bounty	\$	100,000.00	\$ 27,100.00	\$ (72,900.00)	27%	
ECY Oversight Fees		15,000.00	0.00	(15,000.00)	0%	
Monitor. Equip./CPO		31,000.00	20,625.11	(10,374.89)	67%	
Community Scale Air Toxics		189,379.00	40,388.38	(148,990.62)	21%	
Monitoring-General Exps.		4,725.00	1,209.19	(3,515.81)	26%	
Total Non Operat. Exps.		340,104.00	89,322.68	(247,265.51)	26%	
Grand Total Exps.	\$	2,574,639.57	\$ 1,121,610.24	\$ (1,449,513.52)	44%	
Net Income (Deficit)			\$ 43,055.56			

	YTD FY2019 Revenue
73% Fees	\$ 852,358.56
23% Grants*	270,283.82
0% Assessments	0.00
4% Other	42,023.42
0% Reserves	0.00
100%	\$ 1,164,665.80
* Grants-Fed	189,262.20
* Grants-State	81,021.62

OLYMPIC REGION CLEAN AIR AGENCY

FUND BALANCE -Actual-Fiscal Year 2019
For The Period Ending December 30, 2018

	General Fund	
BEGINNING Fund Balance 07/01/2018	\$ 1,570,163	
Plus : Revenue Fiscal Year	\$ 1,164,666	
Less : Expenditures Fiscal Year	\$ (1,121,610)	
ENDING Fund Balance 12/31/18	\$ 1,613,219	
General Fund Balance applied to FY Budget	\$ -	
Title V Funds applied to FY Budget	\$ -	
Fund Balance ALLOCATIONS-		
Operating Reserve Funds		
Less : Expense Reserve (20% FY Budget less Title V)	\$ (337,841)	} Reserve Funds \$639,708
Less : Title V	\$ (19,676)	
Less : ORCAA Tenants Security Deposits	\$ (4,845)	
Capital Reserve Funds		
Less for Office Building	\$ (30,000)	
Less for Monitoring Equipment	\$ (20,000)	
Less for Database	\$ (75,000)	
Less for Vacation/Sick Leave	\$ (152,346)	
Ending UNRESERVED Fund Balance	\$ 973,511	

12/31/2018

"Operating Reserve Funds" defined..... An amount established by board direction and placed in reserve
 Revised Res #269 dated May 2016 with 20% reserve less Title V. (Formerly: Resolution #178 dated August 1999 refers to board direction to maintain a 25% reserve level annually.)

"Capital Reserve Funds" defined..... An amount established by board direction to save for long-term capital expenditures (bldg, equipment, database). Res. #251 dated 06/13/12; Res. #260 dated 11/12/14

"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.**