

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

Finance Committee Meeting

January 13, 2021
9:00 am

Be courteous – Please silence all cell phones

1. **CALL TO ORDER**

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

3. **APPROVAL OF MINUTES**

Minutes of October 14, 2020

4. **FINANCE REPORT**
 1. Second Quarter FY21

5. **ADJOURN**

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

Finance Committee Meeting – via zoom

October 14, 2020

Members present	Cynthia Pratt, City of Lacey (Chair) Jim Cooper, City of Olympia
Members absent	Randy Neatherlin, Mason County Tye Menser, Thurston County
Staff Present	Fran McNair, Executive Director, Lynn Harding, Administrative Services Manager, and Debbie Moody, Office Manager and Recorder

The meeting was called to order at 9:02 am.

There was some discussion regarding the fact that there are only 2 people in attendance. Cooper is a regular stand-in, but not an actual member. The Committee is made up of three Board members and there were no decisions to be made other than approval of the Minutes. McNair stated we would count Cooper as a member due to the fact he is Board Chair. It was again noted the committee is made up of 3 members therefore 2 is a quorum.

Pratt asked for approval of the Agenda. Cooper moved approval, the motion was seconded and carried unanimously.

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

FINANCE REPORT

First Quarter Fiscal Year 2021

Harding explained the first quarter ended September 30, 2020. We have collected 30% of our budgeted revenues and expended about 24% of the budget authority.

Harding briefly went over the Title V program, noting we bill early in the year and the sources have an option to pay all at once or quarterly – the majority do pay quarterly. Under our NOC (construction permits) we are well ahead budget-wise. Annual Registration is also billed early in the year and we have collected 90% and we have also collected additional fees in the first weeks of October. Assessments will be billed out in January, Harding stated. Our asbestos has slowed down a bit, but we are doing ok. Harding noted we have already collected 52% of our Fines for the year. We are on target with our rental income as well.

Harding stated as for expenditures we are on target with our Payroll. On non-payroll we are slightly higher, however that is due to the annual premium payment we prepay a year in advance. Our debt service payments are made twice a year, one in December and the second in June, Harding explained. We continue expending funds in the Community Toxics and the Woodstove buyback program. McNair did add we have spent \$15,000 on our attorneys already and it is largely due to an asbestos case. We did win and the violator should be paying us \$2500.

Harding moved on to the Fund Balance explaining we started the year with \$1,721,000 and brought in \$748,000, expending \$607,000 leaving us with an ending balance \$1,862,000 at the end of the first quarter. Harding reminded the committee of the contingency funds that have been set aside by

the Board. She also noted the deficit of \$56,000 in the Title V program. The contingency and capital funds amount to \$777,000 leaving us an unreserved balance of a little over a million dollars.

Cooper asked if the Title V reserve allowed to be negative. Harding explained it is a running, cumulative fund balance and it is taken into consideration when we determine the workload and the budget costs for the following year. That amount will be added into the fees charged to the sources in the next year. If there is an overage, it would reduce the fees we charge the sources.

Cooper asked why it is negative already. McNair noted we overspent in that program last year, due to several issues. Staff was trying to get through a backlog of permits and we had an audit. We spent more than we anticipated, McNair explained. Then, before the year was up, while developing the budget for this year, we had to determine how much to charge our sources in 2021 however we didn't expect the amount of work that has been expended so we undercharged. The funds will be recovered in 2022. Cooper asked if there is a required amount to be held in reserve. Harding explained we estimate the workload and revenue to support the workload and if the workload is higher due to unknown factors, the expenditures will be higher. Harding did explain we started 2020 with a positive \$41,000 in our Title V reserve and we used all those funds and some.

McNair did note we knew we were starting out a bit short, partly due to be sensitive to the sources. We didn't want to raise the fees to high in such a difficult year. Cooper did ask why the sources aren't just billed the fees as they are needed. Cooper asked if sources pay their own renewal costs. Harding stated they do not, the fees are divided up among the sources on an annual basis. Cooper asked if the fees are set by law, or can we have sources pay for their renewal. McNair thought the calculation of the fees are set by law.

There was discussion regarding which funds are Board approved and which are for staff to use without Board approval. It was noted the Title V funds and the Security Deposits need to be accessed by staff and do not need Board approval to use.

Cooper asked staff to send him the rules that govern Title V fees. Cooper wanted to know how the fees are allocated—is it Board policy, Federal Contract or some CFR. McNair stated we can also have staff come in and explain the program in a bit more detail. There was nothing further for the committee.

The meeting adjourned at 9:39 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 14, 2020, 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

Comparative Summary of Agency Budget, Revenues, & Expenditures

For the Period Ending December 2020

Revenue	Fiscal Year 2020		Fiscal Year 2021		Difference	Comparison	
	Fiscal Year Actuals	Approved Annual Budget	7/1/2020-12/31/2020 Year To Date Actual	FY2021		FY2020	
AOP (Title V)	\$ 378,083.33	\$ 399,625.00	\$ 293,049.55	\$ (106,575.45)	73%	77%	
NOC - Major/Minor	134,984.80	107,000.00	80,924.51	(26,075.49)	76%	51%	
NOI - Major/Minor	7,773.00	4,500.00	260.00	(4,240.00)	6%	292%	
Annual Registration	396,502.33	397,944.00	379,150.04	(18,793.96)	95%	103%	
Assessments	446,188.11	451,908.00	0.00	(451,908.00)	0%	0%	
ECY Oversight	12,326.05	12,000.00	0.00	(12,000.00)	0%	0%	
Asbestos	127,199.00	122,000.00	66,736.00	(55,264.00)	55%	47%	
Land Clearing	31,909.25	15,500.00	12,588.50	(2,911.50)	81%	77%	
Woodstove Education Grant	9,939.00	9,939.00	2,176.34	(7,762.66)	22%	21%	
Woodsmoke Reduction Grant	168,816.08	160,000.00	74,861.36	(85,138.64)	47%	45%	
Ecology Monitoring (PM2.5)	13,500.00	13,500.00	3,124.98	(10,375.02)	23%	80%	
EPA - Cheeka Peak Grant	95,407.34	86,077.00	39,531.17	(46,545.83)	46%	46%	
Community Scale Air Toxics	167,453.97	34,000.00	35,364.71	1,364.71	104%	101%	
CORE-Federal	181,192.00	187,094.00	50,395.00	(136,699.00)	27%	29%	
CORE-State	131,211.00	135,372.00	36,378.00	(98,994.00)	27%	29%	
EFSEC	32,461.00	26,565.00	12,596.86	(13,968.14)	47%	43%	
Fines (Public Education)	66,207.16	55,000.00	67,517.00	12,517.00	123%	68%	
Investment Income	34,923.39	25,000.00	8,949.92	(16,050.08)	36%	80%	
Miscellaneous Revenue	1,889.93	1,000.00	494.11	(505.89)	49%	12%	
Building/Rental Income	60,037.00	61,300.00	29,587.00	(31,713.00)	48%	51%	
Residual Funds-Reserve-Admin.	0.00	257,636.14	0.00	(257,636.14)	0%	0%	
Residual Funds-Reserve-Title V	0.00	0.00	0.00	0.00	0%	0%	
Total Revenue	\$ 2,498,003.74	\$ 2,562,960.14	\$ 1,193,685.05	\$ (1,369,275.09)	47%	49%	

		YTD FY2021 Revenue
75%	Fees	\$ 900,225.60
21%	Grants*	254,428.42
0%	Assessments	0.00
3%	Other	39,031.03
0%	Reserves	0.00
100%		\$ 1,193,685.05
	* Grants-Fed	128,415.86
	* Grants-State	126,012.56

Expenditures	Fiscal Year 2020		Fiscal Year 2021		Difference	Comparison	
	Fiscal Year Actuals	Approved Annual Budget	7/1/2020-12/31/2020 Year To Date Actual	FY2021		FY2020	
Salaries	\$ 1,477,803.24	\$ 1,497,127.00	\$ 749,592.18	\$ (747,534.82)	50%	51%	
Personnel Benefits	505,310.18	559,625.14	252,705.86	(306,919.28)	45%	45%	
Total Payroll	1,983,113.42	2,056,752.14	1,002,298.04	(1,054,454.10)	49%	49%	
Office Supplies/Sm Equip.	\$ 5,167.88	\$ 9,414.00	\$ 2,097.27	\$ (7,316.73)	22%	39%	
Gasoline Vehicles	4,624.65	5,400.00	1,526.57	(3,873.43)	28%	49%	
Computer Hard/Soft.	8,530.12	13,422.00	7,427.39	(5,994.61)	55%	30%	
Bd. Prof. Ser. & Travel Reimb.	835.48	1,200.00	0.00	(1,200.00)	0%	17%	
Training & Conferences	10,245.24	13,000.00	1,302.00	(11,698.00)	10%	63%	
Professional Srs.	49,999.15	43,800.00	23,632.28	(20,167.72)	54%	33%	
Telephone	11,837.82	14,000.00	5,509.19	(8,490.81)	39%	40%	
Postage	5,358.80	4,600.00	2,426.10	(2,173.90)	53%	63%	
Insurance (Bldg, Veh, Staff)	30,138.00	32,000.00	33,509.00	1,509.00	105%	104%	
Wellness Program	236.27	400.00	162.18	(237.82)	41%	8%	
Public Education	11,941.91	10,000.00	2,137.80	(7,862.20)	21%	48%	
Miscellaneous	57.86	900.00	35.87	(864.13)	4%	0%	
Dues & Subscriptions	3,748.81	3,300.00	190.00	(3,110.00)	6%	63%	
Audit/Acctg	6,722.02	23,000.00	3,572.04	(19,427.96)	16%	44%	
Printing	426.27	0.00	0.00	0.00	0%	0%	
Rent-Satellite Office	2,400.00	2,400.00	1,200.00	(1,200.00)	50%	58%	
Maintenance - Copier	1,373.14	1,800.00	580.99	(1,219.01)	32%	43%	
Vehicle Purchase	0.00	20,000.00	0.00	(20,000.00)	0%	0%	
Maintenance - Vehicles	1,411.61	2,000.00	165.76	(1,834.24)	8%	34%	
Total Non-P/R	155,055.03	200,636.00	85,474.44	(115,161.56)	43%	52%	
Principal/Interest - Office Bldg	\$ 44,914.45	\$ 45,500.00	\$ 43,569.76	\$ (1,930.24)	96%	94%	
Alarm Monitoring/Security	1,184.52	2,000.00	1,027.26	(972.74)	51%	39%	
Utilities	13,077.72	14,000.00	6,835.09	(7,164.91)	49%	46%	
Janitorial & Supplies	7,700.42	10,200.00	5,325.00	(4,875.00)	52%	464%	
Maintenance - Office Bldg.	6,768.20	6,000.00	1,139.39	(4,860.61)	19%	70%	
Leasehold Improvements	0.00	30,000.00	0.00	(30,000.00)	0%	0%	
Total Bldg. Oper./Maintenance	73,645.31	107,700.00	57,896.50	(49,803.50)	54%	70%	
WoodSmoke Reduction/Bounty	\$ 123,050.00	\$ 135,000.00	\$ 69,400.00	\$ (65,600.00)	51%	59%	
ECY Oversight Fees	12,326.00	12,000.00	0.00	(12,000.00)	0%	0%	
Monitor. Equip./CPO	33,564.67	33,400.00	8,937.64	(24,462.36)	27%	50%	
Community Scale Air Toxics	53,049.44	12,447.00	168.01	(12,278.99)	1%	98%	
Monitoring-General	628.46	5,025.00	915.50	(4,109.50)	18%	13%	
Security Deposit Refunds	903.13	0.00	0.00	0.00	0%	0%	
Total Non-Admin. Operational	223,521.70	197,872.00	79,421.15	(114,341.35)	40%	61%	
Grand Total Expenditures	\$ 2,435,335.46	\$ 2,562,960.14	\$ 1,225,090.13	\$ (1,333,760.51)	48%	51%	
Net Income (Deficit)	\$ 62,668.28		(\$ 31,405.08)				

		YTD FY2021 Expenditures
82%	Payroll	1,002,298.04
7%	Non Payroll	85,474.44
5%	Bldg/Capital	57,896.50
6%	Operating	79,421.15
100%	Total	\$ 1,225,090.13

FY2021: Budgetary Expenses exceeding 10% of the appropriated budget within any of the four categories requires Board Approval.

Includes Amendment #001

01082021 tmh

OLYMPIC REGION CLEAN AIR AGENCY

FUND BALANCE - Actual - Fiscal Year 2021
For The Period Ending December 31, 2020

BEGINNING Fund Balance 07/01/2020

Plus : Revenue Fiscal Year

Less: Expenditures Fiscal Year

ENDING Fund Balance 12/31/2020

General Fund Balance applied to FY Budget

Title V Funds applied to FY Budget

General Fund	
\$	1,721,076
\$	1,193,685
\$	(1,225,090)
\$	1,689,671
\$	- TBD
\$	- TBD
\$	(56,282)
\$	912,282

TBD
TBD

Contingency &
Capital Funds
\$ 833,671

Fund Balance ALLOCATIONS-	Contingency Funds	Acctg Chart of Accts #
<i>*SAO</i>		
<i>Classifications:</i>		
<i>Committed</i>	Less: Expense Contingency (20% FY Budget less Title V)	1021
<i>Restricted</i>	Less: Title V	1025
<i>Assigned</i>	Less: Tenants Security Deposits	1040
<i>Committed</i>	Less for Office Building	1022
<i>Committed</i>	Less for Monitoring Equipment	1023
<i>Committed</i>	Less for Database / Equipment	1024
<i>Unassigned</i>	Less for Vacation/Sick Leave/Comp	1027

Unassigned Title V Reserve (due Ggeneral Fund)

Unassigned Ending UNRESERVED Fund Balance

12/31/2020

"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.**

*06/30/2020 SAO established five new categories for reporting cash and investment balances