

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

Finance Committee Meeting

September 8, 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 May 12, 2021

4. **FINANCE REPORT**
 1. FY2021 Year End Report

5. **ADJOURN**

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

Finance Committee Meeting – via zoom

May 12, 2021

Members present Cynthia Pratt, City of Lacey (Chair)
 Bill Peach, Clallam County (alternate)

Members absent Jim Cooper, City of Olympia
 Randy Neatherlin, Mason 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 9:08 am.

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

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

FINANCE REPORT

Annual Budget and Fund Balance FY2022-Draft

McNair stated there were no substantive changes to the budget other than a formatting issue. Harding noted the budget has a minor addition which did not change the bottom line. We expanded the category on the Title V program and broke out the fee we will be collecting for the next fiscal year. Harding explained we will be charging the AOP sources a total of \$601,075 for fiscal year 2022. This amount has been determined by a workload analysis. We projected \$457,225 to cover the workload. We are needing to repay the general fund for a projected deficit in the AOP program of \$113,000. We are also needing to reestablish a contingency fund as we used what we had to cover this years' workload. The Board approved a contingency balance for the agency, and we depleted it this year.

Peach asked where our funding comes from, in hopes of advocating. McNair and Harding gave a brief explanation.

Pratt noted we did not take into consideration on this spreadsheet for an increase in salary for the director for FY2022. Pratt stated her and Peach may need to decide whether to recommend this and have the budget updated to show it. Pratt noted 2 other salaries for sister agencies, one at \$175,000 going to \$178,000 the other at \$156,000 going to \$165,180 in FY22, noting McNair's salary is currently \$141,000. Pratt recommended we at least bring it up to \$165,000 for FY22. Peach concurred. Pratt noted, when the draft budget is presented to the Board either she or Peach can recommend the change to be included in the FY2022 budget.

Pratt asked if Harding had anything further to present on the Fund Balance. Harding noted the only change would be the addition of McNair's salary increase and the benefits portion. That will change both pages of the budget. Harding stated she would make the changes in preparation for the Board meeting.

FY2022 Proposed Fee Schedule-Draft

Pratt asked if there were any changes to the fee schedule. There were no changes from the previous version. Peach asked what the fee increase was, by percentage. McNair stated they were increased by 1.4%. Pratt asked if this is an action item for the Board. McNair noted it will be presented as part of the budget.

ORCAA Building Expense – 5-year plan

Harding noted, at the last meeting Cooper had requested we pull out the maintenance and leasehold improvements that are to be included in the FY22 budget. This new sheet shows that change. The building maintenance and leasehold improvements amounts to \$41,200 and is included in 2 lines of the budget. Harding went over the items and noted we hope to accomplish all the items for 2022.

There was nothing further for the committee.

The meeting adjourned at 9:40 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 May 12, 2021, 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 June 2021

| Revenue | Fiscal Year 2020 | Fiscal Year 2021 | 7/1/2020-06/30/2021 | Difference | Comparison | |
|----------------------------|------------------------|------------------------|------------------------|---------------------|---------------|--------|
| | Fiscal Year Actuals | Approved Annual Budget | Year-End Actual | | FY2021 | FY2020 |
| | | | | | 12-mos = 100% | |
| | | | | | % of Budget | |
| AOP (Title V) | \$ 378,083.33 | \$ 399,625.00 | \$ 426,144.79 | \$ 26,519.79 | 107% | 100% |
| NOC - Major/Minor | 134,984.80 | 107,000.00 | 273,873.02 | 166,873.02 | 256% | 123% |
| NOI - Major/Minor | 7,773.00 | 4,500.00 | 8,820.00 | 4,320.00 | 196% | 389% |
| Annual Registration | 396,502.33 | 397,944.00 | 388,362.09 | (9,581.91) | 98% | 104% |
| Assessments | 446,188.11 | 451,908.00 | 451,908.59 | 0.59 | 100% | 100% |
| ECY Oversight | 12,326.05 | 12,000.00 | 11,500.00 | (500.00) | 96% | 82% |
| Asbestos | 127,199.00 | 122,000.00 | 145,342.54 | 23,342.54 | 119% | 94% |
| Land Clearing | 31,909.25 | 15,500.00 | 33,736.50 | 18,236.50 | 218% | 213% |
| Woodstove Education Grant | 9,939.00 | 9,939.00 | 9,939.00 | 0.00 | 100% | 90% |
| Woodsmoke Reduction Grant | 168,816.08 | 160,000.00 | 156,622.08 | (3,377.92) | 98% | 135% |
| Ecology Monitoring (PM2.5) | 13,500.00 | 13,500.00 | 13,500.00 | 0.00 | 100% | 100% |
| EPA - Cheeka Peak Grant | 95,407.34 | 86,077.00 | 77,093.09 | (8,983.91) | 90% | 111% |
| Community Scale Air Toxics | 167,453.97 | 34,000.00 | 37,732.79 | 3,732.79 | 111% | 185% |
| CORE-Federal | 181,192.00 | 187,094.00 | 164,703.00 | (22,391.00) | 88% | 96% |
| CORE-State | 131,211.00 | 135,372.00 | 119,152.00 | (16,220.00) | 88% | 97% |
| EFSEC | 32,461.00 | 26,565.00 | 24,379.58 | (2,185.42) | 92% | 91% |
| Fines (Public Education) | 66,207.16 | 55,000.00 | 159,408.79 | 104,408.79 | 290% | 120% |
| Investment Income | 34,923.39 | 25,000.00 | 15,673.95 | (9,326.05) | 63% | 175% |
| Miscellaneous Revenue | 1,889.93 | 1,000.00 | 938.80 | (61.20) | 94% | 94% |
| Building/Rental Income | 60,037.00 | 61,300.00 | 58,369.00 | (2,931.00) | 95% | 99% |
| General Fund - Contingency | 0.00 | 257,638.00 | 0.00 | (257,638.00) | 0% | 0% |
| Title V - Contingency | 0.00 | 0.00 | 0.00 | 0.00 | 0% | 0% |
| Total Revenue | \$ 2,498,003.74 | \$ 2,562,962.00 | \$ 2,577,199.61 | \$ 14,237.61 | | |

| | Ending FY2021 Revenue |
|-----------------|-----------------------|
| 56% Fees | \$ 1,447,187.73 |
| 23% Grants* | 603,121.54 |
| 18% Assessments | 451,908.59 |
| 3% Other | 74,981.75 |
| 0% Reserves | 0.00 |
| 100% | \$ 2,577,199.61 |
| * Grants-Fed | 293,028.88 |
| * Grants-State | 310,092.66 |

| Expenditures | Fiscal Year 2020 | Fiscal Year 2021 | 7/1/2020-06/30/2021 | Difference | 12-mos = 100% | |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|---------------|------------|
| | Fiscal Year Actuals | Approved Annual Budget | Year-End Actual | | FY2021 | FY2020 |
| | | | | | % of Budget | |
| Salaries | \$ 1,477,803.24 | \$ 1,497,127.00 | \$ 1,486,547.29 | \$ (10,579.71) | 99% | 100% |
| Personnel Benefits | 505,310.18 | 559,627.00 | 507,685.14 | (51,941.86) | 91% | 91% |
| Total Payroll | 1,983,113.42 | 2,056,754.00 | 1,994,232.43 | (62,521.57) | 97% | 98% |
| Office Supplies/Sm Equip. | \$ 5,167.88 | \$ 9,414.00 | \$ 5,523.62 | \$ (3,890.38) | 59% | 82% |
| Gasoline Vehicles | 4,624.65 | 5,400.00 | 3,187.14 | (2,212.86) | 59% | 83% |
| Computer Hard/Soft. | 8,530.12 | 13,422.00 | 16,480.11 | 3,058.11 | 123% | 65% |
| Bd. Prof. Ser. & Travel Reimb. | 835.48 | 1,200.00 | 0.00 | (1,200.00) | 0% | 23% |
| Training & Conferences | 10,245.24 | 13,000.00 | 4,528.62 | (8,471.38) | 35% | 92% |
| Professional Srs. | 49,999.15 | 43,800.00 | 54,376.69 | 10,576.69 | 124% | 114% |
| Telephone | 11,837.82 | 14,000.00 | 13,187.09 | (812.91) | 94% | 85% |
| Postage | 5,358.80 | 4,600.00 | 4,844.15 | 244.15 | 105% | 116% |
| Insurance (Bldg, Veh, Staff) | 30,138.00 | 32,000.00 | 33,509.00 | 1,509.00 | 105% | 104% |
| Wellness Program | 236.27 | 400.00 | 400.06 | 0.06 | 100% | 59% |
| Public Education | 11,941.91 | 10,000.00 | 3,331.64 | (6,668.36) | 33% | 115% |
| Miscellaneous | 57.86 | 900.00 | 149.40 | (750.60) | 17% | 6% |
| Dues & Subscriptions | 3,748.81 | 3,300.00 | 3,677.59 | 377.59 | 111% | 107% |
| Audit/Actgt | 6,722.02 | 23,000.00 | 22,518.75 | (481.25) | 98% | 90% |
| Printing | 426.27 | 0.00 | 0.00 | 0.00 | 0% | 142% |
| Rent-Satellite Office | 2,400.00 | 2,400.00 | 2,400.00 | 0.00 | 100% | 100% |
| Maintenance - Copier | 1,373.14 | 1,800.00 | 1,156.55 | (643.45) | 64% | 76% |
| Vehicle Purchase | 0.00 | 20,000.00 | 0.00 | (20,000.00) | 0% | 0% |
| Maintenance - Vehicles | 1,411.61 | 2,000.00 | 1,575.71 | (424.29) | 79% | 40% |
| Total Non-P/R | 155,055.03 | 200,636.00 | 170,846.12 | (29,789.88) | 85% | 96% |
| Principal/Interest - Office Bldg | \$ 44,914.45 | \$ 45,500.00 | \$ 88,949.63 | \$ 43,449.63 | 195% | 99% |
| Alarm Monitoring/Security | 1,184.52 | 2,000.00 | 1,301.76 | (698.24) | 65% | 59% |
| Utilities | 13,077.72 | 14,000.00 | 14,636.19 | 636.19 | 105% | 93% |
| Janitorial & Supplies | 7,700.42 | 10,200.00 | 10,319.86 | 119.86 | 101% | 100+% |
| Maintenance - Office Bldg. | 6,768.20 | 6,000.00 | 4,108.06 | (1,891.94) | 68% | 88% |
| Leasehold Improvements | 0.00 | 30,000.00 | 0.00 | (30,000.00) | 0% | 0% |
| Total Bldg. Oper./Maintenance | 73,645.31 | 107,700.00 | 119,315.50* | 11,615.50 | 111% | 90% |
| WoodSmoke Reduction/Bounty | \$ 123,050.00 | \$ 135,000.00 | \$ 119,400.00 | \$ (15,600.00) | 88% | 123% |
| ECY Oversight Fees | 12,326.00 | 12,000.00 | 11,500.00 | (500.00) | 96% | 82% |
| Monitor. Equip./CPO | 33,564.67 | 33,400.00 | 28,920.45 | (4,479.55) | 87% | 100% |
| Community Scale Air Toxics | 53,049.44 | 12,447.00 | 168.01 | (12,278.99) | 1% | 119% |
| Monitoring-General | 628.46 | 5,025.00 | 4,930.42 | (94.58) | 98% | 13% |
| Security Deposit Refunds | 903.13 | 0.00 | 271.00 | 271.00 | n/a | n/a |
| Total Non-Admin. Operational | 223,521.70 | 197,872.00 | 165,189.88 | (32,682.12) | 83% | 98% |
| Grand Total Expenditures | \$ 2,435,335.46 | \$ 2,562,962.00 | \$ 2,449,583.93 | \$ (113,378.07) | | |
| Net Surplus (Deficit) | \$ 62,668.28 | | \$ 127,615.68 | | | |

| | YTD FY2021 Expenditures |
|-----------------|-------------------------|
| 81% Payroll | 1,994,232.43 |
| 7% Non Payroll | 170,846.12 |
| 5% Bldg/Capital | 119,315.50 |
| 7% Operating | 165,189.88 |
| 100% Total | \$ 2,449,583.93 |

| Breakdown of Net Surplus (Deficit): | FY 2020 | FY 2021 |
|----------------------------------------------|--------------|---------------|
| Net Surplus (Deficit) to General Fund FY2020 | \$ 62,668.00 | |
| Net Surplus (Deficit) to General Fund FY2021 | | \$ 127,615.68 |

Notes:

Deficit Balance from Title V Contingency to General Fund in FY2022
 Expenses exceeding 10% of a budget category (within each sub-category: P/R, Non-P/R, Bldg. Operating) requires board approval.
 *6/09/2021 Board Approved exceeding 10% threshold in Bldg. Oper./Maintenance

OLYMPIC REGION CLEAN AIR AGENCY
FUND BALANCE - Actual - Fiscal Year 2021
For The Period Ending June 30, 2021

| | General Fund |
|------------------------------------------|---------------------|
| BEGINNING Fund Balance 07/01/2020 | \$ 1,721,076 |
| Plus : Revenue Fiscal Year | \$ 2,577,200 |
| Less : Expenditures Fiscal Year | \$ (2,449,584) |
| ENDING Fund Balance 03/31/2021 | \$ 1,848,692 |

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

Fund Balance ALLOCATIONS-

| <i>*SAO</i> | <u>Contingency Funds & Capital Funds</u> | <u>Acctg Chart of Accts #</u> | |
|-------------------------|---------------------------------------------------------------|-------------------------------|------------|
| <i>Classifications:</i> | Less: Expense Contingency (20% FY Budget less Title V) | 1021 | \$ 387,076 |
| <i>Committed</i> | Less: Title V | 1025 | See Below |
| <i>Restricted</i> | Less: Tenants Security Deposits | 1040 | \$ 5,000 |
| <i>Assigned</i> | Less for Office Building | 1022 | \$ 60,000 |
| <i>Committed</i> | Less for Monitoring Equipment | 1023 | \$ 20,000 |
| <i>Committed</i> | Less for Database / Equipment | 1024 | \$ 145,000 |
| <i>Committed</i> | Less for Vacation/Sick Leave/Comp | 1027 | \$ 213,510 |
| <i>Unassigned</i> | | | |

Contingency & Capital Funds
\$ 830,586

| | |
|------------------------------------------------------|---------------------|
| Contingency Fund | |
| <i>Unassigned</i> Title V Reserve (due General Fund) | \$ (144,339) |
| <i>Unassigned</i> Ending UNRESERVED Fund Balance | \$ 1,162,445 |

6/30/2021

| <u>ORCAA Long Term Liabilities...</u> | Balance 6/30/21 |
|----------------------------------------------------------------------------------------------------------------|------------------|
| -Office Building, Promissory Note to be paid 12/1/2022, P&I Interest rate 0.703%, no penalty early payoff | \$44,273 |
| -Dept. of Retirement Systems, Pension Liability Proportionate share of collective pension amounts-ESTIMATED | \$495,663 |

"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.**

9/1/2021 *06/30/2020 SAO established five new categories for reporting cash and investments