

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

Finance Committee Meeting

October 14, 2020  
9:00 am

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***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 August 12, 2020
  
4. **FINANCE REPORT**
  1. First Quarter FY21
  
5. **ADJOURN**

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

**Finance Committee Meeting – via zoom**

August 12, 2020

Members present      Cynthia Pratt, City of Lacey (Chair)  
                                 Jim Cooper, City of Olympia  
                                 Randy Neatherlin, Mason County  
                                 Tye Menser, Thurston County

Members absent

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 9:00 am.

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

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

**FINANCE REPORT**

Fiscal Year 2020 – Year End

Harding explained the first column of the report is our previous year, 2019; the second column is the Board approved budget for 2020; the third is the year end; and, the final column is the difference.

Harding went over the revenues, noting we had anticipated \$2.4 million and collected slightly more. Under our AOP program, we did collect all the revenue we budgeted; however, we had anticipated transferring \$32,000 into our Title V reserve account, but we used that \$32,000 due to additional workload and an audit. We also received more funds in our NOC and Registration programs, due to increased activity. Our asbestos program was down a bit; however, we did receive more funds than anticipated in land clearing. We still have one vacancy in our building, Harding noted; we continue to advertise.

Harding pointed out we had budgeted \$200,000 of our general fund contingency and in the end, we did not use any of those funds.

Harding moved on to expenditures, noting we had anticipated a little over \$2 million in payroll expenditures and came in under by about \$45,000. We were slightly under on our non-payroll expenditures as well. Janitorial was removed from the payroll line and is now listed under non-payroll after we hired a company, rather than an employee. We did receive additional funds for our woodstove bounty program, and we are hoping to get additional funds again in FY21.

Harding noted there was a difference, in the overall budget, of \$62,000 which will be transferred back into the general fund.

Cooper, noting he had no concerns, wanted to understand the policy and asked how much variance can be between line items from the budget to the actual. Harding noted there is no policy, however in FY2020 we were following previous policy which was the Board approved the budget and if we

stay within that budget we do not need to go back to the Board. For FY2021, it was requested by Neatherlin we have a subcategory maximum. It was decided that we would not exceed a category by 10%. If we will exceed it by more than 10%, we would come back to the Board with a budget amendment. Cooper asked if we made it a policy. McNair stated we did not put it in any policy, we are just following Board direction. Harding noted it is an administrative direction and reflected in the Minutes and will also be reflected on the budget documents. McNair stated she would discuss it with council to make sure it doesn't need to be in policy.

Moving on to the fund balance, Harding noted we started the year with \$1,658,408 with revenues at \$2,498,004 and expenditures of \$2,435,335, leaving us with an ending fund balance of \$1,721,076, a net difference of \$62,668 which will go back into general fund.

We did overspend in the Title V program by just over \$56,000 and that will be collected in the current year to reimburse the general fund. The contingency funds are listed on the fund balance sheet Harding noted. We have just over \$1 million in reserved funds. Harding asked if there were any further questions.

The meeting adjourned at 9:33 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 August 12, 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 September 2020

	Fiscal Year 2020 Fiscal Year Actuals	Fiscal Year 2021 Approved Annual Budget	7/1/2020-9/30/2020 Year To Date Actual	Difference	3-mos = 25% % of Budget
<b>Revenue</b>					
AOP (Title V)	\$ 378,083.33	\$ 399,625.00	\$ 189,914.57	\$ (209,710.43)	48%
NOC - Major/Minor	134,984.80	107,000.00	49,795.53	(57,204.47)	47%
NOI - Major/Minor	7,773.00	4,500.00	260.00	(4,240.00)	6%
Annual Registration	396,502.33	397,944.00	356,260.03	(41,683.97)	90%
Assessments	446,188.11	451,908.00	0.00	(451,908.00)	0%
ECY Oversight	12,326.05	12,000.00	0.00	(12,000.00)	0%
Asbestos	127,199.00	122,000.00	35,007.00	(86,993.00)	29%
Land Clearing	31,909.25	15,500.00	554.00	(14,946.00)	4%
Woodstove Education Grant	9,939.00	9,939.00	0.00	(9,939.00)	0%
Woodsmoke Reduction Grant	168,816.08	125,000.00	28,289.65	(96,710.35)	23%
Ecology Monitoring (PM2.5)	13,500.00	13,500.00	933.26	(12,566.74)	7%
EPA - Cheeka Peak Grant	95,407.34	86,077.00	14,197.45	(71,879.55)	16%
Community Scale Air Toxics	167,453.97	34,000.00	8,988.91	(25,011.09)	26%
CORE-Federal	181,192.00	187,094.00	5,903.00	(181,191.00)	3%
CORE-State	131,211.00	135,372.00	4,160.00	(131,212.00)	3%
EFSEC	32,461.00	26,565.00	6,555.51	(20,009.49)	25%
Fines (Public Education)	66,207.16	55,000.00	28,872.29	(26,127.71)	52%
Investment Income	34,923.39	25,000.00	3,841.70	(21,158.30)	15%
Miscellaneous Revenue	1,889.93	1,000.00	205.98	(794.02)	21%
Building/Rental Income	60,037.00	61,300.00	14,790.00	(46,510.00)	24%
Residual Funds-Reserve-Admin.	0.00	257,636.14	0.00	(257,636.14)	0%
Residual Funds-Reserve-Title V	0.00	0.00	0.00	0.00	0%
<b>Total Revenue</b>	<b>\$ 2,498,003.74</b>	<b>\$ 2,527,960.14</b>	<b>\$ 748,528.88</b>	<b>\$ (1,779,431.26)</b>	<b>30%</b>

	YTD FY2021 Revenue
88% Fees	\$ 660,663.42
9% Grants*	69,027.78
0% Assessments	0.00
3% Other	18,837.68
0% Reserves	0.00
100%	\$ 748,528.88
* Grants-Fed	30,022.62
* Grants-State	39,005.16

	Fiscal Year 2020 Fiscal Year Actuals	Fiscal Year 2021 Approved Annual Budget	7/1/2020-9/30/2020 Year To Date Actual	Difference	3-mos = 25% % of Budget
<b>Expenditures</b>					
Salaries	\$ 1,477,803.24	\$ 1,497,127.00	\$ 375,221.04	\$ (1,121,905.96)	25%
Personnel Benefits	505,310.18	559,625.14	124,959.68	(434,665.46)	22%
<b>Total Payroll</b>	<b>1,983,113.42</b>	<b>2,056,752.14</b>	<b>500,180.72</b>	<b>(1,556,571.42)</b>	<b>24%</b>
Office Supplies/Sm Equip.	\$ 5,167.88	\$ 9,414.00	\$ 1,187.93	\$ (8,226.07)	13%
Gasoline Vehicles	4,624.65	5,400.00	729.77	(4,670.23)	14%
Computer Hard/Soft.	8,530.12	13,422.00	4,384.35	(9,037.65)	33%
Bd. Prof. Ser. & Travel Reimb.	835.48	1,200.00	0.00	(1,200.00)	0%
Training & Conferences	10,245.24	13,000.00	202.00	(12,798.00)	2%
Professional Srs.	49,999.15	43,800.00	15,814.90	(27,985.10)	36%
Telephone	11,837.82	14,000.00	2,172.43	(11,827.57)	16%
Postage	5,358.80	4,600.00	1,350.62	(3,249.38)	29%
Insurance (Bldg, Veh, Staff)	30,138.00	32,000.00	33,509.00*	1,509.00 *	105%
Wellness Program	236.27	400.00	0.00	(400.00)	0%
Public Education	11,941.91	10,000.00	1,250.23	(8,749.77)	13%
Miscellaneous	57.86	900.00	19.46	(880.54)	2%
Dues & Subscriptions	3,748.81	3,300.00	0.00	(3,300.00)	0%
Audit/Acctg	6,722.02	23,000.00	1,786.03	(21,213.97)	8%
Printing	426.27	0.00	0.00	0.00	0%
Rent-Satellite Office	2,400.00	2,400.00	600.00	(1,800.00)	25%
Maintenance - Copier	1,373.14	1,800.00	300.25	(1,499.75)	17%
Vehicle Purchase	0.00	20,000.00	0.00	(20,000.00)	0%
Maintenance - Vehicles	1,411.61	2,000.00	62.27	(1,937.73)	3%
<b>Total Non-P/R</b>	<b>155,055.03</b>	<b>200,636.00</b>	<b>63,369.24</b>	<b>(137,266.76)</b>	<b>32%</b>
Principal/Interest - Office Bldg	\$ 44,914.45	\$ 45,500.00	\$ 0.00	\$ (45,500.00)	0%
Alarm Monitoring/Security	1,184.52	2,000.00	317.15	(1,682.85)	16%
Utilities	13,077.72	14,000.00	2,952.97	(11,047.03)	21%
Janitorial & Supplies	7,700.42	10,200.00	2,400.00	(7,800.00)	24%
Maintenance - Office Bldg.	6,768.20	6,000.00	158.08	(5,841.92)	3%
Leasehold Improvements	0.00	30,000.00	0.00	(30,000.00)	0%
<b>Total Bldg. Oper./Maintenance</b>	<b>73,645.31</b>	<b>107,700.00</b>	<b>5,828.20</b>	<b>(101,871.80)</b>	<b>5%</b>
WoodSmoke Reduction/Bounty	\$ 123,050.00	\$ 100,000.00	\$ 34,900.00	\$ (65,100.00)	35%
ECY Oversight Fees	12,326.00	12,000.00	0.00	(12,000.00)	0%
Monitor. Equip./CPO	33,564.67	33,400.00	2,705.58	(30,694.42)	8%
Community Scale Air Toxics	53,049.44	12,447.00	168.01	(12,278.99)	1%
Monitoring-General	628.46	5,025.00	128.00	(4,897.00)	3%
Security Deposit Refunds	903.13	0.00	0.00	0.00	0%
<b>Total Non-Admin. Operational</b>	<b>223,521.70</b>	<b>162,872.00</b>	<b>37,901.59</b>	<b>(120,073.41)</b>	<b>23%</b>
<b>Grand Total Expenditures</b>	<b>\$ 2,435,335.46</b>	<b>\$ 2,527,960.14</b>	<b>\$ 607,279.75</b>	<b>\$ (1,915,783.39)</b>	<b>24%</b>
<b>Net Income (Deficit)</b>	<b>\$ 62,668.28</b>		<b>\$ 141,249.13</b>		

	YTD FY2021 Expenditures
82% Payroll	500,180.72
10% Non Payroll	63,369.24
1% Bldg/Capital	5,828.20
6% Operating	37,901.59
100% Total	\$ 607,279.75

10082020 lnh, prior to Budget Amend. #001

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

**OLYMPIC REGION CLEAN AIR AGENCY**  
**FUND BALANCE - Actual - Fiscal Year 2021**  
**For The Period Ending September 30, 2020**

	<b>General Fund</b>	
<b>BEGINNING</b> Fund Balance 07/01/2020	\$	1,721,076
<b>Plus</b> : Revenue Fiscal Year	\$	748,529
<b>Less</b> : Expenditures Fiscal Year	\$	(607,280)
<b>ENDING</b> Fund Balance 09/30/2020	<b>\$</b>	<b>1,862,326</b>
General Fund Balance applied to FY Budget	\$	- TBD
Title V Funds applied to FY Budget	\$	- TBD
<b>Fund Balance ALLOCATIONS-</b>		
<u>Contingency Funds</u>		
<b>Less</b> : Expense Contingency (20% FY Budget less Title V)	\$	(391,963)
<b>Less</b> : Title V	\$	56,282
<b>Less</b> : Tenants Security Deposits	\$	(5,575)
<u>Capital Funds</u>		
<b>Less</b> for Office Building	\$	(60,000)
<b>Less</b> for Monitoring Equipment	\$	(20,000)
<b>Less</b> for Database / Equipment	\$	(145,000)
<b>Less</b> for Vacation/Sick Leave/Comp	\$	(211,133)
<b>Ending UNRESERVED Fund Balance</b>	<b>\$</b>	<b>1,084,937</b>

Contingency & Capital Funds
\$777,389

"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.**